

# Shipbuilding: new rules for aid

1997/0249(CNS) - 01/04/1998 - Text adopted by Parliament, 1st reading/single reading

In adopting the report by Mr Niels SINDAL (PSE, DK) Parliament approved the Commission proposal while stressing that the policy of aid to shipbuilding should not lead to distortion of competition in the Community. Considering that the proposed aid scheme was too generous, Parliament introduced amendments stating that the new aid instruments proposed by the Commission could not be used to extend the capacity of European shipyards. Other amendments provided that in the event of reopening of closed yards, the shipyards must pay back the aid granted to them for definitive closure. One year before 31 December 2000 the Commission should monitor the market situation and ascertain whether European yards were being affected by anti-competitive practices. If it was established that the industry was not being harmed by such practices, including injurious prices, operating aid would cease on 31 December 2000. Parliament also considered that there was a need to undertake a study into the effects of the economic crisis in Asia and the potential consequences of any discriminatory measures to assist Asian shipyards. In the event of discriminatory measures the Commission and the Council should take the necessary steps to defend the interests of the European shipbuilding industry.