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CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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SHIPBUILDING - US SECTION 301 CASE NOT INITIATED

COMMISSION REACTION :

The Commission of the European Communities has just been informed that a possible investigation under Section 301 of the US Trade Act into certain alleged unfair trade practices in the Federal Republic of Germany, Japan, Korea and Norway regarding the shipbuilding and repair industries will not be undertaken following withdrawal of a petition for relief under this statute by the Shipbuilders Council of America.

In conjunction with this development, the United States Trade Representative, which administers Section 301, has stressed the necessity to find a rapid solution to address the market disarray in this sector and the need for progress to be achieved before 31 March, 1990.

The Commission of the European Communities welcomes the USTR decision not to initiate a Section 301 investigation since it believes that the only way to satisfactorily resolve the problems facing the world shipbuilding industry is through multilateral negotiations aimed at restoring normal market conditions. Such an approach implies reducing aids granted in this sector, with the objective of eventually eliminating them, in parallel with the removal of other pervasive unfair trade practices.

The Commission of the European Communities confirms its willingness to enter into consultations in this matter to explore appropriate ways to meet the objectives described above.

Amities,

C. STATHOPOULOS