

European Communities

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EUROPEAN PARLIAMENT

# Working Documents

198<sup>3</sup>-198<sup>4</sup>

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12 March 1984

DOCUMENT 1-1492/83

## Report

drawn up on behalf of the Committee on Economic and  
Monetary Affairs

on the shipbuilding industry in the Community

Rapporteur: Mrs Y. THEOBALD-PAOLI

PE 87.768/fin.  
Or. Fr.



By letter of 21 June 1983, the Committee on Economic and Monetary Affairs requested authorization to draw up a report on the shipbuilding industry in the Community.

By letter of 12 September 1983, the President of the European Parliament authorized the Committee on Economic and Monetary Affairs to report on this subject. The Committee on Social Affairs and Employment was asked for an opinion.

On 19/20 September 1983, the Committee on Economic and Monetary Affairs appointed Mrs THEOBALD-PAOLI rapporteur.

At its sitting of 4 July 1983, the European Parliament referred the motion for a resolution tabled by Mr SEELER and others (Doc. 1-463/83), pursuant to Rule 47 of the Rules of Procedure, to the Committee on Economic and Monetary Affairs as the committee responsible.

At its sitting of 15 September 1983, the European Parliament referred the motion for a resolution tabled by Mr BANGEMANN and others (Doc. 1-715/83), pursuant to Rule 47 of the Rules of Procedure, to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Social Affairs and Employment and the Committee on Regional Policy and Regional Planning for an opinion.

At its sitting of 26 October 1983, the European Parliament referred the motion for a resolution tabled by Mr CAROSSINO and others (Doc. 1-871/83), pursuant to Rule 47 of the Rules of Procedure, to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Social Affairs and Employment for an opinion.

At its sitting of 15 February 1984, the European Parliament referred the motion for a resolution tabled by Mr ALMIRANTE and others (Doc. 1-1405/83), pursuant to Rule 47 of the Rules of Procedure, to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Transport for an opinion.

At its meeting of 21/22 February 1984, the committee agreed to include this motion for a resolution in its own-initiative report.

The committee considered the draft report at its meetings of 19/20 September, 3/4 November, 28/29/30 November 1983 and 21/22 February 1984. It adopted the motion for a resolution on 21 February 1984 by 14 votes to 8 with 2 abstentions.

Present : Mr MOREAU, chairman; Mrs THEOBALD-PAOLI, rapporteur; Mr BEAZLEY, Mr BEYER DE RYKE (deputizing for Mr DELOROZOY), Mr VON BISMARCK, Mr BONACCINI, Mr CAROSSINO (deputizing for Mr FERNANDEZ), Mrs DESOUCHES, Mr ESTGEN (deputizing for Mr FRANZ), Mr Ingo FRIEDRICH, Mr HALLIGAN (deputizing for Mr CABORN), Mr HEINEMANN, Mr HERMAN, Mr LEONARDI, Mr MÜLLER-HERMANN, Mrs Tove NIELSEN, Mrs Kalliopi NIKOLAOU (deputizing for Mr MIHR), Mr NORDMANN, Mrs QUIN (deputizing for Mr ROGERS), Mr REMILLY (deputizing for Mr DELEAU), Mr SCHINZEL, Mr WAGNER, Mr WELSH and Mr VON WOGAU.

The report was tabled on 27 February 1984.

The deadline for the tabling of amendments to this report appears in the draft agenda for the part-session at which it will be debated.

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Annex II : Draft Amendment No. 63 to the Draft General Budget for the Financial Year 1984 (Doc. 1-800/63)

Annex III : Motion for a resolution pursuant to Rule 47 of the Rules of Procedure on the consolidation of Europe's shipbuilding industry (Doc. 1-463/83)

Annex IV : Motion for a resolution pursuant to Rule 47 of the Rules of Procedure on Community shipbuilding policy (Doc. 1-715/83)

Annex V : Motion for a resolution pursuant to Rule 47 of the Rules of Procedure on the Community shipbuilding policy (Doc. 1-871/83)

Annex VI : Motion for a resolution pursuant to Rule 47 of the Rules of Procedure on the crisis in the shipbuilding industry in Trieste, Castellammare and La Spezia (Doc. 1-1405/83)

On the basis of the explanatory statement below, the Committee on Economic and Monetary Affairs hereby submits the following motion for a resolution to the European Parliament:

MOTION FOR A RESOLUTION

on the shipbuilding industry in the Community

The European Parliament,

- having regard to the Commission document 'Policy guidelines for restructuring the shipbuilding industry' (COM(83) 65 final of 7 March 1983),
- having regard to its resolution of 10 February 1983,
- having regard to the motion for a resolution No. 1-463/83 tabled by Mr SEELER and Mr GLINNE on behalf of the Socialist Group,
- having regard to the motion for a resolution No. 1-871/83 tabled by Mr CAROSSINO and others,
- having regard to the motion for a resolution No. 1-715/83 tabled by Mr BANGEMANN and others on behalf of the Liberal and Democratic Group,
- having regard to the motion for a resolution No. 1-1405/83 tabled by Mr ALMIRANTE and others,
- having regard to Parliament's resolution of 17 November 1983,
- having regard to the report of the Committee on Economic and Monetary Affairs (Doc. 1-1492/83),

A. noting the analysis of the crisis in the shipbuilding industry which was incorporated in the above-mentioned resolution :

(a) whereas the present difficulties are due to :

- the continuing crisis in the international sea transport sector which has led to a drop in demand for ships and the fact that the proportion of tonnage of shipping laid up, approximately 45 million gross register tons, is approximately 12% of the world merchant fleet and equivalent to three years' shipbuilding production,

- the evident determination of certain third countries in the Far East and of the state-trading countries to secure the supremacy of their shipbuilding industries at the expense of their European competitors,
  - the absence of a concerted and coherent policy at Community level,
- (b) whereas it is in the vital interests of the Community, as the world's foremost economic and trading power, to have a merchant fleet and active shipyards at its disposal; emphasizing that this is also a strategic requirement for the security of Community supplies and exports and from the viewpoint of exploitation of the oceans,
- (c) whereas although the Community countries have taken measures to achieve genuine reductions in capacity since 1975, involving the dismissal of tens of thousands of workers, these measures have been ineffective and have not succeeded in reducing the production costs of the European shipbuilding industry to an exceptionally low level; and whereas many third countries have at the same time increased their capacities,
- (d) whereas the Community can no longer make further substantial reductions without jeopardizing its basic industrial capacity,
- (e) convinced of the need to boost demand in the Community shipbuilding industry by means of a policy to provide appropriate aid for Community shipowners (i.e. the owners of ships sailing under the flag of the countries of the Community),
- (f) convinced that a Community-wide industrial approach, taking into account the disparities between the Ten, would make European shipyards more competitive abroad,
- (g) whereas it is also necessary to give aid to the regions affected by shipyard closures so as to facilitate conversion to other jobs and the setting-up of new industries and activities,
- (h) recalling that the Fifth Directive (on aid to shipbuilding) is, in principle, due to expire at the end of 1984,
- B. stressing that the common market in shipbuilding does not exist and noting that no country in the Community received any orders in 1983 (up to November) from other Member States,

- C. conscious of the worsening crisis in the Community's shipbuilding industry,
- D. recalling that as part of the current reform of structural funds, it is essential for the European Regional Development Fund to be extended to cover the restructuring and modernization of the old industrial regions, and that the role of the Social Fund must also be developed for the same purpose,
1. Calls on the Commission to relinquish its purely monitoring role and to formulate a genuine and positive Community policy to revive shipbuilding which, without distorting competition within the Community and whilst protecting the Community against the harmful effects of competition from third countries, will enable this sector to recover its dynamic competitive structures and will lead to harmonization of aid within the Community. For this purpose a study of the existing situation with regard to shipbuilding and an analysis of future developments in this sector are necessary as well as a report to Parliament on aid granted by the Member States and third countries;
  2. Considers that in order to pursue this policy successfully the Commission must set up a 'single internal working party on the shipbuilding crisis', especially since it is probable that the shipbuilding crisis will be prolonged beyond 1986 despite the already low medium-term forecasts for shipbuilding demand;
  3. Therefore calls on the Commission to submit proposals for launching the following three internal Community measures :
    - (a) temporary encouragement for European shipowners (for ships sailing under the flag of Member States and, more specifically, for shipping lines within the Community) to place orders in the Community and to this end, introduction and implementation of a suitable and attractive additional investment premium, as well as financing provisions harmonized among the Ten by means of a recommendation, so that it is in the shipowners' interest to place orders with European shipyards. Provision of EIB guarantees for the loans they take out;
    - (b) introduction of large-scale concerted industrial modernization programmes throughout the Community with the aim, in general, of increasing productivity and reducing costs and, in particular, of promoting the development of new fields of activity in the major shipyards, whilst providing for appropriations for research and the improvement of productivity;

- (c) introduction of a specific social programme to support and improve the resources allocated by each country to solve the social problems which will arise in 1984 from shipyard closures or contractions (redundancy pay, vocational training, creation of other jobs, etc.);
4. Considers that the economic and social measures mentioned above will only be effective if:
- (a) they are based on consistent, long-term financial aid earmarked for modernization and reorganization; to this end the Commission must provide the following as soon as possible :
- appropriations allocated specifically to the crisis-ridden shipping and shipbuilding industries;
  - through the facilities of the New Community Instrument, more loans for restructuring the shipbuilding industry into new fields of activity;
- (b) the existing disparities between the various aid schemes are eliminated so that the minimum aid permits of the maximum neutrality in terms of competition; aid granted by Member States must be subject, in this respect, to control by the Commission;
5. Calls on the Commission to extend its current inquiries to establish:
- the economic, technical and commercial strategy of major foreign shipyards,
  - the socio-economic factors involved in the competitiveness of the major shipyards and their personnel policies in particular,
  - the socio-economic effects of the introduction of robots and new technologies;
6. Considers that when any amending budgets for 1984 are voted, the guidelines described above must be implemented with immediate effect;
7. Calls on the Commission, at international level, to protect the interests of Community shipbuilders and shipping lines more effectively by ensuring general compliance with the rules of fair competition, mainly by means of five priority measures:

(a) the first two should lead swiftly to:

- the withdrawal from the world fleet of ships which do not comply with the standards proscribed by international agreements, particularly with regard to safety, pollution and obsolescence (for example, by introducing penalties for these ships to be applied in Community ports),
- the issuing of a 'Council recommendation' harmonizing the conditions for financial aid for shipbuilding within the Ten, making the Community a 'single zone' within the OECD,

(b) the other three measures would aim to obtain, through bargaining:

- from Korea, the cessation of its aggressive expansion and sales policy,
- from Japan, participation on the same scale as Europe in the unavoidable decline in shipbuilding activity,
- a united, firm stand in defence of Community shipowners in international shipping fora;

8. Calls on the Council to:

- (a) adopt a social plan corresponding to the guidelines set out under 3(c) as a matter of urgency,
- (b) adopt the arrangements for Community action provided for by this resolution in conjunction with, or, if possible, even prior to the revision of the Fifth Directive;

9. Considers that the measures proposed can be implemented more speedily if a special Council working party on the shipbuilding industry is set up, and calls on the other Community institutions and the Governments of the Member States to strive to achieve this;

10. Instructs its President to forward this resolution to the Commission, the Council and the Governments of the Member States.

EXPLANATORY STATEMENTINTRODUCTIONA worsening crisis

1. The European shipbuilding and shiprepairing industry has been in crisis for almost ten years.

This is due to:

- (i) the world-wide recession, which has affected all the Community's traditional industries,
- (ii) strong competition from new shipyards, mainly in Asia,
- (iii) the chaotic state of international shipping, which particularly affects Community shipowners, leading to a slump in their activities and a reduction in their orders for vessels.

In other words, a crisis which is affecting all the traditional industries of the Europe of the Ten is being exacerbated by very serious specific problems. The costly attempts at rationalization which have been made over the last ten years have been fruitless. Despite prospects of a world-wide economic recovery, there are no signs of a spontaneous revival in European shipbuilding: quite the reverse.

A strategic industry

2. The Community's shipyards are a strategic industry which are absolutely essential to guarantee her independence and security.

Essential, firstly, for defence as such; recent events in the Falklands have shown the importance for Member States of having at their disposal a large fleet, comprising not only naval but also merchant vessels, together with sufficient back-up to ensure that it can be maintained independently.

Essential, secondly, for the security of supplies and trade in general. The Community, which is the largest importer and exporter in the world, is dependent on shipping for its trade; in years to come it must not find itself at the mercy of the carriers (particularly from COMECON and Far East countries) or shipbuilders (particularly Japanese or Korean) that nowadays sometimes engage in dumping in order to ensure that they will eventually exercise a very profitable control over the market.

#### An industry which creates employment

3. In 1983, shipbuilding accounts for more than 122,000 highly-skilled and specialized jobs in the Community, in regions where it is often the only major industry (compared to 210,000 jobs in 1975). Also in 1983, 70,000 people are employed in shiprepairing.

4. A suitable Community policy for shipbuilding and the regions affected should involve protecting our vital strategic industries within an economic system based on free trade and fair competition, maintaining a united front and taking steps to maintain employment for workers in the shipbuilding industry.

5. This report, after briefly summarizing the effects of the crisis on the shipbuilding industry prior to 1982, will describe how the situation has deteriorated over the last two years, and the reaction of the Member States and the Commission.

Its principal proposal is for a series of measures which, if implemented in their entirety, will enable us to overcome some of the worst effects of the crisis in European shipbuilding.

#### I. The worsening of the crisis in shipbuilding in 1982-1983

6. In brief: the effects of the international crisis on European shipbuilding from 1978 to 1982, and the failure of the efforts to counter it.

The EEC's share in world shipbuilding dropped from about 25% in the period 1968-1978 to 20% in the period 1978-1982. This fall was accompanied by a reduction in European production capacity (by about 40% between 1975 and 1982) and increasing specialization in the field of vessels and marine equipment with a high value-added component.

7. This trend in European shipbuilding came about as a result of strenuous efforts by most European countries, against a background of European Community directives and the consistent policies being pursued by the members of OECD Working Party No. 6 (which comprises most European shipbuilding countries in that organization).

The annual reports of the Commission of the European Communities on the state of the shipbuilding industry demonstrate that great sacrifices have been made.

8. The recent worsening of the world recession and the emergence of South Korea as the second largest shipbuilding power in the world threaten to frustrate all the actions undertaken up to now, so that at the present time there is reason to doubt the competitiveness of European shipbuilding as a whole and the production capacity which the EEC is capable of maintaining, given the financial, social and strategic constraints on Member States and the probable trend of the market over the next ten years.

#### 1.1 The crisis in world shipbuilding

##### 1.1.1 The reasons for the worsening situation in 1982-1983

#### The crisis in shipping

9. This crisis is due to the reduction in economic activity in the world in 1982 (with a GDP growth rate of -0.5% in OECD countries), and the consequent reduction in the tonnage of goods shipped (-8.5%).

In addition to the reduction in the tonnage shipped (-17% for oil, -4% for goods in bulk in 1982), there has been a trend towards shorter distances, particularly with regard to the transport of oil.

#### The increase in available shipping

10. The reduction in goods shipped has not been accompanied by a corresponding fall in the number of vessels world-wide.

Excess capacity in world shipping in March 1983 reached 120 million DWT, or 30% of oil tankers, 22% of combined vessels, 20% of liners and 7% of container ships.

### 1.1.2 Symptoms of the crisis

11. The level of world orders in 1982 (11.4 million cgrt) is down by about 20% on orders in 1980-1981.

Although the situation in 1982-1983 is slightly more favourable than in 1978 in terms of orders placed for non-military vessels, it is still characterized by the spread of the crisis to the secondary activities of the shipyards (military vessels, offshore structures, shiprepairing).

The drop in orders in 1982 was accompanied by a sharp reduction in the price of vessels (down by an average of 30%) in comparison to 1981 prices.

1.2 The specific aspects of the crisis of shipbuilding in Europe: an end to hopes of 'spontaneous' recovery.

### Competition from South-East Asia

12. On the one hand, competition from Japan remains very strong on the world market; Japan's share of orders for all countries of OECD Working Party No. 6 has risen from 50% to 60% (and even reached 88% in the first eight months of 1983).

On the other hand, South Korea has doubled its production capacity in five years and intends to increase it by a further 10 to 15% per year between now and 1986.

South Korea's share of world production has more than doubled since 1980 (from 4.1% in 1980 to 8.5% in 1982). Orders placed with South Korea in the first half of 1983 confirm this trend, since this country's share of world orders has reached 19%, or 1.3 million cgrt.

At 1 million cgrt, its present-day output represents almost three times the output of the entire French shipbuilding industry.

No Community country has had orders placed with it by other Member States for the last six months; in other words, the common market in shipbuilding has virtually ceased to exist.

## Competition affecting specialized vessels

13. Competition from the Asian countries, particularly South Korea, is all the more dangerous in the long term since it affects specialized vessels, traditionally the European countries' strongest point.

The EEC's share of orders for specialized vessels dropped from 20% of world orders in 1980 to 16% in 1982, whereas South Korea's share rose from 1% to 19%.

Shiprepairing is in as serious a situation, which is very similar with regard to major refitting and repair orders.

## II. Reactions to the crisis

### 2.1 The reactions of the European countries

14. Faced at the same time by a fall in orders and in the price of vessels, the European shipbuilding industry is in the process of carrying out a major restructuration. There was a reduction in the number of people employed in shipbuilding in many Member States and applicant states in 1982-1983.

**BELGIUM:** 2,700 redundancies in 1981-83 out of a total of 6,000 engaged in shipbuilding in 1981

**NETHERLANDS:** 1,100 redundancies for a total of 13,000 people employed in shipbuilding in 1981

Further job losses are announced for the 1983-1985 period

**UNITED KINGDOM:** The loss of 9,000 jobs is announced, which amounts to reducing the numbers employed in shipbuilding by one-third

**FEDERAL REPUBLIC OF GERMANY:** the conference of coastal Lander produced figures comparable to the British statistics

**SPAIN:** The 1982 decree on the restructuring of shipyards envisages a loss of 10,000 jobs out of a total of 39,000.

## 2.2 The attitude of the Commission of the European Communities

15. Setting aside the question of the Commission's slowness to act in this area in the past, we shall confine ourselves to mentioning the many obstacles, particularly at Council level, which have prevented really effective action from being taken, in the hope that this might give a clearer idea of the kind of lead which the Community could provide.

16. Up to now, the Commission's main field of action has been monitoring the provision of aid by means of directives, which sought above all to reduce or control state aid to shipbuilding. It has never pursued a real industrial policy offering genuine support for the industry.

17. In its report 'Policy guidelines for restructuring the shipbuilding industry' (COM(83) 65 final - 1983), the Commission itself recognizes that adequate use has not been made of the structural funds (ERDF, European Social Fund, European Investment Bank facilities and the New Community Instrument). In particular, it emphasizes the lack of cooperation by the Council, which rejected certain measures in favour of older workers due to leave the profession, and did not enter appropriations for the 1983 budget under the budgetary heading created by the European Parliament to modernize industries in crisis.

18. With regard to the external aspect of the Community's activities, up to now shipbuilding has never been a priority in trade and industrial negotiations with Japan (with which relations are regular and institution-alized) or with South Korea (with which closer relations are being established).

The Commission has refrained from any effective political action at the highest levels, perhaps because it does not know what cards to play against Japan and South Korea.

It is probable, moreover, that no really effective action can be taken with regard to these two countries unless an effective bargaining counter is found (as in the case of steel, video-tape recorders, etc.).

### III. A pessimistic outlook

#### 3.1 Medium-term prospects

19. According to AWES<sup>1</sup> estimates, annual orders between 1 January 1984 and 1 January 1989 will be roughly 13.3 million cgrt per year.

These orders will consist for the most part of:

- |                              |                            |
|------------------------------|----------------------------|
| - non-specialized cargoes    | 7 million cgrt per year    |
| - bulk carriers              | 1.8 million cgrt per year  |
| - oil tankers 100,000 tonnes | 1.5 million cgrt per year. |

The estimates of Japanese experts confirm those of the AWES, particularly with regard to the low level of orders expected for the 1984-1990 period for shipments of gas and chemical products.

#### 3.2 Diagnosis

20. The common market in shipbuilding has virtually ceased to exist.

European shipbuilding is dramatically uncompetitive.

Cost prices are sometimes double selling prices.

The reduction of production capacity in Europe, the collapse of shipyards and manufacturers of equipment, and poor performance results have had the effect of lowering productivity further at a time when the first priority is to increase it.

Large-scale European shipbuilding is on the verge of collapse. If measures are not taken immediately to enable European shipping to be rapidly modernized, it will be impossible to halt the trend towards contraction and obsolescence.

Shiprepairing, with regard to activities with a high value added component, is in a similar situation.

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<sup>1</sup> Association of West European Shipbuilders

IV. Some Community solutions which could easily be applied

21. The Commission should progress beyond a purely supervisory role and be capable of taking positive action to modernize the industry and win back the market.
22. 4.1 - The Commission's action within the Community - the most important in this case - should be concentrated on the following three areas :
23. 4.1.1 - Help and encouragement for European shipowners (of ships flying the flag of one of the Member States) to place their orders within the Community. (Direct aid to shipyards ultimately benefits the latter's customers, whereas aid ought to serve principally to replace and renew Community vessels). To achieve this end, the Community should introduce sufficiently high investment subsidies for it to be advantageous for shipowners to order vessels from European shipyards.
24. 4.1.2 - The introduction of large-scale and concerted programmes of industrial modernization throughout the Community, as proposed by the rapporteur in his amendments to the 1984 budget.
25. 4.1.3 - Launching a special social plan for this sector to strengthen and improve the arrangements made by each country to meet the social problems which will arise in 1984, when many shipyards will be faced with closure or cutbacks (severance allowances, vocational training, the creation of alternative jobs, etc.). The European Parliament must press the Council to adopt such a plan.
26. 4.1.4 - The actions listed above will only be effective if they are backed up by consistent and long-term financial support. To this end, the existing structural funds should be used to provide substantial resources for the shipping and shipbuilding industries affected by the crisis.

27. 4.2 - Outside the Community, action must be taken to protect the interests of Community producers and shipping companies by ensuring general respect for the rules of fair competition. In particular, the Commission must regard it as one of its main priorities to open urgent negotiations to ensure :
28. 4.2.1 - that vessels which do not comply with the standards laid down by international conventions are withdrawn from service. If necessary, consideration should be given to imposing sanctions on such vessels using Community ports;
29. 4.2.2 - that South Korea halts its policy of aggressive expansion, and
30. 4.2.3 - that Japan participates on the same basis as Europeans in the inevitable reduction of shipbuilding activities.
31. 4.2.4 - The Commission must also obtain a clear mandate to defend Community shipowners at international shipping conferences.

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32. Faced with the threat from shipyards - particularly in Asia - engaging in cut-throat competition made possible by direct state aid and working and social conditions which are unacceptable by civilized standards, we have an urgent duty to save a strategic European industry on the verge of collapse.

# EUROPEAN PARLIAMENT

29 SEPTEMBER 1983  
.....

Doc. 1-800/62

DRAFT  
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES  
FOR THE FINANCIAL YEAR 1984

DRAFT AMENDMENT No. 62  
.....

tabled by Mrs THEOBALD-PAOLI, Mrs VAN HEMELDONCK, Mrs DESOUCHES, Mr LOO,  
Mr THAREAU, Mr ROGALLA, Mr EYRAUD and Mrs LALUMIERE

SECTION III - COMMISSION (Part B)

Article 774 Industrial reconversion

Item 7741 Shipbuilding - declining harbour areas  
(new)

PAYMENTS

A - Expenditure

Create a new item 7741 to read as above and  
enter a payment appropriation of 700 000 ECU

B - Compensation

-

C - Revenue

Increase revenue by the same amount

COMMITMENTS

-

Schedule

-

REMARKS

-

Justification

Studies on the possibilities of modernizing shipyards to make them more competitive and of reconversion in situ.

**EUROPEAN PARLIAMENT**

29 SEPTEMBER 1983  
.....

Doc. 1-800/63

**DRAFT  
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES  
FOR THE FINANCIAL YEAR 1984**

DRAFT AMENDMENT No. 63  
.....

tabled by Mrs THEOBALD-PAOLI, Mrs VAN HEMELDONCK, Mr LOO, Mrs DESOUCHES,  
Mr EYRAUD, Mr THAREAU and Mrs LALUMIERE

**SECTION III - COMMISSION (Part B)**

**Article 778 Studies on industrial guidelines**

**PAYMENTS**

**A - Expenditure**

Increase payments by 150 000 (from 400 000 to 550 000 ECU)

**B - Compensation**

-

**C - Revenue**

Increase revenue accordingly

**COMMITMENTS**

-

Schedule

-

**REMARKS**

-

Justification

Need to modernize many strategic sectors hit by the recession (chemicals, shipbuilding).

Allocation of 140 000 to shipbuilding, a declining strategic sector.

MOTION FOR A RESOLUTION

DOCUMENT 1-463/83

tabled by Mr SEELER and Mr GLINNE

on behalf of the Socialist Group

pursuant to Rule 47 of the Rules of Procedure

on the consolidation of Europe's shipbuilding industry

The European Parliament,

- A. whereas a large proportion of world merchant shipping is underutilized because of the world recession and there is in consequence only a small demand for new ships,
  - B. having regard to the existing excess capacity of Europe's shipyards,
  - C. having regard to the reduced competitiveness of European shipyards vis-à-vis shipyards in Eastern Europe and Asia,
  - D. convinced of the need to maintain a certain shipbuilding capacity in Europe if our shipping industry is not to become totally dependent on shipyards in other countries,
1. Calls on the Commission:
- (a) to institute an inquiry into the present situation in the European shipbuilding industry, combining it with an analysis of the future development of this sector;
  - (b) to consider what shipyard capacity will be required in future in the European Community both for ship repairs and for the building of new ships, so as to prevent it becoming totally dependent on shipyards outside the Community;
  - (c) to work out and submit ideas on how this shipbuilding capacity can be divided among the various Member States and their shipbuilding industries;
  - (d) to draw up a plan for consolidating Europe's shipbuilding industry and to set up in this connection a shipbuilding fund to provide the resources needed for reducing capacity, for restructuring, and also for maintaining the minimum capacity estimated to be necessary;

2. Instructs its President to forward this resolution to the Commission of the European Communities.

MOTION FOR A RESOLUTION

DOCUMENT 1-715/83

tabled by Mr BANGEMANN, Mr CECOVINI, Mr CALVEZ, Mr NORD, Mrs PINTAT,

Mrs Tove NIELSEN, Mr MAHER and Mr DE GUCHT

on behalf of the Liberal and Democratic Group

pursuant to Rule 47 of the Rules of Procedure

on Community shipbuilding policy

The European Parliament,

- A. conscious of the worsening crisis in the Community's shipbuilding industry,
- B. having regard to the attempts already made by the Commission to arrive at a Community shipbuilding policy,
- C. in view of the expiry of the Fifth Directive at the end of next year,

**Calls on the Commission :**

1. to summarize and report to Parliament on its investigations into subsidies paid in Community Member States and third countries which it has continuously updated;
2. in so doing to assess the impact which these subsidies have had on competition within the Community, competition with third countries and economic and regional policies within the Community;
3. to formulate a European shipbuilding policy which secures economically viable structures in the Community's shipbuilding industry and eliminates distortions of competition from third countries without distorting the competitive situation within the Community;
4. in so doing, to harmonize the various systems of subsidies to safeguard competition within the Community so that maximum competitive neutrality may be achieved with a minimum level of subsidy; to this end, ceilings should be established for subsidies in the Member States;

5. to grant Community subsidies only to the extent necessary to eliminate distortions of competition from third countries. Inasmuch as such distortions of competition are reduced in international shipbuilding, subsidies within the Community must also be abolished;
6. to ensure that Community shipbuilding policy is based on the principles of the market economy and that account is taken within this framework of the requirements of Community maritime transport and its employment and regional policies;
7. to submit to Parliament an appropriate proposal by March 1984;
8. Instructs its President to forward this resolution to the Council and the Commission.

MOTION FOR A RESOLUTION

DOCUMENT 1-871/83

tabled by Mr CAROSSINO, Mr BONACCINI, Mr LEONARDI, Mr SEGRE, Mrs SQUARCIALUPI, Mrs BARBARELLA, Mrs CINCIARI RODANO, Mr FERRERO, Mr CARDIA, Mr GALLUZZI, Mr VERONESI, Mr PAPAPIETRO, Mr D'ANGELOSANTE, Mrs CARETONI ROMAGNOLI, Mr SPINELLI, Mrs BADUEL GLORIOSO, Mr CERAVOLO, Mr DE PASQUALE, Mr FANTI, Mr GAUTHIER, Mr IPPOLITO, Mr PAJETTA and Mr VITALE  
pursuant to Rule 47 of the Rules of Procedure

on the Community shipbuilding policy

The European Parliament,

- A. concerned at the continuing and worsening crisis in the Community shipbuilding industry,
- B. aware of the plans for further redundancies and the shipyard closures and the subsequent drastic reduction in productive capacity predicted in Italy,
- C. whereas this situation is caused by the persistent crisis in international shipping, which creates the fall in freight and in the demand for new ships, by the increasing use by third countries of measures to support ship-building in their respective countries and unfair trading practices and by the failure on the part of the Council of Ministers to adopt positive measures to support the European ship-building industry,
- D. whereas the Fifth Directive on ship-building will expire at the end of next year,
- E. whereas it is necessary, in the vital interests of the Community, as the most important economic and commercial entity in the world, to bring to an end any further reduction in the Community's shipping fleet and shipyards,
- F. recalling that, as a result of the restructuring measures adopted in recent years which involved making tens of thousands of workers redundant and closing numerous shipyards, a basic industrial strategic minimum has been reached below which it would become a shipbuilding industry incapable of competing at international level,

- G. convinced that the objective of increasing competitiveness and productivity should be pursued, bearing in mind the differences between countries and using an industrial approach on a Community basis,
- H. convinced of the need to improve and adjust demand in the ship-building industry by implementing Community aid provisions for scrapping and building new ships,
- I. recalling that the objective of this aid must be to attain the goals of energy-saving, a rise in the safety standards of ships and protection of the environment,
- L. considering that it is also necessary to adopt financial measures to support investment projects for the creation of new jobs and aid to former workers forced into premature retirement in the regions affected by the crisis,
1. Requests the Commission:
    - (a) at international level and in its relations with third countries to promote more effective measures to protect the interests of the ship-fitting and shipbuilding industries of the Community;
    - (b) to carry out, on the basis of the guide-lines laid down in this resolution and those contained in the Fifth Directive, programmes and positive action to support the Community shipbuilding industry;
  2. Calls upon the Council to abandon the wait-and-see policy which has so far been followed and to give its support and approval to the Commission's proposals, which are supported by Parliament, for the Community shipbuilding industry;
  3. Instructs its President to forward this resolution to the Commission and the Council.

MOTION FOR A RESOLUTION

DOCUMENT 1-1405/83

tabled by Mr ALMIRANTE, Mr ROMUALDI, Mr PETRONIO and Mr BUTTAFUOCO  
pursuant to Rule 47 of the Rules of Procedure

on the crisis in the shipbuilding industry in Trieste, Castellammare and  
La Spezia

The European Parliament,

- A. having regard to the serious crisis in the shipbuilding industry in the countries of the Community,
- B. stressing the gravity of the situation of Italian shipyards such as Trieste, Castellammare and La Spezia,
- C. whereas many shipping companies prefer to purchase ships from shipyards outside the Community,
- D. whereas the maritime transport sector can and must develop in such a way as to mop up the unemployment which is posing an increasingly serious threat to the European shipbuilding industry as a whole,
- E. whereas maritime transport remains the most economic means of carrying goods,

Calls for:

- (a) a study plan to be drawn up, on the expiry of the fifth directive on this subject at the end of 1984, for the introduction of a new shipbuilding policy which takes account of the changes which have occurred in this sector;
  - (b) strict control of competition from certain third countries which resort to the practice of dumping;
  - (c) harmonization of the system of intra-Community aids;
2. Instructs its President to forward this resolution to the Council and the Commission.