

EVALUATION OF PUBLIC PROCUREMENT DIRECTIVES

Contribution from the Shipyards' & Maritime Equipment Association of Europe

1. Context: A competitive and resilient shipbuilding supply chain is essential for Europe's economic security and strategic autonomy

A strong European shipbuilding industry and maritime equipment supply chain is **crucial for Europe's economic security**. It gives the European Union control over essential maritime technologies and thus the ability to build/construct ships and platforms vital for trade, (renewable) energy supply, and critical maritime and underwater infrastructure, such as offshore wind farms and underwater cables. It is essential to maintain shipbuilding capabilities and supply chain in Europe in order to prevent the entire European maritime sector to rely solely on China and South Korea (*NB: between January and August 2024, China secured 62% of the value of global new orders, and South Korea 20%*). Given the complexity of shipbuilding and its supply chain and the high investments required, lost markets are difficult to reclaim, creating a dangerous cycle of decline.

Preserving and strengthening European shipbuilding capabilities is **key to Europe's strategic autonomy**. Europe needs a strong and competitive commercial shipbuilding industry in order to support and maintain its military shipbuilding, necessary for defence. In short, a strong high-tech European shipbuilding sector is key for Europe's security, resilience, climate adaptation, energy transition, and global influence.

The shipbuilding supply chain **works like an ecosystem**, with many interconnected parts that rely on each other. It requires **specialized capabilities and know-how** across areas like engineering, design, project management, and advanced technologies for propulsion, electronics, and safety systems. Shipbuilders need **skilled workers and precise coordination** between different suppliers. The equipment suppliers are often global leaders in their fields, and their competitiveness depends on good **access to global shipbuilding markets**. This means that the strength of the entire shipbuilding ecosystem, from material suppliers to shipbuilders, relies on the ability to operate and compete at global scale.

2. Recommendations as regards Public Procurement Directives

SEA Europe advocates for a policy ensuring that Europe maintains a **critical mass of shipbuilding capabilities**. In the current world of geopolitical tension and huge societal challenges (not least climate change), **we require an actionable/practical roadmap focused on strengthening both the supply and demand sides of the maritime technology business**.

Public procurement related to strategic maritime and underwater projects is an important demand driver for the shipbuilding industry. Therefore, in the context of the upcoming revision of Public Procurement Directives announced by President von der Leyen, SEA Europe

calls upon the European Commission to **integrate EU added value and non-price criteria into strategic licensing and auction procedures for key maritime projects such as wind farms, underwater infrastructure, dredging, ice breakers, ice-going vessels, ferry lines, and aquaculture**. Inspired by the EU Net-Zero Industry Act, public authorities shall be obliged to use **qualitative criteria like resilience**, thereby diversifying supply sources in cases of high dependency.