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**E.C. COMMISSION ANNOUNCES ACCORD ON STEEL
NEGOTIATIONS WITH THE U.S.**

The E.C. Commission on October 11, 1989, in Brussels approved the results of the steel negotiations with the United States.

The Commission considers that the arrangements limiting European Community steel exports and the sound consensus reached on government aids create a credible step forward in world trade in steel.

The new arrangements maintain the status quo not only for all products covered by the previous steel arrangements with the U.S., but also for the management of the quotas during the life of the accord. Certain improvements regarding flexibility have been retained, notably the clause on short supply which allows the export of additional quantities when the U.S. steel industry cannot meet the needs of U.S. steel users.

In terms of quantity, the arrangements assure improved access to the U.S. market for Community steel exports. The amount agreed to, assuring the Community a 7 percent share of the U.S. market as opposed to the previous 6.68 percent share, should increase export possibilities by 300,000 metric tons per year.

The Commission believes that consensus on aids could make a useful contribution towards the creation of more favorable conditions for the liberalization of steel trade. The E.C. and the U.S. are working together to find a multilateral solution at an early date.

In the light of these remarks, the Commission has asked for the final agreement of the E.C. Council of Ministers in order to seal results of the negotiations achieved with the U.S.

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