

# GENERAL AGREEMENT ON

# TARIFFS AND TRADE

RESTRICTED

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NOTIFICATION OF REQUEST FOR CONSULTATIONS  
WITH ROMANIA

Communication from the EEC

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

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In pursuance of the Protocol for the Accession of Romania to the GATT, I have the honour to draw your attention to problems arising in certain member States by reason of imports of nitrogenous chemical fertilizers from Romania.

These problems are summarized in the Annex hereto.

The Commission is currently seeking solutions to these problems with Romania, within the framework of the Agreement on trade in industrial products of 28 July 1980.

ANNEX

Problems Arising for the United Kingdom, France and Ireland  
by Reason of Imports of Certain Nitrogenous Chemical  
Fertilizers from Romania

I. 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.

II. Imports from Romania

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

Up until 1986, there were no imports of urea from Romania into the United Kingdom.

On the other hand, Romania's exports of urea to the Community increased sharply from 17,688 tons in 1985 to 53,710 tons in 1986; Romania is consequently, among the East European countries, an increasingly important supplier of urea to the Community.

The emergency measures introduced provisionally in the United Kingdom with effect from 1 January 1987 provide for import possibilities of 10,000 tons of urea from Romania for the year 1987 (in actual fact, 10,500 tons have been authorized for import).

Additional import requests for 34,500 tons have been presented to the British authorities; it would have been impossible to meet these requests without aggravating irremediably the injury already suffered by the United Kingdom.

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

Imports of the above-mentioned chemical fertilizers into Ireland from Romania, which had been nil in 1984 and 1985, reached 21,515 tons in 1986; accordingly, Romania has become a very important supplier (29 per cent) among the East European countries.

The importance of Romania as a supplier to Ireland is essentially due to exports of mixed ammonium nitrate and calcium carbonate, of which it supplied 19,515 tons in 1986, representing 40 per cent of such exports by the East European countries.

It should be noted furthermore that in 1986 Romania was the Community's principal supplier of nitrogenous chemical fertilizers - mainly the above-mentioned mixture - with a share of 32 per cent.

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 Romania. These measures provide for the opening of an import quota of 600 tons for urea and 6,000 tons for the above-mentioned mixture.

(c) Imports of urea and of other nitrogenous chemical fertilizers  
(CCT 31.02 B and ex C)<sup>1</sup> into France

French imports of the above-mentioned chemical fertilizers from State-trading countries of Europe have developed very substantially - from 155,944 tons in 1985 to 294,341 tons in 1986.

In the period 1985-1986, imports from Romania into France increased from 83,361 tons to 116,402 tons. Among the East European countries Romania is furthermore the major supplier for the Community, with exports of 249,041 tons in 1985 and 420,428 tons in 1986.

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<sup>1</sup>Nimexe 31.02.15 and 90