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Brussels, 26 July 1989

USA/EEC STEEL TRADE

443.2
441.2/103

The Commission has been informed of President Bush's decision to extend the present voluntary restraint arrangements in the steel sector until 30 March 1992.

The substance of the decision is as follows:

1. The present arrangements will be extended for a final transitional period of two and a half years;
2. At the same time an international consensus will be sought, in the Uruguay Round negotiations and bilaterally if necessary, to remove trade-distorting practices;
3. Short supply procedures will be liberalized and made more transparent;
4. The US Government will continue to oversee the modernization of the US industry.

The Commission considers that, after seven years of uninterrupted protection of the steel industry, given the current favourable situation on the world steel market and in view of the remarkable progress achieved by the US industry both financially and in terms of competitiveness, it is not essential to renew these agreements.

The Commission points out that, since 1982, Community steel products have had only limited access to the US market while a number of other countries have not been subject to such limitations. Community exports to the United States have fallen substantially, and the Community's share of the US market has likewise been considerably reduced since 1982.

The Commission will examine in depth the American proposals with a view to defining the Community's response.

The Commission has already asked the US authorities to supply more detailed information and a meeting for this purpose may be held in the next few days.