Basic information

1995/0219(CNS) CNS - Consultation procedure Regulation	Procedure completed
Aid to shipbuilding (implementation of the OECD agreement) Amended by 1997/0248(CNS) See also 1997/0113(CNS) **Subject** 2.60.03 State aids and interventions 3.40.04 Shipbuilding, nautical industry	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	GARCÍA ARIAS Ludivina (PSE)	06/09/1995

Committee for opinion	Rapporteur for opinion	Appointed
RELA External Economic Relations	SAINJON André (ARE)	07/09/1995
TRAN Transport and Tourism		

Council of the European Union

Council configuration	Meetings	Date
Fisheries	1899	1995-12-22
Industry	1880	1995-11-07

Key events

Date	Event	Reference	Summary
26/07/1995	Legislative proposal published	COM(1995)0410	Summary
22/09/1995	Committee referral announced in Parliament		
07/11/1995	Debate in Council		Summary
21/11/1995	Vote in committee		Summary
21/11/1995	Committee report tabled for plenary, 1st reading/single reading	A4-0289/1995	

28/11/1995	Debate in Parliament		
14/12/1995	Modified legislative proposal published	COM(1995)0701	Summary
22/12/1995	Act adopted by Council after consultation of Parliament		Summary
22/12/1995	End of procedure in Parliament		
30/12/1995	Final act published in Official Journal		

Technical information

Procedure reference	1995/0219(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	International agreement
Legislative instrument	Regulation
Amendments and repeals	Amended by 1997/0248(CNS) See also 1997/0113(CNS)
Legal basis	EC Treaty (before Amsterdam) E 092-p3 EC Treaty (before Amsterdam) E 228 EC Treaty (before Amsterdam) E 113 EC Treaty (before Amsterdam) E 094
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/07114

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0289/1995 OJ C 339 18.12.1995, p. 0004	21/11/1995	
Text adopted by Parliament, 1st reading/single reading		T4-0577/1995 OJ C 339 18.12.1995, p. 0012-0024	29/11/1995	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(1995)0410 OJ C 304 15.11.1995, p. 0021	26/07/1995	Summary
Modified legislative proposal	COM(1995)0701 OJ C 073 13.03.1996, p. 0021	14/12/1995	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

EESC	Economic and Social Committee: opinion, report	CES1317/1995 OJ C 039 12.02.1996, p. 0102	23/11/1995	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Regulation 1995/3094 OJ L 332 30.12.1995, p. 0001	Summary

Aid to shipbuilding (implementation of the OECD agreement)

1995/0219(CNS) - 07/11/1995

The Council held an in--depth policy debate on the proposal for a regulation on aid to shipbuilding intended to transpose into the Member States' legislation the agreement on the subject concluded in the OECD. That agreement should enter into force on 1 January 1996 if the ratification procedures have been completed by that date. The Council reached agreement in principle on the proposal for a regulation, to be formally adopted after examination of the European Parliament's imminent opinion. However, as regards the date of entry into force, the Council expressed concern at the progress of the ratification procedures in the countries that were the Union's partners in the agreement. According to the information available to the Council, it could not be ruled out that the appointed date of 1 January 1996 would be impossible to meet. Since the Community rules in force at present (the Seventh Council Directive on aid to shipbuilding) cease to apply on 31 December 1995, the Council adopted a guideline by a qualified majority linking the entry into force of the Community Regulation with that of the international agreement and, pending that event, continuing the relevant provisions of the Seventh Directive until 1 October 1996 at the latest. If the OECD agreement should not have entered into force by 1 June 1996 for lack of ratification, the Commission will submit appropriate proposals so that the Council will be able to take a decision before 1 October 1996. It will be recalled that the OECD agreement deals with the normal conditions of competition in the merchant ship building and repairing industry. It provides for the abolition of all direct aid to shipbuilding with the exception of social aid linked to the closure of ship yards and aid to research and development authorised below certain ceilings. Indirect aid to shipbuilding in the form of credit facilities or loan guarantees for shipbuilders are authorised by the agreement provided they comply with the OECD Understanding on Export Credits for Ships.

Aid to shipbuilding (implementation of the OECD agreement)

1995/0219(CNS) - 22/12/1995

The Council adopted by a qualified majority, the German and Swedish delegations voting against, a Regulation on aid to shipbuilding. The Industry Council on 6 and 7 November 1995 reached agreement in principle on the Regulation. Its purpose is to enable the Community to meet its obligations under the International Agreement -concluded under the OECD - on normal competitive conditions in the shipbuilding and repair industry.

Aid to shipbuilding (implementation of the OECD agreement)

1995/0219(CNS) - 29/11/1995 - Text adopted by Parliament, 1st reading/single reading

In adopting the report by Mrs Ludivina GARCIA ARIAS (PSE, E), Parliament approved the proposal for a regulation with the following amendments: - Parliament wished to see the date of entry into force of the regulation put back until the ratification of the OECD agreement on normal conditions of competition in the shipyard construction and repair industry and also sought a similar postponement for Council Directive 94/73/EC on aid to shipbuilding (now with an upper limit of 9%); - it called for the Commission to be able to request an early renegotiation of the agreement in cases of default (and where necessary, for the Commission to invoke the suspension of the regulation as provided under article 14); - it called for the adoption of this regulation to be followed by the adoption of the regulation on protection against prejudicial pricing practices in the shipbuilding sector.

Aid to shipbuilding (implementation of the OECD agreement)

1995/0219(CNS) - 22/12/1995 - Final act

- OBJECTIVE: to adopt new measures which would enable the Community to fulfil its obligations under the international agreement, concluded within the framework of the OECD, on normal conditions of competition in the shipbuilding and ship repair industry, which was to take effect on 01.01.1996. - COMMUNITY MEASURE: Council Regulation 3094/95/EC on aid to shipbuilding. - SUBSTANCE: - The regulation provides for the banning of any aid granted directly or indirectly, and in a specific manner, to the shipbuilding industry, with the exception of aid which is expressly planned; - Such aid is only authorized under exceptional circumstances, namely: * aid to research and development; * aid of a social nature which is associated with the closure and redevelopment of shipyards; * aid to promote shipyard construction and conversion, with the exception of repair work, which is granted to shipowners or to third parties in the form of State loans and guarantees, on the condition that they comply with the provisions of the OECD agreement on appropriations for the export of merchant vessels; * aid to shipyard construction and conversion, which is granted as development aid to developing countries; - Aid for restructuring is not generally authorized, except in the case of Belgium, Portugal and Spain; the Commission must be notified of such funding and approval must be given by 31.12.1996 at the latest; the aid in question must also remain within certain limits; - Measures are provided for notification and monitoring, by which the Commission can assure itself that the rules are being respected and is able to discharge its obligations under the agreement in respect of the notification of information. - ENTRY INTO FORCE: the date on which the OECD agreement takes effect, that is to say on 01/01/1996. Should the agreement not take effect on this date, Directive 90/684/EEC shall apply until the entry into force of the agreement, and until 01/10/1996 at the latest.

Aid to shipbuilding (implementation of the OECD agreement)

1995/0219(CNS) - 14/12/1995 - Modified legislative proposal

The amended proposal put forward by the Commission retained Parliament's amendments recalling: - that the OECD agreement was to take effect on 01/01/1996, after the tabling of instruments of ratification, acceptance or approval by all parties to the agreement; - the significance of the OECD agreement on normal conditions of competition in the shipbuilding and ship repair industry. The Commission was unable to accept the other amendments. However, it did add a new recital indicating that the current measures contained in the directive should be temporarily deferred if the OECD agreement did not come into force on 01/01/1996.

Aid to shipbuilding (implementation of the OECD agreement)

1995/0219(CNS) - 23/11/1995 - Economic and Social Committee: opinion, report

The ESC welcomed the moves to place the world-wide shipbuilding industry in a normal competitive environment without excessive State aid. The OECD Agreement offered a prospect that fair competition would produce an industry that had a better balance of supply and demand and was willing to invest in innovative techniques. It also provided an opportunity to introduce better environmental and safety criteria into the industry. The ESC was concerned that the draft did not contain adequate means to ensure that sanctions could be applied to ships and shipbuilders that were outside the scope of the OECD Agreement. Moreover, there were obvious concerns that still remained. Would the Agreement be comprehensive enough to influence most of the shipbuilding industry world-wide? Would the Agreement be ratified by all the major parties, and in time to be enforced in 1996? The ESC recommended that the Commission should be ready to introduce a further short-term extension of the Seventh Directive if there was a delay in ratification by all signatories. The OECD Agreement represented an opportunity to develop a coherent policy with world-wide significance. It set a precedent for this type of agreement. The ESC also recommended that the Commission, in negotiations of this kind, should also take explicit account of the consequences, not just for the industry, but also the need to protect the environment and the maintenance of basic social conditions for citizens who would be affected. As a step towards a more competitive and profitable shipbuilding sector, the ESC welcomed the draft Regulation.

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.