



## European Shipowners | ECSA position paper on A Single market for Short Sea Shipping

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### Executive Summary

- A strong European Single Market is a cornerstone of Europe's competitiveness.
- Short sea shipping is crucial to the Single Market, supporting EU connectivity, trade and climate goals.
- Administrative burdens and lack of harmonisation across EU ports hinder its competitiveness.
- Ensuring a level playing field with other transport modes is essential to avoid a modal backshift from sea to road transport.
- European Shipowners | ECSA propose the implementation of a dedicated Short Sea Shipping Digital Act to streamline digital solutions and harmonise reporting requirements

### Introduction

A strong European Single Market is a cornerstone of Europe's competitiveness, enabling the free movement of goods, services, capital, and people across member states. As Enrico Letta highlights in his report "Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens", fostering efficiency and establishing a level playing field with other modes, will strengthen the Single Market and will enhance Europe's connectivity and competitiveness.

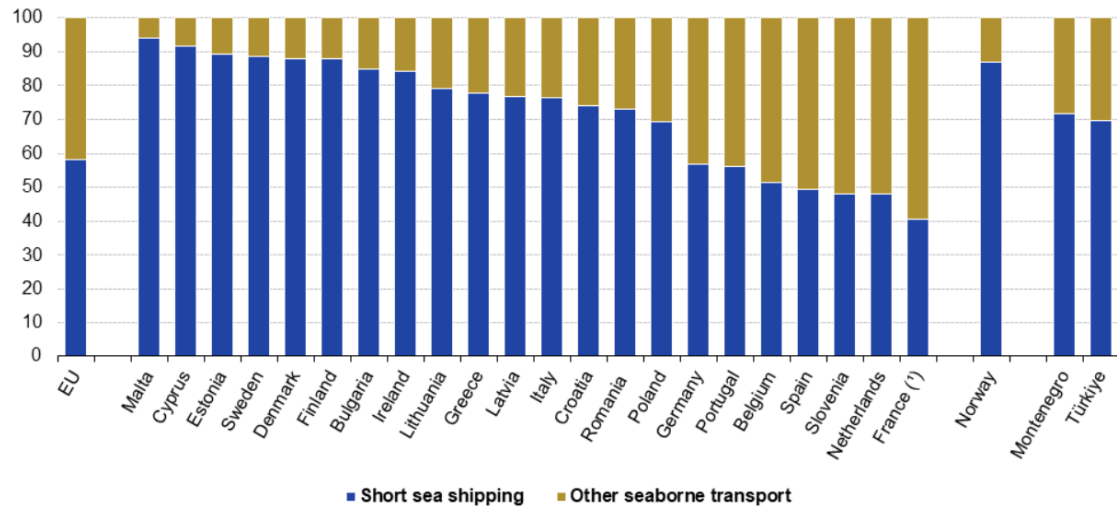
European shipping, including short sea shipping, plays a crucial role in supporting this market by facilitating intra-EU trade and connecting its vast network of ports. Short sea shipping is one of the most climate friendly modes of transport and plays a key role in ensuring the connectivity of islands, and remote maritime regions in Europe. By harmonising reporting standards, removing trade barriers, and promoting a modal shift towards short sea shipping, the Single Market can be strengthened, thereby enhancing European competitiveness.

In 2022, short sea shipping accounted for 58.2 % of the total sea transport of goods to and from the main EU ports.





**Short sea shipping of freight in total sea transport, 2022**  
(%, based on tonnes)



eurostat 

According to the Sustainable and Smart Mobility Strategy 2020, transport by short sea shipping will increase by 25% by 2030 and by 50% by 2050.

However, the share of short sea shipping in total sea transport varies considerably across the EU, while the sector also faces significant barriers that undermine its competitiveness and therefore, its ability to contribute fully to the development of a strong single market. A fit-for-purpose regulatory and taxation framework is crucial to ensure that EU shipping, including short sea shipping, remains globally competitive.

### The challenges:

- **A future single market for Short Sea Shipping**

The international nature of maritime traffic presents significant challenges in fully leveraging the single market for short sea shipping between EU countries. These challenges are further intensified by strict border controls between EU Member states, restrictions on crew changes, and burdensome formalities at port calls. In particular, customs procedures on import, transit and export of goods, non-harmonised VAT export rules, and reporting requirements at each port call impose substantial administrative burdens and hinder seamless operations.

Specifically, except for authorized regular shipping services, every time a vessel calls at an EU port, it is required to go through a full reporting, customs and boarder formality process, even if it is operating exclusively





between EU member states. This means that for tramp shortsea services, for example, if a vessel calls at a port in one EU member state and subsequently at a port of another EU country, it must repeat the entire reporting procedure from the beginning at the second port for cargo and goods already cleared. This duplication occurs because there is no standardised mechanism to verify that the vessel has not called a third country port between two EU ports. These redundancies place a **significant administrative burden** on shipping companies and **disturb the trade flow** within the single market.

- **A level playing field with other modes**

European shipowners emphasise the importance of **ensuring fair competition between different transport modes**. While the shipping sector is already subject to the EU Emissions Trading System (ETS), it's crucial to monitor the implementation of similar mechanisms in other sectors, such as road transport, where ETS does not apply yet. Monitoring results should aim to prevent distortions in the market and **avoid a modal backshift**, where cargo shifts from sea to road transport due to regulatory discrepancies.

The shift of cargo from the road to the sea can reduce road congestion, CO2 emissions and can improve air quality and safety. However, the significant challenges the shipping industry faces due to its international context place the maritime sector at a competitive disadvantage compared to road transport, which operates with fewer formalities within the EU's Single Market. Compliance of short sea shipping with the EU ETS has placed upon the sector several additional administrative requirements, particularly for SMEs which are the backbone of short sea shipping.

Therefore, it is crucial to monitor the consequences of the ETS in the competitiveness of short sea shipping and the possible modal backshift from sea to road transport. This monitoring should include forward- looking indicators to foresee possible patterns.

### Opportunities:

The recently published report by Mario Draghi highlights the importance of capitalising on the possibilities of the single market to enhance Europe's competitive advantage. To support this goal and achieve climate targets, it is crucial to ensure that short sea shipping remains competitive. This requires not only fully leveraging existing initiatives but also introducing new proposals in a variety of fields, that will promote a modal shift towards short sea shipping.





The current framework of the **European Maritime Single Window environment** (EMSWe) aims to reduce the administrative burden through a harmonised and streamlined application of national, EU and international legal reporting requirements at EU ports. While the EMSWe regulation will only enter into application in 2025, European shipowners believe that the reporting requirements should be further harmonised across the member states.

The efficient implementation of the EMSWe and its ability to reuse data exchange between EU Member States should be leveraged to further reduce the customs barriers that exist for vessels moving goods between EU ports. Synergies should also be found to seamlessly connect the EMSWe with the EU Customs Data Hub, proposed by the European Commission under the current reform of the EU Customs Code.

The effective use of this tool for information sharing and digital cooperation between customs administrations and other government authorities, will allow economic operators to clear certain customs formalities more easily.

The **Trans-European Transport Network** (TEN-T) aims to improve the connectivity and efficiency of transportation networks across Europe. The new European Maritime Space under the TEN-T Regulation focuses on promoting sustainable maritime transport. However, it is important to achieve environmental and economic sustainability. Aligning national and investment plans with the EU's transport policy is essential to ensure its multimodal functionality.

Both the European Parliament and the Council have recently recognised that the Single Market is a powerful catalyst for Europe's growth, prosperity and solidarity. To ensure the growth of the key technologies for a strong European Industrial policy, the European Parliament invites the Commission to present a new and comprehensive horizontal strategy to deepen the Single Market, aiming to enhance Europe's competitiveness, eliminating the barriers, and ensuring a level playing field. It is essential that maritime transport is fully integrated into this single market. Finally, the new **European Maritime Industrial Strategy** could play a crucial role in establishing a single market for short sea shipping by eliminating administrative barriers and enhancing the efficiency of intra-EU maritime transport.





### European Shipowners' recommendation:

To achieve a single market for short sea shipping, European Shipowners | ECSA propose the implementation of a **Short Sea Shipping Digital Act** to address the administrative and operational inefficiencies hindering the competitiveness of short sea shipping in Europe. A dedicated Act will streamline digital solutions and harmonise all reporting requirements under a single digital one-stop-shop.

Creating a strong modal shift towards short sea shipping, and ensuring that existing frameworks, such as the European Maritime Single Window, the EU Customs Code and environment and the Trans-European Transport Network are fit for purpose and acknowledge the specificities of the maritime sector, would strengthen the path towards a single market for short sea shipping. It is also essential to avoid protectionist measures that create barriers to trade, restrict market access, and undermine the efficiency of a Single Market for short sea shipping.

### Conclusions

European Shipowners | ECSA are committed to promoting short sea shipping as a sustainable, efficient, and competitive mode of transport within Europe. By advocating for supportive policies, digitalisation and collaboration among stakeholders, European Shipowners | ECSA aim to unlock the full potential of short sea shipping and contribute to Europe's transition toward a greener, more resilient, and prosperous transport system in which the shipping sector plays a crucial role.

Developing a **Short Sea Shipping Digital Act** will enhance the efficiency of maritime transport by strengthening the Single Market in Europe. At the same time, it is crucial to ensure a level playing field with other transport modes and prevent a modal backshift from sea to road.

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