COMMISSION DECISION No 2765/84/ECSC

of 26 September 1984

amending for the second time Decision No 3715/83/ECSC fixing minimum prices for certain steel products

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Articles 47, 61 and 64 thereof,

On the basis of studies made jointly with undertakings and associations of undertakings and after consulting the Consultative Committee and the Council as to the level of the minimum prices for certain steel products,

Whereas :

By Decision No 3715/83/ECSC (1), as amended by Decision No 559/84/ECSC (2), the Commission fixed minimum prices for certain steel products,

Although a certain improvement has been noted, the state of crisis persists in the steel industry and still justifies the maintenance of certain exceptional measures. Among these, the Decision which fixes minimum prices for certain steel products remains indispensable in the present state of the market. It guarantees a continuing on the part of the steel industry to attain suitable price levels such as to allow it to participate with its own resources in its restructuring, which has entered an accelerated phase, and to bear the consequences as regards employment. It is also a means of ensuring price discipline with regard to products imported from third countries with which arrangements have been concluded. In accordance with the implementing procedures set out in Commission communication 84/C 37/03 (3), it will help to bring about an improvement in competition on the steel market.

The Commission has fixed minimum prices, which are situated below the guidance prices whose levels were determined as early as July 1982 and were fixed as an objective with the Governments of the Member States for the implementation of Community steel policy. The minimum prices fixed for deliveries as from 1 January 1984, which were subsequently slightly adjusted in some cases for deliveries as from 1 April 1984, should be brought into line with several changes in the various determining factors.

The basic for economic growth has expanded in recent months. The upturn in economic activity should continue in the next few months and even gather pace in most Member States. Demand for the steel products in question reflects to some extent a general improvement in the situation in the Community and on the world market.

An analysis of steel production costs indicates an appreciable increase over the last 12 months. In particular, there have been significant increases in the prices of scrap and certain alloy metals. It is necessary to compensate for this growth of costs by a corresponding increase in selling prices.

Since 1 January 1984 various Community currencies have fluctuated upwards or downards. In order to maintain a uniform price level within the common market, it is appropriate to update the ECU conversion rates for establishing the minimum prices in national currencies. Consequently, these upward or downward currency fluctuations will be reflected in the values of minimum prices for sections and beams, the nominal prices of which in ECU have not been altered. In order to achieve a similar effect for sections and beams of 'imperial sizes' for which a special system has been provided, it is necessary to derive the minimum prices for these sizes from the current British Steel Corporation price list No 5.

Consideration should again be given to the particular situation of certain users who have renewed long-term contracts, negotiated at fixed prices or containing industrial cooperation clauses. That situation may justify derogations from the minimum prices provided that the contracts in question take account in an adequate manner of the increases in the minimum prices introduced in the course of 1984.

For these reasons, it is necessary to make the appropriate amendments to Decision No 3715/83/ECSC principally to bring about a moderate increase in prices for some of the products in question,

(1) OJ No L 373, 31. 12. 1983, p. 1.
(2) OJ No L 61, 2. 3. 1984, p. 23.
(3) OJ No C 37, 11. 2. 1984, p. 2.

HAS ADOPTED THIS DECISION :

Article 1

Decision No 3715/83/ECSC is hereby amended as follows :

1. Article 1 is amended as follows :

(a) In the first subparagraph of paragraph 1 the maximum temporary rebate is amended as follows for the following products :

— '27' instead of '44' ECU per tonne in the case of hot-rolled wide strip (coils),

— '13' instead of '22' ECU per tonne in the case of hot-rolled narrow strip,

— '22' instead of '40' ECU per tonne in the case of narrow strip obtained by slitting hot-rolled wide strip,

— '22' instead of '40' ECU per tonne in the case of hot-rolled sheet obtained by cutting hot-rolled wide strip,

— '39' instead of '57' ECU per tonne in the case of reversing mill plate,

— '7' instead of '26' ECU per tonne in the case of cold-rolled sheet.

(b) The last subparagraph of paragraph 1 is replaced by the following :

'As regards sections and beams whose dimensions correspond to the specifications of British Standard No 4 or to a similar dimensional standard, the minimum prices shall be equivalent to the prices published in the British Steel Corporation price list No 5 applicable form 6 May 1984, reduced by £ 15 per tonne.'

(c) Paragraph 2 is replaced by the following :

'2. The minimum prices resulting from the provisions of paragraph 1 shall be converted into national currencies using the following exchange rates, which correspond to the average value of the ECU in the three-month period June, July and August 1984 :

Bfrs/Lfrs	45,36
DM	2,236
Fl	2,523
£	0,591
Dkr	8,18
FF	6,87
Lit	1 381,00
£ Irl	0,7285
Dr	88,69'

2. The following paragraph 3 is added to Article 3 :

'3. As regards contracts referred to in paragraph 2, renewed with effect from 1 September 1984 and valid for deliveries beyond 30 June 1985, undertakings must submit their applications by 15 November 1984 at the latest.'

Article 2

The new minimum prices fixed by this Decision are compulsory for deliveries effected within the Community market as from 1 October 1984.

Article 3

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

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

Done at Brussels, 26 September 1984.

For the Commission

Étienne DAVIGNON

Vice-President