Commission Regulation (EC) No 1915/2006 of 18 December 2006 continuing prior Community surveillance of imports of certain iron and steel products originating in certain third countries

COMMISSION REGULATION (EC) No 1915/2006

of 18 December 2006

continuing prior Community surveillance of imports of certain iron and steel products originating in certain third countries

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 3285/94 of 22 December 1994 on common rules for imports and repealing Regulation (EC) No 518/94[(1)], and in particular Article 11 thereof,

Having regard to Council Regulation (EC) No 519/94 of 7 March 1994 on common rules for imports from certain third countries and repealing Regulations (EEC) No 1765/82, (EEC) No 1766/82 and (EEC) No 3420/83[(2)], and in particular Article 9 thereof,

After consultations with the Advisory Committees,

Whereas:

(1) By Regulation (EC) No 76/2002[(3)] the Commission introduced prior Community surveillance of imports of certain iron and steel products originating in third countries. That Regulation was amended by Commission Regulation (EC) No 1337/2002[(4)] so as to extend the scope of the surveillance and by Regulation (EC) No 2385/2002[(5)] and Regulation (EC) No 469/2005[(6)].

(2) The Community's external trade statistics are not available within the periods established by Commission Regulation (EC) No 1917/2000[(7)].

(3) Although the situation has changed since the introduction of surveillance in 2002, developments in the world steel market continue to require a reliable and quick information system on the future imports of the Community.

(4) Since 2003, China's market has been the key driver of the very important increase in the demand for steel products. However, China has been increasing its production capacity at a very accelerated pace. China's production of crude steel has been increased from 129 million tonnes in 2000 to 349 million tonnes in 2005, moving from a world share of 15,4 % to 36 % over the same period, and further production capacities are being added that could increase China's capacity in 2006. EU import from China totalled about 0,9 million tonnes in 2004 and 1,6 million tonnes in 2005. China was a net importer of 15 million tonnes in 2004 but will become a net exporter in 2006. It can be anticipated that this trend of decreasing imports and increasing exports in China will continue, thereby releasing into the world market important increased quantities of steel products looking for a new market.

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 1915/2006. (See end of Document for details)*

(5) The most recent import statistics available for four major product-types, namely flat products, long products, tubes and pipes, and semi-finished products, showed for the first half year of 2006 an average increase of 11 % overall compared to the same period in 2005, reaching 18 % and 13 % respectively for flat and long products. Total imports was 26,2 million tonnes in 2005 as compared to 20 million tonnes in 2002, showing a total import increase for three years of 31 %.

(6) Analysis of the first two quarters of 2006 reveals a continued high level of imports, occurring within that period, overall 29 % increase, whilst figures for third quarter of that year point to a further upward trend.

(7) Furthermore, prices in the Community market, as they are on the US market, continue to be high and are generally between 20 % and 30 % higher than those observed in Asian markets. This price differentiation is likely to attract interest from third-country exporters and during 2006 first signs of a lowering of the price has been observed on the American and market and on the market of some European countries.

(8) Moreover, statistics on the employment of EU producers show a marked decline, falling from 414 500 people in 2000 down to 404 700 in 2001, 390 200 in 2002, 383 800 in 2003 and 375 900 in 2004 and 347 000 in 2005, that is a decrease of about 16 % over five years.

(9) On the basis of recent trends in imports of steel products, of recent developments in the Chinese market, of the accelerated pace of increasing imports, of the high price differences between steel products in the EU market and those on third markets and of the already important job losses over recent years, a threat of injury to Community producers for the purposes of Article 11 of Regulation (EC) No 3285/94 can therefore be deemed to exist.

(10) Thus, the interests of the Community require that imports of certain steel products should continue to be subject to prior Community surveillance in order to provide advanced statistical information permitting rapid analysis of import trends. Taking into account the expected developments mentioned above, and taking into consideration that other major steel producing countries have put into place or prolonged similar surveillance systems until 2009, it is appropriate that that system should continue exceptionally until 31 December 2009.

(11) Moreover, so as to minimise unnecessary constraints and not disturb excessively the activities of companies close to the borders, it is desirable to increase the scope of small quantities which are excluded from the scope of the prior surveillance. Therefore, the net weight of imports that should be excluded from the application of this Regulation should be increased to 2 500 kilograms.

(12) It is desirable for this Regulation to enter into force on the day of its publication in order to collect the data as soon as possible,

HAS ADOPTED THIS REGULATION: