The following communication, dated 18 April 1973, has been received from the Commission of the European Communities.

I have the honour to advise you, for the information of the CONTRACTING PARTIES, that the Commission of the European Communities has decided, by Regulation No. 1060/73 of 18 April 1973, to take emergency action, on a precautionary basis and in pursuance of Article XIX of the General Agreement, in respect of magnetophones falling within heading No. 92.11A III (sound recorders and reproducers) of the Common Customs Tariff.

Under this regulation, imports into Italy of magnetophones from third countries are subject to presentation of an import permit and limited to 150,000 units between 1 April 1973 and 30 September 1973. The reason for this measure is that magnetophones are being imported into Italy in such increased quantities and under such conditions as to cause serious injury to domestic producers of the products concerned. The Commission considers that this is a case of critical circumstances where delay in the application of import measures would cause damage difficult to repair.

Indeed, imports of magnetophones into Italy from third countries (and from one supplying country in particular) have been increasing at a particularly rapid rate, from 99,000 units in 1969 to 478,000 units in 1972, representing an annual average growth rate of 69 per cent. In recent years, this pronounced increase in imports has been accompanied by a reduction in absolute terms of Italy's domestic production, which has declined from 380,000 units in 1969 to only 136,000 units in 1972 (estimate). Over the same period, the share of the Italian market filled by imports from third countries increased from 18 per cent (of which 16 per cent from the principal supplying country) to 54 per cent, of which 48 per cent from the principal supplying country (estimate).

The quota measures are being introduced for a period of six months during which the authorities of the Communities will study the situation in depth to determine whether the measures in question should be maintained, modified, revoked or extended.
In accordance with the provisions of the General Agreement, the European Communities declare their readiness to enter into consultation with contracting parties having a substantial interest as exporters of the products concerned.

In order to keep a close watch on the trend in imports, the above-mentioned regulation also provides for supervision of imports of the same products throughout the Community.