

# COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 16 November 1978

COMMISSION DECISION ECSC  
FIXING MINIMUM PRICES FOR HOT ROLLED  
WIDE STRIP, MERCHANT BARS AND CONCRETE  
REINFORCING BARS.

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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 Nos 30/53 and 31/53<sup>1</sup>, as last amended  
by Commission Decisions 72/440/ECSC and 72/44/ECSC of 22 December 1972<sup>2</sup>,

Having regard to Commission Decisions Nos 3073/73/ECSC<sup>3</sup> and 911/ECSC<sup>4</sup>,

Whereas the difficulties in which the European steel industry has been for some  
time have still not been overcome; whereas the steel market is characterized  
by slack demand which is well below potential supply; whereas the financial  
situation is still critical in almost all undertakings;

Whereas the Commission, in May 1977, introduced measures in the price sector;  
whereas it first fixed minimum prices for concrete reinforcing bars in  
Decision No 962/77/ECSC; whereas at the end of 1977 the Commission extended  
minimum prices for concrete reinforcing bars into 1978 by Decision No 3000/77  
and in addition introduced minimum prices for merchant bars and hot rolled wide  
strip; whereas this decision was subsequently amended by Decisions Nos  
656/78/ECSC and 1483/78/ECSC;

<sup>1</sup>OJ No C 29, 12.5.73, pp. 30 and 32, final version.

<sup>2</sup>OJ No L 297, 30.12.1972, pp. 39 and 42.

<sup>3</sup>OJ No L 314, 15.11.1973, p. 1.

<sup>4</sup>OJ No L 88, 9.4.1975, p. 7.

Whereas the situation in the concrete reinforcing bar market is unstable and characterised by a weakness in internal demand; 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 price difference thus arising between the two categories reflects the differences in production conditions in electric steelworks on the one hand and integrated works on the other hand; whereas the market weakness persists in hot rolled wide strip; whereas the insufficient demand cannot 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 the minimum price must as far as possible be applied without exception, so that all processing firms may be supplied under comparable conditions and iron and steel producing works can apply comparable practices; whereas for these reasons the Commission has specified the transactions for which minimum prices need not apply and has limited discounts and rebates of whatever kind to a definite total amount;

Whereas after consulting the Consultative Committee and the Council both on the advisability of introducing minimum prices for these products and in conjunction with the undertakings and associations of undertakings;

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 Nos 30/53 and 31/53.

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 attached Annex:

(a) for hot rolled wide strip of commercial quality

German marks  
Pounds sterling and Irish pounds  
French francs  
Italian lire  
Dutch guilders  
Belgian and Luxembourg francs  
Danish kroner

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

German marks  
Pounds sterling and Irish pounds  
French francs  
Italian lire  
Dutch guilders  
Belgian and Luxembourg francs  
Danish kroner

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

German marks  
Pounds sterling and Irish pounds  
French francs  
Italian lire  
Dutch guilders  
Belgian and Luxembourg francs  
Danish kroner

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

German marks  
Pounds sterling and Irish pounds

French francs  
Italian lire  
Dutch guilders  
Belgian and Luxembourg francs  
Danish kroner

- (e) for improved adhesion concrete reinforcing bars with a minimum elastic limit of 40 kg per mm<sup>2</sup> and a tensile strength of 50 kg per mm<sup>2</sup>

German marks  
Pounds sterling and Irish pounds  
French francs  
Italian lire  
Dutch guilders  
Belgian and Luxembourg francs  
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 above-mentioned 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. They 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 3. Only those transactions in which fixed prices and final quantities were laid down in absolute terms before the entry into force of this Decision and where at most the question of the date of delivery is left open shall be considered to have been transacted before that date.

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 of all price discounts and rebates of any kind may not be more than DM        below the minimum price plus any extras for qualities and dimensions and all other surcharges and price extras in accordance with paragraph 2. In cases in which steel-producing undertakings by way of exception allow for indirect exports, the abovementioned sum may not be more than DM        .

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 shall 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 shall not be changed.

Article 4

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

Article 5

This Decision shall apply to sales both within the Community and in the territories of the Republic of Austria, the Republic of Finland, the Kingdom of Norway, the Kingdom of 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,

For the Commission



Annex to Decision ECSC  
fixing minimum prices for hot rolled wide strip,  
merchant bars and concrete reinforcing bars

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

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

(1) Hot rolled wide strip

Hot rolled flat product wound in coils having regular turns, or 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 with round, half-round (full or flattened), square, hexagonal, 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), Z (zeds);
- Small sections the cross section of which is in the shape of the letter I or 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;
- narrow 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 section or of highly specialized shape with very strict dimension tolerances.

(3) Concrete reinforcing bars

- Reinforcing bars for cement or concrete, hot rolled, of round square cross section with round corners, the surface of which is smooth, castellated or ribbed; these bars may have been

subjected to a regular twisting process about their longitudinal axis.

B. By steel qualities or categories

The qualities or categories of steels concerned here are those appearing in Decision No 31/53/ECSC, 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/ECSC, as amended by Decision No 33-58/ECSC, 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 0.6% 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 mass or surface treatment provided their phosphorous and sulphur contents are greater than or equal to 0.35% and that they are not governed by any of the special requirements laid down in paragraph 5231 of Euronorm 20-74 (guaranteed impact value, depth of hardening or of case hardening, surface condition, limiting content of non-metallic inclusions, machinability).

## COMMISSION COMMUNICATION

### on the publication of guidance prices for certain iron and steel products

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The Commission of the European Communities published in the Official Journal of the European Communities Nos L 114 of 5 May 1977, C 174 of 22 July 1977, L 352 of 31 December 1977, L 87 of 1 April 1978 and L 176 of 30 June 1978 guidance prices for certain iron and steel products with the intention of alleviating the inadequacy of undertakings' receipts, which is jeopardizing the restructuring necessary to the sector and is likely to have serious repercussions on both the social and regional situations.

The Commission is publishing the following guidance prices which are to be interpreted as being the lowest possible prices to be applied from, at the latest, 1 January 1979, according to the conditions below:

(Price per metric ton)

	DM	FF	£	Lit	FB/FLux	Fl	Dcr
Cold reduced sheets of thickness, less than 3mm							
Medium and heavy plate of thickness 3 mm and over, cut from hot rolled wide strip							
Hot rolled heavy and medium plates of thickness 3 mm and over							
Narrow strip							
Sections beams and equivalent products:							
< less than or equal to 220 mm							
> greater than 220 mm and broad flanged beams							
Wire rod							
Smooth concrete reinforcing bars							
Improved adhesion concrete reinforcing bars with an elastic limit of 40 kg/mm <sup>2</sup> and minimum tensile strength of 50 kg/mm <sup>2</sup>							
Merchant bars							
- of size less than 80 mm							
- of size 80 mm and over							
Hot rolled wide strip							

The above prices take into account a slight price reduction for small-size merchant bars for which demand has been weak. On the other hand, for heavy merchant bars, sections and beams and concrete reinforcing bars, for which demand is strengthening, the above prices include slight increases. Because of this, the price discrepancies between the lower and upper dimensions of the above products reflect more effectively the production differences between electric steel works and integrated works. In addition, currency adjustments have also been introduced to take into account variations in rates of exchange which have taken place since the previous publication.

These guidance prices correspond to the concept of basis prices calculated from a basing point, to which extras for dimension, quality extras, etc. are added. They presuppose that currently published extras cannot be reduced or withdrawn. Terms and conditions of payment at present in force remain unchanged.

Some price lists publish several effective basis prices for different specifications within a product group. In such cases, the differentials between the effective prices resulting from quality and dimension differences should be regarded as extras.

The Commission is asking steel undertakings, where appropriate, to raise their list prices accordingly and to adhere within the framework of the pricing rules set out in Article 60, to these guidance prices when aligning on the delivered prices of other Community undertakings.

The Commission regards these guidance prices as being in line with the current situation. The Commission will be publishing revised guidance prices if its continuous market study leads it to draw fresh conclusions.

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