II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 24 April 1985

extending the period of validity of Decision 74/509/ECSC authorizing the formation of the Groupement européen du manganèse

(Only the French text is authentic)

(85/253/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 65 thereof,

Having regard to the application made on 17 July 1984 by the Groupement Européen du Manganèse,

Whereas :

1. By Decision 74/509/ECSC [1] the Commission, pursuant to Article 65 (2) of the ECSC Treaty, authorized until 1 October 1979 the formation of the Groupement européen du manganèse (GEM) by Société nouvelle des aciéries de Pompey (SNAP), Compagnie universelle d'acétylène (CUA), Société française d'électro-métallurgie (Sofrem) and Eurominas Electro-Metallurgia (Eurominas).

2. By Decision 80/101/ECSC [2] the Commission extended the authorization in question until 31 December 1984.

3. By letter dated 17 July 1984 GEM requested the Commission to grant a further extension of the authorization.

4. In 1983 Sofrem acquired the total capital of CUA, which it already controlled, subsequently winding it up. This resulted in Sofrem taking over CUA's shareholding in Eurominas and its shareholding and voting rights in GEM.

5. This operation will not affect competition between producers and sellers of high-carbon ferromanganese in the Community because Eurominas and GEM are still controlled by the Pechiney and Sacilor groups, respective owners of Sofrem and SNAP, and because CUA stopped producing high-carbon ferromanganese in 1980.

6. The 1974 Commission authorization estimated the probable annual sales in the EEC of high-carbon ferro-manganese produced by Eurominas at between 30 000 and 40 000 tonnes, representing between 2,6 and 3,4 % of Community consumption in 1973. Only 9 980 tonnes were in fact sold in 1983 and 25 575 tonnes in 1984, representing 1,7 and 4,7 % respectively of Community consumption for those years. The sizable increase in sales in 1984 compared with 1983 is due to special deliveries during the first half of the year to make up for the closure of a furnace at SNAP for repairs lasting three to four months. The general classification of GEM's size in sales terms which was used as a basis for the 1974 Decision may still be considered valid in the present market situation.

7. Throughout the lifetime of the agreement setting it up, GEM has sold only the production of Eurominas. SNAP and Sofrem have fully maintained their business independence.

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[1] OJ No L 286, 23. 10. 1974, p. 16.
[2] OJ No L 24, 31. 1. 1980, p. 43.

8. The Community high-carbon ferro-manganese industry is suffering from overproduction due to a reduction in steel production, a reduction in the specific consumption of high-carbon ferro-manganese per tonne of steel produced and the replacement of this product by silico-manganese and refined ferro-manganese (EEC products) following the introduction of continuous casting. This overproduction should bring about a reduction in firms' production capacity and hence a restructuring of the sector.

9. In these circumstances it is appropriate, on the one hand, to renew the authorization for a period of not more than two years so as to enable the Commission to assess the effect on the agreement in question of any change in the structure of the industry and, on the other, to require the firms concerned to inform the Commission forthwith of any amendments to or updating of the agreement *inter alia* as regards their shareholdings and voting rights in GEM and Eurominas, and as regards the ownership of their own shares. Such amendments may enter into force only if the Commission raises no objections or, where necessary, after it has granted an authorization under Article 65 (2) of the Treaty

10. Accordingly, the considerations accepted by the Commission when granting authorization from 2 October 1974 to 1 October 1979, and from 2 October 1979 to 31 December 1984, for the agreement setting up GEM remain valid ; the agreement therefore continues to satisfy the tests for authorization laid down in Article 65 (2) of the Treaty and may accordingly continue to be authorized,

HAS ADOPTED THIS DECISION :

Article 1

The period of validity of Decision 74/509/ECSC is hereby extended until 31 December 1986.

Article 2

The firms to which this Decision is addressed shall inform the Commission forthwith of any amendments to or updating of the agreement, any change in shareholdings and voting rights in the Groupement européen du manganèse and Eurominas Electro-Metallurgia, and any change in the ownership of their own shares.

Suh changes shall not take effect until the Commission has declared that they are in conformity with this Decison and has authorized them under Article 65 (2) of the Treaty.

Article 3

This Decision shall take effect from 1 January 1985.

Article 4

This Decision is addressed to Groupement européen du manganèse, 33 rue de Lisbonne, 75008 Paris, Société nouvelle des aciéries de Pompey, le Parvis 29, La Défense 4, 92072 Paris-La-Défense Cedex 35, Société française d'électro-métallurgie, Tour Manhattan Cedex 21, 92087 Paris-La-Défense, and Eurominas Electro-Metallurgia, Av. Miguel Bombarda 133, 4° B, 1000 Lisbon.

Done at Brussels, 24 April 1985.

For the Commission

Peter SUTHERLAND

Member of the Commission