

# GENERAL AGREEMENT ON

RESTRICTED

## TARIFFS AND TRADE

L/6344

20 May 1988

Limited Distribution

---

Original: French

### ARTICLE XIX - ACTION BY THE EUROPEAN COMMUNITIES (PORTUGAL)

#### Refrigerators and Freezers

The following communication, dated 3 May 1988, has been received from the Commission of the European Communities.

---

#### NOTIFICATION TO THE GATT

On 20 April the Commission of the European Economic Community adopted a Decision authorizing Portugal, pursuant to Article 379 of the Act of Accession, to take safeguard action with respect to imports of refrigerators and freezers<sup>1</sup> originating or in free circulation in other Member States of the Community or coming directly from third countries. This Decision takes effect on 1 May and remains in force until 31 December 1988 (C/116 of 3 May).

It should be recalled that Portugal had already been authorized to set limits on imports of these products from other Member States of the Community during the period October 1986 to December 1987. It has since transpired that the effects of the intra-Community measure, in particular with respect to the restructuring of the industry concerned in Portugal, could well be jeopardized if further measures were not taken for 1988, not only with regard to other Member States but also with regard to third countries.

Imports into Portugal of refrigerators and freezers from third countries were found to have increased considerably over the last three years and in particular during the application of the intra-Community safeguard clause, rising from about 1,000 units in 1985 to 15,513 units from 1 October 1986 to 31 December 1987, and partially replacing the reduction observed in intra-Community imports. Furthermore, exports from certain third countries were made at abnormally low prices in comparison with the prices of the Portuguese products.

---

<sup>1</sup>EEC combined nomenclature heading Nos. 8418 10 90, 2110, 2151, 2159, 2191, 2199, 2200, 2900, 3091, 3099, 4091 and 4099

This trend is likely to increase in 1988, as import declarations for third countries registered by the Portuguese authorities from 1 January to 6 April 1988 amount to about 30,000 units. On this basis, projected imports from third countries for 1988 would be in the order of 111,000 units, which would represent a 32 per cent share of the Portuguese market in question (compared with 0.47 per cent in 1985, 1 per cent in 1986 and 4.1 per cent in 1987).

This situation threatens to cause serious injury to the Portuguese industry concerned, which is still undergoing restructuring and therefore vulnerable. Moreover, the principal Portuguese enterprise in this sector is located in a region (Setubal) experiencing a serious economic and social crisis.

The extra-Community safeguard measure (like the intra-Community measure) will remain in force until 31 December 1988. Portugal will limit imports of refrigerators and freezers from third countries to not less than 15,000 units, thus allowing the 1987 level of imports to be maintained with an increase of about 20 per cent. The Portuguese authorities may deduct imports made between 1 January 1988 and 1 May, the date when the Decision takes effect, from the quantities provided for in the quota.

The third countries principally concerned have been informed in advance of this measure. The Community is prepared to hold consultations, pursuant to Article XIX of the General Agreement, with contracting parties having a substantial interest as exporters of the products in question.

Annex: Portuguese imports of refrigerators and freezers from third countries during the period 1985 to 1987.

ANNEX

Imports into Portugal of Refrigerators  
and Freezers From Third Countries

	<u>1985</u>	<u>1986</u>	(units) <u>1987</u>
<u>TOTAL</u>	1,094	3,021	14,521
of which:			
Yugoslavia	161	530	8,376
Romania	-	800	2,886
Sweden	219	330	867
Hungary	145	463	830
Austria	377	413	-
United States	184	246	261
Turkey	1	-	294
Finland	-	2	180