COMMISSION REGULATION (EEC) No 2565/86

of 12 August 1986

establishing provisional measures applicable to imports into Spain of urea originating in certain third countries

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 288/82 of 5 February 1982 on common rules for imports (1), and in particular Article 15 (1) thereof,

After consultations within the advisory committee set up by the said Regulation,

Whereas, in a letter dated 30 May 1986, the Spanish authorities asked the Commission for import restriction measures to be taken with respect to imports of urea originating in certain third countries;

Whereas the Commission, after carrying out consultations, initiated an investigation proceeding covering the trend of imports into Spain of urea originating in certain third countries, the terms on which the goods are imported and the effects on Community production (2);

Whereas, subsequently, the Spanish authorities submitted imports into their territory of the product concerned to a system of national surveillance pursuant to Article 12 of Regulation (EEC) No 288/82;

Whereas by its Decision of 17 July 1986 (3), in response to a request by the Spanish authorities dated 8 July 1986, the Commission authorized Spain, pursuant to Article 379 of the Act of Accession of Spain and Portugal, to restrict imports of urea originating in Community Member States to 100 000 tonnes until 31 December 1987;

Whereas, in a letter dated 22 July 1986, followed by letters received on 1 and 4 August 1986, the Spanish authorities asked the Commission to adopt emergency measures with respect to imports of urea originating in certain third countries;

Whereas, in support of their request, the Spanish authorities established that imports into Spain of urea originating in third countries covered by Regulation (EEC) No 288/82 amounted to 39 953 tonnes in the first six months of 1986, while for the period 1982 to 1985 they came to an average of 0,15 tonnes only and that the goods were imported at a price much lower than the Spanish producers' production cost and the prices applied by them in 1985;

Whereas, moreover, the Spanish authorities showed that the increase in imports on the abovementioned terms had caused or threatened to cause material injury to the Spanish industry;

Whereas, as regards the existence of current injury, the authorities indicated that Spanish production in the first six months of 1986 had reached 269 000 tonnes only, while for the first six months of 1985 this figure had been 314 000 tonnes; that some production units had had to be provisionally closed during this period, causing 1 124 people to be made redundant; that Spanish producers's sales had fallen over the same period to 192 000 tonnes, which, on a monthly basis, was a 20 % reduction compared with the sales figure for 1985 (441 000 tonnes); whereas, on the other hand, the stocks of the producers concerned had increased from 38 000 tonnes at the end of 1985 to 54 200 tonnes on 30 June 1986; whereas the effect of import prices (Pta 13,71 per kilogram on average) had been to force Spanish producers to reduce their sales prices from Pta 33,4 per kilogram (1985) to Pta 28,8 per kilogram in the first six months of 1986; whereas this fall in prices, combined with the decrease in Spanish producers' sales, inevitably had a negative effect on producers' profits and the return on capital;

Whereas, as regards the threat of injury, they pointed out that the data gathered under the national surveillance system showed quite clearly that this increase in imports could only grow bigger, since from 7 to 30 July 1986 the businessmen concerned had notified them of their intention to import 45 752 tonnes at even lower prices than those applied in the first six months, and that this further increase in imports on these terms would inevitably make the situation worse and might, moreover, put an end to the Spanish Government's plan for reorganizing the sector;

Whereas the data supplied by the Spanish Government have been substantially borne out by the preliminary results of the Community investigation;

Whereas, in view of the critical nature of the situation of the Spanish industry, pending the results of the current Community investigation and as a provisional measure applicable until 31 October 1986, imports into Spain of urea originating in the third countries covered by this Regulation should be limited from now on; whereas it is

(1) OJ No L 35, 9. 2. 1982, p. 1.
(2) OJ No C 154, 20. 6. 1986, p. 2.
(3) Not yet published in the Official Journal.

only by adopting measures that it will be possible to avoid any injury which it would be difficult to remedy ; whereas the critical circumstances do not permit the exclusion of imports of urea originating in third countries with which the Community has a free trade arrangement ;

Whereas, in view of the situation of the Spanish market, the volume of imports since 1 January 1986 and those originating in other Member States which will be authorized, imports should be limited to 15 000 tonnes ;

Whereas in view of the serious nature of the situation the protective measures must be applied even in the case of current contractual relations ; whereas in order to avoid further injury to the businessmen concerned, this measure must not affect goods already consigned ; whereas, however, it should be possible for the Spanish authorities to take into consideration the total volume of these consignments when allocating the quantities fixed pursuant to this Regulation ;

Whereas the Community investigation should be pursued before making an overall evaluation of the situation and deciding, in the light of all the relevant factors, whether or not it is in the interests of the Community to amend the arrangements applicable to imports to Spain of urea originating in countries covered by Regulation (EEC) No 288/82,

HAS ADOPTED THIS REGULATION :

Article 1

Imports into Spain of urea (NIMEXE code 31.02-15) originating in the third countries covered by Regulation (EEC) No 288/82 shall be limited, until 31 October 1986, on the conditions given below, to 15 000 tonnes.

Article 2

This Regulation shall not preclude imports into Spain of urea originating in third countries which, at the time of its entry into force, are being shipped to Spain, provided that they cannot be sent to another destination, and that they are accompanied by the import document referred to in Article 13 of Regulation (EEC) No 288/82 issued by the Spanish authorities.

Article 3

The Spanish authorities may deduct from the limits fixed in implementation of this Regulation the total volume of goods imported pursuant to Article 2.

Article 4

On the fifth day of each month the Spanish authorities shall communicate data for the previous month relating to imports originating in all third countries. These data, broken down by country, shall cover the amounts imported, the conditions on which they were imported and the businessmen concerned.

Article 5

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities.*

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 August 1986.

For the Commission

Willy DE CLERCQ

Member of the Commission