



## NEGOTIATIONS BETWEEN THE EU AND THE UK ON A FUTURE ECONOMIC AND TRADE PARTNERSHIP

### SEA EUROPE PRIORITIES

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#### 1. INTRODUCTION

The negotiations between the EU and the United Kingdom on a future economic and trade partnership are expected to be launched very soon.

SEA Europe, representing the European maritime technology industry (i.e. shipyards and maritime equipment manufacturers from the EU, Norway and Turkey), wishes to stress the importance to establish a framework for future economic and trade cooperation that is legally binding, and which aligns the UK market as close as possible to the EU's internal market – also on the regulatory front.

An ambitious economic and trade agreement will most likely best ensure a level-playing field for the EU maritime technology industry vis-à-vis the UK maritime technology industry and furthermore that the UK shipbuilding and offshore markets remain open for the EU maritime technology companies.

#### 2. INDICATIVE LIST OF NEGOTIATING PRIORITIES FOR SEA EUROPE

The table below lists the main trade priorities and sector-specific issues which are important for SEA Europe and its Members in view of the coming EU-UK negotiations.

Since additional trade or economic concerns for the industry might arise in the course of the negotiations, SEA Europe will reserve its rights to submit additional comments in the near future.

<p><b>TRADE CUSTOMS CHECKS AND PROCEDURES</b></p>	<ul style="list-style-type: none"><li>▪ Smooth customs procedures and frictionless trade in goods (e.g. marine equipment and components) between the EU and the UK are key for the maritime technology industry, which works on a global scale and is regulated primarily by global rules, e.g. from the IMO.</li><li>▪ Non-tariff barriers at the border in the form of red tape and administrative burdens should not be allowed nor reintroduced. Issues such as increased documentation requirements, customs delays, future regulatory divergence all risk having significant negative impacts.</li><li>▪ The negotiations should lead to a highly streamlined customs arrangement.</li></ul>
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<p><b>COMPETITION AND STATE AID</b></p>	<ul style="list-style-type: none"> <li>▪ The EU should be vigilant in the negotiations in order to ensure that no trade distortions arise due to more lax rules e.g. in case the UK would adopt specific rules for state aid to UK shipyards and UK marine equipment industry and/or ease the access to finance for UK shipyards and the equipment manufacturers, and ensure level playing field for EU and UK maritime technology businesses.</li> <li>▪ The EU and UK should join forces in standing in favor of open and fair trade globally against worldwide increase of protectionism trends and unfair competition, namely in the maritime technology sector.</li> </ul>
<p><b>PUBLIC PROCUREMENT</b></p>	<ul style="list-style-type: none"> <li>▪ No “Buy British” clauses in future UK procurement rules should be allowed in order to avoid that e.g. vessels for public services may be required in future to be equipped with British manufactured marine equipment and UK maritime technology solutions. Local content rules in relation to shipbuilding, decommissioning activities, plus in offshore Oil &amp; Gas and windfarm installation and maintenance activities should be disallowed.</li> <li>▪ The chapter in a new economic and trade partnership agreement should in terms of scope, obligations and commitments be similar to the EU public procurement directives. This would not only provide for market opening rules but a full set of procedures and processes, incl. rules on tender notices and advertisements, selection and contract award criteria and procedures, and, not least, legal recourse.</li> </ul>
<p><b>TRADE IN SERVICES AND MOBILITY OF WORKERS</b></p>	<ul style="list-style-type: none"> <li>▪ Trade in services is important since UK is one of the world’s largest trader in services. The EU should argue for as extensive commitments as possible, letting the EU services directive be the lowest bar.</li> <li>▪ This in particular relates to: <ul style="list-style-type: none"> <li>○ Services trade linked directly to trade in manufacturing (so-called mode 5) or</li> <li>○ pure trade in services (e.g. repair and maintenance of vessels or trade in ship design and other marine engineering services).</li> </ul> </li> <li>▪ The EU should ensure that cross-border operating companies (e.g. with branches/subsidiaries in the UK) will continue to have a fully frictionless ability to hire e.g. engineers from UK and vice versa also after Brexit and transfer employees e.g. for sales, technical services, R&amp;D etc.</li> </ul>
<p><b>TRADE IN MARINE EQUIPMENT AND CLASSIFICATION ISSUES</b></p>	<ul style="list-style-type: none"> <li>▪ A new EU-UK economic and trade partnership agreement should be part of an overarching agreement aiming to maintain a level playing field in the marine equipment and the broader maritime technology sector avoiding direct and indirect state-aid mechanism.</li> </ul>

	<ul style="list-style-type: none"><li>▪ It is regrettably acknowledged that the EU Marine Equipment Directive 2014/90/EU (hereinafter “the MED”) will not be applicable in the UK in the future.</li><li>▪ The option of a Mutual Recognition Agreement on the EU-US-MRA model should be explored. However, in order to balance the market access on both negotiating sides it is also recommended that the EU-UK-MRA is directly applicable to the so-called Red-Ensign flags, that already enjoy the same rights and obligations under the UK flag.</li><li>▪ Careful attention should in the coming negotiations be paid to EU Regulation 391/2009 (i.e. common rules and standards for ship inspection and survey organizations) to assess if its Art.10(1),(2) and (3) about mutual recognition of certificates for equipment which do not fall under Directive 2014/90/EU can be applicable in the frame of the possible EU-UK-MRA.</li></ul>
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SEA Europe trusts that the above sector-specific priorities will be duly taken into account by the EU negotiators and remains available for any further information or clarification that may be required at any stage of the negotiations.

#### **About SEA Europe**

SEA Europe, the European Shipyards and Maritime Equipment Association, is the voice of the European maritime technology industry. SEA Europe promotes and supports European business enterprises which are involved in the building, construction, maintenance and repair of all types of ships and other relevant maritime structures, including the complete supply chain of systems, equipment and services. The European maritime technology industry generates an aggregated production value of EUR 128.6 Billion and more than one million jobs (direct and indirect) in the EU.

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