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Speaking points delivered on behalf of Fotis Karamitsos,
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The EU's Maritime Transport Strategy

Importance of Maritime Shipping for the European Union

Shipping has been key to economic growth and prosperity in Europe throughout its history. Following subsequent enlargements, the European Union today covers most of the European Peninsula(s).

90% of the EU's external trade and 40% of intra-EU freight is transported by sea, and 400M passengers transit through EU ports every year.

EU companies control around 32% of the world fleet and around 21% of the world's ships bear the flag of EU Member States (based on gross tonnage).

Main goals and objectives

In order for its maritime shipping industry to stay competitive, the EU fully supports fair international maritime trade conditions and access to markets. A centerpiece of its maritime transport policy is an emphasis on **Quality Shipping** and **competitiveness** in a - global - level playing field environment.

This means that we want to push international standards on safety and the environment upwards, especially through international cooperation at the IMO. Only a harmonised global approach to regulations can ensure a level playing field. It will reward those who invest in quality shipping that provides good jobs, is safe and environmentally friendly.

How to promote the EU flag?

Like the United States, Europe is facing similar challenges on how to promote or increase the numbers of ships under EU MS flags. Now what have we been doing to that purpose?

In Europe, we do not believe in adopting legislation that limits and distorts the forces of the market, like cargo preferences or obligations, but rather in adopting incentives that make it sufficiently attractive to carry the flag of an EU MS. (eg EC state aid guidelines allowing MS to have a tonnage tax not based on income but a lump sum according to the tonnage of their ships, incentives regarding the taxation of seafarers' wages.)

EU Maritime Transport Strategy

In early 2010 (4 years ago!) the European Commission adopted its **Maritime Transport Strategy 2018**, formulating the following strategic goals:

- Ability of maritime transport to **provide cost-efficient services**, adapted to the needs of **sustainable economic growth**, and
- **Long-term competitiveness** of the EU maritime shipping sector, enhancing its capacity to generate value and employment, both directly and indirectly.

[The cluster of maritime industries contributes 1.1% to the EU's GDP, at an amount of 25 bln EUR, provides 1.5 M jobs, of which 70% are on shore.]

Main challenges to establish a competitive European shipping industry:

Human factor: make maritime professions more attractive, offer career prospects, fair treatment, attractive working conditions and simplify life at sea. (We have recently seen a downturn in maritime professions but are working on offering more direct career perspectives - some upturn now with the economic crisis.)

Environment: the EU's long term objective is "zero waste, zero emissions".

Safety and Security: enforcement of international rules; prevention, reaction capacity, resilience (achieved through three subsequent "maritime safety packages" in EU legislation since 2000, FSC and PSC).

(Those three are of course international issues, mostly to be dealt with through the IMO.)

Other (intra EU) challenges:

Short Sea Shipping (SSS) and Ports: ensure fair market access, enable SSS to compete with land transport by removing administrative controls and barriers, through the use of information and communication technology as well as vessel tracking technology which is available through the European Maritime Safety Agency EMSA. *(Intra-EU transport counts as an international voyage; need to involve customs authorities.)*

The latter will also be supported by the new financial framework of the EU: with EUR 26 bln, the budget for transport infrastructure, including for SSS, has more than tripled compared to the previous financial framework. Our general policy approach is to improve framework conditions (capacity, hinterland, multimodal transport, rather than any direct intervention in competition and open markets (ie no cargo preference, restrictions etc.).

Innovation & Technological Development: energy efficiency, alternative fuels and clean technology, safety developments, "e-Maritime" environment *(also supported by the EU's research budget under "Horizon 2020").*

To conclude: our experience is that any measures that lower competition (or result in market distortion in any way) give preference to certain industry actors, resulting in reduced choice and higher prices for consumers, importers and exporters. In turn, this puts at risk the role of shipping as an enabler of trade.

On the other hand, we see the societal benefits of open markets and competition while – with moderate success – promoting the "EU flag" as a competitive quality trademark.