

SHIPBUILDING WORKSHOP WITH NON-MEMBER ECONOMIES AND INDUSTRY

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ARGENTINA SHIPBUILDING INDUSTRY: OBJECTIVE OF A STRATEGIC STATE POLICY

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1. Argentina shipbuilding industry has been one of the productive sectors hardest hit during the 90s. Unfair competition through the importation of used ships, hiring of ships schemes, lack of adequate credit, tax and tariff inequities, led this sector to a crisis that seemed terminal.

2. This industry that employed in the mid-80s, more than 15 000 workers directly in the entire country, and up to 10 times more indirectly by the significant economic multiplier effect that occurs in naval parts, workshops and various suppliers. Ended up employing less than 1 500 workers in a direct way in the late'90s.

3. At the best moments of the shipbuilding industry, 60% of inputs were from the domestic industry, today that percentage is less than 35%. In the process of dismantling, many of the major shipyards that the country had have disappeared. The largest asset lost in this industry was the highly skilled labor.

4. Since year 2000, several factors led to a revival in the sector. The companies are beginning to demand more workers, but face a major shortage of skilled labor. This problem was echoed in the various industry organizations, which decided to work together to find a solution. That was how efforts were made along with Government Agencies to implement a training plan with a short and medium term strategic vision for the shipbuilding sector.

5. These actions are intended to provide training for unemployed or occupied workers, strengthen and develop job skills and qualify again existing ones, as well as reflect the partnership between employers and workers.

6. In recent years, the government seems to be giving clear signals to the shipbuilding industry to promote its development and support its revival, but there is still no implementation of a timely financial assistance and the need to establish a legal frame that preserves and prioritize the construction of vessels in accordance with Argentine industrial capacity, by introducing an efficient industry that is capable of responding to domestic or international demand.

7. The shipbuilding industry in Argentina is largely ready to take the challenge to grow and develop and this has great strengths, among which are the following:

- Installed capacity available, but it will be necessary to enable shipyards for the construction of large ships.
- Existence of know-how by history.
- Recognized Argentine naval manufacturing trade mark. Quality culture.
- Excellence in workforce.
- Business tradition with knowledge of the industry.

- Capacity of Project Development.
- Available Naval Engineering.

8. Recently, the current President of Argentina, Cristina Fernandez de Kirchner, has declared the Argentine shipbuilding industry as "an objective of strategic state policy of our government."

9. In that sense she said:

"... A way of adding value to economic activity developed from our shores, it is through the shipbuilding industry, and it is also a way to improve income distribution..."

"... Betting on the development of the shipbuilding industry, it is not just a bet on economic theory, it means a model of economic growth with social inclusion, with a generation of skilled jobs, with training; it is essentially betting on work and the quality of life for all Argentines..."

"... Our commitment is to create a strong shipbuilding industry from domestic and regional demand, to train our workers and yards for the challenges of the future..."

10. As for their organization, most of the activity takes place under the umbrella of the Federation of the Argentine Shipbuilding Industry (FINA).

11. FINA is composed of seven sector chambers and more than 200 companies, which since its formation in 1964 has been devoted to promoting the interests of the Argentine shipbuilding industry, representing it before the public and private institutions, promoting their development, protection and stimulus.

12. It comprises naval shipyards and workshops across the country, in charge of the production and repair of ships, marine engineering and the most diverse supply of services and naval parts.

13. On July 11, 2008, FINA has signed a framework agreement with the National Association of Naval and Offshore Construction and Repair Industry (Sinaval) from Brazil, which allows companies associated with both institutions to establish trade and productive links.

14. This results in an effective joint activity, which has characteristics of complementarity, cooperation and partnership and that, moreover, that activity is aimed at cooperating on the development and growth of the industry in general and particularly of the Argentine and Brazilian shipbuilding industries.