

# Protection against injurious pricing of vessels

1995/0258(CNS) - 29/01/1996 - Final act

**OBJECTIVE:** implementation of a first point in the OECD Shipbuilding Agreement (signed in December 1994 by the EU, the United States, Norway, Japan, and South Korea) by providing a means of combating unfair competition in the form of prices charged by third-country shipbuilders. **COMMUNITY**

**MEASURE:** Council Regulation (EC) No 385/96 on protection against injurious pricing of vessels.

**SUBSTANCE:** the Council Regulation incorporates a new provision into Community law, the Injurious Pricing Code, adopted by the parties to the OECD Shipbuilding Agreement with a view to protecting shipbuilders against abnormally low-priced sales by third countries. The procedure to be followed takes the same form as for the anti-dumping measures which the Union initiates in respect of goods: - when an EU shipbuilder believes that a third-country shipbuilder has won a contract purely as a result of injurious pricing, it may lodge a complaint with the Commission; - the Commission will conduct an investigation and, if it considers that unfair competition has played a role, may recommend to the Council that the third-country shipbuilder in question be fined; - if the fine has not been paid within 180 days, or if no promise to pay has been made, the Commission may debar the vessel concerned and any other vessel built by the same shipbuilder from exercising loading and unloading rights at EU ports for a period of four years; - the EU's injurious pricing measures may be enforced only in relation to signatories of the OECD Agreement and non-WTO countries. **ENTRY INTO FORCE:** 07/03/1996. The Regulation is valid from the date of entry into force of the Shipbuilding Agreement. It does not apply to vessels covered by a contract signed before the Shipbuilding Agreement entered into force unless the contract was concluded after 21 December 1994 and the vessels are not due to be supplied until more than five years after the contract date.