COMMISSION REGULATION (EC) No 1695/2002

of 27 September 2002

terminating certain safeguard proceedings, and establishing a system of monitoring, in relation to certain steel products and providing for the refund of certain duties

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 Council Regulation (EC) No 2474/2000 [2], and in particular Articles 7 and 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) 3420/83 [3], as last amended by Regulation (EC) No 1138/98 [4], and in particular Articles 6 and 9 thereof,

After consultations within the Advisory Committee established under Article 4 of Regulation (EC) No 3285/94 and of Regulation (EC) No 519/94 respectively,

Whereas:

PROCEDURE

(1) On 6 March 2002, certain Member States ('the Member States concerned') informed the Commission that trends in imports appeared to call for safeguard measures, submitted information containing the evidence available as determined 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.

(2) The Member States concerned claimed that there had been recent substantial increases in imports of certain steel products and that the closure of the US market implied by US trade defence measures not only substantially denied the Community producers an important outlet for their exports, but also created the conditions for a huge diversion of steel trade from the US to the European Community ('the Community'). They claimed that steel destined for the US would be re-directed to the Community. This could lead to a dramatic increase in the existing high level of imports at low prices, exacerbating the already serious disruption on the Community steel market due to previous increased imports which threatened serious injury to the Community producers.

(3) The Member States concerned advised that the Community producers had submitted relevant information and urged the adoption of Community safeguard measures as a matter of urgency because any delay in their adoption would cause damage which it would be difficult to repair.

(4) The Commission informed all Member States of the alleged situation and consulted with them on the terms and conditions of imports, import trends and the serious injury or threat thereof to each of the sectors concerned, and the various aspects of the economic and commercial situation with regard to the Community products in question.

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[1] OJ L 349, 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) 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 certain imported steel products. The 21 steel products covered by the investigation are (1) non alloy hot rolled coils, (2) non alloy hot rolled sheets and plates, (3) non alloy hot rolled narrow strip, (4) alloy hot rolled flat products, (5) cold rolled sheets, (6) electrical sheets (other than GOES), (7) metallic coated sheets, (8) organic coated sheets, (9) tin mill products, (10) quarto plates, (11) wide flats, (12) non alloy merchant bars and light sections, (13) alloy merchant bars and light sections, (14) rebars, (15) stainless bars and light shapes, (16) stainless wire rod, (17) stainless steel wire, (18) fittings (< 609,6 mm), (19) flanges (other than of stainless steel), (20) gas pipes and (21) hollow sections.

(6) 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. These are the product numbers 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 17, 18 and 19 referred to in recital (5) above.

(7) The Commission proceeded to a full investigation in relation to each of the 21 products. The Commission officially advised and the exporting producers and importers as well as their representative associations known to be concerned, the representatives of exporting countries and the Community producers. The Commission sent questionnaires to all these parties and to those who made themselves known within the time limits set in the Notice of Initiation. Pursuant to Articles 5 of Council Regulation (EC) No 519/94 and 6 of Council Regulation (EC) No 3285/94 the Commission also gave parties directly concerned the opportunity to make their views known in writing and to request a hearing.

(8) Certain exporting producers, Community producers, importers and users, their respective associations, as well as third country governments submitted comments in writing. All interested parties who requested a hearing within the time limit set and who indicated that they were likely to be affected by the result of the proceeding and that there were particular reasons why they should be heard, were granted such a hearing. The oral and written comments submitted by the parties were considered and taken into account in reaching the definitive findings. The Commission sought and verified all the information which it deemed necessary for the purpose of a definitive determination. Verification visits were carried out at the premises of 30 Community producers, 12 exporting producers and 2 importers.

(9) The results of the investigation in relation to product numbers 6, 7, 8, 11, 12, 13, 15, 16, 17, 20 and 21 are set out below. In relation to product numbers 9, 10 and 14, no final conclusions have, as yet, been reached. The results of the investigation in relation to the remaining products are set out in a separate regulation imposing definitive safeguard measures on those products.

RESULTS OF THE INVESTIGATIONS

1. PRODUCT 6: Electrical Sheets (other than GOES)

1.1. *Product Concerned*

(10) The product concerned is certain electrical sheets, other than grain oriented electrical sheets (GOES), hereinafter referred to as 'electrical sheets'. The product concerned is currently classified under the following CN codes:

7209 16 10, 7209 17 10, 7209 18 10, 7209 26 10, 7209 27 10, 7209 28 10, 7211 23 91, 7225 19 90, 7226 19 30 and 7226 19 90.

1.2. *Increase In Imports*

(11) The Commission analysed imports of the product concerned over the period 1997 to 2001, in absolute terms and relative to production destined for sales and to total Community production including captive use ('total production'). The following table shows the development of imports in absolute terms and against both Community production destined for sales and total production, for each of the years 1997 to 2001.

CONSUMPTION

	1997	1998	1999	2000	2001
Volume (in tonnes)	1 221 672	1 256 812	1 177 443	1 372 316	1 294 506

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports					
Volume (in tonnes)	104 924	135 528	94 068	142 393	170 338
Rate of increase (in %)		29,2 %	– 30,6 %	51,4 %	19,6 %
Market share (in %)	8,6 %	10,8 %	8,0 %	10,4 %	13,2 %
Ratio — imports to total production (%)	8,2 %	10,4 %	7,7 %	10,2 %	13,1 %
Ratio — imports to production sold (%)	8,2 %	10,4 %	7,7 %	10,2 %	13,2 %
Unit prices (in Euro/tonne)	448	444	436	446	458

	1998/1997	1999/1998	2000/1999	2001/2000
Volume as moving averages (in tonnes)	120 226	114 798	118 231	156 366

(12) Imports of the product concerned rose in absolute terms from 1997 to 2001, except for 1999. The largest increase occurred between 1999 and 2000, when imports increased 51 % in only one year. In addition, significant increases can be noted in relation to both total production and production destined for sales.

1.3. *Serious Injury And Causation*

(13) In respect of product no 6, the Commission further examined whether the Community producers have suffered serious injury caused by the increased imports.

Taking the period 1997-2001 as a whole, the following was observed:

— Capacity remained stable at 1,55 million tonnes.

— Production remained stable at around 1,30 million tonnes.

— Sales in the Community fluctuated but were around 1,12 million tonnes in both 1997 and 2001.

— The unit price of Community sales increased from 480 to 513 (EUR/tonne).

— Net profit on Community sales (%) increased from 1,7 % to 3,5 %.

— Employment remained stable at around 2 200.

— Productivity increased from 576 to 589 (t/employee).

— The Community producers' market share declined from 91 % to 86,8 %.

In spite of the fall in market share, the other economic indicators of the Community producers' situation do not demonstrate a negative evolution over the five year period as a whole. Furthermore, profitability has increased from 1,7 % to 3,5 %, and there has also been an increase in prices. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

2. PRODUCT 7: Metallic Coated Sheets

2.1. *Product Concerned*

(14) The product concerned is certain metallic coated sheets of iron, alloy, or non-alloy steel (hereinafter referred to as 'metallic coated sheets'). The product concerned is currently classified under CN codes 7210 20 10, 7210 20 90, 7210 30 10, 7210 30 90, 7210 41 10, 7210 41 90, 7210 49 10, 7210 49 90, 7210 61 10, 7210 61 90, 7210 69 10, 7210 69 90, 7210 90 38, 7210 90 90, 7212 20 11, 7212 20 19, 7212 20 90, 7212 30 11, 7212 30 19, 7212 30 90, 7212 50 31, 7212 50 51, 7212 50 58, 7212 50 75, 7212 50 91, 7212 50 93, 7212 50 97, 7212 50 99, 7225 91 10, 7225 91 90, 7225 92 10, 7225 92 90, 7225 99 90, 7226 93 20, 7226 93 80, 7226 94 20, 7226 94 80, 7226 99 80.

(15) Metallic coated sheets are manufactured by cladding, coating or plating cold-rolled sheets.

2.2. *Increase In Imports*

(16) The Commission analysed imports of the product concerned over the period 1997 to 2001, in absolute terms and relative to production destined for sales and to total Community production including captive use ('total production'). The following table shows the development of imports in absolute terms and against both Community production destined for sales and total production, for each of the years 1997 to 2001.

COMSUMPTION

	1997	1998	1999	2000	2001
Volume (in tonnes)	17 185 728	19 120 025	20 210 092	22 996 423	22 276 718

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports:					
Volume (in tonnes)	572 836	1 624 588	1 314 020	2 106 199	1 264 606
Rate of increase (in %)		183,6 %	– 19,1 %	60,3 %	– 40,0 %
Market share (in %)	3,3 %	8,5 %	6,5 %	9,2 %	5,7 %
Ratio between imports and total production (in %)	2,9 %	7,7 %	6,1 %	8,3 %	5,1 %
Ratio between imports and production sold (in %)	3,2 %	8,5 %	6,7 %	9,2 %	5,6 %
Unit prices (in Euro/tonne)	393	426	368	477	397

	1998/1997	1999/1998	2000/1999	2001/2000
Volume as moving averages (in tonnes)	1 098 712	1 469 304	1 710 110	1 685 403

(17) Imports of the product concerned rose from 1,31m tonnes in 1999 to 2,11m tonnes in 2000, before falling back to 1,26m tonnes in 2001. In particular, imports fell in absolute terms by 40 % between 2000 and 2001. Between 1999 and 2001, imports as a percentage of Community production destined for sales fell from 6,7 % to 5,6 %. The reduction was particularly marked between 2000 and 2001, when it fell by 39,1 %.

(18) In light of the fall in imports between 1999 and 2001, both in absolute terms and as a percentage of Community production, it cannot be established that there is a sudden, sharp and significant increase in imports in the recent past. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

3. PRODUCT 8: Organic Coated Sheets

3.1. *Product Concerned*

(19) The product concerned is certain organic coated sheets of iron, alloy, or non-alloy steel (hereinafter referred to as 'organic coated sheets'). The product concerned is currently classified under CN codes 7210 70 39, 7210 70 90, 7212 40 91, 7212 40 93, 7212 40 98.

(20) Organic coated sheets are manufactured by cladding, coating or plating cold-rolled sheets.

3.2. *Increase In Imports*

(21) The Commission analysed imports of the product concerned over the period 1997 to 2001, in absolute terms and relative to production destined for sales and to total Community production including captive use ('total production'). The following table shows the development of imports in absolute terms and against both Community production destined for sales and total production, for each of the years 1997 to 2001.

CONSUMPTION

	1997	1998	1999	2000	2001
Volume (in tonnes)	3 257 890	3 518 360	3 591 886	4 087 539	3 769 193

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports:					
Volume (in tonnes)	39 270	195 410	218 396	288 946	250 859
Rate of increase (in %)		397,6 %	11,8 %	32,3 %	– 13,2 %
Market share (in %)	1,2 %	5,6 %	6,1 %	7,1 %	6,7 %
Ratio between imports and total production (in %)	0,9 %	4,5 %	5,2 %	6,4 %	5,9 %
Ratio between imports and production sold (in %)	1,1 %	5,2 %	5,9 %	6,8 %	6,4 %
Unit prices (in Euro/tonne)	904	583	539	676	596

	1998/1997	1999/1998	2000/1999	2001/2000
Volume as moving averages (in tonnes)	117 340	206 903	253 671	269 903

(22) Imports of the product concerned rose from 218 000 tonnes in 1999 to 289 000 tonnes in 2000, before falling back to 251 000 tonnes in 2001, a fall of 13,2 %. Between 2000 and 2001, as a percentage of Community production destined for sales, imports fell from 6,8 % to 6,4 %.

(23) In light of the fall in imports between 2000 and 2001, both in absolute terms and as a percentage of Community production, it cannot be established that there is a sudden, sharp and significant increase in imports in the recent past. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

4. PRODUCT 11: Wide Flats

4.1. *Product Concerned*

(24) The product concerned is certain flat rolled products of iron or non-alloy steel, not clad, plated or coated:

— in coils, not further worked than hot-rolled,

— not in coils, rolled on four faces or in a closed box pass,

(hereinafter referred to as 'wide flats'). The product concerned is currently classified under CN codes 7208 51 10, 7208 52 10, 7208 53 10, 7211 13 00.

Wide flats are manufactured by hot rolling semi-finished steel products. One of their main uses is in the construction sector.

4.2. *Increase in Imports*

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports:					
Volume (in tonnes)	112 233	134 410	127 041	108 076	169 200
Market share (in %)		Not established			
Ratio between imports and total production (in %)		Not established			
Ratio between imports and production sold (in %)		Not established			

(25) The data received from Community producers, exporters and importers was incomplete and unrepresentative and it was not possible for the Commission to establish the relevant economic indicators for the whole Community market. Under these circumstances, the Commission considers that it does not have sufficient data in order to assess whether measures could be justified because of the possible impact of the increase in imports. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

5. PRODUCT 12: Non Alloy Merchant Bars and Light Sections

5.1. *Product Concerned*

(26) The product concerned is certain non-alloy merchant bars and light sections of iron or non-alloy steel (hereinafter referred to as 'non alloy merchant bars and light sections'). The product concerned is currently classified under CN codes:

7214 30 00, 7214 91 10, 7214 91 90, 7214 99 31, 7214 99 39, 7214 99 50, 7214 99 61, 7214 99 69, 7214 99 80, 7214 99 90, 7215 90 10, 7228 80 90, 7216 10 00, 7216 21 00, 7216 22 00, 7216 40 10, 7216 40 90, 7216 50 10, 7216 50 91, 7216 50 99, 7216 99 10.

(27) Non alloy merchant bars and light sections are not further worked than forged, hot-rolled, hot-drawn or hot-extruded, and include those twisted after rolling.

5.2. *Increase In Imports*

CONSUMPTION

	1997	1998	1999	2000	2001
Volume (in tonnes)	8 809 708	9 064 208	9 189 287	9 138 570	9 003 531

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports:					
Volume (in tonnes)	577 708	796 208	825 287	842 570	855 531
Rate of increase (in %)		37,8 %	3,7 %	2,1 %	1,5 %
Market share (in %)	6,6 %	8,8 %	9,0 %	9,2 %	9,5 %
Ratio between imports and total production	6,1 %	8,0 %	8,6 %	8,6 %	9,0 %
Ratio between imports and production sold	7,0 %	9,6 %	9,9 %	10,2 %	10,5 %
Unit prices (in Euro/tonne)	310	325	270	294	313

	1998/1997	1999/1998	2000/1999	2001/2000
Volume as moving averages (in tonnes)	686 958	810 748	833 929	849 051

(28) The Commission analysed imports of the product concerned over the period 1997 to 2001, in absolute terms and relative to production destined for sales and to total Community production including captive use ('total production'). The following table shows the development of imports in absolute terms and against both Community production destined for sales and total production, for each of the years 1997 to 2001.

(29) Imports of the product concerned rose from 825 000 tonnes in 1999 to 856 000 tonnes in 2001, an increase of 3,6 %. Between 1999 and 2001, imports as percentage of total production rose from 8,6 % to 9 %, whilst imports as a percentage of production destined for sales increased form 9,9 % to 10,5 %

(30) Although there was an increase in imports, both in absolute terms and as a percentage of Community production between 1999 and 2001, the major increase occurred in 1998, and it cannot be established that there is a sudden, sharp and significant increase in imports in the recent past. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

6. PRODUCT 13 — Alloy Merchant Bars And Light Shapes

6.1. *Product Concerned*

(31) The product concerned is certain alloy merchant bars and light shapes (hereinafter referred to as 'alloy merchant bars'). The product concerned is currently classified under the following CN codes:

7228 20 11, 7228 20 19, 7228 20 30, 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.

(32) Alloy merchant bars are manufactured in a continuos casting process and are used as a pre-material for manufacturing a wide range of other steel products, as well as being sold as a finished product in their own right.

6.2. *Increase In Imports*

(33) The Commission analysed imports of the product concerned over the period 1997 to 2001, in absolute terms and relative to production destined for sales and to total Community production including captive use ('total production'). The following table shows the development of imports in absolute terms and against both Community production destined for sales and total production, for each of the years 1997 to 2001.

CONSUMPTION

	1997	1998	1999	2000	2001
Volume (in tonnes)	2 169 589	2 260 969	2 032 072	2 335 440	2 227 766

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports:					
Volume (in tonnes)	120 459	180 099	168 783	195 334	237 687
Rate of increase (in %)		49,5 %	– 6,3 %	15,7 %	21,7 %
Market share (in %)	5,6 %	8,0 %	8,3 %	8,4 %	10,7 %
Ratio between imports and total production	4,5 %	6,6 %	6,7 %	7,0 %	9,1 %
Ratio between imports and production sold	5,9 %	8,7 %	9,1 %	9,1 %	11,9 %
Unit prices (in Euro/tonne)	470	483	438	436	429

	1998/1997	1999/1998	2000/1999	2001/2000
Volume as moving averages (in tonnes)	150 279	174 441	182 059	216 511

(34) Imports of the product concerned rose in absolute terms from 1997 to 2001, with the first increase of 60 000 tonnes taking place between 1997 and 1998, and a further increase of 60 000 tonnes between 1998 and 2001. Likewise, significant increases can be observed in relation to the total production and in relation to production sold.

6.3. *Serious Injury And Causation*

(35) In respect of product no 13, the Commission also examined whether the Community producers have suffered serious injury caused by the increased imports.

Taking the period 1997-2001 as a whole, the following was observed:

— Total production remained stable at around 2,6m tonnes.

— Sales in the Community also remained relatively stable at around 2,0m tonnes.

— The price of Community sales increased slightly between 1997 and 1998, but then fell in 1999. Prices recovered to their 1997 level in 2001, having increased by 7 % between 2000 and 2001.

— Profitability decreased from 4,1 % to 2,8 %, but increased from 2,2 % to 2,8 % between 2000 and 2001.

— Productivity increased from 402 to 465 (t/employee).

— The Community producers' market share declined from 94,4 % to 89,3 %.

(36) The Commission notes that although profitability fell from 4,1 % to 2,8 %, it increased from 2,2 % to 2,8 % between 2000 and 2001. A number of indicators including price and profitability show a positive trend between 1999 and 2001, when the largest increase in imports occurred. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

7. PRODUCT 15: Stainless Bars and Light Shapes

7.1. *Product Concerned*

(37) The product concerned is certain stainless bars and light shapes of iron, alloy, or non-alloy steel (hereinafter referred to as 'stainless bars and light shapes'). The product concerned is currently classified under CN codes:

7222 11 11, 7222 11 19, 7222 11 21, 7222 11 29, 7222 11 91, 7222 11 99, 7222 19 10, 7222 19 90, 7222 20 11, 7222 20 19, 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81, 7222 20 89, 7222 30 10, 7222 30 51, 7222 30 91, 7222 30 98, 7222 40 10, 7222 40 30, 7222 40 91, 7222 40 93, 7222 40 99,

and comprises bars and rods, not further worked than hot-rolled, hot-drawn or extruded, or not further worked than cold-formed or cold-finished

7.2. *Increase In Imports*

(38) The Commission analysed imports of the product concerned over the period 1997 to 2001, in absolute terms and relative to production destined for sales and to total Community production including captive use ('total production'). The following table shows the development of imports in absolute terms and against both Community production destined for sales and total production, for each of the years 1997 to 2001.

CONSUMPTION

	1997	1998	1999	2000	2001
Volume (in tonnes)	413 326	464 521	423 861	480 349	505 715

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports:					
Volume (in tonnes)	64 211	70 602	62 184	72 084	70 375
Rate of increase (in %)		10,0 %	– 11,9 %	15,9 %	– 2,4 %
Market share (in %)	15,5 %	15,2 %	14,7 %	15,0 %	13,9 %
Ratio between imports and total production (in %)	15,5 %	15,3 %	14,8 %	14,7 %	13,8 %
Ratio between imports and production sold (in %)	15,6 %	15,4 %	14,8 %	15,0 %	13,9 %
Unit prices (in Euro/tonne)	2 193	2 211	2 195	2 079	2 518

	1998/1997	1999/1998	2000/1999	2001/2000
Volume as moving averages (in tonnes)	67 407	66 393	67 134	71 230

(39) Imports of the product concerned rose from 62 000 tonnes in 1999 to 72 000 tonnes in 2000, before falling back to 70 000 tonnes in 2001. In particular, imports fell 2,4 % between 2000 and 2001, to slightly below their 1998 level. Between 1999 and 2001, imports as a percentage of Community production destined for sales fell from 14,8 % to 13,9 %.

(40) In light of the fall in imports between 1999 and 2001, both in absolute terms and as a percentage of Community production, it cannot be established that there is a sudden, sharp and significant increase in imports in the recent past. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

8. PRODUCT 16: Stainless Wire Rod

8.1. *Product Concerned*

(41) The product concerned is certain stainless wire rod (hereinafter referred to as 'stainless wire rod'). The product concerned is currently classified under CN codes:

7221 00 10, 7221 00 90.

(42) Stainless wire rods are manufactured by hot rolling wound coils of stainless steel.

8.2. *Increase In Imports*

CONSUMPTION

	1997	1998	1999	2000	2001
Volume (in tonnes)	211 772	213 994	195 349	264 768	227 648

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports:					
Volume (in tonnes)	9 909	26 151	16 218	19 440	16 800
Rate of increase (in %)		163,9 %	– 38,0 %	19,9 %	– 13,6 %
Market share (in %)	4,7 %	12,2 %	8,3 %	7,3 %	7,4 %
Ratio between imports and total production (in %)	2,9 %	8,4 %	4,9 %	4,7 %	4,6 %
Ratio between imports and production sold (in %)	3,8 %	10,7 %	6,4 %	5,9 %	5,8 %
Unit prices (in Euro/tonne-Eurostat)	1 976	1 636	1 498	2 080	1 992

	1998/1997	1999/1998	2000/1999	2001/2000
Volume as moving averages (in tonnes)	18 030	21 185	17 829	18 120

(43) The Commission analysed imports of the product concerned over the period 1997 to 2001, in absolute terms and relative to production destined for sales and to total Community production including captive use ('total production'). The following table shows the development of imports in absolute terms and against both Community production destined for sales and total Community production, for each of the years 1997 to 2001.

(44) Imports of the product concerned rose from 16 200 tonnes in 1999 to 19,400 tonnes in 2000, before falling back to 16 800 tonnes in 2001, a fall of 13,6 %. Between 1999 and 2001, as a percentage of Community production destined for sales, imports fell from 6,4 % to 5,8 %.

(45) In light of the fall in imports between 2000 and 2001, both in absolute terms and as a percentage of Community production, it cannot be established that there is a sudden, sharp and significant increase in imports in the recent past. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

9. PRODUCT 17: Stainless Steel Wire

9.1. *Product Concerned*

(46) The product concerned is certain stainless steel wire (hereinafter referred to as 'stainless steel wire'). The product concerned is currently classified under CN codes:

7223 00 11, 7223 00 91, 7223 00 19, 7223 00 99.

(47) It is manufactured by drawing stainless steel wire rod and it has numerous uses such as in the engineering and automobile sectors.

9.2. *Increase In Imports*

(48) The Commission analysed imports of the product concerned over the period 1997 to 2001, in absolute terms and relative to production destined for sales and to total Community production including captive use ('total production'). The following table shows the development of imports in absolute terms and against both Community production destined for sales and total production, for each of the years 1997 to 2001.

CONSUMPTION

	1997	1998	1999	2000	2001
Volume (in tonnes)	113 340	123 363	119 494	123 375	118 145

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports:					
Volume (in tonnes)	28 112	36 745	32 961	34 348	32 865
Rate of increase (in %)		30,7 %	– 10,3 %	4,2 %	– 4,3 %
Market share (in %)	24,8 %	29,8 %	27,6 %	27,8 %	27,8 %
Ratio between imports and total production (in %)	28,8 %	36,4 %	33,6 %	32,5 %	32,8 %
Ratio between imports and production sold (in %)	29,3 %	37,1 %	34,2 %	33,2 %	33,8 %
Unit prices (in Euro/tonne-Eurostat)	3 244	3 046	2 943	3 602	3 853

	1998/1997	1999/1998	2000/1999	2001/2000
Volume as moving averages (in tonnes)	32 429	34 853	33 655	33 607

(49) Imports of the product concerned rose from 33 000 tonnes in 1999 to 34 000 tonnes in 2000, before falling back to 33 000 tonnes in 2001, a fall of 4,3 %. Between 1999 and 2001, as a percentage of Community production destined for sales, imports fell from 34,2 % to 33,8 %.

(50) In light of the fall in imports between 2000 and 2001, both in absolute terms and as a percentage of Community production, it cannot be established that there is a sudden, sharp and significant increase in imports in the recent past. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

10. PRODUCT 20: Gas Pipes

10.1 *Product Concerned*

(51) The product concerned is certain gas pipes of iron, alloy, or non-alloy steel (hereinafter referred to as 'gas pipes'). The product concerned is currently classified under CN codes:

7306 30 51, 7306 30 59, 7306 30 71, 7306 30 78.

(52) It is manufactured from hot rolled coils and comprises tubes, pipes and hollow profiles, threaded or threadable tubes (gas pipe), plated or coated with zinc.

10.2. *Increase In Imports*

CONSUMPTION

	1997	1998	1999	2000	2001
Volume (in tonnes)	957 845	931 345	926 525	937 273	824 390

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports:					
Volume (in tonnes)	334 348	383 070	325 276	390 011	337 572
Rate of increase (in %)		14,6 %	– 15,1 %	19,9 %	– 13,4 %
Market share (in %)	34,9 %	41,1 %	35,1 %	41,6 %	40,9 %
Ratio between imports and total production (in %)	47,4 %	61,1 %	49,0 %	63,3 %	60,6 %
Ratio between imports and production sold (in %)	47,5 %	61,2 %	49,1 %	63,6 %	61,2 %
Unit prices (in Euro/tonne)	373	402	349	405	350

	1998/1997	1999/1998	2000/1999	2001/2000
Volume as moving averages (in tonnes)	358 709	354 173	357 644	363 792

(53) The Commission analysed imports of the product concerned over the period 1997 to 2001, in absolute terms and relative to production destined for sales and to total Community production including captive use ('total production'). The following table shows the development of imports in absolute terms and against both Community production destined for sales and total production, for each of the years 1997 to 2001.

(54) Imports of the product concerned rose from 325 000 tonnes in 1999 to 390 000 tonnes in 2000, before falling back to 338 000 tonnes in 2001, a fall of 13,4 %. Between 2000 and 2001, as a percentage of Community production destined for sales, imports fell from 63,6 % to 61,2 %.

(55) In light of the fall in imports between 2000 and 2001, both in absolute terms and as a percentage of Community production, it cannot be established that there is a sudden, sharp and significant increase in imports in the recent past. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

11. PRODUCT 21: Hollow Sections

11.1. *Product Concerned*

(56) The product concerned is certain hollow sections of iron, alloy, or non-alloy steel (hereinafter referred to as 'hollow sections'). The product concerned is currently classified under CN codes:

7306 60 31, 7306 60 39.

(57) It consists of line pipe of a kind used for oil or gas pipelines, welded, of non-circular cross-section of rectangular (including square) cross-section, with a wall thickness not exceeding 2 mm, or other.

11.2. *Increase In Imports*

CONSUMPTION

	1997	1998	1999	2000	2001
Volume (in tonnes)	2 173 369	2 181 949	2 385 453	2 360 496	2 412 555

IMPORT DATA

	1997	1998	1999	2000	2001
Total imports:					
Volume (in tonnes)	294 726	363 724	406 554	508 738	435 500
Rate of increase (in %)		23,4 %	11,8 %	25,1 %	– 14,4 %
Market share (in %)	13,6 %	16,7 %	17,0 %	21,6 %	18,1 %
Ratio between imports and total production (in %)	13,8 %	17,5 %	17,7 %	22,9 %	19,4 %
Ratio between imports and production sold (in %)	14,0 %	17,8 %	18,2 %	24,1 %	20,2 %
Unit prices (in Euro/tonne)	410	414	368	367	308

	1998/1997	1999/1998	2000/1999	2001/2000
Volume as moving averages (in tonnes)	329 225	385 139	457 646	472 119

(58) The Commission analysed imports of the product concerned over the period 1997 to 2001, in absolute terms and relative to production destined for sales and to total Community production including captive use ('total production'). The following table shows the development of imports in absolute terms and against both Community production destined for sales and total production, for each of the years 1997 to 2001.

(59) Imports of the product concerned rose in from 407 000 tonnes in 1999 to 509 000 tonnes in 2000, before falling back to 436 000 tonnes in 2001, a fall of 14,4 %. Between 2000 and 2001, as a percentage of Community production destined for sales, imports fell from 24,1 % to 20,2 %.

(60) In light of the fall in imports between 2000 and 2001, both in absolute terms and as a percentage of Community production, it cannot be established that there is a sudden, sharp and significant increase in imports in the recent past. Therefore, the Commission concludes that the conditions for the adoption of definitive safeguard measures are not met.

FINAL CONSIDERATIONS

(61) The Commission considers that, for the reasons set out above, the conditions for the imposition of definitive safeguard measures for product numbers 6, 7, 8, 11, 12, 13, 15, 16, 17, 20 and 21 are not met.

(62) The safeguard proceedings should therefore be terminated in relation to product numbers 6, 7, 8, 11, 12, 13, 15, 16, 17, 20 and 21. Any provisional measures in respect of product numbers 6, 11, 12, 13 and 17 should not be confirmed [1]. Any additional duties paid in relation to those products in accordance with the provisional measures should be refunded.

(63) The Commission has received new information for product groups 9,10 and 14, alleging that import trends in 2002 would appear to be much higher than for 2001. In addition, information has been provided that the Community producers may be suffering financial losses and reduced sales in 2002. Therefore, the Commission considers it appropriate to continue the investigation for these products, in conformity with Article 7 of Council Regulation (EC) No 3285/94.

(64) Nevertheless, the Commission finds on the basis of the information it has analysed as well as on the basis of the new information received for products 9, 10 and 14 that the trend in imports of products 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20 and 21 threaten to cause injury to the Community producers, and that it is in the interests of the Community to establish a system of retrospective surveillance. 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 surveillance should be established in relation to imports of those products which have been put into free circulation in the Community, in order to rapidly provide information on the development of imports. In order to ensure coherence, and given the long duration of the US trade defence instruments measures, the surveillance should be in place for the same duration as the measures imposed by separate Regulation on seven steel products. That surveillance should be administered in accordance with the scheme laid down in Article 308d of Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council regulation (EEC) No 2913/92 establishing the Common Customs Code [2] (as last amended by Regulation (EC) No 444/2002), and the Member States should notify the information to the Commission on a weekly basis,

HAS ADOPTED THIS REGULATION:

Article 1

The safeguard proceedings with respect to the product numbers 6, 7, 8, 11, 12, 13, 15, 16, 17, 20 and 21, more particularly described in Annex 1, are terminated.

Article 2

Any amounts paid in respect of additional duties under the provisional safeguard measures imposed by Commission Regulation (EC) No 560/2002 [3] in relation to product numbers 6, 11, 12, 13 and 17, more particularly described in Annex 1, shall be refunded as soon as possible.

[1] OJ L 85, 28.3.2002, p. 1.
[2] OJ L 253, 11.10.1993, p. 1.
[3] OJ L 85 28.3.2002, p. 1.

Article 3

1. For each of the products of the CN codes specified in Annex 1, and until 28 March 2005, the Member States shall notify the Commission of details of the volumes of imports put into free circulation using the method for the surveillance of preferential imports set out in Article 308d of Commission Regulation (EEC) No 2454/93.

2. Such notification shall take place no later than midday Brussels time each Wednesday for the volumes put into free circulation during the preceding week.

Article 4

The Member States and the Commission shall cooperate closely to ensure compliance with this Regulation.

Article 5

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

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

Done at Brussels, 27 September 2002.

For the Commission
Pascal LAMY
Member of the Commission

ANNEX 1

Products under surveillance

Product No	Designation of the product	CN Codes	Origin	Order number
6	Electrical Sheets (other than Goes)	7209 16 10, 7209 17 10, 7209 18 10, 7209 26 10, 7209 27 10, 7209 28 10, 7211 23 91, 7225 19 90, 7226 19 30, 7226 19 90	All	65.2001
7	Metallic Coated Sheets	7210 20 10, 7210 20 90, 7210 30 10, 7210 30 90, 7210 41 10, 7210 41 90, 7210 49 10, 7210 49 90, 7210 61 10, 7210 61 90, 7210 69 10, 7210 69 90, 7210 90 38, 7210 90 90, 7212 20 11, 7212 20 19, 7212 20 90, 7212 30 11, 7212 30 19, 7212 30 90, 7212 50 31, 7212 50 51, 7212 50 58, 7212 50 75, 7212 50 91, 7212 50 93, 7212 50 97, 7212 50 99, 7225 91 10, 7225 91 90, 7225 92 10, 7225 92 90, 7225 99 90, 7226 93 20, 7226 93 80, 7226 94 20, 7226 94 80, 7226 99 80	All	65.2002
8	Organic Coated Sheet	7210 70 39, 7210 70 90, 7212 40 91, 7212 40 93, 7212 40 98	All	65.2003
9	Tin Mill Products	7209 18 99, 7210 11 10, 7210 11 90, 7210 12 11, 7210 12 19, 7210 12 90, 7210 50 10, 7210 50 90, 7210 70 31, 7210 90 33, 7211 23 51, 7212 10 10, 7212 10 91, 7212 10 93, 7212 10 99, 7212 40 10, 7212 40 95	All	65.2004
10	Quarto Plates	7208 51 30, 7208 51 50, 7208 51 91, 7208 51 99, 7208 52 91, 7208 90 10, 7208 90 90, 7210 90 31, 7225 40 20, 7225 40 50, 7225 99 10	All	65.2005
11	Wide Flats	7208 51 10, 7208 52 10, 7208 53 10, 7211 13 00	All	65.2006
12	Non Alloy Merchant Bars and Lights Sections	7214 30 00, 7214 91 10, 7214 91 90, 7214 99 31, 7214 99 39, 7214 99 50, 7214 99 61, 7214 99 69, 7214 99 80, 7214 99 90, 7215 90 10, 7228 80 90, 7216 10 00, 7216 21 00, 7216 22 00, 7216 40 10, 7216 40 90, 7216 50 10, 7216 50 91, 7216 50 99, 7216 99 10	All	65.2007
13	Alloy Merchant Bars and Lights Sections	7228 20 11, 7228 20 19, 7228 20 30, 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	All	65.2008
14	Rebars	7214 20 00, 7214 99 10	All	65.2009
15	Stainless Bars and light Shapes	7222 11 11, 7222 11 19, 7222 11 21, 7222 11 29, 7222 11 91, 7222 11 99, 7222 19 10, 7222 19 90, 7222 20 11, 7222 20 19, 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81, 7222 20 89, 7222 30 10, 7222 30 51, 7222 30 91, 7222 30 98, 7222 40 10, 7222 40 30, 7222 40 91, 7222 40 93, 7222 40 99	All	65.2010
16	Stainless Wire Rod	7221 00 10, 7221 00 90	All	65.2011
17	Stainless Steel Wire	7223 00 11, 7223 00 91, 7223 00 19, 7223 00 99	All	65.2012
20	Gas Pipes	7306 30 51, 7306 30 59, 7306 30 71, 7306 30 78	All	65.2013
21	Hollow Sections	7306 60 31, 7306 60 39	All	65.2014