

WRITTEN QUESTION P-0949/04
by Raffaele Costa (PPE-DE)
to the Commission

Subject: Difficulties for the Italian steel industry

A increasing number of Italian operators in the steel industry have complained of an adverse trend in production. This alarming situation has many causes: firstly raw materials (hematite cast iron, nodular cast iron, iron and steel scrap, coke etc) are increasingly expensive, in particular following the restrictions on exports introduced by the Chinese Government and the massive consumption of these materials by China and other Asian countries (one third of the world's steel production is absorbed by China). Many employees also complain of problems caused by the fact that Italian legislation classifies scrap metal as waste. These and other factors have led to exponential increases in the cost of raw materials for foundries over the last twelve months, as much as between 45 and 70% for scrap metal and 60 and 100% for ferro-alloys (molybdenum, nickel and vanadium). The situation seems unsustainable and may result in serious crises in manufacturing and employment even in the short term.

Can the Commission say what urgent measures will be taken to tackle these problems and whether it does not intend to try to persuade the Beijing government to agree to trade arrangements that are less unfavourable for Community firms in the sector?