
**OECD WP6 WORKSHOP
SESSION C - CONCLUSIONS
Paris, 4 December 2009**

1. The present conclusions reflect the CESA views after taking note of the discussions during the first day of the workshop as well as the first two presentations of the second day. CESA has the impression that a wide consensus has been established as to:
 - a. the very difficult state of the global shipping and shipbuilding market, which faces unprecedented challenges
 - b. the presence of substantial overcapacity
 - c. the possibility or even likelihood of extreme price competition or so-called cut-throat-prices.

2. CESA has the impression, albeit it is not totally clear whether all delegation fully agree, that the existence of market distorting factors is no longer questioned. This, if confirmed, is a welcome progress to the previous WP6 workshop of July 2009. We appreciate the statements made by different delegations in this respect, albeit we remain curious on other highly matters, which were not appropriately addressed during the course of the workshop until now, namely the question of potentially distorting pricing practices as explained during the CESA presentation at session B.

[Comment: the Korean delegation responded to the CESA statement underlining that they have not seen any convincing evidence for the existence of market distorting factors. In a KOSHIPA intervention, pricing provisions were rejected as these could be a constraint in entering new markets such as complex ships.]

3. CESA has noted and welcomes statements by various delegations with regard to the need for and the willingness to contribute to more transparency. However, this was already expressed and concluded during the July session, where also the urgency to obtain clarity on this question was emphasized. In this respect, CESA noted with disappointment that - in view of the very incomplete inventory [C/WP6(2009)20/REV1] - no serious progress can be recorded. The discussion during day one whether support to shipping companies would need to be included in the exercise of transparency raised further doubts as to the true commitment of certain delegations.

CESA hopes that the unfortunate absence of the Chinese delegation does not need to be understood in the same direction.

4. CESA generally supports the proposal by Japan to establish an agreed method of cross-checking open-source information. Such an approach would allow the possibility to ask detailed questions and specific terms and conditions of reported



support measures or other potentially distorting factors and in would include a clear commitment to provide substantiated responses.

CESA underlines the necessity to include pricing practices in such an exercise to firmly establish the commitment to transparency.

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