

A FUTURE EUROPEAN MARITIME TECHNOLOGY INDUSTRIAL POLICY

Dedicated European policy actions urgently needed to support the survival, resilience and competitiveness of the Maritime Technology sector in Europe

SECTORAL SOCIAL PARTNERS' JOINT STATEMENT

Since 2018, the EU Social Partners for the Maritime Technology sector – *SEA Europe* and *industriAll Europe* – have been [calling on EU policymakers](#) to take action to support European shipyards and the maritime equipment industry, which generates **1 million jobs** and is essential for many coastal regions across Europe.

Although the European Commission has rightly acknowledged the **strategic dimension** of shipyards and their supply chains in the twin green and digital transitions, the Social Partners are still waiting for tangible policy actions following this acknowledgement. As well as being vital in the green and digital transitions, shipyards and maritime equipment manufacturers are also highly strategic for Europe's **maritime autonomy** (including defence and border protection), the **Blue Economy** (e.g. for food supply and energy transition) and for **achieving various EU ambitions** (e.g. the European Green Deal, EU Digital Agenda and Mobility Policy).

It is therefore extremely concerning that although the European Commission has been aware of the severe negative impacts of trade distortions in Asia on the European market from as early as 1988¹, that no policy actions since then have solved the situation. The Social Partners were given some hope with the release of [LeaderSHIP 2015](#) and [LeaderSHIP 2020](#), but unfortunately various policy proposals in these initiatives never materialised, and as a consequence, **Europe has completely lost both the cargo vessels market and part of its offshore shipbuilding to Asia over the past 20 years.**

An unfair global playing field

Today, global competition in the Maritime Technology sector remains fierce, indeed competitive distortions and unfair trading practices are worse than they have ever been. Furthermore, unlike the other major economies with large maritime technology sectors (e.g. China, Japan, South Korea and USA), the **EU does not apply sector-specific policies nor specific support to its strategic Maritime Technology sector.**

With a move to so-called horizontal policies by the European Commission, there are huge gaps which put the Maritime Technology sector at exposed risk. Trade defence instruments are a concrete example, **with shipyards not benefitting from trade defence tools** such as countervailing and anti-dumping measures, because ships are not imported into the EU Customs Territory. Consequently, European companies are unable to protect themselves against Asia's injurious pricing practices, massive State aid and other protectionist measures.

COVID-19

COVID-19 has hit many European industries hard, and the European Maritime Technology sector has not escaped. Indeed, the pandemic's impact² on Europe's Maritime Technology sector has been much worse than in Asia where local companies benefitted from COVID-19 related State aid on top of pre-existing State support. **Hence, the pandemic has worsened competitive distortions and unfair trading practices to the detriment of European companies and workers.**

¹ European Commission [Press Release](#) (23 March 1988).

² SEA Europe's [Press Release](#) on the impact of COVID (April 2020).

Against this background, the Social Partners for the Maritime Technology sector³, call upon the European Commission, European Parliament and Member States, to urgently adopt concrete policy actions at EU and national level, in line with the updated EU Industrial Strategy, to support the sector and its workers.

In particular, the Social Partners call for:

1. A sectoral approach to safeguard the sector and save jobs:

The European Commission's move to eco-systems, and the preference for a horizontal approach, has increased the exposure of the European Maritime Technology sector on an already unfair and uneven global market. Following the publication of the [EU Updated Industrial Strategy](#), specific sector-focused policies, such as trade defence tools for the sector, must be urgently implemented.

- ***The Social Partners urgently ask the European Commission to propose, where necessary, sector-specific solutions to support the industry's global competitiveness and resilience and to stimulate the sector's business opportunities in areas where it is a key enabler of EU policies.***

2. Action to stimulate domestic demand:

The impact of COVID-19 is likely to lead to a gap in demand for newbuilt ships over the next few years. As such, some European shipyards will struggle to survive, while at the same time, the sector continues to be a key enabler of important EU strategies, including the implementation of the European Green Deal and providing clean waterborne transport in Europe.

- ***The Social Partners call upon the European Commission to take urgent measures to stimulate domestic demand for innovative zero-emission vessels (e.g. through a dedicated fleet renewal scheme) so as to bridge the anticipated demand gap, whilst accelerating the implementation of the European Green Deal for waterborne transport.***

3. Cooperation and support to safeguard jobs and protect skills:

The double pressure of unfair global competition plus the impact of COVID-19 increases the risk of downsizing production, and in turn, **losing jobs and the sector-specific skills and knowhow** in the European Maritime Technology sector. The price of losing these skills is high, especially as they are vital for the sector to realise the twin green and digital transition, to safeguard Europe's maritime borders and to untap the Blue Economy's potential. Investing in the current skilled workforce, including upskilling and reskilling, while also attracting young workers to the industry is vital.

- ***The Social Partners call for a full mobilisation of public/private cooperation in the European Maritime Technology sector to safeguard jobs, skills and critical knowhow, including appropriate support for the EU Pact for Skills for the Shipbuilding and Maritime Technology sector. Furthermore, dedicated EU, national and regional schemes should be set-up to support collective actions from companies, trade unions and education providers.***

³ In November 2020, industriAll Europe issued a [European Recovery Plan](#) to save the maritime technology industry and its workers, whilst SEA Europe issued a [LeaderSHIP White Paper](#) in November 2019.

4. The adoption of policy measures to ensure fair competition:

A fair global playing field is a key requirement for the European Maritime Technology sector. The Social Partners welcome the Commission's [White Paper on Foreign Subsidies](#) and the ongoing work on the [EU Trade Policy Review](#), however sector specific action is now urgently required to ensure that the European Maritime Technology sector can survive on the global market.

- ***The Social Partners call for the European Commission to close the unique legal loophole for shipbuilding in WTO and EU trade defence instruments.***

5. Action to protect European strategic assets:

As the European Maritime Technology sector is a strategic industry, with clean technology and green vessels being of particular importance, it is therefore critical that that EU intellectual property and production in Europe is safeguarded. Publicly funded RDI cooperation should be used to benefit the EU economy, and as such, the decisive criterion in each EU funding programme (e.g. Horizon Europe, CEF and InvestEU) must be of benefit to European industries, their workers, and their local communities. With the current geo-political unrest, increased trade protectionism and China's aggressive state-led policies, such as "Made in China 2025" and "Belt and Road Initiative", urgent action is required.

- ***The Social Partners call upon the EU to take action, such as the better use of Foreign Direct Investment (FDI) screening, to protect European strategic assets from induced technology transfers, industrial espionage, foreign acquisitions, and other attempts to misappropriate industrial policy in the context of RDI cooperation. Specific EU measures should be taken to preserve European knowledge and intellectual property in strategic civilian markets and technologies, as has been the case for defence technologies in the European Defence Fund.***

A green and digital future is possible

Despite the aforementioned challenges, European shipyards and equipment makers have succeeded in maintaining global leadership in designing and building high-tech vessels and green and smart solutions for maritime and offshore activities. However, with the impact of COVID-19 on top of the pre-existing issues relating to a fair and level global playing field, there is a risk that this high-tech and green market in Europe could also be lost.

The European Maritime Technology sector urgently needs concrete sector-specific actions to ensure that the industry survives and that these high quality jobs remain in Europe. The European Social Partners in the Maritime Technology Sector call on EU policy makers to take action to support this strategic industry and its workers before it is too late.