



Recommendation of the Council
concerning Government Assistance
to the Shipbuilding Industry

**OECD Legal
Instruments**

This document is published under the responsibility of the Secretary-General of the OECD. It reproduces an OECD Legal Instrument and may contain additional material. The opinions expressed and arguments employed in the additional material do not necessarily reflect the official views of OECD Member countries.

This document, as well as any data and any map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

For access to the official and up-to-date texts of OECD Legal Instruments, as well as other related information, please consult the Compendium of OECD Legal Instruments at <http://legalinstruments.oecd.org>.

Please cite this document as:

OECD, *Recommendation of the Council concerning Government Assistance to the Shipbuilding Industry*, OECD/LEGAL/0091

Series: OECD Legal Instruments

© OECD 2018

This document is provided free of charge. It may be reproduced and distributed free of charge without requiring any further permissions, as long as it is not altered in any way. It may not be sold.

This document is available in the two OECD official languages (English and French). It may be translated into other languages, as long as the translation is labelled "unofficial translation" and includes the following disclaimer: *"This translation has been prepared by [NAME OF TRANSLATION AUTHOR] for informational purpose only and its accuracy cannot be guaranteed by the OECD. The only official versions are the English and French texts available on the OECD website <http://legalinstruments.oecd.org>"*

Date(s)

Adopted on 30/05/1969
Abrogated on 10/11/1992

Background Information

THE COUNCIL

HAVING REGARD to the objective of the Organisation for Economic Cooperation and Development and in view of the fact that all major shipbuilding countries are Members thereof;

HAVING REGARD to the Resolution of the Council of 24th May 1966 concerning the Terms of Reference of an ad hoc Working Party on Shipbuilding, as amended [Doc. Nos C(66)57, C(67)104(Final)];

DESIRING to achieve an agreement on the progressive reduction of all factors which distort normal competitive conditions in the shipbuilding industry while bearing in mind the inter-relationship between shipbuilding and shipping policies;

CONSIDERING that the Understanding on Export Credits for Ships adopted by Resolution C(69)60(Final) is an essential step toward such an agreement;

NOTING with satisfaction that those governments represented in Working Party No. 6 which grant direct subsidies have begun to reduce the extent to which their industry is assisted in this manner.

I

DECLARES that it is the policy of Member governments to remove progressively obstacles to normal competitive conditions in the shipbuilding industry, such as, inter alia:

- (a) Government subsidised export credits;
- (b) Direct building subsidies;
- (c) Customs tariffs or any other import barrier;
- (d) Discriminatory tax policies;
- (e) Discriminatory official regulations or internal practices;
- (f) Specific aid for investment in and restructuring of the domestic shipbuilding industry.

NOTES the intention of Member governments not to provide any assistance with regard to export credits which would be inconsistent with the Understanding on Export Credits for Ships.

RECOMMENDS that Member governments shall not introduce any new measures with regard to other forms of intervention which would serve to increase assistance, whether direct or indirect, specifically to the shipbuilding industry.

II

INSTRUCTS Working Party No. 6 to review, and report to the Council at least annually, progress toward the elimination of all these obstacles to normal competition in the shipbuilding industry, with the objective of completing the process as soon as possible.

In adopting the above Recommendation, the Council:

1. **NOTED** the Report by Mr. Small, Chairman of the Ad Hoc Working Party on Shipbuilding, of 14th May 1969, as amended to incorporate the results of discussions in the Executive Committee [Doc. Nos. C(69)60(1st Revision), CE/M(69)7(Final) and 9(Final)] and CONGRATULATED him and his predecessor, Mr. Frago, on the encouraging progress made by Council Working Party No. 6 under their excellent Chairmanship;

2. **NOTED** the abstention of the Delegates for Austria, Canada, Greece, Iceland, Ireland, Luxembourg, Portugal, Switzerland, Turkey and the United States;

3. **CONFIRMED** the terms of reference of Council Working Party No. 6 as amended [Doc. Nos. C(66)57, C(67) 104(Final)] and SPECIFIED that they cover also such activities of this Working Party necessitated by the orderly functioning of the Understanding on Export Credits for Ships;
4. **AGREED** that Finland should participate as an observer in the work of Council Working Party No. 6;
5. **INSTRUCTED** Council Working Party No. 6 to make, in accordance with Section II of this Recommendation, a first Progress Report to the Council at the latest by 30th May 1970, or earlier as required;
6. **CONFIRMED** its instructions to the Secretary-General at its meeting on 27th June 1967 concerning the collection of statistics and information referred to in the Interim Report by Working Party No. 6 of the Council of 17th November 1966 [Doc. Nos. C/M(67)13(Final), Item 117(d), C/WP6 (66)8];
7. **NOTED** that Council Working Party No. 6 would hold a special meeting during the week beginning 16th June to settle certain technical details concerning the entry into force of this Recommendation and REQUESTED Delegations concerned to inform the Secretariat as soon as possible of the points they wished to discuss;
8. **NOTED** the statement by the Chairman of Working Party No. 6 relating to Secretariat resources;
9. **AGREED** that the text of this Recommendation would be published by the Organisation;
10. **REQUESTED** the Information Department, in consultation with the Chairman of Working Party No. 6, to prepare a short Press Communiqué to accompany the text;
11. **NOTED** that Mr. Small would hold a Press Conference on Wednesday, 4th June.

ⁱ The Secretary-General received a letter dated 11th June 1969 from the Head of the Swiss Delegation informing him that the Swiss authorities had reconsidered the abstention made at the time of adoption of the Recommendation and desired that Switzerland be included in the countries accepting it (Doc. No. C(69)95).

Adherents*

OECD Members

Australia
Austria
Belgium
Canada
Chile
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Israel
Italy
Japan
Korea
Latvia
Luxembourg
Mexico
Netherlands
New Zealand
Norway
Poland
Portugal
Slovak Republic
Slovenia
Spain
Sweden
Switzerland
Turkey
United Kingdom
United States

Non-Members

* Additional information and statements are available in the Compendium of OECD Legal Instruments:
<http://legalinstruments.oecd.org>

About the OECD

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD Member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Legal Instruments

Since the creation of the OECD in 1961, around 450 substantive legal instruments have been developed within its framework. These include OECD Acts (i.e. the Decisions and Recommendations adopted by the OECD Council in accordance with the OECD Convention) and other legal instruments developed within the OECD framework (e.g. Declarations, international agreements).

All substantive OECD legal instruments, whether in force or abrogated, are listed in the online Compendium of OECD Legal Instruments. They are presented in five categories:

- **Decisions:** OECD legal instruments which are legally binding on all Members except those which abstain at the time of adoption. While they are not international treaties, they entail the same kind of legal obligations. Adherents are obliged to implement Decisions and must take the measures necessary for such implementation.
- **Recommendations:** OECD legal instruments which are not legally binding but practice accords them great moral force as representing the political will of Adherents. There is an expectation that Adherents will do their utmost to fully implement a Recommendation. Thus, Members which do not intend to do so usually abstain when a Recommendation is adopted, although this is not required in legal terms.
- **Declarations:** OECD legal instruments which are prepared within the Organisation, generally within a subsidiary body. They usually set general principles or long-term goals, have a solemn character and are usually adopted at Ministerial meetings of the Council or of committees of the Organisation.
- **International Agreements:** OECD legal instruments negotiated and concluded within the framework of the Organisation. They are legally binding on the Parties.
- **Arrangement, Understanding and Others:** several ad hoc substantive legal instruments have been developed within the OECD framework over time, such as the Arrangement on Officially Supported Export Credits, the International Understanding on Maritime Transport Principles and the Development Assistance Committee (DAC) Recommendations.