

**Commission communication concerning the prolongation of the Framework on State aid to shipbuilding**

(2006/C 260/03)

**(Text with EEA relevance)**

The Framework on State aid to shipbuilding <sup>(1)</sup> ('the Framework') will expire on 31 December 2006.

The Framework has been applicable since 1 January 2004, which is a relatively short period of time. Only a few cases have been assessed under the Framework. In particular, the Framework contains provisions on innovation aid, which are unique for this industry and with which the Commission has limited experience.

Accordingly, the Commission has decided to continue to apply the Framework until 31 December 2008. During this period, the Commission expects to be able to assess whether it is appropriate to maintain sector-specific State aid rules for shipbuilding, in the light of the further experience it has acquired.

Since Council Regulation (EC) No 1177/2002 of 27 June 2002 concerning a temporary defensive mechanism to shipbuilding <sup>(2)</sup> expired on 31 March 2005, the references in the Framework to that Regulation are no longer relevant. Accordingly, point 9 and point 12(e) of the Framework will no longer be applied by the Commission with effect from 1 January 2007.

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<sup>(1)</sup> OJ C 317, 30.12.2003, p. 11.

<sup>(2)</sup> OJ L 172, 2.7.2002, p. 1. Regulation as amended by Regulation (EC) No 502/2004 (OJ L 81, 19.3.2004, p. 6).