

# Aid to shipbuilding (implementation of the OECD agreement)

1995/0219(CNS) - 26/07/1995 - Legislative proposal

**OBJECTIVE:** - To adopt new provisions to enable the Community to discharge its obligations under the international agreement concluded within the framework of the OECD on the normal competitive conditions in the commercial shipbuilding and repair industry, which is due to enter into force on 1 January 1996. **COMMUNITY MEASURE:** - Proposal for a Council regulation on aid to shipbuilding. **SUBSTANCE:** - The regulation specifically eliminates all direct and indirect aid to commercial shipbuilding, with the exception of aid expressly provided for; - This aid is only authorised under exceptional circumstances, namely: \* aid for research and development; \* social aid related to the closure of shipyards; \* aid to shipowners or third parties for the building or conversion but not repair of ships in the form of state credit facilities and loan guarantees provided that these measures are in conformity with the OECD understanding on export credits for ships; \* Aid related to shipbuilding and ship conversion granted as development assistance to a developing country; - Reconstruction aid is generally not authorised, except in the case of Belgium, Portugal and Spain; - Provisions concerning notification and monitoring are included to enable the Commission to ensure that the rules are being respected and to discharge its obligations under the agreement in respect of the notification of information; - The regulation should apply for three years, up to 31 December 1998, when the policy implemented will be reviewed in the light of the operation of the agreement and the prevalent market conditions.