Basic information

2001/0153(CNS) CNS - Consultation procedure Regulation	Procedure completed
Temporary defensive mechanism to shipbuilding Amended by 2004/0008(CNS) **Subject** 2.60.03 State aids and interventions 3.40.04 Shipbuilding, nautical industry 6.20.01 Agreements and relations in the context of the World Trade Organization (WTO) 6.20.02 Export/import control, trade defence, trade barriers	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	RIIS-JØRGENSEN Karin (ELDR)	11/09/2001

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, External Trade, Research, Energy (Associated committee)	VALDIVIELSO DE CUÉ Jaime (PPE-DE)	24/08/2001

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2372	2001-10-08
Competitiveness (Internal Market, Industry, Research and Space)	2451	2002-09-30
Agriculture and Fisheries	2441	2002-06-27
Energy	2394	2001-12-04

European Commission

Commission DG	Commissioner
Competition	

Key events

Date	Event	Reference	Summary
25/07/2001	Legislative proposal published	COM(2001)0401	Summary

03/09/2001	Committee referral announced in Parliament		
08/10/2001	Debate in Council		
23/10/2001	Vote in committee		Summary
23/10/2001	Committee report tabled for plenary, 1st reading/single reading	A5-0373/2001	
14/11/2001	Debate in Parliament		
15/11/2001	Decision by Parliament	T5-0605/2001	Summary
04/12/2001	Debate in Council		
27/06/2002	Act adopted by Council after consultation of Parliament		
27/06/2002	End of procedure in Parliament		
02/07/2002	Final act published in Official Journal		

Technical information

Procedure reference	2001/0153(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amended by 2004/0008(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 087 EC Treaty (after Amsterdam) EC 089 Rules of Procedure EP 57_o
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/15011

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0373/2001	23/10/2001	
Text adopted by Parliament, 1st reading/single reading		T5-0605/2001 OJ C 140 13.06.2002, p. 0380-0533 E	15/11/2001	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2001)0401 OJ C 304 30.10.2001, p. 0208 E	25/07/2001	Summary

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

Final act	
Regulation 2002/1177 OJ L 172 02.07.2002, p. 0001	Summary

Temporary defensive mechanism to shipbuilding

2001/0153(CNS) - 25/07/2001 - Legislative proposal

PURPOSE: To impose a defensive mechanism to shipbuilding following unfair practices by South Korea. CONTENT: Since March 2000 the European Union has been holding talks with South Korea in an attempt to stamp out unfair practices. Agreements have been reached to avoid financially non-viable over-investments and price undercutting as well as agreements that ship prices should reflect all cost factors. In spite of these measures, the Commission asserts the South Korean government continues to flout the rules resulting in unfair competition for European shipbuilders. Consequently in May 2001 the Council authorised the Commission to commence WTO proceedings against South Korean practices should no agreement have been found by 31 June 2001. Given that no negotiated solution has been reached with Korea, the Commission now considers that it should bring the case to the WTO and propose a temporary defensive mechanism. In this proposal for a Council Regulation, the Commission emphasises that operating aid has not been an effective tool in defending Community ship yards from unfair international competition. For this reason operating aid was discontinued as from the start of 2001. The proposal is for an exceptional and temporary measure that will be strictly limited in scope to those market segments where it can be demonstrated that the EU shipbuilding industry has been injured by South Korean trade practices. The Directive is specific to: - container ships; - product and chemical tankers. For these segments, the proposal foresees, in certain circumstances, a maximum aid intensity limit of 14% of contract value before aid. All offers of aid above 6% must be notified to and approved by the Commission. The proposed temporary defensive mechanism should accompany the Community's action's against Korea in the WTO. It should apply only after the Community initiates the WTO proceedings by requesting consultations with Korea. Lastly, it is proposed that the legislation will not apply after the WTO proceedings are resolved or suspended and that it will, in any case, expire n 31 December 2002.

Temporary defensive mechanism to shipbuilding

2001/0153(CNS) - 30/09/2002

The Council was informed by Commissioner Pascal Lamy of the negative outcome of recent high-level negotiations with the Republic of Korea aimed at finding an amicable solution on the shipbuilding dispute between Korea and the EU. It welcomed the Commission's intention to simultaneously open the dispute settlement procedure at the World Trade Organisation (WTO) with regard to the Korea's unfair practices in the shipbuilding sector while implementing the measures provided for under a temporary defensive mechanism to protect EU shipyards.

Temporary defensive mechanism to shipbuilding

2001/0153(CNS) - 27/06/2002 - Final act

PURPOSE : to impose a temporary defence mechanism to shipbuilding. COMMUNITY MEASURE : Council Regulation 1177/2002/EC concerning a temporary defensive mechanism to shipbuilding. CONTENT : the Council adopted, by a qualified majority, this Regulation setting up a temporary defence mechanism for the Community shipbuilding industry in order to counter the Republic of Korea's unfair commercial practices on world shipbuilding markets. It should be noted that the Danish, Netherlands, Finnish, Swedish and United Kingdom delegations voted against the Regulation. To recall, under the Regulation, direct national aids for contracts for the construction of container ships and product and chemical tankers may be authorised where the contract has prompted competition from a Korean shipyard offering a lower price. Direct aids for contracts for the construction of liquefied natural gas carriers, however, will be authorised only when the Commission has confirmed, on the basis of investigations covering all of 2002, that the Community industry has suffered serious material damage in this market segment because of unfair Korean practices. Direct aids may be authorised up to a ceiling of 6% of the value of a contract. They will be subject to scrutiny by the Commission under Community rules on State aids in accordance with Article 88 of the Treaty. The Regulation will apply as long as necessary, until the conclusion of dispute-settlement proceedings initiated against Korea at the World Trade Organisation, and will expire on 31 March 2004. Following the application of pressure on Korea on numerous occasions to improve the situation, in particular as regards price levels and production capacities, the proposal is restricted to market segments in which it has been shown that unfair commercial practices have caused direct damage to the Community shipbuilding industry. ENTRY INTO FORCE : 3 July 2002.

Temporary defensive mechanism to shipbuilding

2001/0153(CNS) - 15/11/2001 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the report by Mrs Karin Riis-JORGENSEN (ELDR, DK). (Please refer to the previous text).