

WRITTEN QUESTION E-0954/04  
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to the Council

Subject: Difficulties experienced by Italian foundry operators

In recent months, an increasing number of Italian foundry operators have begun to suffer serious production setbacks. The causes of this alarming situation are manifold: on the one hand, raw materials (hematite pig iron, spheroidal cast iron, cast iron scrap, steel scrap and coke) are becoming increasingly expensive, especially in the wake of the restrictions on exports introduced by the Chinese Government and the concomitant wholesale absorption of these by China itself and the rest of Asia (suffice to say that one third of the world's available steel resources are completely swallowed up by China). Many in the sector also report difficulties arising from scrap being classified as waste in Italian legislation. These and other factors have led to an exponential increase in the cost of raw foundry materials over the last twelve months, with scrap prices rising by 45 to 70 per cent and ferroalloy (molybdenum, nickel and vanadium) prices by 60 to 100 per cent. The situation appears untenable and is liable to result, even in the short term, in a serious industrial and employment crisis.

What urgent measures will the Council take to address the difficulties described above? Will it bring pressure to bear on the Chinese Government to secure trade agreements that are less disadvantageous to Community undertakings operating in this sector?