COMMISSION DECISION

of 17 May 1989

authorizing the Kingdom of Denmark to apply intra-Community surveillance to imports of certain bicycles originating in the People's Republic of China

(Only the Danish text is authentic)

(89/386/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first paragraph of Article 115 thereof,

Having regard to Commission Decision 87/433/EEC of 22 July 1987 on surveillance and protective measures which Member States may be authorized to take pursuant to Article 115 of the EEC Treaty (1), and in particular Articles 1, 2 and 3 thereof,

Whereas, on 19 April 1989, the Danish Government applied to the Commission under the first paragraph of Article 115 of the Treaty for authorization to apply protective measures in respect of bicycles falling within CN code 8712 00 originating in the People's Republic of China and put into free circulation in the Community; whereas additional information in support of that application was supplied on 25 April and 1 May 1989;

Whereas, in conformity with Article 1 of Council Regulation (EEC) No 3420/83 (2), as last amended by Regulation (EEC) No 2273/87 (3), Denmark applies a regime of quantitative restrictions to the importation of the products in question originating in the People's Republic of China; whereas the quota opened by Denmark for 1989 under these arrangements has been exhausted;

Whereas there are disparities in the conditions governing imports of the products in question in different Member States;

Whereas with regard to domestic production the information received by the Commission indicates that imports of the product in question from third countries, among them China, declined from 40 727 units in 1986 to 31 176 units in 1987; whereas the share of the market taken by such imports was approximately 9 %;

Whereas Danish production fell from 286 685 units in 1986 to 243 939 units in 1987; whereas sales of the Danish product on the domestic market have varied from 104 124 units in 1986 and 136 019 units in 1987 to 112 409 units in 1988;

Whereas total sales of bicycles on the Danish market fell from 396 347 units in 1986 to 344 664 units in 1988;

Whereas the Danish authorities have told the Commission that the available figures for the main domestic producers' financial results for 1987 show either an absence of profits or substantial losses; whereas notwithstanding this difficult position, considerable investments have been undertaken to restructure the industry and improve profitability;

Whereas the Danish authorities have informed the Commission that they are concerned about the announced imminent importation of 200 000 bicycles originating in China and put into free circulation in another Member State; whereas importation of such a quantity of bicycles prices some 80 % lower than the products of the domestic industry would wipe out that industry's home market and cause it serious economic difficulties;

Whereas such concern is, however, based on an assumption; whereas the information supplied by the Danish authorities, showing the small share of the Danish market currently held by imports, and in particular imports from China, does not indicate that the conditions stipulated by Article 3 of Decision 87/433/EEC exist to enable measures to be taken under Article 115 of the Treaty prohibiting imports into Denmark of bicycles originating in China and put into free circulation in the other Member States;

Whereas there is, however, the danger of a massive surge of low-cost imports of such bicycles, which could cause material injury to the domestic industry,

(1) OJ No L 238, 21. 8. 1987, p. 26.
(2) OJ No L 346, 8. 12. 1983, p. 6.
(3) OJ No L 217, 6. 8. 1987, p. 1.

HAS ADOPTED THIS DECISION:

Article 1

The Kingdom of Denmark is hereby authorized to apply intra-Community surveillance in accordance with Article 2 of Decision 87/433/EEC until 31 December 1989, to imports of bicycles and other cycles (including delivery tricycles), not motorized, falling within CN code 8712 00, originating in the People's Republic of China.

Article 2

This Decision is addressed to the Kingdom of Denmark.

Done at Brussels, 17 May 1989.

For the Commission

Frans ANDRIESSEN

Vice-President