

ECSA **PRIORITIES** **2024-2029**

European shipping towards 2030



ECSA

European Community Shipowners' Associations

The European Community Shipowners' Associations (ECSA) is **the voice of the European shipping industry**.

Founded in 1965, ECSA promotes the interests of 21 member associations of the EU and Norway. ECSA strives for a regulatory environment that fosters the international competitiveness of European shipping.



ECSA

European Community Shipowners' Associations

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Priorities of European Shipping



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The Strategic Role of Shipping for European Security

Europe is facing an **existential transformation** as it strives to meet climate neutrality by 2050 while maintaining industrial leadership at global level. The Green Deal Industrial Plan and the proposed Net-Zero Industry Act have put forward ambitious measures to strengthen Europe's security by fostering green technology manufacturing, green transport, just transition and open trade.

Shipping is a cornerstone of Europe's security - from energy to food and supply chain security. The European shipping fleet is one of the largest in the world, representing 39.5% of the world fleet enabling the EU to play a leading role in the global supply chains. Shipping delivers the goods we need, supports EU exports and connects European citizens within Europe and with the rest of the world.



39.5%

of the world's fleet

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and supply chain
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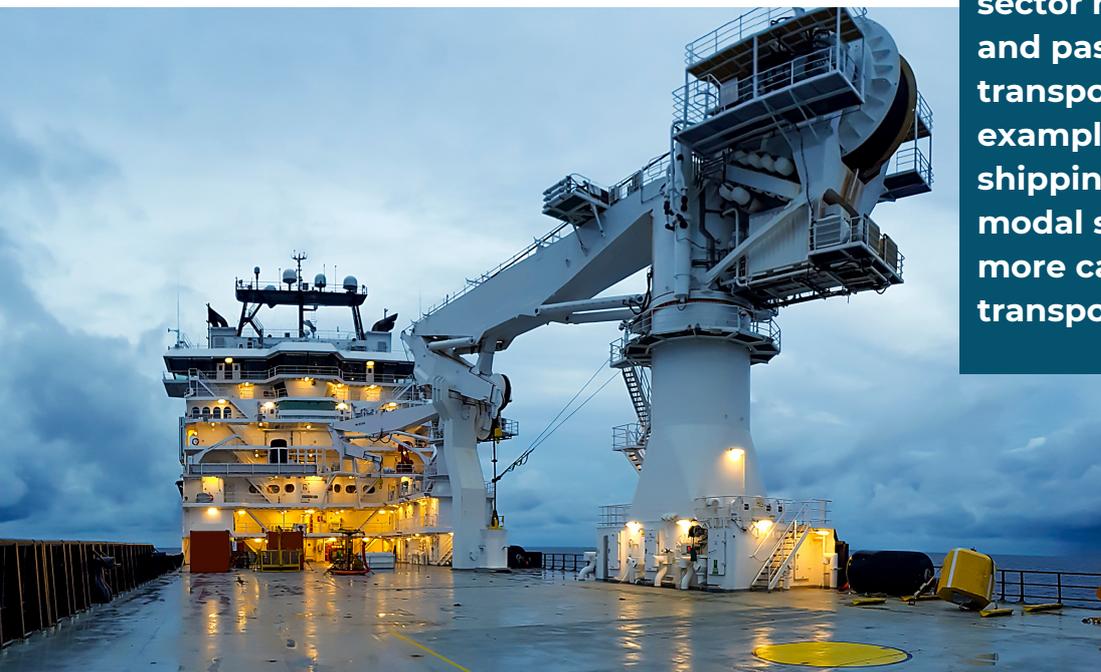
In the past years, the COVID pandemic, the war in Ukraine and the energy crisis have brought to the forefront the strategic role of shipping and seafarers to Europe's security and prosperity.

Shipping also plays a strategic role in achieving its climate objectives towards the Fit-for-55 target by 2030 and the net-zero target by 2050.

Shipping also supports Europe's Net-Zero ambitions by playing a key role in the deployment of offshore renewables in Europe.

New shipping activities are developing in support of transport of carbon for CCS projects.

A competitive shipping sector means more goods and passengers transported by sea, for example via short-sea shipping, creating a modal shift away from more carbon intensive transport modes



Economic value of European shipping

The EU controlled shipping fleet is one of the largest and most innovative fleets in the world, representing almost 40% of the world fleet, creating 2 million jobs and employing 685,000 people, contributing 54€ billion each year to the EU GDP.

European shipping competes on the global stage. Global challenges can only be addressed through coherent regulation ensuring a level playing field at international level.

A fit-for-purpose regulatory and taxation framework is crucial to ensure that EU shipping companies remain globally competitive.

These regulations should be made hand-in-hand with the EU shipping industry which stands ready to engage proactively with EU policy makers.



CLIMATE AND ENERGY TRANSITION

European shipowners are committed to contributing to the EU's goal of becoming the **first carbon-neutral continent by 2050**

To achieve this, increased emphasis should be put on making affordable clean and safe fuels available and on developing the capacity, access to and infrastructure for green maritime fuels.

Requirements on fuel suppliers should be included in EU legislation to ensure that enough clean and safe fuels are produced for the maritime sector.

The implementation of the legislation of the 'Fit for 55' climate package is key to achieving the 2030 climate goals and kickstarting the decarbonisation of the shipping sector, and should be the priority before opening the discussion on new climate targets.



Supporting and prioritising investments in low- and zero-carbon technologies and fuels will be essential. The uptake of clean, safe and affordable fuels for shipping should be a clear priority for the EU ETS Innovation Fund, while the 2 billion Euros earmarked for the maritime sector should be allocated through dedicated calls.

ECSA Policy Recommendations



To foster the **production and availability of affordable low-and zero carbon fuels** for the shipping sector, a **mandate on fuel suppliers to produce** these fuels should be introduced in future revision of the Fit for 55 Package, such as the FuelEU maritime regulation and the Renewable Energy Directive. As a prerequisite to the decarbonisation of the shipping sector, port infrastructures and energy hubs should be developed.

The revenues of the EU ETS should be spent on energy transition-related activities to decarbonise the shipping sector at the EU and the Members States' levels. The dedicated envelope for the maritime sector under the Innovation fund should be used as soon as possible to foster the decarbonisation of the sector and **bridge the price gap between conventional and low-and zero carbon shipping fuels** and be prolonged after 2030. Administrative burden should be limited to ensure that SMEs, which are the backbone of the shipping sector, can apply to the calls of the Innovation Fund.



An alignment of the EU legislation with future IMO measures is needed to ensure a level playing field internationally



ECSA welcomes the **ratification of the IMO Hong Kong Convention** on ship recycling which will provide for a global level playing field. In this regard, a revision of the Hong Kong Convention upon its entry into force should ensure a uniform level of enforcement of high standards of safety and environmental protection. ECSA thus calls for an alignment of the EU ship recycling regulation with the Convention.

ECSA welcomes the **historic IMO agreement of July 2023 to reach net-zero GHG emissions** from international shipping by 2050. Alignment of the EU legislation with the future IMO instruments will ensure a level playing field in the sector.



PEOPLE-CENTRED GREEN AND DIGITAL TRANSITION

Seafarers play a crucial role in the **global economy**, facilitating international trade, and connecting nations across the seas. They are the backbone of the maritime transport industry.

Shipping is undergoing an existential transformation linked to green and digital technology. Future clean fuel technologies, such as hydrogen, ammonia, batteries, and biofuels, will require new skills, education, and operational training for seafarers. Technologically advanced ships will also require new digital skills.

Green and digital technologies are developing fast.

The immediate need for reskilling and upskilling seafarers is therefore a priority for the shipping industry.



800,000

seafarers will have to be upskilled/reskilled by the mid-2030s, according to recent studies



Diversity brings unique skills, increases creativity, brings better leadership, drives innovation and fosters a more inclusive working environment. Thus, diversity will increase the competitiveness of the sector. Collaboration between industry leaders, educational institutions, and organisations dedicated to diversity and gender equality is key to fostering an environment that promotes the growth and success of women and underrepresented groups in shipping.



The need for new skills creates an opportunity to increase diversity in the industry

Seafarers' working conditions: The EU should firmly support the international framework such as UNCLOS and MLC as a matter of principle the only way to regulate seafarers' conditions of employment through the flag state. This is key to ensure the smooth functioning of the shipping industry and the global supply chain and maintain the strategic importance of European shipping.

People-centred transitions: The EU should continue to enhance and promote reskilling and upskilling of seafarers, in particular in view of the ongoing review and revision of the STCW Convention which is fundamental to succeed with the green and digital transformation of shipping. Building skills for new vessel technology, fuel types, and safety regulations should remain priority.

Diversity and Inclusion: the EU should enhance the collaboration between industry leaders, educational institutions, and organisations dedicated to diversity and gender equality and to foster an environment that promotes the growth and success of women and underrepresented groups in shipping.



ECSA Policy Recommendations



SHIP FINANCE AND COMPETITIVENESS

Adequate access to financing is necessary to keep shipping companies in Europe and to enhance our continent's economic security



To maintain and advance its competitive edge vis-à-vis its global competitors, **European shipping needs access to competitive financing in Europe.** Adequate access to financing is necessary to keep shipping companies in Europe and to enhance our continent's economic security.

Having strong ship financing in Europe will benefit the European maritime sector and economy at large by enabling the development of innovative and sustainable solutions for shipping in Europe. Financing in the European economy is heavily dependent on banking finance.

Ship financing through the banking sector remains essential in Europe, especially for shipping SMEs which are the backbone of EU shipping as noted above. Thus, the financial framework should be designed considering the distinctive features of the sector, including the diversity of its segments, and must enable banks to support the competitiveness of European shipping. European ship financing could benefit from a **diverse toolbox of financing and funding solutions** from the banking sector, the capital markets, as well as from European and national funds.

Over the course of the last 15 years, European ship finance has been continuously declining, with shipping companies seeking finance opportunities elsewhere

This is due to the increasingly stricter banking capital requirements, which led to the scaling down of many European banks' ship finance activities. This is even more important considering Europe's climate ambitions and the ongoing energy transition of shipping.



ECSA Policy Recommendations



Bank financing and capital markets:

The prudential regulation and risk weight requirements should be reviewed and designed considering the distinctive features of shipping and needs, to enable the banking sector to finance the sustainability of the sector. European ship financing opportunities should be enhanced through a diversity of financing and funding tools involving capital markets and private investors to enable better risk sharing of innovative and transitional projects.



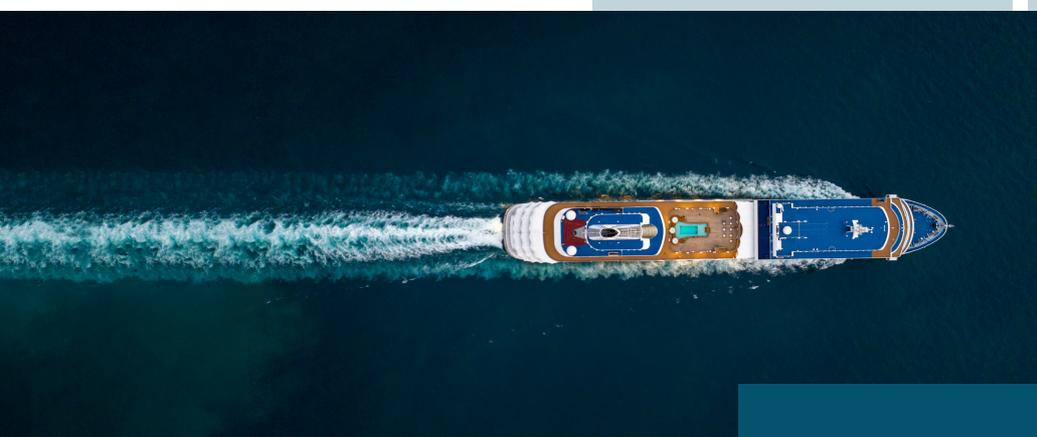
Urgent funding needs:

The EU should ensure that requirements by the ETS Innovation Fund and the EIB are fit for the immediate funding needs of innovative and transitional projects. The scale of funding should be adapted to enable SMEs to benefit from funding. The definition of European added value should be fine-tuned so the international character and strategic role of shipping is better recognised.



Taxonomy of sustainable economic activities:

Definitions of sustainable projects based on ESG should be designed to enhance the financing of the energy transition and climate ambition. The technical screening criteria under taxonomy should be reviewed to become fit for purpose.





TRADE



PRIORITY 4

The EU benefits substantially from free and open access to the international markets. European shipping representing almost **40%** of the global fleet makes the EU an international leader in the global supply chains and enhances European security.

Supply chain security for Europe is dependent on open access to the international markets. Shipping enables 76% of Europe's external trade, and in turn relies on the EU's efforts to develop and enforce strong bilateral trade agreements. As the EU strives to improve its economic security, it is essential to **ensure that this effort does not result in increased protectionism**. A protectionist approach will disrupt trade patterns and risk weakening Europe's leading role in supply chains at a time where traditional import and export markets are facing increased uncertainty.



ECSA Policy Recommendations



Maintaining open trade: Balance must be maintained between the need for the EU to support its strategic sectors and the need to ensure open access to markets, avoiding a protectionist approach.

Enhancing secure trade: In its role as global maritime security provider, the EU should continue its work to ensure the protection of international shipping trade lanes. In particular, the EU should prioritise the coordination of military presence, notably around the Horn of Africa and the Gulf of Guinea.

Investing in international trade partnerships: The EU should continue to pursue Free Trade Agreements with third countries, including provisions on maritime services and removal of existing trade barriers. Market access as regards specific shipping segments, such as offshore services, should be promoted. To ensure that EU trade agreements truly deliver for EU shipping, enforcement of such agreements, from market access to subsidy control, is necessary.

ECSCA Members

BELGIUM

Royal Belgian Shipowners' Association



Royal Belgian Shipowners' Association

DENMARK

Danish Shipping



DanishShipping

LUXEMBOURG

Fedil Shipping



CYPRUS

Joint Cyprus Shipowners' Association



Cyprus Shipping Chamber



CYPRUS UNION OF SHIPOWNERS

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Verband Deutscher Reeder



Verband Deutscher Reeder

NETHERLANDS

Royal Association of Netherlands Shipowners (KVNR)



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IRELAND

Irish Chamber of Shipping



THE IRISH CHAMBER OF SHIPPING

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Norges Rederiforbund
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GREECE

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Union of Greek Shipowners

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Confederazione Italiana Armatori

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POLISH SHIPPING COMPANIES ASSOCIATION
PSCA

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Mare Nostrum



MARE NOSTRUM

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Slovenian Association of Shipowners

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The voice of European Shipping



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