# EC/China Agreement on maritime transportation

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PURPOSE : to conclude a bilateral agreement between the European Community and China on maritime transport. CONTENT : as EU's third largest trading partner outside Europe as well as an important provider of international maritime transport services, China has become a major player in the international maritime world. It is for this reason that the Commission is proposing the conclusion of a joint agreement between the European Community and China. This bilateral agreement is seen as an opportunity to consolidate existing business improvements and to further promote maritime relations between the two regions and their economic operators on the basis of equality and mutual benefit. The draft agreement aims to improve the conditions under which maritime transport operations are carried out to and from China and to and from the Community for the benefit of economic operators. The Agreement, which will be concluded for a period of 5 years and will be renewed on a yearly basis, is based on the principles of freedom to provide maritime transport services, free access to cargoes and cross trades, unrestricted access to and non discriminatory treatment in the use of ports and auxiliary services as well as regarding commercial presence. Moreover it covers all aspects of door to door services. The Agreement places the existing bilateral agreements concluded by Member States in a Community framework and reaches a higher level of liberalisation than the one achieved up to now on a bilateral basis. It therefore substantially improves the quality of the EU-China maritime relations. In particular the main provisions established by the Agreement are the following: - improving the conditions under which maritime cargo transport operations are carried out to and from China, to and from the European Community, as well as to and from the European Community and China on the one hand and third countries on the other, for the benefit of economic operators; - supports the present situation of national treatment to vessels flying the EU flag or being operated by EU nationals or companies, as regards access to ports, the use of infrastructure and auxiliary maritime services of those ports, as well as related fees and charges, customs formalities and assignment of berths and facilities for loading and unloading; - in respect of activities for the provision of international maritime cargo transport and logistic services, including multimodal operations involving a sea leg, it stipulates that China shall permit the EU shipping companies, to establish wholly-owned or jointly-invested subsidiaries, branches or representative offices, in accordance with its laws and regulations; - provides for the right of wholly-owned or jointly-invested subsidiaries, branches or representative offices of the EU shipping companies established in China to employ key personnel, in accordance with the legislation in force; - allows revenues of EU nationals or companies derived from international maritime transport and multimodal operations in China to be settled in freely convertible currencies, as well as the earnings from the economic activities of the subsidiaries, branches and representative offices of the EU shipping companiesin China to be freely remitted abroad at the exchange rate of the bank on the date of remittance; - provides for maritime co-operation in the fields of maritime safety, marine pollution prevention, maritime education and training, enhancing efforts for combating piracy and terrorism as well as exchanges of personnel, scientific information and technology. As regards the existing bilateral maritime Agreements between EU Member States and China (11 Member States have such bilateral maritime agreements), only the "trade" provisions of those agreements will be "substituted" by the provisions of the Agreement while the remaining ones regarding notably the status of the crew or taxation matters will continue to apply. Moreover it is also provided for in the Agreement that if it the latter is less favourable on certain issues than existing bilateral agreements then the more favourable provisions shall prevail without prejudice to Community obligations and taking into account the Treaty. Finally, both sides confirmed their support to the multilateral negotiations on maritime services in the World Trade Organisation.