

Shipbuilding: new rules for aid

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This document presents the third report in a series of reports relating to the situation in the world shipbuilding market. It analyses the latest developments in the worldship building market and assesses the results from the actions undertaken in response to the Council's requests. The report notes that the worldship building market continues to face serious difficulties. Supply still outstrips demand and there are few indications that this situation may improve. Nevertheless, South Korea is now the biggest shipbuilder in the world. Its shipyards took more than 40% of all new orders in the first 8 months of the year 2000 (Japan: 25%, EU + Norway: 16%, Rest of the World: 19%) in terms of cgt (compensated gross tonnes). Nearly all market segments are targeted by Korean yards, leaving mainly smaller domestic orders and highly specialised tonnage to EU yards. Therefore, this third report by the European Commission on the situation in the world shipbuilding market confirms the findings from the Commission's first and second reports. Thus, it is proposed: - that the Commission continues with its monitoring of the market situation; - that the Commission examines industry's complaint under the TBR as rapidly as possible, and, if accepted, to pursue this rigorously with a view to a possible WTO action; - in parallel, that the Commission remains open to eventual proposals from Korea that would meet the EU's concerns; - that the Commission and the Member States pursue efforts to establish a level international playing field for the shipbuilding industry in the OECD; - that the Commission and the Member States continue to encourage the IMF to ensure that the restructuring of Korean shipyards is closely monitored and assessed; - that the Commission continue its work closely with the industry on competitiveness issues; - that the Commission shall as soon as possible examine the possibilities to propose measures to address the problem.