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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 3691/89

of 4 December 1989

suspending non-specific quantitative restrictions in respect of Poland and Hungary and amending Regulation (EEC) No 3420/83 accordingly

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas Council Regulation (EEC) No 3420/83 of 14 November 1983 on import arrangements for products originating in State-trading countries, not liberalized at Community level (1), as last amended by Regulation (EEC) No 3381/89 (2), applies to imports of products originating in, *inter alia,* Poland and Hungary;

Whereas the economic situation in Poland and Hungary has deteriorated with increasing rapidity in recent years with the result that undertakings in those countries have become markedly less competitive; whereas, in response to this situation and the challenge it presents, the Council approved an action plan approved by the Commission for coordinating aid from the Community and the western countries to these two countries, one component of this plan being to help in modernizing their economic structures, notably by increasing their exports;

Whereas the Council's adoption of the abovementioned Regulation (EEC) No 3381/89 liberalizing specific quantitative restrictions with regard to these two countries contributed an import step towards this objective; whereas, however, the release for free circulation in the Community of a relatively large number of products continues to be subject to quantitative restrictions; whereas, to enable these two countries to become integrated more rapidly into the international economic circuit, these restrictions should be suspended from 1 January 1990 and remain so suspended for as long as this is necessary for their economic restructuring; whereas, at present, suspension for a period of one year seems appropriate;

Whereas this liberalization measures must remain compatible with the economic situation in certain particularly sensitive sectors of Community production; whereas, if necessary, these restrictions should be susceptible to reintroduction, in accordance with the relevant procedures, in order to remedy any adverse situations which might arise in the Community;

Whereas, with regard to the Kingdom of Spain and the Portuguese Republic, taking into account the provisions of the Act of Accession (Articles 177 and 364), it is appropriate that the liberalization measures laid down in this Regulation should not be applied,

HAS ADOPTED THIS REGULATION:

Article 1

The following sentences are hereby added to Article 2 (1) of Regulation (EEC) No 3420/83:

'However, the application of these quantitative restrictions to the release for free circulation of products originating in Poland or Hungary shall be suspended in the Member States, with the exception of Spain and Portugal, for a period of one year. In the event of imports of one or other of these products causing or being liable to cause economic difficulties in the Community or in one of its regions, the relevant quantitative restriction may be reintroduced in accordance with the procedures laid down in Title IV.'

Article 2

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

It shall apply from 1 January 1990.

(1) OJ No L 346, 8. 12. 1983, p. 6.
(2) OJ No L 326, 11. 11. 1989, p. 6.

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

Done at Brussels, 4 December 1989.

For the Council
The President
M. DELEBARRE