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E.C. COUNCIL APPROVES ACCORD WITH U.S. ON SEMIFINISHED STEEL

The E.C. Commission yesterday signed an agreement with the United States setting quotas for European Community exports of semifinished steel to the U.S.

The quotas will be included in the 1982 E.C.-U.S. Carbon Steel Arrangement, which was extended last year to September 30, 1989. Both parties agreed to drop the unilateral measures and countermeasures they imposed in a dispute over the issue.

The U.S. last December limited E.C. semifinished steel exports to 400,000 net tons a year from January 1, 1986, to September 30, 1989. The E.C. responded by imposing quotas on U.S. fertilizer, animal fats and coated paper. (See European Community News No. 3/1986.)

The new agreement sets export ceilings for E.C. semifinished steel products as follows:

<u>Period</u>	<u>Total Net Tons</u>	<u>Of which: Slabs</u>
1986 (July 2 to December 31)	300,000	272,500
1987	620,000	565,000
1988	640,000	585,000
1989 (January 1 to September 30)	502,500	461,250

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In addition, the U.S. will continue to allow British Steel Corporation to export 200,000 tons of semifinished steel a year to a steelmaking plant in Tuscaloosa, Alabama.

The E.C. Council of Ministers approved the steel agreement in principle July 9. It decided to apportion semifinished steel shipments to the United States as follows: Federal Republic of Germany, 50 percent; France, 14.5 percent; the Netherlands, 15 percent; Belgium and Luxembourg, 13 percent; United Kingdom, 4.5 percent; Italy, 3 percent. The Commission signed the accord after all 12 member states gave final approval to that arrangement yesterday.

Semifinished steel was previously a "consultation product" under the Carbon Steel Arrangement--that is, a product that could be discussed if shipments to the U.S. increased significantly. (See European Community News No. 40/1985.)