OECD Council Working Party on Shipbuilding Calls for New Competition Agreement

The OECD Council Working Party on Shipbuilding has issued the following statement following its meetings on 25-26 April. For further information, journalists are invited to contact the OECD Media Relations Division (tel. [33] 1 45 24 97 00 or news.contact@oecd.org).

Statement by the OECD Council Working Party on Shipbuilding

At its 101st Session on 25-26 April 2002, the OECD Council Working Party on Shipbuilding agreed to commence immediate action to bring about normal competitive conditions in the world shipbuilding industry. The Working Party decided ad referendum that best way of progressing this would be through a new Shipbuilding Agreement to be completed as soon as possible.

The Working Party also agreed that the negotiation of a new Agreement would review and address market distorting factors, in particular government support measures, pricing practices and other practices which distort normal competitive conditions in the world shipbuilding market, as well as mechanisms to deal with these.

In order to provide this activity with a proper focus the Working Party proposes, subject to approval by the OECD Council, the establishment of a Special Negotiating Group for Establishing Normal Competitive Conditions, to undertake the detailed work associated with this task. If approved by the OECD Council the first meeting of this Group would be held at the OECD Headquarters in Paris September 2002.

It was further agreed that, in order to cover the world shipbuilding market as comprehensively as possible non-OECD economies with important shipbuilding interests should participate in this work. Arrangements will be made for these economies to participate from the very first meeting of the Special Negotiating Group, thus ensuring that they are able to make substantive contributions right from the start of the process.

Also, the Working Party decided to re-activate its Sub-Group on Supply and Demand and gave it the task of evaluating capacity, forecasting demand, maintaining shipbuilding statistics and collecting information on investment and dis-investment in shipbuilding facilities.

The Working Party also agreed on its Programme of Work for 2003/4, and not unexpectedly the activities related to the establishment of normal competitive conditions has been given the highest priority.

Lastly, Delegations for the Working Party expressed appreciation of the fact that the new Sector Understanding on Export Credits for Ships took effect on 15 April 2002 as an Annex to the Arrangement on Guidelines for Officially Supported Export Credits. It is expected that this will contribute to the establishment of normal competitive conditions in this market.

JT00125504