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Brussels, October 1983

STEEL : POSITIVE BALANCE SHEET OF COMMUNITY IMPORT SCHEME SINCE 1978 (1)

Along with its proposal for the renewal for 1984 of the Community iron and steel imports scheme which came into force in 1978, the Commission has published a report on the 'external element' of the anti-crisis plan for steel. The Commission's report on the scheme is favourable. The system in force has provided satisfactory protection for the Community market whilst guaranteeing the traditional export flows of non-member countries which have concluded arrangements, taking into account trends on the Community market. In this connection it is important to note that, despite the increasing share of the Community market taken in 1982 by certain countries not covered by an arrangement, the degree of penetration by total imports in the reference years 1976 and 1977 has never been repeated since.

The external element also has the merit of having upheld the principle of free international trade to the fullest extent possible in a period of serious crisis. The Community has thus been able to maintain a strong position in international forums (GATT, OECD), where it has been able to adopt an appropriately firm attitude vis-à-vis restrictive practices of other countries in this sector.

General considerations

Effective application of the internal element of the steel plan presupposes that the external element remains in force. The Commission refers to the Council deliberations of 25 July 1983, where the latter recognized the need to maintain the internal element of the anti-crisis measures until the end of 1985; at this point, a need also exists, therefore, to maintain for the year 1984 the outward protection (external element) which guarantees the proper operation of the internal element.

Commission proposals for 1974

1. The Commission proposes to extend the basic aspects of the 1983 system to cover 1984 as follows :

(a) Basic prices

Maintenance and, if necessary, adjustment of basic prices in 1984; the Commission will continue to monitor regularly the trend - as regards both quantities and prices - of imports from countries subject to the system so as to permit the rapid implementation of trade protection instruments in cases of unfair competition.

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(1) COM(83) 589.

(b) Arrangements system

Reintroduction of the following elements without change :

(i) Countries covered

The Commission proposes that the iron and steel arrangements be extended for 1984 to cover the same countries as in 1983, i.e. : Austria, Finland, Norway, Sweden, South Africa, Australia, Brazil (cast iron), South Korea, Spain, Bulgaria, Hungary, Poland, Romania, Czechoslovakia and - via the special understanding - Japan. It is prepared to consider the appropriateness and the possibility of extending the range of products with respect to Brazil and of concluding arrangements with other countries.

(ii) Regulation of quantities

Fixing by the Council of the rate of reduction for 1984 compared with the figure for 1980, on the basis of the need to safeguard traditional trade flows and in the light of the foreseeable trend in visible consumption in the Community.

Exclusion of quantities not used under the 1983 arrangements, which may not be carried forward and added to the quantities planned for 1984.

Consideration in the negotiations with the EFTA countries for the special nature of the arrangements with these countries and the principle of reciprocity they embody, concluded as they are in the framework of the free trade agreements.

Triple clause : Commission statement, acknowledged by the Council, expressing its intentions to remain particularly vigilant concerning compliance with the clause which provides for the safeguarding of traditional trade flows while respecting staggering, geographical distribution and the breakdown of imports by product.

Temporary imports : Exclusion from the scope of the arrangements of imports for work under contract when the product does not change owner.

(iii) Price rules and margin of penetration

Maintenance of penetration margins currently granted to the exporters of non-member countries by reference to the Community's delivered price lists.

Continued prohibition of alignment by Community producers.

Indirect imports : maintenance of the rule whereby such imports are subject to the basic prices and must be deducted from the quantities agreed.

2. In order to strengthen the system already in force, the Commission proposes introducing the following new measures for 1984 :

(i) Management of arrangements

The Commission will introduce a new mechanism to avoid violations of the triple clause (staggering, geographical distribution, breakdown by product) by the arrangement countries. To this end, the Member States will have to inform the Commission by expedited procedure of any danger of injury due to non-compliance with the said clause. The Commission will immediately hold consultations with the country concerned and, if necessary, will take appropriate measures as provided for in the arrangements in order to put an end to the injury suffered by the Member State concerned.

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(ii) Advance surveillance

The Commission will amend the provisions in force notably in order to :

permit a more thorough examination of applications for licences, by extending the period for the granting of such licences from five to ten days;

ensure an effective examination of price rules, by obliging the Member States to forward all the documentation required (copies of contracts, applications for licences).

(iii) Basic prices

The Commission will intensify its surveillance of steel products imported from the countries subject to basic prices and will take measures to ensure that complaints made by Community industry are dealt with more rapidly.

(iv) Seconds

The Commission will consult the Member States in the Steel Liaison Committee in order to introduce effective uniform control of imports of seconds.

BALANCE SHEET OF THE EXTERNAL ELEMENT OF THE STEEL PLAN 1978-82

I. GENERAL REMARKS

The external element of the crisis plan for the Community steel industry as it stands at present came into force on 1 January 1978. Five years having elapsed, now is an appropriate time to draw up a balance sheet.

In late 1977 and early 1978 the Commission was confronted with a situation requiring account to be taken of the following external considerations :

- (i) the need to guarantee the proper operation of the internal element by the creation of an external element;
- (ii) the Commission's position as a net exporter (it exports more than twice as much as it imports);
- (iii) the structural nature of the Community steel industry's problems and the world dimension of the crisis in steel;
- (iv) compliance with the Community's international commitments, in particular :

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- (a) acceptance of a fair share of sacrifices whilst refraining from passing on the burden of restructuring to non-member countries (OECD consensus of 1977);
- (b) bilateral undertakings such as those enshrined in the free trade agreements with the EFTA countries (principle of reciprocity, etc.).

In establishing the external element the Council adopted two main instruments designed to take account of these factors: the arrangements and basic prices. In the case of the arrangements, the Council fixed the quantities for the first year (1978) by reference to those recorded in the years 1976-77, which were the most recent reference years at the time. The decisive criterion laid down by the Council in the mandate, which the Commission succeeded in persuading the other countries to accept, was the close link between imports and domestic consumption.

As for the second instrument, imports from non-member countries not party to an arrangement were made subject to a system of basic prices intended to serve as a reference for the introduction of anti-dumping/countervailing duties in the event of deliveries being made at prices lower than those charged by the most competitive producers in the market-economy countries and thus having a disruptive effect on the market. The proportion of visible consumption accounted for by imports from the arrangement countries and the countries subject to the system of basic prices has been as follows :

Table 1 : Trend of steel imports in relation to Community consumption (1976-82) *

Reference years						
1976-77	1978	1979	1980	1981	1982	1983** 1st half
10.4%	9.4%	9.5%	9.5%	7.1%	10.0%	10.1%

Source : Eurostat

* Figures include temporary imports.

** Estimated on the basis of monthly figures available for each Member State.

From this table it can be seen that the external element as a whole has provided effective outward protection for the Community market, as the proportion of visible consumption accounted for by imports has never reached the level of the reference years 1976-77 since the external element was introduced in 1978. This is true even for 1982, a year of very high imports caused above all by a rise in imports from non-member countries subject to the system of basic prices. The effectiveness of the external element is obvious even if, because of the considerable fall in consumption, 1982 was for some Member States a year with a high level of penetration. It should be stressed however that the previous year the level of imports was extremely low.

II. IMPORTS ORIGINATING IN THE ARRANGEMENT COUNTRIES

1. General observations

Over the last five years, imports from the arrangement countries have never exceeded the reference quantities laid down in the arrangements for the Community as a whole. In overall terms the arrangement countries have used up only 60% of the agreed reference quantities in recent years. This under-utilization has arisen partly as a result also of the assurances given by the Commission that under-utilization would not lead to a reduction in the reference quantities, i.e. these countries' traditional share of the Community market.

2. EFTA countries

Trade with the EFTA countries has been as follows :

Trend of trade in steel between the Community and the EFTA countries

	'000 tonnes						Balance of trade	
	Imports(1)			Exports			Community	
	1976/77	1982	1983 (6 months)	1976-77	1982	1983 (6 months)	1976-77	1982
Norway	355.1	391.7		620.5	506.3		+ 265.4	+ 114.6
Sweden	835.2	882.0	(*)	936.7	1085.8	(*)	+ 101.5	+ 203.8
Finland	313.1	428.0		150.2	164.7		- 162.9	- 263.3
Austria(2)	1016.8	1011.3		330.4	418.2		- 686.4	- 593.1
Total	2520.2	2713.0		2037.8	2175.0		- 482.4	- 528.0

(1) Net imports less temporary imports

(2) Reference year : 1976

(*) To be supplied

Source : Eurostat.

Évolution des importations de produits sidérurgiques CECA de la Communauté en provenance
d'autres pays à économie de marché 1976/82 (1)
Quantités convenues et importations réelles

	Réalisa- tion 1976/77	Quant. conv. 1978	Import. réelles 1978	Quant. conv. 1979	Import. réelles 1979	Quant. conv. 1980	Import. réelles 1980	Quant. conv. 1981	Import. réelles 1981	Quant. conv. 1982	Import. réelles 1982
Espagne	1046.0	900.0	931.3	800.0	912.8	850.0	764.2	754.0	659.3	780.0	742.9
Japon (*)	1723.0	-	645.7	-	494.8	-	450.2	-	110.4	-	137.8
Corée du Sud (**)	198.2	220.0	99.5	220.0	72.2	-	213.4	218.0	9.9	225.0	102.0
Australie	543.3	450.0	330.8	450.0	125.4	450.0	145.6	393.8	20.1	407.3	54.6
Afrique du Sud (**)	501.0	332.0	158.1	332.0	318.5	-	288.6	-	151.4	-	1367.5
Brésil (fonte)(**)	397.0	-	211.0	280.0	163.5	-	246.5	245.0	147.0	253.4	185.8
Total	4408.5	3232.6	2165.4	3412.6	2087.2	2630.6	1360.0	3040.8	946.7	3095.7	1223.1

Source : Eurostat

(*) L'understanding entre le Japon et la Commission ne prévoit pas de plafond quantitatif, mais se réfère à un engagement antérieur à 1978 de l'industrie japonaise portant sur 1.330 mio t; cette quantité de référence a été convenue jusqu'en 1980, puis portée à 1.430 mio après l'adhésion de la Grèce

(**) La Corée n'a pas eu d'arrangement en 1980 et l'Afrique du Sud n'en a plus eu de 1980 à 1982

(***) En 1980, l'arrangement fonte couvrirait seulement le dernier trimestre

(1) Ces importations contiennent des importations temporaires

(2) Y compris quantités visées pour le Japon sous (*)

Owing to the absence of arrangements for the countries concerned, this table does not include the quantities imported from South Korea in 1980 or from South Africa in 1980, 1981 and 1982. It is interesting to note that in the years when undertakings on quantities did not exist, deliveries from these two countries increased substantially. In 1980, for example, South Korea more than doubled its exports compared with the previous years.

As a whole, the quantities agreed with Japan, Australia and South Korea have been much underutilized. This is due partly to the low level of demand on the Community market but also to strict adherence to the provisions of the arrangements (triple clause : geographical distribution, staggering, breakdown by product).

Where Spain is concerned, the first arrangement concluded in 1978 laid down an annual import figure of 900 000 t, a reduction compared with the level of 1 million tonnes actually reached in 1976-77. The figure of 900 000 t was exceeded in 1978 as a result of indirect imports from Spain, which were not yet covered by the provisions of the arrangement. Moreover, actual imports in 1982 amounted to only 743 000 t and were thus 29% down on those of the reference years. The Community's exports to Spain have risen from 717 000 t in 1976-77 to roughly 1 million tonnes in 1982. It should be noted that Article 5 of the arrangement of 25 March 1978 with Spain also lays down the principle of reciprocity.

The Commission notes that although Spain has kept within the overall quantities, it has not always complied with each of the provisions of the triple clause of the arrangement (this was the case, for example, as regards wide-flanged beams for Germany in 1982).

4. State-trading countries

Where this group of countries is concerned, the arrangements lay down quantities by Member State, and in the case of some Member States, sub-quotas for specific products (see Annex I). Over the last five years none of the state-trading countries has violated its undertakings on quantities with regard to the Community as a whole. However, there have been certain instances of non-compliance with the quantities laid down for some Member States or certain sub-quotas. There were several reasons for this: administrative errors by the non-member countries concerned, indirect imports - difficult for the countries of origin to control - and, lastly, delays (very lengthy in some cases) in the forwarding of statistics by Member States, as a result of which the Commission was unable to act in time.

In the quantities fixed for these countries account was taken on the national quotas which existed prior to the system of arrangements.

: Evolution des importations de produits sidérurgiques CECA de la Communauté en provenance des pays à commerce d'Etat 1976/82

Quantités convenues et importations réelles

(1000 tonnes)

	Réalisa- tion-moy. 1976/77	Quant. conv. 1978	Import. réelles 1978	Quant. conv. 1979	Import. réelles 1979	Quant. conv. 1980	Import. réelles 1980	Quant. conv. 1981	Import. réelles 1981	Quant. conv. 1982	Import. réelles 1982
Bulgarie	328.1	-	247.1	273.8	357.8 (*)	288.7	188.7	276.7	178.4	282.6	218.3
Hongrie	349.2	352.0	132.9	395.0	287.6	385.0	274.2	398.8	221.4	371.3	264.1
Pologne	370.5	399.5	431.5 (*)	467.0	403.3 (*)	470.0	345.3	416.7	283.4	420.6	350.4
Roumanie	345.0	402.0	230.1	436.0	317.4	450.0	271.4	385.4	167.7	394.3	228.3
Tchécoslovaquie	745.2	667.0	564.1	675.3	637.9	683.5	553.6	665.3	555.5	688.0	637.3
Total	2138.0	1820.5	1605.5	2247.1	204.0	2277.2	1633.2	2142.9	1406.4	2156.8	1698.4

Source : Eurostat

(*) Ce chiffre contient des importations de demi-produits effectuées sur la base d'un arrangement particulier

Community ECSC iron and steel imports from the major countries subject to basic prices

(1000 tonnes)

	Level reached						1983 (6 months)
	1976/77	1978	1979	1980	1981	1982	
Switzerland	180.8	272.3	346.0	304.4	292.9	348.4	
Portugal	19.2	6.0	42.3	42.9	5.0	8.9	(*)
Yugoslavia	74.1	34.0	44.9	55.5	39.9	96.5	
USSR	290.2	61.4	84.1	144.5	81.1	228.8	
GDR	341.3	294.5	303.5	323.7	305.2	340.4	
Algeria	147.6	74.8	50.5	66.4	10.5	87.2	
USA	187.2	79.4	105.0	299.8	98.8	66.6	
Canada	323.9	186.6	162.8	166.9	182.9	397.5	
Venezuela	-	-	98.5	99.2	32.7	84.4	
Brazil(steel)	36.4	241.8	69.6	169.0	34.8	383.7	
Argentina	34.6	100.4	23.3	16.9	9.2	151.0	
Others	202.0	10.7	332.7	372.7	39.2	54.8	
Total	1837.3	1361.9	1663.2	2061.9	1132.2	2248.2	

Source : Eurostat
(*) to be supplied

IV. AUTONOMOUS MEASURES

Traditional autonomous national quotas which in the case of five Member States still exist with respect to state-trading countries have enabled the Member States concerned to retain control over imports from the group of countries in question. As regards other Member States' imports from the state-trading countries, the autonomous quotas introduced under the safeguard provisions at Community level have afforded the necessary protection.

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Bruxelles, octobre 1983

ACIER : BILAN POSITIF DU REGIME DES IMPORTATIONS DANS LA CE DEPUIS 1978 (1)

Au moment où elle propose la reconduction en 1984, du régime des importations des produits sidérurgiques dans la Communauté, entré en vigueur en 1978, la Commission présente le bilan du "volet externe" du programme anti-crise de l'acier. Ce bilan est positif. Le système en vigueur a en effet assuré une défense satisfaisante du marché communautaire tout en garantissant aux pays tiers avec arrangements leurs courants d'exportations traditionnels, en tenant compte de l'évolution du marché communautaire. Il est important d'observer, dans ce contexte, que, malgré la part croissante du marché communautaire prise en 1982 par certains pays sans arrangement, le niveau de pénétration des importations globales des années de référence 1976-77 n'a plus été atteint par la suite.

Le volet externe a également pour mérite d'avoir préservé, dans toute la mesure du possible, dans une période de crise grave, le principe de la liberté du commerce international. En conséquence, la position de la Communauté est restée forte dans les enceintes internationales (GATT, OCEDE) où elle a pu répondre avec la fermeté nécessaire lorsqu'elle a été confrontée à des pratiques restrictives d'autres pays tiers dans ce secteur.

Considérations générales

Une application efficace du volet interne du plan acier suppose que le volet externe demeure en vigueur. La Commission se réfère aux délibérations du Conseil du 25 juillet 1983 qui a reconnu la nécessité de maintenir jusqu'à fin 1985 le volet interne des mesures anti-crise; il s'ensuit qu'il est nécessaire de maintenir aussi, à ce stade pour l'année 1984, la défense périphérique ("volet externe") qui est la garantie de bon fonctionnement du volet interne.

Propositions de la Commission pour 1984

1. La Commission propose de reconduire pour 1984 les éléments essentiels du système de 1983, à savoir :

a. Prix de base

Maintien et adaptation si nécessaire des prix de base en 1984; elle s'engage à continuer à surveiller régulièrement l'évolution - quantités et prix - des importations en provenance des pays soumis à ce système pour permettre la mise en oeuvre rapide des instruments de défense commerciale contre la concurrence déloyale.

(1) COM(83)589

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b. Régime des Arrangements

Réintroduction sans changement notamment des éléments suivants :

- Champ d'application géographique

La Commission propose la prorogation des arrangements sidérurgique pour 1984 avec les mêmes pays qu'en 1983, à savoir : Autriche, Finlande, Norvège, Suède, Afrique du Sud, Australie, Brésil (fonte), Corée du Sud, Espagne, Bulgarie, Hongrie, Pologne, Roumanie, Tchécoslovaquie et l' "understanding" particulier avec le Japon. Elle est disposée à examiner l'opportunité et la possibilité d'élargir la couverture en produits pour le Brésil et de conclure des arrangements avec d'autres partenaires.

- Règlement des quantités

. Détermination par le Conseil du taux de réduction pour 1984

par rapport au chiffre de 1980, compte tenu de l'évolution sur la base du maintien des courants d'échanges traditionnels en tenant compte de l'évolution prévisible de la consommation apparente dans la Communauté.

. Exclusion des quantités non utilisées au titre des arrangements de 1983 qui ne pourront pas faire l'objet d'un report venant s'ajouter aux quantités prévues pour 1984.

. Prise en compte dans les négociations avec les pays de l'AELE du caractère particulier et notamment du principe de la réciprocité des arrangements avec ces pays, qui sont conclus dans le cadre des accords de libre-échange.

. Triple clause : déclaration de la Commission, actée par le Conseil, exprimant sa vigilance particulière sur le respect de la clause qui prévoit le maintien des courants d'échange traditionnels en respectant l'étalement dans le temps, la distribution régionale et la ventilation entre produits des importations.

. Importations temporaires : exclusion du champ d'application des arrangements des importations pour travail à façon lorsque le produit ne change pas de propriétaire.

- Règlement de prix et marge de pénétration

. Maintien des marges de pénétration actuellement octroyées aux exportateurs des pays partenaires par rapport aux prix de barème rendu de la Communauté.

. Maintien de l'interdiction d'alignement de la part des producteurs communautaires.

. Importations indirectes : maintien de la règle selon laquelle ces importations continuent à être soumises aux prix de base et à être imputées sur les quantités convenues.

2. Afin de renforcer le système déjà en vigueur, la Commission propose d'introduire pour 1984 les éléments nouveaux suivants :

- Gestion des arrangements

La Commission introduira un nouveau mécanisme afin d'éviter les violations de la triple clause (étalement dans le temps, distribution régionale, ventilation autres produits) par les pays partenaires d'arrangement. A cette fin, les Etats membres devront informer la Commission, par une procédure accélérée, de toute menace de préjudice due au non-respect de la dite clause. A cet effet, la Commission entrera immédiatement en consultation avec le pays concerné et prendra, le cas échéant, les mesures appropriées prévues par les arrangements pour mettre fin au préjudice subi par l'Etat membre intéressé.

- Surveillance anticipative

La Commission modifiera les dispositions en vigueur entre autres pour

- permettre un examen plus approfondi des demandes de licences, par extension de cinq à dix jours du délai d'octroi de celles-ci;
- assurer un examen efficace des règles de prix, en obligeant les Etats membres à lui transmettre toute la documentation requise (copies de contrats, demandes de licences).

- Prix de base

La Commission renforcera la surveillance des produits sidérurgiques importés des pays soumis aux prix de base et assurera un traitement accéléré des plaintes introduites par l'industrie communautaire.

- Second choix

La Commission entrera en consultation avec les Etats membres au sein du Comité de Liaison acier pour introduire un contrôle efficace et uniforme des importations des produits de second choix.

BILAN DU VOLET EXTERNE SIDERURGIQUE 1978 - 1982

I. CONSIDERATIONS GÉNÉRALES

Le volet externe du plan de crise pour la sidérurgie communautaire tel qu'il se présente actuellement est entré en vigueur le 1er janvier 1978. Après plus de 5 ans il est opportun d'en établir un bilan.

La Communauté se trouvait, fin 1977/début 1978, devant une situation qui exigeait de tenir compte des éléments suivants sur le plan externe :

- nécessité de garantir le bon fonctionnement du volet interne par la création d'un volet externe;
- position exportatrice nette de la Communauté (exportations plus de deux fois supérieures aux importations);
- nature structurelle des problèmes de la sidérurgie communautaire et dimension mondiale de la crise du secteur
- respect des engagements internationaux de la Communauté, en particulier :