

GENERAL AGREEMENT ON

RESTRICTED

L/6154

15 April 1987

TARIFFS AND TRADE

Limited Distribution

Original: French

NOTIFICATION OF REQUEST FOR CONSULTATIONS WITH POLAND
UNDER PARAGRAPH 4 OF THE PROTOCOL OF ACCESSION

Communication from the EEC

The following communication, dated 6 April 1987, has been received from the EEC.

In pursuance of paragraph 4 of the Protocol for the Accession of Poland to the GATT, I have the honour to inform you that the Commission of the European Communities wishes to enter into consultations with Poland regarding problems arising for the United Kingdom, France and Ireland by reason of imports of certain nitrogenous chemical fertilizers, and for Denmark by reason of imports of tableware and other domestic or toilet articles of porcelain.

These problems are summarized in the Annex hereto.

During the consultations, the Commission is ready to furnish any other useful information that might be desired.

ANNEX

Problems Arising for the United Kingdom, France and Ireland by Reason of Imports of Certain Nitrogenous Chemical Fertilizers, and for Denmark by Reason of Imports of Tableware and Other Domestic or Toilet Articles of Porcelain, from Poland

I. NITROGENOUS CHEMICAL FERTILIZERS

1. Introduction

(a) The world market for nitrogenous chemical fertilizers, in particular urea, has been characterized since last year by a considerable surplus of supply in relation to demand.

As a result, the Community market is under growing pressure from third countries, whether or not traditional suppliers, which are offering products at prices from 20 to 40 per cent lower than those of like Community products.

Furthermore, the anti-dumping measures adopted recently by one contracting party against imports of urea from the principal State-trading supplying countries of Europe have aggravated this situation, by diverting to other markets - in particular the Community because of its geographical proximity - trade flows that had formerly gone to that contracting party and other destinations.

As a result, imports by the Community alone of urea originating in State-trading countries of Europe have increased from some 120,000 tons in 1984 to 530,239 tons in 1986.

This has had the effect of disrupting the market for urea in the Community, causing serious injury to producers in the member States, in particular some of them where imports are free of restriction (United Kingdom, France and Ireland).

Hence the need to apply safeguard measures.

(b) Nevertheless, the growing practice on the part of international fertilizer merchants of exchanging goods of various origins while in transit makes it difficult to verify the origin of the goods and allows these merchants to circumvent the import limitations existing in certain member States in respect of certain supplying countries. As a result, the protection applied against those countries is ineffective unless it is extended at the same time to other traditional or potential suppliers.

2. Imports from Poland

(a) Imports of urea (CCT 31.02 B) into the United Kingdom

Over the period 1983-1985, United Kingdom imports of urea from Poland varied widely - nil in 1983, 8,695 tons in 1984 and 425 tons in 1985. Last year, Poland exported 2,465 tons to the United Kingdom.

The emergency measures introduced in the United Kingdom on 30 January 1987 provide for import possibilities of 5,000 tons of urea for the year 1987, corresponding to the average of imports in the last three years. Additional import requests for 9,000 tons of urea had been presented to the British authorities.

Whereas Polish exports of urea to the Community had been negligible until 1985, they reached 7,301 tons in 1986.

(b) Imports of urea and of mixed ammonium nitrate and sodium carbonate (CCT 31.02 B and ex C) into Ireland

Up until December 1986, Poland was not one of Ireland's suppliers.

Nevertheless, it is an important and traditional supplier of the Community, to which it exported 79,488 tons in 1985 and 94,591 tons in 1986. It is therefore a potential supplier for Ireland.

That is why the Irish authorities imposed emergency measures on 11 March 1987 against imports of urea and mixed ammonium nitrate and sodium carbonate from Poland. These measures provide for the opening of an import quota for urea in the amount of 100 tons.

(c) Imports of urea and of mixed ammonium nitrate and sodium carbonate (CCT 31.02 E and ex C) into France

French imports of the above-mentioned chemical fertilizers from State-trading countries of Europe have developed very substantially - from 101,627 tons in 1985 to 186,881 tons in 1986.

In the period 1985-1986, imports from Poland into France increased from 26,135 tons to 41,595 tons. As we have seen (cf. 2(b) above), among the East European countries Poland is furthermore an important supplier for the Community.

To date, no emergency measures have been applied in France.

II. IMPORTS OF TABLEWARE AND OTHER DOMESTIC AND TOILET ARTICLES OF PORCELAIN (CCT 69.11) INTO DENMARK

1. Danish imports of tableware and other domestic or toilet articles of porcelain from Poland were in the region of 250 to 300 tons until 1981.

Since 1982 these imports have been increasing very substantially, from 407 tons to 897 tons in 1985. In the ten first months of 1986, imports totalled 966 tons.

This increase in imports by nearly 350 per cent between 1981 and 1986¹, moreover at prices well below those of like products manufactured in Denmark, has seriously affected the economy of the sector concerned: a decline by 40 per cent in the labour force employed, pronounced under-utilization of production capacity of the undertakings concerned, whose profit (1.1 per cent) is the lowest in industry as a whole.

2. In view of this situation, emergency measures became necessary to check the spectacular increase in imports: as from 1 January 1987, quantitative restrictions have been imposed temporarily on these imports, by the opening of two import quotas for the year 1987: one for white or single-coloured articles (190 tons); the other for decorated articles (160 tons).

¹Taking into account an extrapolation on the basis of ten months.