Strategic goals and recommendations for the EU' s maritime transport policy until 2018

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PURPOSE: to present the main strategic goals for the European maritime transport system up to 2018 and to identify key areas for action where action by the EU will strengthen the competitiveness of the sector while enhancing its environmental performance.

BACKGROUND: for Europe, shipping and all related maritime industries have been one of the key stepping stones to economic growth and prosperity throughout its history. They are essential in helping the European economy and European companies to compete globally and are an important source of revenues and jobs in Europe.Europe plays a major role in today's shipping world, with European companies owning 41% of the world's total fleet (in dwt). 80% of world trade is carried by sea whilst short-sea shipping carries 40% of intra-European freight.

With more than 400 million sea passengers passing through European ports each year, maritime transport has also a direct impact on the quality of life of citizens, both as tourists and inhabitants of islands and peripheral regions.

However, at the end of 2008, the impact of the financial crisis on the real economy is also felt in the shipping sector. An **appropriate policy approach is needed in order to ensure the continuous performance of the EU maritime transport system** and its contribution to the recovery of the world economy.

CONTENT: this communication is set in the broader context of the EU Transport Policy ('Keep Europe moving: a transport policy for sustainable mobility') and the EU Integrated Maritime Policy (the 'Blue Paper'). It aims at supporting other relevant policies, namely the EU's energy and environmental policy. It is the result of continuous dialogue with the experts of the Member States, the independent advice of a group of senior shipping professionals and an analytical study examining trends and signals of change in seaborne transport.

The strategic options presented in this Communication for European shipping and for the European maritime transport system, looking ahead to 2018, represent a vision for achieving these goals. The proposed options are built on an integrated approach to maritime policy and based on the core values of sustainable development, economic growth and open markets in fair competition and high environmental and social standards. The benefits set out in this vision should go beyond the frontiers of Europe and extend to the whole maritime world, including the developing countries.

The main issues of this communication are the following:

1) European Shipping in Globalised markets: European flags continue to face acute competition from the registers of third countries. Often, **foreign competitors have significant advantages in terms of government support**. In the context of the current economic crisis, other factors such as the risks of overcapacity in certain market segments, protectionist trade measures by third countries, volatility in energy markets or loss of know-how due to the scarcity of skilled human resources in Europe could prompt shipping head offices and maritime industries to relocate overseas, undermining the EU's efforts to ensure quality shipping around the world.

The conclusions of the Commission's strategic review exercise are as follows:

- to achieve and maintain stable and predictable global competitive conditions for shipping and other maritime industries. This will also ensure the resilience of the European maritime transport sector in the face of economic slowdown;
- to maintain a clear and competitive EU framework for tonnage taxation, income taxation and state aids at EU level;
- to act in a determined manner to support fair international maritime trade conditions and access to markets;
- to work together to achieve a level playing field for maritime transport, by observing internationally agreed rules at global level;
- that the Commission should take the lead role to promote alignment of the substantive competition rules globally;
- to concentrate on the question of the delicate balance of the international framework governing the rights and responsibilities of nations as flag on which intensified globalisation has put more stress.

2) Human resources, seamanship and maritime know-how: some 70% of shipping-related jobs are knowledge-intensive, high-quality jobs on shore. The **growing shortage of maritime professionals** entails the risk of losing the critical mass of human resources that sustains the competitiveness of the European maritime industries in general. There is a genuine EU interest in emphasizing the attractiveness of the maritime professions. Community actions should aim, in particular, to:

- adopt positive measures facilitating lifelong career prospects in the maritime clusters;
- enhance the image of shipping and careers at sea, improve awareness of job opportunities, facilitate labour mobility in the maritime industries throughout Europe and encourage best practices in promotion and recruitment campaigns;
- support the work of the International Maritime Organisation (IMO) and the International Labour Organisation (ILO) on the fair treatment of seafarers;
- promote better use of information and communication technologies (ICT) for improving quality of life at sea;
- implement simplification measures to reduce the administrative burden on Masters and senior officers on board ships;
- provide the appropriate framework for the provision of **education and training for crews** in the form of measures aimed in particular at: (i) ensuring thorough **enforcement** of international and Community requirements under the International Convention on Standards of Training, Certification and Watch keeping for Seafarers (STCW) by all nations granting seafarers' certificates of competence; (ii) promoting cooperation between European **maritime training institutions**; (iii) establishing '**maritime certificates of excellence'** (European maritime postgraduate courses); (iv) introducing, for the education of officers, an **'Erasmus'- type model** for exchanges between the maritime training institutions of the Member States.

With regard to **labour conditions**, the first priority of the European Union is to ensure the implementation of the ILO 2006 Maritime Labour Convention (MLC) to improve working and living conditions on board ships. The action of the EU and its Member States should aim to move towards rapid ratification of the 2006 MLC by Member States (see CNS/2006/0103 and RSP/2008/2660).

3) Quality shipping as a key competitive advantage: by 2018, the world fleet could count some 100 000 vessels in operation (77 500 vessels in 2008). In terms of volume, the increase would be even more spectacular: its total capacity is expected to reach more than 2 100 million dwt in 2018 (up from 1 156 million dwt in 2008). In this context, the Commission insists on:

- **Improving the environmental performance**: the Commission, Member States and the European maritime industry should work together towards the long-term objective of **'zero-waste, zero emission' maritime transport**. To that end, the main priorities should be to: (i) ensure steady

progress towards a coherent and comprehensive approach to reduce greenhouse gas emissions (GHG) from international shipping; (ii) ensure that Member States are able to achieve "good environmental status" by 2020; (iii) strengthen EU legislation regarding port reception facilities for ship-generated waste and cargo residue; (iv) follow up the proposals detailed in the Commission's Communication on an EU strategy for better ship dismantling; (v) reduce sulphur oxides and nitrogen oxides emissions from ships; (vi) re-launch the Commission's 'Quality Shipping Campaign', by means of partnership agreements with the EU maritime administrations, the maritime industries at large and the users of maritime transport services.

- **Maritime transport safety**: in the years to come, the EU and the Member States should: (i) give priority to the enforcement of existing EU and international rules and the speedy implementation of measures introduced with the 3rd Maritime Safety Package; (ii) revise the mandate and the functioning of the European Maritime Safety Agency, in order to further enhance the technical and scientific assistance it can give to the Member States and the Commission; (iii) reinforce international cooperation with EU trading and shipping partners; (iv) take care to ensure the systematic application of the IMO "Guidelines on the treatment of persons rescued at sea"; (v) ensure that, by 2012 at the latest, all Member States are on the "White List" of the Paris Memorandum of Understanding on Port State Control.

- **Maritime transport security**: very serious concerns about acts of terrorism, piracy and armed robbery at sea persist. A further difficulty relates to incidents involving people smuggling, trafficking and stowaways. The challenge is to complete the work already started in e**stablishing a comprehensive framework of security measures based on prevention, reaction capacity and resilience**. This should lead to a genuine 'security culture' becoming an integral part of quality shipping and port operations, while not compromising unnecessarily the performance of shipping and the quality of life of seafarers and passengers. In that regard, the most urgent priority is to protect seafarers, fishermen and passengers on ships sailing off the coast of Somalia, in the Gulf of Aden or in any other region of the world that could become problematic in the future.

- **Maritime surveillance**: looking ahead to 2018, the capacities of the EU's maritime transport system should be strengthened by putting in place an **integrated information management system** to enable the identification, monitoring, tracking and reporting of all vessels at sea and on inland waterways to and from European ports and in transit through or in close proximity to EU waters. In a broader context, building on the resources currently available, such as AIS, LRIT, SafeSeaNet or CleanSeaNet, or those that are being developed, such as Galileo and GMES, the EU should promote the **creation of a platform** to ensure the convergence of sea-, land- and space-based technologies, the integrity of applications and appropriate management and control of information on a "need-to-know" basis.

- **EU energy security**: maritime transport is key to Europe's energy security and therefore is an important instrument of the European energy policy. It is to be seen as part of the EU strategy of diversification of routes and of energy sources. 90 % of oil is transported by sea, while there is an increasing trend towards transport of natural gas in a liquefied form by tankers (LNG). Many other energy products are transported by sea as well. As emphasized notably in the Second Strategic Energy Review, LNG facilities are essential for increasing flexibility in gas supplies in the internal energy market, thus enabling solidarity in crisis.

4) Working together on the international scene: the European Union has a longstanding commitment to open and fair competition in shipping and also to quality shipping. The Commission and the Member States are well placed to push for change in order to achieve a comprehensive international regulatory framework for shipping, suited to face the challenges of the 21st century: concerted action at European level is crucial in several fora, for example concerning: governance (UNCLOS), international trade (WTO and bilateral maritime transport dialogues and agreements, UNCITRAL), safety, security and

environmental protection (IMO), labour (ILO) or customs (WCO). EU international cooperation efforts should lead to the **establishment of a mechanism to ensure actual enforcement of internationally agreed rules by all flag and coastal states in the world**.

5) Short-sea shipping: maritime transport in the EU-27 is predicted to grow from 3.8 billion tonnes in 2006 to some 5.3 billion tonnes in 2018. Passenger traffic, including ferries and cruise ships, will also grow. Territorial continuity, regional cohesion and quality standards for sea passengers will have to be ensured. In that regard, the main priorities should be to:

- establish a true 'European maritime transport space without barriers';
- implement the measures announced in the Communication on a European Ports Policy;
- ensure the right conditions for attracting investment flows to the port sector;
- generalise fast-track procedures that cut the overall lead time significantly;
- issue guidelines on the application of relevant Community environmental legislation to port development;
- reinforce the EU strategy for ensuring the full deployment of Motorways of the Sea projects;
- support EU funding programmes such as the Trans-European Network Transport projects, Marco Polo, etc;
- facilitate better connection of islands and long-distance intra-EU passenger transport;
- examine economic instruments (such as taxes, charges or emission trading schemes) for "getting the prices right" encouraging users to make use of short sea shipping alternatives addressing road congestion problems;
- address the issue of passenger rights for users of ferry and cruise services in Europe.

6) Europe, the world leader in maritime research and innovation: the European maritime industries should capitalise on the significant RTD efforts carried out under successive EU Research Framework Programmes and other activities: (i) come up with new ship designs and equipment to improve safety and environmental performance; (ii) technological development and advanced logistics conceptions which maximise the efficiency of the overall transport chain by means of short sea shipping and inland waterway transport are also required for achieving sustainable mobility; (iii) adequate ICT inspection and monitoring tools, also related to surveillance; (iv) the deployment of 'e-Maritime' services at European and global levels.

The Commission's intention is to pursue constructive dialogue with all stakeholders concerned in view of undertaking action for the practical implementation of the measures identified in this strategic review.