

**COMMISSION REGULATION (EC) No 2385/2002
of 30 December 2002**

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

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

quotas and additional duties ranging from 8 % to 30 %
ad valorem.

Having regard to the Treaty establishing the European
Community,

(4) On 28 March 2002, the Commission initiated an
investigation relating to serious injury or threat thereof
to the Community producers of products like or directly
competing with 21 imported steel products.

Having regard to Council Regulation (EC) No 3285/94 ⁽¹⁾ of 22
December 1994 on common rules for imports and repealing
Regulation (EC) No 518/94, as last amended by Regulation (EC)
No 2474/2000 ⁽²⁾, and in particular Article 11 thereof,

(5) On the same day, on the basis of information gathered
and verified prior to the initiation, provisional measures
were imposed on 15 of the steel products covered by
the investigation.

Having regard to Council Regulation (EC) No 519/94 ⁽³⁾ 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, as last amended by Regu-
lation (EC) No 1138/98 ⁽⁴⁾, and in particular Article 9 thereof,

(6) By Regulation (EC) No 1694/2002 of 27 September
2002 ⁽⁷⁾, the Commission, having established that
increased imports of the seven products specified in
Annex 1(a) were causing serious injury to the
Community producers, imposed definitive safeguard
measures against those products in the form of addi-
tional duties payable on imports in excess of the relevant
tariff quotas. Utilisation of these tariff quotas can be
monitored on a daily basis.

After consultations with the Advisory Committees,

Whereas:

(1) By Regulation (EC) No 76/2002 ⁽⁵⁾ of 17 January 2002,
the Commission introduced prior Community surveil-
lance of imports of certain iron and steel products
originating in third countries. That Regulation was
amended by Commission Regulation (EC) No 1337/
2002 ⁽⁶⁾ of 24 July 2002 so as to extend the scope of
the surveillance.

(7) By Regulation (EC) No 1695/2002 of 27 September
2002 ⁽⁸⁾, the Commission, having established that
increased imports of the 14 products specified in Annex
1(b) were threatening to cause injury to the Community
producers, and that it was in the interests of the
Community to do so, imposed a system of retrospective
surveillance in relation to those 14 products.

(2) On 6 March 2002, certain Member States informed the
Commission that trends in imports of certain steel prod-
ucts appeared to call for safeguard measures; submitted
information containing the evidence available as deter-
mined on the basis of Article 10 of Regulation (EC) No
3285/94 and Article 8 of Regulation (EC) No 519/94;
and requested the Commission to impose provisional
safeguard measures and to open a safeguard
investigation.

(8) The aforementioned systems of monitoring of the safe-
guard tariff quotas and retrospective surveillance provide
information as to the origin of only some of the imports
entering the Community market, and do not provide
information as to the prices of those imports. Nor do
they provide information as to the structure of future
trade flows.

(3) On 20 March 2002, the United States of America
imposed definitive safeguard measures against a broad
range of imported steel products in the form of tariff

(9) The Community's external trade statistics are not avail-
able within the periods established by Commission
Regulation (EC) No 1917/2000 ⁽⁹⁾, as amended by Regu-
lation (EC) No 1669/2001 ⁽¹⁰⁾.

⁽¹⁾ OJ L 319, 31.12.1994, p. 53.

⁽²⁾ OJ L 286, 11.11.2000, p. 1.

⁽³⁾ OJ L 67, 10.3.1994, p. 89.

⁽⁴⁾ OJ L 159, 3.6.1998, p. 1.

⁽⁵⁾ OJ L 16, 18.1.2002, p. 3.

⁽⁶⁾ OJ L 195, 24.7.2002, p. 25.

⁽⁷⁾ OJ L 261, 28.9.2002, p. 1.

⁽⁸⁾ OJ L 261, 28.9.2002, p. 124.

⁽⁹⁾ OJ L 229, 9.9.2000, p. 14.

⁽¹⁰⁾ OJ L 224, 21.8.2001, p. 3.

- (10) However, available import statistics for the steel products specified in Annex 1 show the following trends, which threaten to cause injury to the Community producers:

Product type	(tonnes)			
	1999	2000	2001	2002 ⁽¹⁾ (6 months)
Flat products	10 818 943	13 641 836	13 916 538	6 058 977
Long products	5 053 766	5 184 421	5 482 925	2 772 014
Tubes and pipes	2 541 117	2 930 406	2 903 729	1 384 322

⁽¹⁾ Only data for the first six months of 2002 is presently available, and it is subject to revision.

- (11) Although certain categories of product show some decline in imports, it must be recalled that a number of steel products were subject to the EC provisional steel safeguard measures during part of this period. Further, it is clear that the international context could lead to further diversion of trade to the Community by reason of the fact that the world steel market remains unsettled and many countries have taken, or are considering, safeguard measures.

- (12) Indeed, since the imposition of safeguard measures across a broad range of steel products by the US in March 2002, the European Community and many countries (including Bulgaria, Canada, China, the Czech Republic, Hungary, India, Indonesia, Malaysia, Mexico and Poland) concerned by the possible impact of those and earlier measures on the world steel market, have initiated safeguard investigations relating to a range of steel products. Definitive safeguard measures have in some cases already been taken. It is therefore clear that there may be further major fluctuations in the structure of international steel trade, and in particular deflection towards the Community market which would cause injury to the Community producers.

- (13) At the same time, production statistics indicate that production of crude steel in the Community has fallen from 163,2 million tonnes in 2000, to 158,5 million tonnes in 2001 and 118,9 million tonnes in the first nine months of 2002. Employment in the Community producers has also declined, from 276 700 in 2000 to 270 000 ⁽¹⁾ in 2001, and it is predicted to decline further in 2002. There is a genuine and substantial link between the development of these economic indicators and trends in imports, and it is therefore considered that trends in imports threaten injury to the Community producers.

- (14) Therefore, 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.

- (15) Therefore, the Commission concludes that, in accordance with Article 11 of Regulation (EC) No 3285/94 and Article 9 of Regulation (EC) No 519/94, a system of a priori surveillance should continue in relation to imports of certain steel products which are destined for export to the Community. Taking into account the duration of the steel safeguard measures imposed by the United States of America in March 2002, it is appropriate that that system should continue until the end of March 2005.

- (16) Moreover, so as not to introduce unnecessary constraints and not to disturb excessively the activities of companies close to the borders, it is desirable to exclude imports of small quantities from the scope of the prior community surveillance. Therefore, imports whose net weight does not exceed 500 kilogrammes should be excluded from the application of this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 76/2002 is amended as follows:

1. at the end of Article 1, add:

'3. Imports whose net weight does not exceed 500 kilogrammes are excluded from the application of this Regulation.'

2. in Article 6 replace '31 December 2002' with '31 March 2005'.

Article 2

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

⁽¹⁾ Data not yet finalised and subject to revision.

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

Done at Brussels, 30 December 2002.

For the Commission
Pascal LAMY
Member of the Commission
