Commission Regulation (EC) No 469/2005 of 23 March 2005 continuing prior Community surveillance of imports of certain iron and steel products originating in certain third countries

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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 Commission Regulation (EC) 2385/2002[(5)].

(2) The Community's external trade statistics are not available within the periods established by Commission Regulation (EC) No 1917/2000[(6)].

(3) Although the situation has changed since the introduction of surveillance in 2002, recent developments in the world steel market still 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 270 million tonnes in 2004, moving from a world share of 15,4 % to 26,2 % over the same period, and further production capacities are being added that could bring China's capacity up to 300 million tonnes in 2005. Imports into China totalled about 37 million tonnes in 2003 and 29 million tonnes in 2004. For the same years, exports totalled about 7 million tonnes and 14 million tonnes. Net imports therefore moved from about 30 million tonnes in 2003 to 15 million tonnes in 2004, thus 15 million tonnes more were on offer and had to find another market. It can be anticipated that this trend of decreasing imports and increasing exports in China will

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 469/2005. (See end of Document for details)*

continue, thereby releasing into the world market important increased quantities of steel products looking for a new market.

(5) The most recent import statistics available for four major product-types, namely flat products, long products, tubes and pipes, and semi-finished products, show an annual increase between 2002 and 2003 averaging 9 % overall but reaching 23 % and 43 % respectively for long and semi-finished products. Similarly, using a 10-month period running from January to October, the percentage increase between 2003 and 2004 was found to range from 3,4 % to 58,5 %, depending on product-type.

(6) Analysis of the first three quarters of 2004 reveals a further upward trend, occurring within that period, of between 26,7 % and 52 %, whilst figures for October of that year point to an acceleration of that trend.

(7) Furthermore, prices in the Community market, which had been lagging behind the United States of America market in 2003, have become among the highest in the world. This is likely to attract still further interest from third-country exporters.

(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, that is a decrease of about 10 % over four 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 very high prices of the steel products in the EU market 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, it is appropriate that that system should continue until 31 December 2006.

(11) 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:

Article 1

Regulation (EC) No 76/2002, as modified by Regulations 1337/2002 and 2385/2002, is amended as follows: In Article 6 replace ‘31 March 2005’ with ‘31 December 2006’.

Article 2

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

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