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KOREA – MEASURES AFFECTING TRADE IN COMMERCIAL VESSELS (JAPAN)

REQUEST TO JOIN CONSULTATIONS

Communication from the European Union

The following communication, dated 20 November 2018, from the delegation of the European Union to the delegation of the Republic of Korea, and the delegation of Japan, is circulated to the Dispute Settlement Body in accordance with Article 4.11 of the DSU.

Pursuant to Article 4.11 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), the European Union (EU) hereby notifies the Government of the Republic of Korea, the Government of Japan, and the Dispute Settlement Body that, in the light of its substantial trade interest, it desires to be joined in the consultations requested by Japan in a communication circulated to WTO Members on 13 November 2018 (WT/DS571/1, G/L/1279, G/SCM/D121/1), entitled "Korea - Measures affecting Trade in Commercial Vessels (Japan)".

The EU notes that the request for consultations relates to a number of alleged export and local content subsidies provided by Korea directly, or through public or private institutions, to Korean shipbuilders or their customers.

The EU is a major global producer and exporter of both ships and maritime equipment such as ship engines and navigational equipment. The EU maritime technology industry (namely shipbuilders together with maritime equipment suppliers), is the global leader in terms of aggregated production value of shipbuilding and maritime equipment. EU shipyards generate an overall production value of 41 billion Euro, employ 225 000 people and are successful in complex, technologically advanced markets. EU marine equipment manufacturers and suppliers number some 28000 firms, generate a total production value of 71 billion Euro, employ some 340 000 people and have a global market share of 52%. With a calculated total value of 112.5 billion Euro, the EU represents over 23% of the global production value for maritime technology. The measures referred to in the consultation request may have a substantial impact on the price of ships including ship engines and other maritime equipment and affect trade flows in these products.

The EU has therefore a substantial trade interest in these consultations.
