

Aid to shipbuilding: prolongation of the 7th directive to the 31/12/98

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The Committee adopted the report by Mr. Niels SINDAL (PES, DK) approving the proposal for a Council Regulation on further prolonging the relevant provisions of the Seventh Council Directive on aid to Shipbuilding. This proposal aims at extending the time frame for the Seventh Council Directive on Aid to Shipbuilding until 31 December 1998, due to the failure of the US to ratify an OECD agreement on aid to shipbuilding. This extension will lapse if the US ratifies the OECD agreement or a new shipbuilding regime is adopted. Under the OECD agreement all support measures are generally prohibited, and if ratified it will apply the same rules on aid to most of the world's shipbuilding industries, representing thus an important step forward in the creation of a level playing field. Should the OECD agreement fail to be ratified, any further prolongation of the Seventh Directive would need parliamentary approval. Whatever the outcome of the OECD ratification, the Commission should control as closely as possible any support given to the shipbuilding industry, the rapporteur underlined. The policy of the EU should remain to support a competitive industry through the creation of a level playing field for competition within the framework of the OECD agreement.