Aid to shipbuilding (implementation of the OECD agreement)

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The ESC welcomed the moves to place the world-wide shipbuilding industry in a normal competitive environment without excessive State aid. The OECD Agreement offered a prospect that fair competition would produce an industry that had a better balance of supply and demand and was willing to invest in innovative techniques. It also provided an opportunity to introduce better environmental and safety criteria into the industry. The ESC was concerned that the draft did not contain adequate means to ensure that sanctions could be applied to ships and shipbuilders that were outside the scope of the OECD Agreement. Moreover, there were obvious concerns that still remained. Would the Agreement be comprehensive enough to influence most of the shipbuilding industry world-wide? Would the Agreement be ratified by all the major parties, and in time to be enforced in 1996? The ESC recommended that the Commission should be ready to introduce a further short-term extension of the Seventh Directive if there was a delay in ratification by all signatories. The OECD Agreement represented an opportunity to develop a coherent policy with world-wide significance. It set a precedent for this type of agreement. The ESC also recommended that the Commission, in negotiations of this kind, should also take explicit account of the consequences, not just for the industry, but also the need to protect the environment and the maintenance of basic social conditions for citizens who would be affected. As a step towards a more competitive and profitable shipbuilding sector, the ESC welcomed the draft Regulation.