COMMISSION REGULATION (EC) No 2845/98

of 22 December 1998

introducing prior Community surveillance of imports of certain iron and steel products covered by the ECSC and EC Treaties 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], as last amended by Regulation (EC) No 2315/96 [2], 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 [3], as last amended by Regulation (EC) No 1138/98 [4], and in particular Article 9(1) thereof,

Consultations having taken place within the Committees set up under the Regulations referred to above,

Whereas by Commission Regulation (EC) No 2604/97 [5], as amended by Regulation (EC) No 706/98 [6], imports into the Community of certain iron and steel products covered by the Treaty establishing the European Coal and Steel Community and the Treaty establishing the European Community were subject to *a priori* Community surveillance;

Whereas in accordance with the provisions of Regulations (EC) No 3285/94 and (EC) No 519/94, products covered by the Treaty establishing the European Coal and Steel Community are subject to the common rules for imports and it is therefore necessary that the arrangements for Community surveillance measures in respect of ECSC products be adopted in accordance with the provisions of those Regulations;

Whereas in view of the elimination on 31 December 1998 of Turkey's import tariffs towards the Community in respect of all ECSC products, earlier than foreseen in the bilateral agreement on trade in products covered by the Treaty establishing the European Coal and Steel Community, it is appropriate to remove from the scope of the present Regulation all products subject to the ECSC Treaty which originate in Turkey;

Whereas the steel market in the Community has been unstable in recent years, partly due to pressure from imports and notably from regions with excessive production capacity and weak domestic consumption. Since the beginning of 1998, the steel market has been seriously disturbed by the consequences of the financial and economic crisis that began in south-east Asia. Available economic indicators show the following trends:

(a) Production. In 1997, production of crude steel in the Community increased to 160 million tonnes, 8,8 % above 1996. It continued to grow between January and July 1998. Since August, production has slowed down. The significant increase in imports of finished steel products in the first semester, the slowdown of activity in individual consuming sectors, the high level of stocks and a further reduction of exports should result in a 1998 crude steel production of about 160 million tonnes. It could decrease slightly in 1999, since consumption is expected to decrease by 4 % compared with 1998;

(b) Imports. Imports of ECSC products into the Community from all third countries amounted to 12,2 million tonnes in 1997, 15 % above 1996. During the first six months of 1998, imports of ECSC products amounted to 10 million tonnes, an increase of 57,2 % compared with the same period in 1997. Imports of flat products increased by 70 %, long products by 49 % and semi-finished products by 117 %. Imports of finished products from the Asian region increased from 0,2 million tonnes in the first half of 1997 to 1,6 million tonnes in the same period of 1998. Imports also rose from countries indirectly affected by the Asian crisis. Prices for certain steel products within the Community fell by up to 30 % during 1998 as a consequence of low-priced imports. Imports are expected to stay at high levels in 1999;

(c) Exports. Exports of ECSC products decreased by 15 % to 21 million tonnes in 1997 compared with 1996. In the first six months of 1998, exports of ECSC products amounted to 8,6 million tonnes, an average

[1] OJ L 349, 31. 12. 1994, p. 53.
[2] OJ L 314, 4. 12. 1996, p. 1.
[3] OJ L 67, 10. 3. 1994, p. 89.
[4] OJ L 159, 3. 6. 1998, p. 1.
[5] OJ L 351, 23. 12. 1997, p. 28.
[6] OJ L 98, 31. 3. 1998, p. 8.

decrease of 18 % compared with the same period in 1997. For 1998 as a whole, the Community is likely to become a net importer of steel products for the first time. In 1997, it had a net surplus of 8,5 million tonnes;

(d) Similar trends apply to certain steel products covered by the EC Treaty:

— in 1997, production of narrow strip coil increased by 16,8 % compared with 1996. Imports increased by an average of 2 % in 1997 compared with 1996. For the first six months of 1998, imports increased by an average of 7 % compared with the same period in 1997. However, these general trends conceal the pressure of imports in certain regions of the Community.

— in 1997, production of steel tubes and pipes increased by 8,6 % compared with 1996. Imports of steel tubes and pipes increased by an average of 1 % in 1997 compared with 1996. For the first six months of 1998, imports of steel tubes and pipes increased by an average of 34 % compared with the same period in 1997;

Whereas, therefore, the trends with respect to certain ECSC and EC products originating in third countries covered by this Regulation threaten to cause injury to Community producers;

Whereas the Community's external trade statistics are not available within the periods established by Commission Regulation (EC) No 840/96 [1]; whereas it is necessary that this problem should be addressed urgently;

Whereas the interests of the Community require that imports of certain steel products should be subject to prior Community surveillance in order to provide statistical information permitting rapid analysis of import trends;

Whereas the completion of the internal market requires that the formalities to be accomplished by Community importers be identical wherever the goods may be cleared;

Whereas release for free circulation of the products covered by this Regulation should be made subject to presentation of a surveillance document meeting uniform criteria;

Whereas that document should on simple application by the importer, be endorsed by the authorities of the Member States within a certain period but without the importer thereby acquiring any right to import; the document should therefore be valid only during such period as the import rules remain unchanged;

Whereas the surveillance documents issued for the purposes of Community surveillance must be valid throughout the Community, regardless of the Member State of issue;

Whereas the Member States and the Commission should exchange the information resulting from Community surveillance as fully as possible;

Whereas the issue of surveillance documents, while subject to standard conditions at Community level, is to be the responsibility of the national authorities;

Whereas it should be recalled that the delivery of a surveillance documentation for certain iron and steel products is subject to presentation of an export document in accordance with arrangements established within the framework of double-checking agreements with certain third countries; whereas the present Regulation does not apply to the products originating in those countries which are subject to such a double-checking system,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January 1999, the release for free circulation in the Community of iron and steel products covered by the ECSC and EC Treaties listed in Annex I shall be subject to prior Community surveillance in accordance with Articles 11 and 12 of Regulation (EC) No 3285/94 and Articles 9 and 10 of Regulation (EC) No 519/94. This applies to imports originating in all non-member countries other than in respect of products originating in countries of the European Free Trade Association (EFTA), in countries which are Parties to the Agreement on the European Economic Area (EEA), and in Turkey. Products which are subject to a double-checking surveillance agreement established between a non-member country and the Community shall be subject to the conditions established by that agreement and not to the present Regulation.

2. The classification of the products covered by this Regulation is based on the tariff and statistical nomenclature of the Community (hereinafter called the 'Combined Nomenclature', or in abbreviated form 'CN'). The origin of the products covered by this Regulation shall be determined in accordance with the rules in force in the Community.

Article 2

1. The release for free circulation of the products referred to in Article 1 in the Community shall be subject to presentation of a surveillance document issued by the relevant authorities of a Member State.

[1] OJ L 114, 8. 5. 1996, p. 7.

2. The surveillance document referred to in paragraph 1 shall be issued automatically by the competent authority in the Member States, without charge for any quantities requested, within five working days of presentation of an application by any Community importer, wherever established in the Community. This application shall be deemed to have been received by the competent national authority no later than three working days after submission, unless it is proven otherwise.

3. A surveillance document issued by one of the authorities listed in Annex II shall be valid throughout the Community.

4. The surveillance document shall be made out on a form corresponding to the model in Annex I to Regulation (EC) No 3285/94 ([1]). The importer's application shall include the following elements:

(a) the name and full address of the applicant (including telephone and telefax numbers, and possible identification number used by the competent national authorities) and VAT registration number, if subject to VAT;

(b) if applicable, the name and full address of the declarant or representative of the applicant (including telephone and telefax numbers);

(c) the full name and address of the exporter;

(d) the exact description of the goods, including:

— their trade name,

— the Combined Nomenclature (CN) code(s),

— the country of origin,

— the country of consignment;

(e) the net weight, expressed in kilograms and also quantity in the unit prescribed where other than net weight, by Combined Nomenclature heading;

(f) the cif value of the goods in euro at the Community frontier by Combined Nomenclature heading;

(g) whether the products concerned are seconds or of substandard quality ([2]);

(h) the proposed period and place of customs clearance;

(i) whether the application is a repeat of a previous application concerning the same contract;

(j) the following declaration, dated and signed by the applicant with the transcription of his name in capital letters:

'I, the undersigned, certify that the information provided in this application is true and given in good faith, and that I am established in the Community.'

The importer shall also submit a copy of the contract of sale or purchase and of the pro forma invoice. If so requested, for example in cases where the goods are not directly purchased in the country of production, the importer shall present a certificate of production issued by the producing steel mill.

5. Surveillance documents may be used only for such time as arrangements for liberalisation of imports remain in force in respect of the transactions concerned. Without prejudice to possible changes in the import regulations in force or decisions taken in the framework of an agreement or the management of a quota:

— the period of validity of the surveillance document is hereby fixed at four months,

— unused or partly used surveillance documents may be renewed for an equal period.

6. The importer shall return surveillance documents to the issuing authority at the end of their period of validity.

7. The competent authorities may, under the conditions fixed by them, allow the submission of declarations or requests to be transmitted or printed by electronic means. However, all documents and evidence must be available to the competent authorities.

8. The surveillance document may be issued by electronic means as long as the customs offices involved have access to this document across a computer network.

Article 3

1. A finding that the unit price at which the transaction is effected varies from that indicated in the surveillance document by less than 5 % in either direction or that the total quantity of the products presented for import exceeds the quantity given in the surveillance document by less than 5 % shall not preclude the release for free circulation of the products in question.

2. Applications for surveillance documents and the documents themselves shall be confidential. They shall be restricted to the competent authorities and the applicant.

Article 4

1. The Member States shall communicate to the Commission:

(a) on as regular and up-to-date a basis as possible and at least by the last day of each month, details of the quantities and values (calculated in euro) for which surveillance documents have been issued;

([1]) And taking into account the provisions of Article 2 of Council Regulation (EC) No 1103/97 (OJ L 162, 19. 6. 1997, p. 1).

([2]) Under the criteria given in OJ C 180, 11. 7. 1991, p. 4.

(b) within six weeks of the end of each month, details of imports during that month, in accordance with Article 26 of Regulation (EC) No 840/96.

The information provided by Member States shall be broken down by product, CN code and by country.

2. The Member States shall give notification of any anomalies or cases of fraud which they discover and, where relevant, the basis on which they have refused to grant a surveillance document.

Article 5

Any notices to be given hereunder shall be given to the Commission of the European Communities and shall be communicated electronically within the integrated network set up for this purpose, unless for imperative technical reasons it is necessary to use other means of communication temporarily.

Article 6

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

It shall apply from 1 January to 31 December 1999.

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

Done at Brussels, 22 December 1998.

For the Commission
Leon BRITTAN
Vice-President

ANNEX I

LIST OF PRODUCTS SUBJECT TO PRIOR SURVEILLANCE (1999)

7208 10 00
7208 25 00
7208 26 00
7208 27 00
7208 36 00
7208 37 10
7208 37 90
7208 38 10
7208 38 90
7208 39 10
7208 39 90
7208 40 10
7208 40 90
7208 51 10
7208 51 30
7208 51 50
7208 51 91
7208 51 99
7208 52 10
7208 52 91
7208 52 99
7208 53 10
7208 53 90
7208 54 10
7208 54 90
7208 90 10

7209 15 00
7209 16 10
7209 16 90
7209 17 10
7209 17 90
7209 18 10
7209 18 91
7209 18 99
7209 25 00
7209 26 10
7209 26 90
7209 27 10
7209 27 90
7209 28 10
7209 28 90
7209 90 10

7210 11 10
7210 12 11
7210 12 19
7210 20 10
7210 30 10
7210 41 10
7210 49 10
7210 50 10
7210 61 10
7210 69 10
7210 70 31
7210 70 39
7210 90 31
7210 90 33
7210 90 38

7211 13 00
7211 14 10
7211 14 90
7211 19 20
7211 19 90
7211 23 10
7211 23 51
7211 23 91 (1)
7211 23 99 (1)
7211 29 20
7211 29 50 (1)
7211 29 90 (1)
7211 90 11
7211 90 90 (1)

7212 10 10
7212 10 91
7212 20 11
7212 30 11
7212 40 10
7212 40 91
7212 50 31
7212 50 51
7212 60 11
7212 60 91

7213 10 00
7213 20 00
7213 91 10
7213 91 20
7213 91 41
7213 91 49
7213 91 70
7213 91 90
7213 99 10
7213 99 90

7214 20 00
7214 30 00
7214 91 10
7214 91 90
7214 99 10
7214 99 31
7214 99 39
7214 99 50
7214 99 61
7214 99 69
7214 99 80
7214 99 90

7215 90 10

7216 10 00
7216 21 00
7216 22 00
7216 31 11
7216 31 19
7216 31 91
7216 31 99
7216 32 11
7216 32 19
7216 32 91
7216 32 99
7216 33 10
7216 33 90
7216 40 10
7216 40 90
7216 50 10
7216 50 91
7216 50 99
7216 99 10
7225 11 00
7225 19 10
7225 19 90
7225 20 20
7225 30 00
7225 40 80

7226 11 10
7226 11 90 (1)
7226 19 10
7226 19 30
7226 19 90 (1)

7228 10 10
7228 10 30
7228 20 11
7228 20 19
7228 20 30
7228 30 20
7228 30 41
7228 30 49
7228 30 61
7228 30 69
7228 30 70
7228 30 89
7228 60 10
7228 70 10
7228 70 31
7228 80 10
7228 80 90

7301 10 00

Complete
CN heading 7304 (1)

Complete
CN heading 7306 (1)

7307 93 11 (1)
7307 93 19 (1)
7307 99 30 (1)
7307 99 90 (1)

(1) Products covered by the EC Treaty.

ANEXO II — BILAG II — ANHANG II — ΠΑΡΑΡΤΗΜΑ II — ANNEX II — ANNEXE II — ALLEGATO II — BIJLAGE II — ANEXO II — LIITE II — BILAGA II

LISTA DE LAS AUTORIDADES NACIONALES COMPETENTES
LISTE OVER KOMPETENTE NATIONALE MYNDIGHEDER
LISTE DER ZUSTÄNDIGEN BEHÖRDEN DER MITGLIEDSTAATEN
ΔΙΕΥΘΥΝΣΕΙΣ ΤΩΝ ΑΡΧΩΝ ΕΚΔΟΣΗΣ ΑΔΕΙΩΝ ΤΩΝ ΚΡΑΤΩΝ ΜΕΛΩΝ
LIST OF THE COMPETENT NATIONAL AUTHORITIES
LISTE DES AUTORITÉS NATIONALES COMPÉTENTES
ELENCO DELLE COMPETENTI AUTORITÀ NAZIONALI
LIJST VAN BEVOEGDE NATIONALE INSTANTIES
LISTA DAS AUTORIDADES NACIONAIS COMPETENTES
LUETTELO TOIMIVALTAISISTA KANSALLISISTA VIRANOMAISISTA
LISTA ÖVER KOMPETENTA NATIONELLA MYNDIGHETER

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