

At the **OECD Working Party on Shipbuilding (WP6)**, Japan proposed to modify the **SSU*** in view of allowing **more flexible export credit financings** for ships that have superior environmental performance (**Green Ships**), and the concept was generally accepted. Currently, the definition of the Green Ships to which more favorable financial terms and conditions are applied is under the discussion in the OECD WP6.

Proposal by Japan

Scope of the Green Ships

20% improvement from
EEDI*¹ requirement

AND

20% improvement from
NOx Tier II Control*² level

*1) Energy Efficiency Design Index to be certified in accordance with MARPOL Annex VI

*2) NOx emission to be certified in accordance with MARPOL Annex VI and NOX Technical Code

Terms & conditions

Max. repayment term

12years → **18years**

Min. down payment

20% → **15%**

Sector Understanding on Export Credits for Ships (SSU)

- The SSU is an annex to the “*Arrangement on Officially Supported Export Credits*”, which provides **financial terms and conditions** to be applied to export credit financings. The SSU is applied to export credits for ships.
- The export credits in accordance with the SSU are considered to be complying with the WTO Agreement on Subsidies and Countervailing Measures. (**Safe Haven of the WTO ASCM**)

The **OECD Working Party on Shipbuilding (WP6)** is the sole international forum that has been working towards the identification and progressive reduction of the factors that distort normal competitive conditions in the shipbuilding industry.

For details: <http://www.oecd.org/sti/industryandglobalisation/shipbuilding.htm>

History

- 1963 The Working Party on Shipbuilding (WP5) was established under the Industrial Committee
- 1966 The Working Party was reorganized into the Working Party 6 (WP6) under the OECD Council
- 1994 The Shipbuilding Agreement, regulating government support measures and prohibiting injurious pricing, was adopted (no longer enter in force)
- 2002 Negotiation for the new agreement was launched (terminated in 2010)

Current works

Review and modification of the SSU

- Promotion of the Green Ships
- Review of the scope of application of the SSU

Peer-review of government support measures

- Japan was reviewed in 2012
- Portugal will be reviewed in 2013

Workshops with the industries and non-OECD economies

- July 2011 WP6 Workshop on Green Growth in Shipbuilding
- Jun. 2012 Special Session on Market Distorting Factors
- Nov. 2012 Workshop on the Future of Shipbuilding



Participants to the OECD WP6

1. Australia
2. Croatia
3. Denmark
4. Finland
5. Germany
6. Greece
7. Italy
8. Japan
9. Korea
10. Netherlands
11. Norway
12. Poland
13. Portugal
14. Romania
15. Spain
16. Sweden
17. Turkey
18. EU