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(Acts whose publication is obligatory)

COMMISSION DECISION No 3715 /83/ECSC

of 23 December 1983

fixing minimum prices for certain steel products

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

should improve the situation of the producers
concerned.

Having regard to the Treaty establishing the European
Coal and Steel Community, and in particular Articles
47, 61 and 64 thereof,

Such a measure is an integral part of the other crisis
measures taken by the Commission, in particular with
regard to quantities. It should therefore be temporary.

On the basis of studies made jointly with undertakings
and associations of undertakings and after consulting
the Consultative Committee and the Council as to the
advisability of fixing minimum prices for certain steel
products and as to the level of these prices,

It is appropriate that the minimum prices should be
basis prices ex basing-point so as to maintain a degree
of flexibility in the market. However, it is appropriate
to prevent the application of minimum prices being
circumvented by an increase in rebates or a reduction in
surcharges published in the price lists.

Whereas:

The steel industry in the Community is beset by serious
difficulties despite the fixing of production quotas for
certain products.

In order to maintain a uniform level of minimum prices
within the Community, the Commission should, where
appropriate, adjust the minimum prices in the light of
variations in exchange rates.

In view of the scale of the difficulties facing the steel
industry, the Commission has recognized the existence
of a manifest crisis.

In order to ensure that the system of minimum prices is
successful, it is necessary that it should be applied as
widely as possible to the abovementioned products. It is
therefore essential that it should apply in principle to
long-term contracts as well,

Particularly where flat products, sections and beams are
concerned, prices have slumped despite the action taken
in respect of quantities.

The special situation of certain users who concluded
long-term contracts before the introduction of minimum
prices justifies derogations if firm-price contracts or
contracts containing industrial cooperation clauses are
involved.

The restructuring of the steel sector throughout the
Community can be carried through only if undertakings
have a stable income.

The financial situation of most undertakings remains
precarious. The prices charged for certain steel products
are no longer in line with the guidance prices published
by the Commission and, consequently, it is necessary
to place a limit on the rebates granted. The introduction
of minimum prices for flat products, sections and beams

Prices of ship plate delivered to Community shipyards
are determined by the situation on the world market
and such plate is used for the purpose of building
seagoing vessels and other structures in respect of which
special tariff provisions provide for the suspension of
customs duties.

Independent producers of welded pipes in the Community compete with certain steel undertakings which also produce welded pipes, and the products used for the production of welded pipes are not covered by the pricing rules. The prices of welded pipes are, in addition, to a large extent determined by imports from non-member countries. It is therefore justified not to subject products used for the production of welded pipes to the minimum prices.

In the case of substandard products, quantities and rebates should be limited so as to ensure that the prices charged for these products do not fall to a level which would give rise to serious disturbances.

Alignments on offers from non-member countries in respect of which the Commission has not published a ban on alignment must not have the effect that the resulting base prices ex basing-point are below the minimum prices,

HAS ADOPTED THIS DECISION:

Article 1

1. The Commission hereby fixes for the following products:

- (a) hot-rolled wide strip (coils),
- (b) hot-rolled narrow strip,
- (c) narrow strip obtained by slitting hot-rolled wide strip,
- (d) hot-rolled sheet obtained by cutting hot-rolled wide strip,
- (e) reversing mill plate,
- (f) cold-rolled sheet,
- (g) heavy sections and beams,

minimum prices equivalent to the guidance prices published for each of these products in the Commission communication of 29 April 1983 ⁽¹⁾, less a maximum temporary rebate of:

53 ECU per tonne in the case of hot-rolled wide strip (coils),

22 ECU per tonne in the case of hot-rolled narrow strip,

49 ECU per tonne in the case of narrow strip obtained by slitting hot-rolled wide strip,

49 ECU per tonne in the case of hot-rolled sheet obtained by cutting hot-rolled wide strip,

66 ECU per tonne in the case of reversing mill plate,

35 ECU per tonne in the case of cold-rolled sheet,

35 ECU per tonne in the case of sections and beams in category 1,

13 ECU per tonne in the case of sections and beams in category 2a,

24 ECU per tonne in the case of sections and beams in category 2b,

29 ECU per tonne in the case of sections and beams in category 2c,

35 ECU per tonne in the case of sections and beams in category 3.

The sections and beams in categories 1, 2a, 2b, 2c and 3 are as defined in the Annex to the Commission communication of 29 December 1982 ⁽²⁾ on guidance prices.

Regarding sections and beams whose dimensions correspond to the specifications of the British Standard No 4 or to a similar dimensional standard, the minimum prices shall be equivalent to the prices published in the British Steel Corporation price list No 5, applicable from 1 August 1983, reduced by £ 15 per tonne.

2. The minimum prices resulting from the provisions of paragraph 1 shall be converted into national currencies using the following exchange rates, which correspond to the average value of the ECU in the three-month period September, October and November 1983:

Bfrs/Lfrs	45,9085
DM	2,26299
Fl	2,5354
£	0,572388
Dkr	8,16108
FF	6,87803
Lit	1 368,24
£ Irl	0,726399
Dr	80,1694

3. The products referred to in paragraph 1 (a) to (g) are those defined from the point of view of shape and dimensions in Euronorm 79-82, in the case of basis steels and quality steels in accordance with Euronorm 20-74, and in the case of special fine-grain weldable structural non-alloy and alloy steels known as 'Sonderbaustähle', including substandard products and seconds subject to the conditions indicated in Article 5.

4. These minimum prices shall apply to undertakings in the steel industry of the European Coal and Steel Community and their selling agencies and

⁽¹⁾ OJ No C 116, 29. 4. 1983, p. 2.

⁽²⁾ OJ No L 370, 29. 12. 1982, p. 15.

intermediaries as referred to in Decisions Nos 30-53 ⁽¹⁾ and 31-53 ⁽²⁾.

5. In order to maintain a uniform level of minimum prices within the common market, the Commission shall adjust the minimum prices in accordance with official variations in exchange rates.

Article 2

1. The minimum prices shall be basis prices for the basic quality of the product, from the points on which the price lists are based (basing-points), to which apply the extras for quality, size, etc., and the terms of payment provided for in the price list of the leading producer in terms of volume for the product in question in the country in which the product is delivered. These minimum prices shall be net of all rebates, with the exception of rebates to dealers which are published in the price lists.

2. Where the price lists contain partially effective prices which take account of quality and/or size, the differences between such effective prices and the price for the basis quality and/or size shall be regarded as extras for quality or size.

3. Extras for size and quality and increases and surcharges published in the price lists shall not be reduced. Discounts and rebates, of whatever kind, published in the price lists and conditions of sale or notified to the Commission, may not be increased.

4. Undertakings whose published price lists and notified conditions give rise to prices lower than the minimum prices shall publish or notify new conditions to bring them into line with this Decision within 15 days of its entry into force.

Article 3

1. Minimum prices shall be compulsory for deliveries effected within the common market as from 1 January 1984.

2. As regards long-term contracts concluded between steel undertakings and users before 9 November 1983 in respect of deliveries to be effected after 30 June 1984, undertakings may obtain a derogation from the minimum prices if contracts including industrial

cooperation clauses are involved or if the contracts fix the prices precisely. To this end, undertakings should submit a duly substantiated application to the Commission by 31 January 1984. The application should in particular contain the contracts in question. The minimum prices shall apply pending a decision by the Commission on the applications.

Article 4

Minimum prices shall not apply:

- to deliveries of ship plate to Community shipyards for the purpose of building seagoing vessels and other structures in respect of which the special provisions of heading Nos 89.01, 89.02 and 89.03 of the Common Customs Tariff provide for the suspension of customs duties,
- to the products designated in Article 1 (1) (a) to (e) used in the form of hot-rolled products for the production in the Community of welded tubes and pipes.

Article 5

Undertakings may grant rebates for substandard products and seconds on condition:

- (i) that for each of the products referred to in Article 1 (1) (a) to (g), total deliveries in respect of which a rebate has been granted for this reason during a calendar quarter do not exceed, in relation to total deliveries of that product during that quarter, the average percentage of deliveries of substandard products and seconds recorded for the product in question during the 12-month period 1 January to 31 December 1982;

and

- (ii) that the average rebate for all deliveries of substandard products and seconds for the quarter in question does not exceed:

18 % in the case of (a) (hot-rolled wide strip (coils)),

12 % in the case of (b) + (c) (hot-rolled narrow strip, or narrow strip obtained by slitting hot-rolled wide strip),

12 % in the case of (d) (hot-rolled sheet obtained by cutting hot-rolled wide strip),

15 % in the case of (e) (reversing mill plate),

⁽¹⁾ OJ No 6, 4. 5. 1953, p. 109.

⁽²⁾ OJ No 6, 4. 5. 1953, p. 111.

- 18 % in the case of (f) (cold-rolled sheet),
10 % in the case of (g) (sections and beams),

of the respective minimum price resulting from the provisions of Articles 1 (1) and (2) and 2 (1) but without applying the extras indicated in Article 2 (1) and (2).

Article 6

1. Alignments on offers from non-member countries in respect of which the Commission has not published a ban on alignment must not have the effect that the resulting basis prices ex basing-point are below the minimum prices.

2. This Decision shall not affect the special price rules concerning sales to Greece pursuant to Article 129 of the Act of Accession.

Article 7

The Commission may amend this Decision, in particular in the light of experience.

Article 8

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

This Decision shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 23 December 1983.

For the Commission

Étienne DAVIGNON

Vice-President
