

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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ARTICLE XIX - ACTION TAKEN BY THE EUROPEAN COMMUNITIES

Tableware and other Articles of a Kind Commonly
used for Domestic or Toilet Purposes, of Stoneware

The following communication, dated 3 January 1983, has been received from the delegation of the European Communities.

By Regulation (EEC) No. 3528/82 of 23 December 1982, the Commission of the European Communities decided to take emergency action, under Article XIX of the General Agreement, on imports of tableware and other articles of a kind commonly used for domestic or toilet purposes, of stoneware (O.J. No. L 369 of 29 December 1982).

In accordance with this Regulation, imports into France and the United Kingdom of tableware and other articles commonly used for domestic or toilet purposes, of stoneware, falling within sub-heading 69.12 B of the Common Customs Tariff (CCT), are subject to the presentation of an import authorization issued as appropriate by the French or United Kingdom authorities.

Such authorization is granted by the French authorities for an annual volume of 7,130 tons, up to an annual value of ECU 12,260,000, and by the United Kingdom authorities for an annual volume of 4,935 tons, up to an annual value of ECU 6,050,000.

The measures, which were taken after prior consultations with the principal suppliers, apply to imports originating in third countries covered by Regulation (EEC) No. 288/82 (O.J. No. L 35 of 9 February 1982), with the exception of imports covered by an agreement establishing arrangements for free trade with the Community.

These measures entered into force on 1 January 1983 and will expire on 31 December 1985, unless revised during their period of application.

The reason for this action is that tableware and other articles of a kind commonly used for domestic or toilet purposes, of stoneware, are currently being imported into the Community in such increased quantities and on such terms as to cause or threaten serious injury to the Community industry of the products concerned.

Imports into the Community of the products in question increased from 6,965 tons in 1977 to 33,769 tons in 1980; they remained stable around that level in 1981 and 1982. The average annual growth rate of these imports into the Community was therefore 44.7 per cent for the period 1977-1981 and 31.2 per cent for the period 1977-1982. The share of the Community market taken by these imports rose from 20.8 per cent in 1977 to 51.7 per cent in 1981, the rate of import penetration differing from member State to member State.

Resale prices of these imports in the Community have been as much as 67 per cent below the prices charged by Community producers. With regard to the impact of these imports on the Community industry, the Commission's investigation showed that Community production of such articles increased from 30,182 tons in 1977 to only 34,124 tons in 1979 and fell again in 1981 to 30,937 tons, while at the same time consumption in the Community increased considerably from 33,433 tons in 1977 to 58,974 tons in 1981. Simultaneously, the Community producers' market share collapsed, declining from 79.2 per cent in 1977 to 48.3 per cent in 1981. The manufacturers concerned have made considerable losses and as a result 15 per cent of jobs in the Community industry were lost between 1979 and 1982.

France and the United Kingdom have been particularly affected by these very cheap imports. They rose sharply in France - from 1,744 tons in 1977 to 7,820 tons in 1981 and 4,838 tons in the first quarter of 1982 alone - and in the United Kingdom - from 624 tons in 1977 to 6,774 tons in 1981 and 2,520 tons in the first six months of 1982. Import penetration has as a result been particularly marked in France - where the market share taken by imports rose from 27 per cent in 1977 to 62.9 per cent in 1981 - and in the United Kingdom where it increased from 11.9 per cent to 55.8 per cent over the same period. Employment in the industry consequently fell by 9.1 per cent in France and 25 per cent in the United Kingdom between 1979 and 1982.

In accordance with the provisions of Article XIX of the General Agreement, the European Communities are ready to engage in consultations with contracting parties having a substantial interest as exporters of the products concerned.