

## SSDC on Shipbuilding Minutes

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Meeting: WG Meeting of the Shipbuilding SSDC Working Groups  
Date: 17 March 2010  
Place: Renaissance Hotel, Brussels

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### 1. Opening and introduction

- Jenny Braat welcomed the participants and stressed the importance of steering groups meetings for constructive results within the committee. However, the EC position not to fund such meeting could hamper the progress of the future actions and a solution remains to be found.

### 2. Minutes of the SSDC WG on 02 February 2010 – due to proximity of the meeting dates and impossibility to draft in time the adoption was postponed for the meeting on June 01<sup>st</sup>.

### 3. Policy Work Group (Presentation by Reinhard Lueken enclosed)

- o **Market situation:** remains very difficult and the global demand for new ships remains extremely low. The difference between the preliminary data presented in February and confirmed data recently available shows a worsened situation.
- o European yards' orderbook is shrinking fast. Even with positive prospects as regards trade volumes, the oversupply of vessels is likely to keep demand low for some time.
- o The price gap between Europe and Asia could grow again. Steel prices remains in the focus of the group as the price gap could grow again.
- o **Policy developments:** the CCMi Opinion on shipbuilding is expected to be adopted at the plenary meeting on the 9<sup>th</sup> of April.
- o LeaderSHIP: a joint declaration representing more than 60 million people was signed by 33 European shipbuilding regions and will be submitted to the European Parliament President Buzek, Cabinet President Barroso, Cabinet Vice President Tajani, Council of Ministers via Spanish Representation and Committee of the Regions on April 8th.
- o The LeaderSHIP conference will be held in Bilbao on 21 April; support is needed to attract policy makers from Member States to push for joint EU responses.
- o LeaderSHIP action items: CESA organized a workshop with the European Wind Energy Association. Many opportunities exist but many wind energy companies have limited knowledge in the offshore sector. European yards can provide this essential expertise. The yards interest lies primarily in building ships for the installation, operation, maintenance and decommissioning of the turbines, rather than in building low-tech tower and steel structures.
- o OECD received contributions to the inventory of state interventions for discussion at the April meeting; in the context of level playing field CESA chairman sent a support letter to Trade Commissioner in March.
- o DG ENTR has launched the study on ship financing; Price Waterhouse Coopers is expected to deliver good results and trigger progress in creating a European financing scheme.
- o The Clean ship initiative and labor measures are equally important; however no specific activities were started. For clean ship the best available instruments within existing rules should be exploited (State Aid for Environment Protection) since no new resources exist.
- o **EMF: Bilbao** - will attend and provide support for the Bilbao conference; **EMD Gijon**- Peter Scherrer committed as speaker
- o June 3<sup>rd</sup> – a EMF High Level delegation will meet Spain's Ministry of economy to discuss with Spanish Presidency possibilities to raise also shipbuilding.

- An EMF work group representing workers in the Wind Energy sector will be created.
  - On job losses the situation becomes dramatic, both jobs and skills are threatened. In Netherlands and in several other countries the yards and the unions managed to find some temporary measures supported by the government.
  - Jenny Braat presented the conclusions of a CESA Supply&Demand guestimate; overcapacity is not threatening all the segments - in niche and green markets growth is expected. Especially the necessity to reduce the CO2 emissions should drive the mind-switch obliging the shipowners to apply the latest green technology.
- **Comments:**
- The worsening market situation will impact the employment, likely to sharply increase in 2010 as the new orders are dramatically low and production in Europe is decreasing.
  - The acquisition of new contracts has top priority. However, the short-term outlook in almost all market segments with the exception of some niche segments, still gives little reason for optimism.
  - In several countries actions were taken, however joint actions at European level are necessary, both on labor measures and demand stimulation.
  - Should no commercial reasons of green technology make owners switch to greener ships, regulatory framework will be needed to support the pioneers and give model of well invested capital.

#### 4. Discussion on Social Standards (Presentation by Bart Samyn enclosed)

- As was discussed from the steering meeting, the following work method was agreed:
- First the topic for discussion will be selected and agreed. Next a steering meeting will take place to allow detailed discussions of the positions of each partner. Then EMF (Bart Samyn) will draft the text for selected topic and will present it for debate in the SSDC meeting. After agreement on one topic the group will move to the next step/topic.
- The SSDC agreed to start drafting on the two items - ***“Preamble – Image of the sector” and “Basic Rights – ILO & EU standards”***.
- CESA proposed to develop a common understanding on
  - the Image, abandoning the past aspects (dirty, difficult, dangerous) and focuses on the present and future ones (high skills, flexible working places, innovative character, new technologies)
  - the Principal market challenges and requirements that focuses on shared vision.
- On the *Basic Rights – ILO & EU standards* CESA proposes to go beyond the generally accepted ILO principals already in place and take as point of reference the Acquis Communautaire. The added value could be strengthened with an inclusion of a point expressing availability to support with the implementation of the Acquis where difficulties persist.
- New ideas were discussed, including building a “sustainable and environment responsible” brand for the European shipyards (both in processes and in products). Together with health and safety the issues will be talked according to the agreed working method.

#### 5. Next meeting

- It was agreed that the partners will exchange agendas for the next activities and the Steering Group will meet to prepare next activities and discussions.