

**Communication of the Commission in respect of a revision of the General Objectives
Steel 1980-1985**

(Article 46 § 3 of the ECSC Treaty)

The steel market has suffered a steady deterioration during the past three years and this has profoundly modified the base factors for the estimates of the development of the steel industry contained in the 'General Objectives Steel'. The current depression has not only affected the structure of demand but equally the flow of world trade in steel products. This implies that production equipment should be adjusted to match the changes in demand.

In accordance with Article 46 § 3 of the ECSC Treaty the Commission deems it necessary to undertake a revision of certain chapters of the 'General Objectives Steel' and an extension to the year 1990 in order to take account of new economic environment with which the European Steel Industry must operate.

A detailed examination of demand, internal and external, for steel will be undertaken in quantitative terms; an in-depth analysis of quality development is already available. The investments in and reorganization of the production equipment will be determined on the basis of this new information.

In order to determine the possible development of the different processes of steel production, a forecast of the long term supply of scrap will be prepared in parallel.

A revision of the chapter on employment is indispensable to take account of the importance of the impact in the social domain of the reorientation of the Community steel industry. These new estimates of manpower requirements will be formulated in the context of the prospects resulting from the national plans for the reorganization of the steel industry.
