

## Condensed results of the meeting

---

Meeting: WG Meeting of the Shipbuilding SSDC

Date: 27 October 2010

Place: Hotel Courtyard, Brussels

---

Present: See enclosed list of participants

- 1. Opening and introduction: Jenny Braat, Chairwoman** - welcomed the participants and thanked the EC for organizing the meeting.
- 2. Minutes of the SSDC WG on 25 June 2010** – adopted without further comments
- 3. Policy Work Group**
  - CESA presented the developments on the market in the first half of 2010. (presentation enclosed)  
According to statistics global new orders in 1H2010 surpassed 2009 level but amounted to only 27% of completions. Asian yards continue to deliver record figures; global deliveries increased to 27 Mln CGT in first half year and could surpass 50Mln CGT by the end of the year. Most of new orders placed globally were for tankers and bulkers and the orderbooks for standard vessels keeps stable. Depleting orderbooks in European shipyards are already triggering major work disruptions. Clarkson's newbuilding price rose for 5 months in a row, but in Euro terms the price remain at 2000 level due to exchange rate. The rise is reflecting among others the increase of steel plates' price. Since the beginning of the year the price for hot rolled plates increased by 30% and the gap between in Asia and Europe is widening again. Trade volumes show positive signs but the freight rates remain volatile due to the oversupply of standard vessels. The oil price reached the breakeven level however this had not reactivated investments in the offshore market. The maritime press reports on increasing involvement of Chinese banks in ship finance. The Agreement on naval research between India and Korea is of particular interest to the social partners, as this could intensify the competition on the naval export markets currently dominated by European yards.
  - EMF reported on its shipbuilding campaign which builds up on the Vigo declaration. National activities were organized in Italy and in Brussels and will continue across Europe to campaign against austerity plans that threaten the fragile recovery in our industry. All EMF declarations related to the campaigns are available on EMF website [www.emf-fem.org](http://www.emf-fem.org).
  - The social partners discussed the lack of responsiveness following the letter sent to the EP President and relevant committees. CESA and EMF agreed to demand a clear response from the EP President and the secretariats will look into ways of arranging this.
  - DG Employment informed that sectoral social dialogue committees can have an enhanced role in EU-policy-making through their involvement in the impact assessment of EU legislation. DG Competition had therefore been invited to the meeting to exchange views with the SSDC on the review of the Shipbuilding Framework. DG Comp informed that it is working on the Impact Assessment and it is relying on social partners' opinion submission, either

together or separately. It also stressed that for a sectoral proposal is essential to have case by case reasoning on specific requests. The final proposal will be publicly available for debate around Feb- March 2011.

- On SOx emissions CESA welcomes and supports the initiative of EMF and considers that the anti-campaign supported by numerous industry organizations is not helpful. On the contrary, it brings more damage with regard to political credibility and public perception on the industry commitment to environmental protection. The secretariats agree to continue with joint initiatives when necessary.

#### **4. Skills and Qualifications Work Group**

- EMF and CESA agree to submit a proposal for the Phase 1 consisting of identification of stakeholders and stocktaking on existing national skill councils. The next grant application deadline is in March 2011. The Chairwoman proposed Enrique Calvet Chambon to take the lead from CESA side on the project and awaits confirmation at the plenary meeting in December. CESA confirmed that based on its previous experience to manage the administration of the project and could be the official applicant for the project.
- CESA and EMF agreed to develop a proposal on goals of the study for the plenary meeting in December.

#### **5. Social Standard Work Group**

- The Chairwoman reports that the work is progressing and a first draft on Preamble, Image of the Sector and Fundamental and Human Rights is under discussion.

#### **6. Image WG**

- The social partners agreed that the disruption of the event will damage the results achieved with the previous campaigns and the campaign should continue. It was agreed to discuss at National level the possibilities and the focus of a 2011 European Shipyard Week event and come with the results at the Plenary meeting in December.

#### **7. Conclusions and next Meeting**

- It was agreed that CESA and EMF secretariats agreed to meet during November to coordinate the Shipbuilding Framework submissions, the EP follow up and the submission for the study on Skills Council.
- The next SSDC Plenary meeting will take place on 8<sup>th</sup> December 2010.