



ECSA

European Community Shipowners' Associations

WORKING TOGETHER FOR A THRIVING EU SHIPPING INDUSTRY

ECSA Statement on the Mid-Term Review of EU Maritime Transport Policy

8 May 2014

EU shipping leads the global waves. The EU shipping industry controls 40% of world tonnage and contributes an estimated €145 billion to the EU GDP. As a whole, it also provides jobs to 2.3 million people and is estimated to generate over €41 billion in tax revenues. The EU controlled fleet is dominated by bulkers, oil tankers and container ships. Service and offshore support vessels represent the strongest growth segment in the fleet¹. EU shipowners are among the pioneers in developing new shipping regions, such as the Arctic.

The European Commission's 2009 Communication *Strategic Goals and Recommendations for the EU's Maritime Transport Policy until 2018* continues to form an adequate policy basis for EU shipping. Although the Communication was largely written prior to the financial and economic crisis, the principles expressed in it remain valid as ever. European shipowners therefore welcome the positive and forward-looking Declaration that EU Maritime Ministers adopted in Athens yesterday, as part of the mid-term review of EU shipping policy, initiated by the Hellenic Presidency of the Council.

In particular, European shipowners support Ministers' recognition to maintain a stable and innovation-friendly regulatory framework, ensuring competitiveness of EU fleets, providing legal certainty for investments and stimulating the establishment of maritime activities in EU Member States in a context of liberalised maritime services. ECSA further endorses the focus on effective implementation and enforcement of internationally agreed rules and Conventions to ensure a global level playing field.

With this statement, ECSA wants to highlight five key areas that it believes should continue to form the basis of EU shipping policy in the future. Within each of these areas, priorities are identified on which policy-makers and industry can achieve further progress together, thus implementing the policy framework set out by the 2009 Communication and ensuring a thriving EU shipping industry.

¹ For more facts and figures on the economic value of the EU shipping industry, see: <http://www.ecsa.eu/images/2014-04-01%20Oxford%20Economics%20ECSA%20Report%20FINAL.pdf>

- 1. The EU leadership position in global shipping can be sustained through rules that ensure a global level playing field and allow for competition with other maritime powers on an equal footing. The stability provided through the EU Maritime State Aid Guidelines remains vital in this respect, allowing Member States to offer fiscal incentives and other alleviations in a flexible manner, comparable to other world shipping centres.**

The EU shipping industry is a truly global and highly mobile industry in terms of labour and capital. It continues to face increasingly fierce competition from third country shipping centres. EU-approved state aid measures, most notably in the form of tonnage tax and wage cost alleviation schemes, have allowed the EU-controlled fleet and the number of European seafarers to grow. Those few Member States that have not introduced such measures have seen their fleets shrink considerably. It is estimated that the economic impact of shipping would have been half as important if it had not been for these EU-approved state aid measures. As emphasised by EU Maritime Ministers in the Athens Declaration, the continuation of EU Maritime State Aid Guidelines is therefore essential in order to achieve and maintain a global level playing field for EU shipping in competition with third countries.

- 2. Shifting more cargo and passengers off the road and to the sea will allow the EU to exploit the increased energy-efficiency of shipping to reduce its global CO2 emissions. An EU policy which aligns with global environmental standards, provides support to comply with technical demands and ensures a fair level playing field in terms of enforcement, will furthermore allow shipping to continue improving its environmental performance, without losing its competitive edge.**

Shipping is by far the most energy-efficient transport mode as well as the first industrial sector with a global binding regime that aims to reduce CO2 emissions. Further measures are developed by the International Maritime Organisation (IMO), including a global system to monitor, report and verify carbon emissions (MRV). Rising fuel costs are furthermore pushing shipowners to become as energy efficient as possible. Shipping therefore presents the EU with a unique opportunity to make its transport system more sustainable and achieve its CO2 goals through multimodality. This calls for an unequivocal reconfirmation of the EU's *Road to Sea* policy. The provision of adequate financial support to short sea shipping, in particular through the Connecting Europe Facility, will allow for better environmental performance of shipping and the integrated development of Motorways of the Sea. Shipping indeed needs appropriate support mechanisms to be able to comply with future technical retrofit demands set by environmental regulations. To be effective, EU regulations need to dovetail global standards set at the IMO and must be enforced in a manner that is both correct and fair.

3. The EU can tap into a wealth of maritime skills and know-how by supporting recruitment and training of young professionals and fostering the promotion of maritime careers. By making seafaring more attractive, the EU can capitalise on thousands of job opportunities in one of Europe's most competitive sectors. To improve attractiveness of jobs at sea, seafarers should be treated both fairly and respectfully and bureaucracy onboard ships should be reduced to a minimum.

Europe is a continent with a long-standing shipping tradition and has a unique knowledge pool of maritime talent. Currently, more than 38.000 students and cadets are studying at maritime academies in Europe. By training these young people onboard vessels as part of their education, EU shipowners invest heavily in the professionals of the future. The EU shipping industry offers jobs and promising career paths, both onboard as well as in the broader maritime cluster². Workers in the EU shipping sector are considerably more productive than the EU average. However, the industry is currently facing a demographic challenge. Without a new generation of seafarers, the whole maritime cluster stands to lose its base. The seafaring profession suffers from an image problem, which is reinforced through the ongoing practice of criminalising seafarers in the event of maritime accidents. In addition, the increasing administrative workload put upon masters and officers proves to be a major disincentive. These are priority areas on which shipowners and trade unions can work together with policy-makers, in the context of the European maritime social dialogue. This platform has proved it can deliver tangible results, as its recent work on the transposition of the ILO Maritime Labour Convention (MLC) demonstrated.

² In the context of the EU shipping social dialogue, the European Transport Workers' Federation (ETF) and ECSA recently updated a study on maritime career mapping: <http://www.ecsa.eu/projects/career-mapping-project>

4. The EU can greatly improve the efficiency of its transport system and benefit from a truly internal market for shipping by ensuring interoperable and harmonised National Single Windows in every Member State, by making electronic manifests a reality and by eliminating restrictions to market access in ports. These are issues where shipping clearly lags behind other transport modes.

40% of intra-EU trade is transported by sea. However, the internal market has not yet delivered its full potential for shipping. Important administrative burdens and customs hurdles persist, preventing the EU from reaping the fruits of a truly European Maritime Transport Space without Barriers. Despite all good intentions, and promising projects such as Blue Belt, little progress has been made. Furthermore, despite several attempts to create a common EU framework, market access restrictions continue to exist in ports. Free movement of ships and goods in the internal market must become an overall priority, cutting across transport, trade, customs and other barriers.

5. The EU should pursue its efforts to conclude Free Trade Agreements with other countries and, in order to fully enjoy the benefits of free global trade, the EU should maintain its leadership to eradicate piracy and armed robbery, two phenomena that plague some of the world's busiest shipping routes. Maritime security in West Africa needs immediate action in this respect.

Shipping is the main vector and enabler of world trade, carrying about 90% of all goods. The EU is a champion of free global trade and has over the years multiplied free trade agreements (FTAs) with some of its most important trade partners. These efforts should be continued with other countries. EU leadership on piracy and armed robbery at sea has led to tangible results in East Africa. The EU is in the strong position to be able to act promptly on different fronts, including politics, diplomacy, trade, development aid, and with military involvement. The good work in East Africa should be continued and complemented with immediate action in West Africa. The EU should use the dialogue with African States to decide on joint concrete action to provide safe and secure trade links in this region.

The European Community Shipowners' Associations (ECSA), formed in 1965, comprises the national shipowners' associations of the EU and Norway. ECSA aims at promoting the interests of European shipping so that industry can best serve European and international trade and commerce in a competitive and free business environment, to the benefit of both shippers and consumers. The European Economic Area maintains its very prominent position with a controlled fleet of 40% of the global commercial fleet.

Contact: Patrick Verhoeven, Secretary General
T: +32 2 511 3940 / E: patrick.verhoeven@ecsa.eu / www.ecsa.eu
ECSA - European Community Shipowners' Associations
Rue Ducale, Hertogstraat 67/2 - B-1000 Brussels / BELGIUM