Basic information

2004/0008(CNS) CNS - Consultation procedure Regulation	Procedure completed
Temporary defensive mechanism to shipbuilding: duration Amending Regulation (EC) No 1177/2002 2001/0153(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	RANDZIO-PLATH Christa (PSE)	20/01/2004

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	2570	2004-03-11

European Commission

Commission DG	Commissioner
Competition	

Key events

Date	Event	Reference	Summary
21/01/2004	Legislative proposal published	COM(2004)0026	Summary
09/02/2004	Committee referral announced in Parliament		
09/02/2004	Vote in committee		Summary
09/02/2004	Committee report tabled for plenary, 1st reading/single reading	A5-0056/2004	

25/02/2004	Debate in Parliament		
26/02/2004	Decision by Parliament	T5-0104/2004	Summary
11/03/2004	Act adopted by Council after consultation of Parliament		
11/03/2004	End of procedure in Parliament		
19/03/2004	Final act published in Official Journal		

Technical information

Procedure reference	2004/0008(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 1177/2002 2001/0153(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 087-p3 EC Treaty (after Amsterdam) EC 089 EC Treaty (after Amsterdam) EC 133 Rules of Procedure EP 52-p1
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/20654

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0056/2004	09/02/2004	
Text adopted by Parliament, 1st reading/single reading		T5-0104/2004 OJ C 098 23.04.2004, p. 0017-0122 E	26/02/2004	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2004)0026	21/01/2004	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 2004/0502
OJ L 081 19.03.2004, p. 0006-0007

Summary

Temporary defensive mechanism to shipbuilding: duration

2004/0008(CNS) - 11/03/2004 - Final act

PURPOSE : prolong the temporary defensive mechanism to shipbuilding. LEGISLATIVE ACT : Council Regulation 502/2004/EC amending Regulation 1177/2002/EC concerning a temporary defensive mechanism to shipbuilding. CONTENT : the Council approved, by qualified majority, with the Danish, Netherlands, Finnish and Swedish delegations voting against, a Council Regulation concerning a temporary defensive mechanism (TDM) for shipbuilding. Amending Regulation 1177/2002/EC, the new Regulation aims at prolonging, by a maximum of one year, until 31 March 2005, the use of limited contract-related operating aid to certain segments of the shipbuilding industry which is subject to allegedly unfair competition from the Republic of Korea. ENTRY INTO FORCE : 20/03/2004.

Temporary defensive mechanism to shipbuilding: duration

2004/0008(CNS) - 26/02/2004 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the resolution drafted by Christa RANDZIO-PLATH (PES, D) and approved the Commission's proposal.

Temporary defensive mechanism to shipbuilding: duration

2004/0008(CNS) - 21/01/2004 - Legislative proposal

PURPOSE : to amend Regulation 1177/2002/EC concerning a temporary defensive mechanism to shipbuilding. PROPOSED ACT : Council Regulation. CONTENT : further to the Republic of Korea's failure to implement the provisions of the Agreed Minutes relating to world shipbuilding signed on 22 June 2000, the Council approved on 27 June 2002 the so-called "twin-track strategy" proposed by the Commission. This strategy involves two instruments: - the initiation of an action against the Republic of Korea at the World Trade Organisation (WTO); - the authorisation of temporary and limited contract-related operating aid under the Temporary Defensive Mechanism (TDM) to assist Community shipyards in those segments where they have suffered adverse effects caused by unfair Korean competition. From the outset, the TDM was conceived as an exceptional, limited and temporary measure. Hence, the mechanism was strictly limited in both scope and time. First, only those market segments where it has been demonstrated that the EU shipbuilding industry has suffered adverse effects caused by unfair Korean trade practices are eligible for aid: container ships; chemical and product tankers; as well as Liquefied Natural Gas (LNG) carriers. Second, the defensive mechanism expires on 31 March 2004, which was consistent with the anticipation, at the time of adoption of Regulation 1177/2002/EC, that the relevant WTO proceedings would have been concluded at that date. However, these proceedings are taking more time than what was originally foreseen and the Agreed Minutes have not yet been effectively implemented. The panel report is only expected in August 2004 and a final decision from the Appellate Body is not expected before early 2005. It should also be stressed that, from the outset, the two instruments making up the twin-track strategy were closely interrelated, in particular as regards timing. Pursuant to the TDM Regulation, the support mechanism could only be activated after the Commission had initiated WTO dispute settlement proceedings against Korea - which was done on 8 October 2002. By the same token, it was expressly provided that the mechanism was to be applied only until the conclusion of these proceedings or the suspension of such proceedings on the grounds that the Community considered that the Agreed Minutes had been effectively implemented (and, in any case, not after 31/03/04). In other words, the twin-track strategy is built on a simultaneous use of its two instruments. The Commission considers that the "twin-track strategy" should be continued. Given the delays in the WTO proceedings and the continued failure by the Republic of Korea to implement the Agreed Minutes, it is proposed to prolong the application of the TDM Regulation until 31 March 2005 at the latest. The TDM remains an exceptional and temporary instrument focusing on very specific trade allegations. It should be noted that, as it is already provided in the TDM Regulation, the support mechanism will be disactivated at any earlier date if the dispute settlement proceedings are concluded or if the Community considers that the Agreed Minutes have been effectively implemented by the Korean side.