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(Acts whose publication is obligatory)

COMMISSION DECISION No 962/77/ECSC

of 4 May 1977

fixing minimum prices for certain concrete reinforcement bars

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

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

Having regard to High Authority Decisions No 30-53 and No 31-53 (1), as last amended by Commission Decisions 72/440/ECSC and 72/441/ECSC of 22 December 1972 (2),

Having regard to Commission Decisions No 3073/73/ECSC (3) and No 911/75/ECSC (4),

Whereas the steel industry has been in serious difficulties for some years; whereas supply has for some time been in considerable excess of demand; whereas the share of the market taken by imports has increased sharply over this period; whereas prices have been cut to well below production costs;

Whereas the Commission has introduced a scheme to bring the supply of iron and steel products more into line with demand; whereas this scheme relies *inter alia* upon the commitments by Community steel undertakings to adhere to the delivery limits set by the Commission;

Whereas, in contrast to the position for other rolled products, only an unsatisfactorily small proportion of the concrete reinforcement rods produced have been covered by the producers' voluntary commitments concerning delivery limits; whereas this has led to still further deterioration of the market for concrete reinforcement bars; whereas the price level for concrete reinforcement bars is below that generally attained for other rolled products; whereas the average rate of utilization of production capacity is lower than for other types of products; whereas the financial situation of the undertakings continues, therefore, to deteriorate;

Whereas for these reasons attainment of the objectives set out in Article 3 of the Treaty is jeopardized in the concrete reinforcement bars sector;

Whereas the introduction of minimum prices would be likely to remedy the situation on this particular market; whereas the Commission therefore considers that the conditions for the application of Article 61 to the concrete reinforcement bar market are fulfilled;

Whereas the minimum prices should be basis prices ex basing point so as to retain some flexibility in the market;

Whereas the Commission should be empowered to adjust the minimum prices in accordance with fluctuations in exchange rates;

Whereas the measures to be taken should be applicable to Community undertakings in the steel industry as defined in Article 80 of the Treaty and to their selling agencies and middlemen as referred to in Decisions No 30-53 and No 31-53;

Whereas the minimum prices have to be applicable within the common market; whereas, pursuant to Decisions No 3073/73/ECSC and No 911/75/ECSC, minimum prices published in the price lists of Community producers are also applicable to transactions in those EFTA countries with which the Community has concluded free trade agreements for ECSC products;

Whereas, if minimum prices are to have the required effect, it is necessary to prohibit the introduction of new, or increase of existing, rebates, the cancellation or reduction of extras and surcharges of any kind, and changes to the existing terms of, or times allowed for, payment; whereas undertakings should be left free to publish basis prices above the minimum prices set;

(1) OJ No C 29, 12. 5. 1973 for the updated version.
(2) OJ No L 297, 30. 12. 1972, pp. 39 and 42.
(3) OJ No L 314, 15. 11. 1973, p. 1.
(4) OJ No L 88, 9. 4. 1975, p. 7.

Whereas the effects of the proposed measures would be jeopardized if undertakings were to align their prices within the common market on lower offers from third countries; whereas alignment on such offers should be authorized only in so far as the delivered price does not undercut the price based on the price list of a Community undertaking;

Whereas the minimum prices should come into force as rapidly as possible in the whole Community; whereas more time can be allowed for the corresponding changes in published price lists;

Whereas the introduction of minimum prices should be limited in time; whereas during the period that this measure is in force the Commission should be empowered to alter the minimum prices should circumstances so require;

Having regard to studies carried out in conjunction with the undertakings and association of undertakings, and after consulting the Consultative Committee and the Council both on the advisability of introducing minimum prices for concrete reinforcement bars and on the level of these prices,

HAS ADOPTED THIS DECISION:

Article 1

1. This Decision shall apply to undertakings in the iron and steel industry of the European Coal and Steel Community and to their selling agencies and middlemen as referred to in Decision No 30-53 and No 31-53.

2. The Commission hereby fixes the following minimum prices for sales of reinforcement bars in straight lengths:

(a) for ordinary mild steel, per tonne:

— 530 German marks,
— 130 pounds sterling and Irish pounds,
— 1 106 French francs,
— 198 000 Italian lira,
— 550 Dutch guilders,
— 8 100 Belgian and Luxembourg francs,
— 1 335 Danish krones;

(b) for high yield to BS 4449, per tonne:

— 550 German marks,
— 134·50 pounds sterling and Irish pounds,
— 1 145 French francs,
— 205 000 Italian lira,
— 570 Dutch guilders,
— 8 400 Belgian and Luxembourg francs,
— 1 380 Danish krones.

3. In order to maintain a uniform minimum price level within the common market, the Commission may adjust these prices in accordance with fluctuations in exchange rates.

Article 2

1. The minimum prices in Article 1 shall be basis prices ex basing point.

2. They shall be compulsory for transactions effected on or after the third day following the entry into force of this Decision and as from that time they shall replace lower list prices until such prices have been changed by undertakings in accordance with Article 3.

Article 3

Undertakings whose published prices are lower than the minimum prices shall publish new prices in conformity with this Decision within 15 days following its entry into force.

Article 4

1. Rebates and discounts of any sort, whether published in price lists and conditions of sale or notified to the Commission at the date of entry into force of this Decision, shall not be increased. The introduction of new rebates or discounts shall be prohibited.

2. Surcharges or extras of any sort published in price lists and conditions of sale at the date of entry into force of this Decision shall not be cancelled or reduced.

3. The terms and times allowed for payment published in the price lists at the date of entry into force of this Decision shall not be changed.

Article 5

This Decision shall apply to sales both within the Community and on the territories of the Republic of Austria, the Republic of Finland, the Kingdom of Norway, the Kingdom of Sweden and the European territory of the Republic of Portugal.

Article 6

1. The minimum prices shall not preclude alignments or more favourable delivered prices based on the price lists of other producers in the Community or in the countries referred to in Article 5.

2. However, within the common market, alignments on offers for concrete reinforcement bars from any country that is not a Member State of the Community shall be authorized only in so far as the delivered prices are not lower than the delivered prices based on a more favourable Community price list.

Article 7

1. This Decision shall enter into force on the day of its publication in the *Official Journal of the European Communities* and shall remain valid until 31 December 1977 unless repealed before that date.

2. Without prejudice to the adjustment provided for in Article 1 (3), the Commission may adjust the level of the minimum prices during the period of validity of this Decision if it considers that the development of the situation so requires.

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

Done at Brussels, 4 May 1977.

For the Commission

The President

Roy JENKINS