The meeting was chaired by SSDC Chairman Mr. Henk van Beers.

I. Opening and introduction

The SSDC Chairman, Henk van Beers, welcomed the participants to the meeting. He welcomed Thomas Gyldal Petersen from Co-industri and informed that Mr. Petersen was temporarily replacing the new Danish member in the EMF delegation who would participate in future meetings.

II. Minutes of the Shipbuilding Sectoral Social Dialogue Committee Plenary on 3rd April 2008

The SSDC members took note of the minutes without making any further comments.

III. Market and Policy Developments in shipbuilding

Reinhard Lüken delivered a presentation on market and policy developments (full presentation in annex).

He pointed out that his presentation was based on figures of the first quarter of 2008 and would have to be treated with caution as it was too early for precise predictions. Concerning the order book situation he indicated a soft decline with new orders lower than completions during 1st quarter 2008. Whether this might constitute a changing trend remains to be seen. In principal and in view of the extremely strong demand since a couple of years, new orders growing at a lower rate should be seen as a necessary adjustment in a global market that was over-heated.

Concerning the evolution of new orders among CESA members, Mr. Lüken highlighted the weakening container ship market as a result of high steel prices. The shipbuilding price evolution in USD showed a positive development but if this was adjusted to the Euro exchange rate, the price evolution was less positive for Europe. Steel prices continue to grow creating increasing difficulties for the yards. Mr. Lüken also reported on positive developments concerning planned steel trade policy measures. Reportedly, Eurofer was no longer planning to file a WTO complaint over quarto plate imports and would inform CESA if there were any changes to this policy. Reportedly, Eurofer would in any case exempt imports of steel used in shipbuilding when applying for protective measures. He also informed that Europe considered lifting steel import restrictions from Russia and that restrictions on steel imports from the Ukraine had already been lifted.
Regarding further policy developments Mr. Lüken reported on the GuardSHIP initiative of CESA that aims at developing tools to enhance the protection of intellectual property in shipbuilding. The first GuardSHIP handbook has been published and will be updated bi-annually. He further informed about a supportive response to the public consultation on the proposed prolongation of the Shipbuilding Framework (including the provisions on innovation aid). The EC is expected to endorse the prolongation on 2nd July. Concerning the re-opening of OECD negotiations for a shipbuilding agreement Mr. Lüken reported that the OECD shipbuilding working party would be convened later this month. CESA was of the opinion that the will of all parties to arrive at an agreement was a precondition for reopening negotiations. Since South Korea and China showed no great interest in negotiations CESA was proposing to develop a cost-inflation index as an intermediate measure. This could help to build up trust and might lead to negotiations eventually.

Mr. Lüken also informed about the ongoing negotiations between the EU and South Korea on a free trade agreement and emphasised that the EU must ensure that the shipbuilding sector is included and adequately addressed in the negotiations. Mr. Lüken also reported on discussions within the IMO about establishing a global greenhouse emission index. Such an index might not be desirable for Europe if it was based on the mass market and the Commission has made clear that it would press on with own initiatives if the IMO compromise would not satisfy the needs of the EU. Finally, Mr. Lüken informed that the second phase of the LeaderSHIP initiative was planned for 2010.

In reply to a question from Mr. Calvet Chambón Mr. Lüken stated that the US was not taking part in the OECD activities. To Mr. Chambón’s question if the cruise ship market would be hit harder by the current financial crisis than other sectors Mr. Lüken replied that there was no indication yet and that cruise bookings in the US seemed to have not been affected. In reply to Mr. Chambón’s question concerning the impact of the exchange rate problems in Europe Mr. Lüken stated that this was a grave problem, although, in terms of oil prices, the appreciation of the Euro actually helped Europe to absorb part of the USD-based oil price increases.

Andrea Husen-Bradley reminded participants that the SSDC could also issue joint opinions on relevant topics and posed the question if a joint position on the free trade negotiations with South Korea was feasible. Mr. Lüken replied that the issue was controversially discussed within the Commission and that CESA was therefore preparing a briefing note which could in principle serve as the basis for a joint position.

IV. Qualification work group: update on latest developments, evaluation of the HR workshop and further steps

Ms. Heike Thomsen informed that the printed version of the HR Study would be ready the following week. The workshop report had been drawn up and the online version would also be ready the following week. The printed version of the workshop report would be available in August or early September.

Andrea Husen-Bradley presented an evaluation of the feedback forms that had been returned by participants at the workshop (full presentation in annex). She underlined that the feedback on the items covered (organisation & venue, HR study, presentations,
discussion and conclusions) had overall been very positive. Some had commented that in future events there should be more time for best-practice presentations and discussion. Among the recommendations had been a continuous email exchange on HR topics.

Mr. Calvet Chambón enquired if it was feasible to create an email network of HR practitioners to which Heike Thomsen replied that a (non-shipbuilding specific) network of HR practitioners exists in Germany and experience shows that running such a network requires a considerable amount of input in terms of preparation, structure and moderation. Mr. Henk van Beers concluded that the idea could be retained for future discussions but that such a network should comprise both management and workers’ representatives.

Regarding further steps and follow-up Henk van Beers recalled the joint conclusions of the workshop:

- Shipbuilding is a high-tech sector with a high level of well-educated and highly skilled workers.
- Ageing of the workforce is a moderate problem but its impact cannot be underestimated. The social partners must continue to anticipate the effects of demographic changes.
- The greatest recruitment needs exist in the categories of technical employees and university graduates. Actions are needed in this area.
- Training activities and lifelong learning are core activities of the yards and must be promoted. The development of a European maritime design academy and a European vocational education programme should be discussed.
- Developing adequate vocational educational training systems and programmes is of prime importance for the new EU Member States.
- Outsourcing and sub-contracting of work will remain an important feature of the sector. A framework for a level playing field between all categories of employees should be developed.
- The social dialogue should be promoted at all levels to build a joint awareness and to jointly tackle the challenges facing the sector.

He recommended that the work group discusses how to put these recommendations into action. He further informed the participants that the EMF was preparing an initiative on defining a common floor of social standards for all shipbuilding workers in Europe. He announced that the EMF would first seek a discussion within the SSDC steering group and hopes to table the topic as an agenda item at the next SSDC meeting in November.

Mr. Alain Clouet pointed to the great diversity of professions in the European yards and that the job contents of the various professions often varied significantly across Europe. He and Andrea Husen-Bradley then presented the idea to further develop the glossary of shipyard professions contained in the HR study by focussing on job descriptions. This could also lead to the development of a skills passport.

Heike Thomsen underlined that the HR study had revealed how difficult it was to compare qualifications across Europe and Mr. Ruud Schouten held that an overview of job descriptions could be a useful tool to manage mobility and migration.

It was concluded that project ideas should be developed in the next work group meeting.
Antonio Corral and Iñigo Isusi of the Spanish consultancy IKEI presented the research study that they were drawing up for the project led by DG Employment of the European Commission (full presentation in annex).

They stated that the main aim of the study was to identify the main drivers of economic and employment changes in the European shipbuilding and ship repair sector with a focus on emerging competences and skills. The project involved a description of the sector (sector mapping, identifying drivers of changes and identifying emerging competences) and the development of scenarios for the competences needed and the solutions to meet these changes. The study results and conclusions would be discussed in a workshop organised by the Commission in December 2008. An intermediate report had already been compiled and the Commission was currently selecting participants for the workshop in December.

They reported that the study describes positive and negative factors within a SWOT analysis as well as the consequences of two scenarios. Scenario 1 describes the situation of growing shipbuilding demand with a preservation of the EU’s technical advantage and Scenario 2 is built on stagnant shipbuilding demand and a loss of EU technological advantage. Scenario 1 sees overall European employment levels as stable (increasing in EU 15 but losses due to restructuring in new Member States) but points to the impact of restructuring, recruitment needs, the high demand for qualified personnel and the need for international workers’ mobility. Scenario 2 would result in decreasing shares in world shipbuilding production for Europe, employment decreases and yard closures.

To a question from Alain Clouet concerning the empirical basis for claims on R&D investment, leakage of knowledge and productivity Mr. Corral replied that the scenarios drew on available Eurostat data but also information from CESA (e.g. on R&D investment). The information on leakage of knowledge emerged during interviews. The written report will contain all the figures and data used for the analysis.

Mr. Lüken held that the study represented an excellent summary of existing studies on the shipbuilding sector but that the use of Eurostat data was not useful for the sector. He questioned that the cooperation between industry and public authorities should be seen as a demand driver and Mr. Corral agreed to this.

Mr. Calvet Chambón asked for clarification on which sectors were covered by the study, whether productivity measures included sub-contractors, and underlined that as a result of the current economic climate growth prospects may have to be adjusted – to which Mr. Corral agreed. Mr. Corral explained that the study covered the building of ships and boats (including leisure and fishing boats) and the ship repair industry. Military shipbuilding was also included but not treated separately. Iñigo Isusi stated that CESA data on productivity was based on final producers but that Eurostat data also included suppliers. Whilst productivity levels differed starkly across countries, the European average for the sector was lower than the average of the European manufacturing sector.

In the debate it was pointed out that productivity should not be the only measurement of competitiveness (Alain Clouet) and that productivity increases might entail job losses (Mr. Calvet Chambón). The IKEI representatives agreed with Alain Clouet’s suggestion...
to include a comparison with South Korea, China or Japan but stated that it would be difficult to obtain the data.

Ruud Schouten suggested to include the impact of climate change as a driver for change to which the IKEI representatives agreed. Mr. Schouten also pointed out that rising sea levels may represent an opportunity for the maritime sector since coastal works would become an increased activity.

In conclusion, it was agreed that the SSDC would monitor the project and that EMF and CESA would cooperate with IKEI in proposing participants for the workshop in December.

VI. Image work group: evaluation of national activities, the outcome of the shipyard week and discussion on the future format

Participants gave the following accounts of their national events:

Netherlands (Fred van der Wal, Henk van Beers)
• the shipbuilding week was seen as a big success that should be repeated
• 30 companies (yards and suppliers) had staged open days
• politicians visited yards and there were open days for the general public
• the cooperation between the social partners was successful
• the tangible outcome of the event will be assessed when reviewing the influx of maritime students in September
• a national shipbuilding week will be held every year and every other year the event will have an increased European focus (linked to the European shipbuilding week)

France: Fabrice Theobald reported that schools had visited the yard in St. Nazaire and Alain Clouet pointed out that the unions had not been involved in this activity.

Portugal (José Pimentel das Neves)
• the Viana do Castelo yard held an open day for the general public
• there was a specific programme for visiting schools
• the planned boat trip had to be cancelled because of bad weather

Finland (Veli-Matti Kauppinen)
• the Finnish week was perceived as a successful event
• Aker Yards in Turku had open doors days
• the cruise ship “Independence of the Seas” was visited by some 5000 visitors
• the social partners and academics held a successful seminar – participation could have been higher however

Germany (Heike Thomsen on behalf of the absent German CESA representative)
• the week was a successful joint activity of the social partners
• national shipbuilding days will be held every year in September (also in 2008 in addition to the European week in April)
• VSM would like to fix the dates for the next European shipbuilding week to be able to link it to the national shipbuilding days. VSM proposes to organise the
Shipyard Week in September because this is the month the apprentices and students start their training/studies.

Henk van Beers concluded that reports on the national activities should be continued at the next meeting.

Regarding the evaluation of the European kick-off event, Heike Thomsen reported that the feedback received from the next generation party had been very positive but that the youngsters would like to have a more active involvement in the future. Henk van Beers proposed to consider setting up a social dialogue structure for youngsters.

François Ziegler took the opportunity to inform the committee about a questionnaire that the Commission will be launching in October 2008 among the European social partner organisations in order to review the functioning and the outcome of their social dialogues. He suggested including the idea of a social dialogue structures for youngsters in the survey reply.

In conclusion, there was agreement among the participants that the focus of the next event should be more on the ‘next generation’ and that discussions were needed on how to integrate the youngsters better in the works of the SSDC. For future events it could be considered holding the kick-off event in other countries but it was agreed that the cooperation with the Committee of the Regions for the 2008 event had been successful as well as linking the kick-off event to a plenary meeting of the SSDC.

VII. Shipbuilding Survey

It was reported that EMF and CESA had not received the written evaluation report from the IAW but that the draft report would be circulated among SSDC members for comments before approving it.

François Ziegler agreed that the Commission would ‘informally’ proof-read the English document. Alternatively, EMF and CESA would have to apply for a specific grant to organise a thorough translation and proof-reading.

VIII. AOB: Evaluation of the SSDC work programme and discussion on priorities for 2nd half 2008

Henk van Beers presented the EMF evaluation and proposals for the work programme:

Market and policy developments:
The presentations and discussions are of high information value and should be continued. Suitable topics could also be presented by the EMF under this agenda point. At the same time, EMF and CESA should develop their capacity for joint statements.

Tool Box work group:
The tool box project should be revisited to establish if the matrix contained in the comparative report can be developed into a manual/reference material for the national discussions. Andrea Husen-Bradley suggested pinpointing examples of good practices contained in the report and discussing them in the SSDC.
Qualification work group:
The group should monitor the Commission project on emerging competences and the SSDC should consider a joint position/evaluation following the Commission workshop in December were the results of the project will be presented. Henk van Beers suggested inviting IKEI to the November meeting of the SSDC.

Image work group:
The group should continue organising European shipyard weeks but hold discussions on the format of future events.

Green Book on maritime policy:
Henk van Beers remarked that it was regrettable that EMF and CESA had not produced a joint position as was initially planned. He informed that the EMF shipbuilding committee would be monitoring how the EU maritime policy was implemented at the national level.

Shipbuilding survey:
The scope and format of the study should be reviewed.

Further topics: Henk van Beers announced that the EMF would propose a discussion on social standards.

Heike Thomsen replied that on the tool box reports there have been some controversial discussions and that CESA would need to hold an internal reflection about continuing discussions on this subject within the SSDC. She announced that she would consult the CESA delegates. Heike Thomsen also informed that CESA members were discussing further topics for the social dialogue, such as migration and health & safety. CESA would give more information on this during the next meeting.

Agenda for the next meeting

It was agreed that the agenda for the next meeting on 16th September should include:
- presentation on market and policy developments, including progress in the OECD discussions
- qualification group: debate on follow-up projects
- image group: discussion on format and dates for the next event
- work programme: future priorities

List of participants

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