

WRITTEN QUESTION E-1374/04
by Brice Hortefeux (PPE-DE)
to the Commission

Subject: Successive increases in the price of steel

According to a trade publication, in 2003 China's demand for steel rose by 38 million tonnes, which is equivalent to the combined production of Mexico and Canada. This impressive rise, caused by the ever-growing needs of the booming Chinese economy, has led to an explosion in the price of steel. At present, steel is sold on the world market for around 300 dollars per tonne, which is nearly three times the price in 2002.

These successive increases have been a major blow to construction firms. Given the uncertain outlook as regards inflation and the predominance of fixed-price contracts, these variations in price mean unacceptable financial losses for a large number of firms, which at the same time are faced with supply problems and, above all, a complete lack of transparency with regard to both prices and quantities.

In this context, what measures does the Commission intend to take, with regard to both competition rules and the proper functioning of the market, in order to meet the expectations of the industries concerned?