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## E.C. AND U.S. AGREE ON LIMITATIONS FOR E.C. PIPES AND TUBES EXPORTS

Under a formal arrangement finalized today with an exchange of letters, the European Community will limit its exports of steel pipes and tubes to the United States to 7.6 percent of the American market for two years.

The 7.6 percent ceiling will apply to calendar years 1985 and 1986, and will be enforced with export licenses for pipes and tubes. Within the overall ceiling, E.C. exports of so-called oil country tubular goods (O.C.T.G.) will be restricted to 10 percent of the American O.C.T.G. market.

The U.S. will accept additional exports of pipes and tubes under "short supply" conditions--that is, when the U.S. domestic industry is unable to meet U.S. demand for a particular product.

Projections indicate that the 7.6 percent figure will allow the E.C. to ship 729,925 net tons (662,188 metric tons) of pipes and tubes to the U.S. in 1985, including 337,400 net tons (306,100 metric tons) of O.C.T.G.

In addition, the U.S. will permit entry to 60,000 net tons of the volume of E.C. pipes and tubes shipped between November 29 and December 31, 1984, when those products were under embargo by the U.S. Administration. Within that total, no more than 28,000 net tons of oil country tubular goods will be allowed to enter.

The E.C. Commission is delighted that the Community and its most important trading partner have started the new year by resolving a source of tension between them.

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U.S. IMPORTS OF PIPES AND TUBES FROM E.C.

| Net tons |         |           |           |         |                  |                      |
|----------|---------|-----------|-----------|---------|------------------|----------------------|
| 1979     | 1980    | 1981      | 1982      | 1983    | 9 months<br>1984 | Forecast<br>1985 (1) |
| 208,874  | 311,102 | 1,781,396 | 1,422,000 | 474,694 | 1,062,000        | 729,925              |

Source: U.S. Department of Commerce

(1) Based on estimated U.S. consumption of 9,604,277 net tons (8,713,000 metric tons).