


Procedure file

Basic information		
CNS - Consultation procedure Regulation	2004/0008(CNS)	Procedure completed
Temporary defensive mechanism to shipbuilding: duration Amending Regulation (EC) No 1177/2002 2001/0153(CNS)		
Subject 2.60.03 State aids and interventions 3.40.04 Shipbuilding, nautical industry 6.20.01 Agreements and relations in the context of the World Trade Organization (WTO) 6.20.02 Export/import control, trade defence, trade barriers		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs		20/01/2004
		PSE RANDZIO-PLATH Christa	
	Committee for opinion	Rapporteur for opinion	Appointed
	ITRE Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Competitiveness (Internal Market, Industry, Research and Space) 2570		11/03/2004
European Commission	Commission DG Competition	Commissioner	

Key events			
21/01/2004	Legislative proposal published	COM(2004)0026	Summary
09/02/2004	Committee referral announced in Parliament		
09/02/2004	Vote in committee		Summary
09/02/2004	Committee report tabled for plenary, 1st reading/single reading	A5-0056/2004	
25/02/2004	Debate in Parliament		
26/02/2004	Decision by Parliament	T5-0104/2004	Summary
11/03/2004	Act adopted by Council after consultation of Parliament		
11/03/2004	End of procedure in Parliament		

19/03/2004	Final act published in Official Journal		
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Technical information	
Procedure reference	2004/0008(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 1177/2002 2001/0153(CNS)
Legal basis	Rules of Procedure EP 52-p1; EC Treaty (after Amsterdam) EC 133; EC Treaty (after Amsterdam) EC 089; EC Treaty (after Amsterdam) EC 087-p3
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/20654

Documentation gateway					
Legislative proposal		COM(2004)0026	21/01/2004	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0056/2004	09/02/2004	EP	
Text adopted by Parliament, 1st reading/single reading		T5-0104/2004 OJ C 098 23.04.2004, p. 0017-0122 E	26/02/2004	EP	Summary

Additional information	
European Commission	EUR-Lex

Final act
Regulation 2004/502 OJ L 081 19.03.2004, p. 0006-0007 Summary

Temporary defensive mechanism to shipbuilding: duration

PURPOSE : to amend Regulation 1177/2002/EC concerning a temporary defensive mechanism to shipbuilding. PROPOSED ACT : Council Regulation. CONTENT : further to the Republic of Korea's failure to implement the provisions of the Agreed Minutes relating to world shipbuilding signed on 22 June 2000, the Council approved on 27 June 2002 the so-called "twin-track strategy" proposed by the Commission. This strategy involves two instruments: - the initiation of an action against the Republic of Korea at the World Trade Organisation (WTO); - the authorisation of temporary and limited contract-related operating aid under the Temporary Defensive Mechanism (TDM) to assist Community shipyards in those segments where they have suffered adverse effects caused by unfair Korean competition. From the outset, the TDM was conceived as an exceptional, limited and temporary measure. Hence, the mechanism was strictly limited in both scope and time. First, only those market segments where it has been demonstrated that the EU shipbuilding industry has suffered adverse effects caused by unfair Korean trade practices are eligible for aid: container ships; chemical and product tankers; as well as Liquefied Natural Gas (LNG) carriers. Second, the defensive mechanism expires on 31 March 2004, which was consistent with the anticipation, at the time of adoption of Regulation 1177/2002/EC, that the relevant WTO proceedings would have been concluded at that date. However, these proceedings are taking more time than what was originally foreseen and the Agreed Minutes have not yet been effectively implemented. The panel report is only expected in August 2004 and a final decision from the Appellate Body is not expected before early 2005. It should also be stressed that, from the outset, the two instruments making up the twin-track strategy were closely interrelated, in particular as regards timing. Pursuant to the TDM Regulation, the support mechanism could only be activated after the Commission had initiated WTO dispute settlement proceedings against Korea - which was done on 8 October 2002. By the same token, it was expressly provided that the mechanism was to be applied only until the conclusion of these proceedings or the suspension of such proceedings on the grounds that the Community considered that the Agreed Minutes had been effectively implemented (and, in any case, not after 31/03/04). In other words, the twin-track strategy is built on a simultaneous use of its two instruments. The Commission considers that the "twin-track strategy" should be continued. Given the delays in the WTO proceedings and the continued failure by the Republic of Korea to implement the Agreed Minutes, it is proposed to prolong the application of the TDM Regulation until 31 March 2005 at the latest. The TDM remains an exceptional and temporary instrument focusing on

very specific trade allegations. It should be noted that, as it is already provided in the TDM Regulation, the support mechanism will be disactivated at any earlier date if the dispute settlement proceedings are concluded or if the Community considers that the Agreed Minutes have been effectively implemented by the Korean side.?

Temporary defensive mechanism to shipbuilding: duration

The committee adopted the report by its chair, Christa RANDZIO-PLATH (PES, D), approving the proposal unamended under the consultation procedure.?

Temporary defensive mechanism to shipbuilding: duration

The European Parliament adopted the resolution drafted by Christa RANDZIO-PLATH (PES, D) and approved the Commission's proposal.?

Temporary defensive mechanism to shipbuilding: duration

PURPOSE : prolong the temporary defensive mechanism to shipbuilding. LEGISLATIVE ACT : Council Regulation 502/2004/EC amending Regulation 1177/2002/EC concerning a temporary defensive mechanism to shipbuilding. CONTENT : the Council approved, by qualified majority, with the Danish, Netherlands, Finnish and Swedish delegations voting against, a Council Regulation concerning a temporary defensive mechanism (TDM) for shipbuilding. Amending Regulation 1177/2002/EC, the new Regulation aims at prolonging, by a maximum of one year, until 31 March 2005, the use of limited contract-related operating aid to certain segments of the shipbuilding industry which is subject to allegedly unfair competition from the Republic of Korea. ENTRY INTO FORCE : 20/03/2004.?