COMMISSION DECISION No 3139/78/ECSC

of 29 December 1978

fixing minimum prices for hot-rolled wide strip, merchant bars and concrete reinforcing 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 European steel industry is still in serious difficulty, with supply substantially in excess of demand and the financial situation still precarious in most undertakings, although a certain strengthening in steel prices has been noted;

Whereas, since May 1977, the Commission has taken measures in the price sector; whereas it first fixed minimum prices for concrete reinforcing bars by Decision No 962/77/ECSC (5), and then at the end of 1977, by Decision No 3000/77/ECSC (6), it extended these prices into 1978 and in addition introduced minimum prices for merchant bars and hot-rolled wide strip; whereas this Decision was subsequently amended by Decisions No 656/78/ECSC (7) and No 1483/78/ECSC (8);

Whereas the situation in the concrete reinforcing bar market is unstable; whereas demand for merchant bars has slackened off for dimensions less than 80 mm; whereas on the other hand a certain strengthening of demand has taken place for the higher dimensions; whereas for this reason the minimum price for the smaller dimensions has been slightly reduced and that for the higher dimensions slightly increased; whereas the market weakness persists in hot-rolled wide strip and demand is insufficient to support the market; whereas the Commission therefore considers that the conditions for the application of Article 61 are met in respect of the products referred to;

Whereas in order to secure the success of this measure it is essential that the minimum price be applied in all cases, that rebates and discounts be limited and that the derogation provided for contracts concluded before the decisions on minimum prices be completely abandoned after a period of two months; whereas otherwise prices actually applied would be below the level of the minimum prices on such a scale that serious dislocations would arise;

Whereas the special situation of some non-integrated producers of re-rolled products, tubes or cold-rolled sections may justify exceptions, especially if these producers are dependent on integrated undertakings for the purchase of their hot-rolled wide strip and are in competition with them in the sale of their finished products; whereas in this situation the aims of the structural policy followed by the Commission may be jeopardized; whereas it is up to the Commission to determine whether this is so and how far an exception from the obligation to adhere to the minimum prices is justified;

Whereas the limitation of rebates and discounts to a specified maximum considerably eases the task of effecting controls; whereas the limitation of rebates does not include rebates for indirect exports, so that a certain elasticity in price structure remains in those cases in which products are exported to third countries after further processing;

After consulting the Consultative Committee and the Council both on the advisability of introducing minimum prices for these products and on the level of these prices and having regard to studies carried out in conjunction with the undertakings and associations of undertakings,

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 commission agents as referred to in Decisions No 30-53 and No 31-53.

(1) OJ No C 29, 12. 5. 1973, pp. 30 and 32, 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.
(5) OJ No L 114, 5. 5. 1977, p. 1.
(6) OJ No L 352, 31. 12. 1977, p. 1.
(7) OJ No L 87, 1. 4. 1978, p. 1.
(8) OJ No L 176, 30. 6. 1978, p. 44.

2. The Commission hereby fixes the following minimum prices per tonne for sales of hot-rolled wide strip, merchant bars and concrete reinforcing bars as defined in the Annex hereto :

(a) for hot-rolled wide strip of commercial quality :

640	German marks,
167·50	pounds sterling and Irish pounds,
1 450	French francs,
280 000	Italian lire,
685	Dutch guilders,
10 000	Belgian and Luxembourg francs,
1 775	Danish kroner ;

(b) for merchant bars in ordinary mild steel of size less than 80 mm :

620	German marks,
162	pounds sterling and Irish pounds,
1 405	French francs,
271 000	Italian lire,
665	Dutch guilders,
9 660	Belgian and Luxembourg francs,
1 700	Danish kroner ;

(c) for merchant bars in ordinary mild steel of size 80 mm and over :

630	German marks,
165	pounds sterling and Irish pounds,
1 425	French francs,
275 000	Italian lire,
675	Dutch guilders,
9 850	Belgian and Luxembourg francs,
1 730	Danish kroner ;

(d) for smooth concrete reinforcing bars in ordinary mild steel :

505	German marks,
132·50	pounds sterling and Irish pounds,
1 150	French francs,
220 000	Italian lire,
540	Dutch guilders,
7 900	Belgian and Luxembourg francs,
1 385	Danish kroner ;

(e) for improved adhesion concrete reinforcing bars with a minimum elastic limit of 40 kilograms per square millimetre and a tensile strength of 50 kilograms per square millimetre :

525	German marks,
137·50	pounds sterling and Irish pounds,
1 190	French francs,
228 000	Italian lire,
560	Dutch guilders,
8 200	Belgian and Luxembourg francs,
1 435	Danish kroner.

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 shall be basic prices ex-basing point for the abovementioned basic qualities.

2. Where price lists show effective prices including extras for quality or size, the differences between such exclusive prices and the minimum prices shall be treated as extras for quality or size.

3. The minimum prices shall be compulsory for transactions effected after the entry into force of this Decision and shall replace lower list prices as from that date until such prices have been changed by undertakings in accordance with Article 4.

4. For transactions effected prior to the entry into force of this Decision and specifying in absolute values firm prices and final tonnages, the minimum prices shall be compulsory for deliveries to take place on or after 1 March 1979.

5. For transactions involving deliveries of hot-rolled wide strip to independent undertakings for re-rolling or the production of tubes or cold-rolled sections, the minimum prices shall be compulsory for deliveries to take place on or after 1 March 1979. For the purpose of this provision, 'independent undertakings' shall mean undertakings which do not themselves produce the hot-rolled wide strip required for the abovementioned activities and which are not concentrated, within the meaning of Article 66 of the ECSC Treaty and Decision No 24-54 of 6 May 1954 [1], with undertakings producing these products.

In so far as is justified by the aims of the structural policy, these transactions may be exempted from the obligation to adhere to the minimum prices. The Commission shall give a ruling at the request of one of the undertakings concerned. Reasoned requests must be submitted by 1 February 1979.

Article 3

1. Rebates and discounts of any sort 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. The sum

[1] OJ (ECSC) No 9, 11. 5. 1954, p. 345.

of all discounts and rebates of any kind may not be such that the resultant price falls by more than :

30	German marks,
8	pounds sterling and Irish pounds,
70	French francs,
13 500	Italian lire,
32·50	Dutch guilders,
475	Belgian and Luxembourg francs,
85	Danish kroner,

in the case of hot-rolled wide strip and :

20	German marks,
5·50	pounds sterling and Irish pounds,
45	French francs,
9 000	Italian lire,
21·50	Dutch guilders,
325	Belgian and Luxembourg francs,
55	Danish kroner,

in the case of merchant bars and concrete reinforcing bars

below the minimum price plus any extras for qualities and dimensions and all other surcharges and price extras in accordance with Article 2. Rebates allowed by iron and steel producing undertakings for indirect exports are not included in the abovementioned sums.

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 may not be cancelled or reduced.

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

Article 4

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

Article 5

This Decision shall apply to sales to customers in the Community and in Austria, Finland, Norway, Sweden and the European territory of Portugal.

Article 6

The minimum prices shall not preclude alignments on more favourable delivered prices based on the price lists of other producers in the Community.

Article 7

1. This Decision shall enter into force on 1 January 1979 and shall remain valid until 31 December 1979 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 on the market so requires.

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

Done at Brussels, 29 December 1978.

For the Commission

Étienne DAVIGNON

Member of the Commission

ANNEX

to Decision No 3139/78/ECSC fixing minimum prices for hot-rolled wide strip, merchant bars and concrete reinforcing bars

The iron and steel products referred to in the abovementioned Decision are defined in accordance with their commercial designation :

A. **By shape and dimensions, in accordance with Euronorm 79-69**

1. *Hot-rolled wide strip*

Hot-rolled flat product wound in coils having regular turns, of width equal to or greater than 600 mm.

This includes hot-rolled wide strip with grooved or tear-drop patterns or with some other relief produced in the rolling process.

2. *Merchant bars*

Hot-rolled solid bars of round, half-round, square, hexagonal or octagonal cross section (excluding concrete reinforcing bars). Flat bars of rectangular cross section, the width of which does not exceed 150 mm.

Bars profiled to the shapes of letters L (angles), T (tees) or Z (zeds).

Small sections the cross section of which is in the shape of the letters I, H or U, the height of which is less than 80 mm.

This category does not include :

— products for seamless tubes of round or polygonal cross section,

— tees produced by longitudinally cut I or H beams,

— strip supplied in straight lengths or flattened coils,

— bulb flats and angles, known as shipbuilding sections,

— special sections rolled in straight lengths, usually of small cross sections or of highly specialized shape with very strict dimension tolerances.

3. *Concrete reinforcing bars*

Reinforcing bars for cement or concrete, hot-rolled, of round or square cross section with rounded corners, the surface of which is smooth or ribbed ; these bars may have been subjected to a regular twisting process about their longitudinal axis. Concrete reinforcing bars are normally supplied in straight lengths or in coils.

B. **By steel qualities or categories**

The qualities or categories of steels concerned here are those appearing in Decision No 31-53, in its present version, on obligations with regard to the publication of prices and conditions of sale for basic or quality steels. Steel qualities or categories covered by Decision No 37-54, as amended by Decision No 33-58, on obligations with regard to the publication of prices and conditions of sale for special steels are excluded ; these qualities and categories are :

(a) manganese-silicon spring steels ;

(b) free-cutting sulphur, lead and lead-sulphur steels ;

(c) electrical sheet, irrespective of wattage loss ;

(d) non-alloy construction steels containing 0·60 % or more of carbon ;

(e) alloy construction steels ;

(f) bearing steels ;

(g) stainless and heat-resisting steels ;

(h) tool steels ;

(i) high-speed steels.

The following are included : carbon steels containing less than 0·60 % carbon for heat treatment or case hardening, provided their phosphorus and sulphur contents do not exceed 0·035 % and that they are not governed by any of the special requirements laid down in paragraph 5.2.3.1 of Euronorm 20-74 (guaranteed impact value, depth of hardening or of case hardening, surface condition, limiting content of non-metallic inclusions, machinability).