

Position Paper

INDUSTRIAL DECARBONISATION ACCELERATOR ACT

Call for evidence for an impact assessment

The Shipyards & Maritime Equipment Association of Europe (SEA Europe) represents the European maritime manufacturing industry in 17 countries, encompassing the **production, maintenance, repair, retrofit and conversion of all types of ships and floating structures - commercial as well as military - including the full supply chain with the various producers of maritime systems, equipment material, and services.**

This document represents SEA Europe's response to the [Call for Evidence](#) for the impact assessment of the forthcoming **Industrial Decarbonisation Accelerator Act (IDAA)**. As announced under the Clean Industrial Deal, the IDAA will address permitting bottlenecks related to industrial decarbonisation and access to energy, and support the creation of lead markets for the development of European clean and resilient industrial technologies and products.

SEA Europe's contribution aligns with our broader recommendations for the upcoming **Industrial Maritime Strategy**, which seeks to enhance the competitiveness, sustainability, and resilience of Europe's maritime manufacturing sector.

OVERVIEW OF RECOMMENDATIONS

- **Formally recognise the maritime manufacturing industry as a strategic enabler of maritime industrial decarbonisation and ensure its full eligibility for all relevant legislative support measures from the IDAA.**
- **Speed up permitting procedures for access of shipyards to energy and industrial decarbonisation.**
- **Identify and promote priority maritime projects subject to non-price criteria.**
- **Create and protect European lead markets for the maritime manufacturing sector.**

A. Formally recognise the maritime manufacturing industry as a strategic enabler of maritime industrial decarbonisation and ensure its full eligibility for all relevant legislative support measures from the IDAA

The Call for Evidence document from the European Commission states that “the general objective of the Industrial Decarbonisation Accelerator Act is to increase sustainable and resilient industrial production in energy-intensive industrial sectors in the EU by supporting decarbonisation investments.” The document lists the energy-intensive sectors covered – including chemicals, steel, pulp and paper, refineries, cement, non-ferrous metals, glass, and ceramics – but also leaves open the possibility, “where relevant”, to include “related downstream industries with a value chain logic.”

SEA Europe calls for the explicit inclusion of the maritime manufacturing value chain – comprising shipyards as well as suppliers of equipment, technologies, and systems – within the scope of the IDAA. This is a strategic imperative, given the sector’s pivotal role in multiple, interlinked industrial and decarbonisation value chains. Many of the suppliers are active in other sectors as well, be it cables, steel, floors, interiors, etc.

Shipyards serve as essential upstream enablers of decarbonisation for a range of downstream sectors, such as:

- **The blue economy:** Complex specialized vessels and platforms like passenger ferries, offshore supply and service vessels, ships for laying and repairing submarine cables, dredgers, fishing vessels, research vessels, and icebreakers are essential to maintain Europe’s maritime competitiveness, resilience, and sustainability. For example, dredgers maintain waterways and support climate adaptation by mitigating rising sea levels. Offshore supply vessels install and maintain offshore platforms, including wind farms. These sectors create opportunities to enhance shipbuilding and technological expertise across key segments of the blue economy, fostering diversification that is essential for the resilience of the shipbuilding industry. They also contribute to the creation of a strong European cluster supporting renewable energies at sea.
- **European waterborne transport:** Markets like shortsea shipping, cabotage, regional and local passenger transport, and inland navigation can significantly enhance the sustainability and efficiency of domestic transport in Europe. These sectors also offer the potential to boost shipbuilding competitiveness by generating predictable, large quantities of small, complex cargo and passenger ships – including for energy transport – integrated with advanced technologies, clean propulsion techniques, and digital systems.
- **Maintenance, repair, and sustainable retrofit and conversion of existing ships: Ships regularly need to visit a dry dock to do urgent or planned maintenance or repairs,** which is usually combined with the 5-year special survey mandated by the classification process[1].

[1] The 5-year special survey is a comprehensive inspection of a vessel's structure, systems, and equipment to ensure it remains fit for its intended purpose and meets safety standards. It is a mandatory part of the classification process, carried out by a recognized classification society.

Having maintenance and repair facilities in the vicinity of a port is essential and of strategic importance. Ports cannot exist without these services nearby. Furthermore, European maintenance, repair, and conversion shipyards have become crucial hubs for retrofitting operations, i.e., when ships are upgraded with extra equipment. This is a key activity to enhance the sustainability of maritime transport and so ensure the success of ambitious political climate and environmental goals.

- **Highly complex ships driving technological advancements:** Particularly in the cruise ship and superyacht markets, where Europe demonstrates global leadership, driving excellence across the entire shipbuilding value chain. These high-value and technologically complex markets are essential for maintaining Europe's industrial competitiveness and enabling innovation and spill-overs throughout the maritime supply chain. In particular, cruise ships, the only large ships built in Europe, having the long design and construction lead times, provide a longer-term vision for all players involved, particularly important to deal with the evolving technologies of the many systems on board.

European shipyards also deliver strategic autonomy and security assets, encompassing naval ships, underwater assets, and patrol vessels. These assets are crucial for Europe's security amidst growing geopolitical tensions and threats. Furthermore, the efficiency and competitiveness of European military shipbuilding relies on strong commercial shipbuilding capabilities.

Shipyards are integrators of (advanced) systems, equipment and technologies produced by a supply chain of maritime equipment manufacturers and technology suppliers. At least 70% of a complex ship's value is made up of material, equipment and systems. Many European equipment manufacturers are global market leaders on their respective segment, producing highly technological products that are appreciated around the world. With that, they are not only providing well-paid jobs, but they are also crucial drivers for innovation in the wider European maritime ecosystem. Especially, European conversion yards are benefiting from the proximity to high-innovation equipment manufacturers and the direct access connected to that. Likewise, European equipment manufacturers are benefitting from access to know-how on the implementation of their technologies at European shipyards.

The maritime manufacturing industry is also a **multiplicative driver of innovation and regional economic development**, supporting over one million direct and indirect jobs in Europe.

However, the maritime manufacturing sector faces specific risks and difficulties due to the nature of the industry and its markets, which differentiate it from other industry sectors:

- The sector is subject to pronounced boom-and-bust cycles, resulting in exceptional fluctuations in demand.
- A shipbuilding contract is a promise to provide capacity at a future time at a fixed price. This adds an additional layer of risk for both builder and buyer.

- Modern shipbuilding, particularly in the sectors important in Europe, produces some of the most technically demanding and sophisticated products of any industry sector. Marine engineering systems are at the forefront of technological development. This adds a further element of risk because design, installation and commissioning of new technologies has to be done without the ability to build prototypes.
- Because of the nature of the market, contract and products, commercial finance can be wary of shipbuilding. This is particularly problematic at the pre-contract stage, where the time taken to raise contract financing can be prohibitive in winning the contract.

A study from the European Commission[2] outlines a "scarcity of financing for shipbuilding in Europe [that] is driven by the industry's long production timelines (e.g. 2-3 years) and high capital intensity, which create significant liquidity pressures for shipyards (Daniel & Cenk, 2019). Payment structures, typically based on milestones, further exacerbate cash flow gaps, while limited access to specialised financing products and competition from shipyards in Asia, such as those in China and South Korea, add to the challenge (CSIS, 2020). Additionally, the need for investment in maritime green technologies and compliance with stringent environmental regulations introduces further financial complexities (Ecorys, CE Delft, & IDEA Consult, 2012). The shortage of financing options and guarantees for construction periods, presents a significant challenge to the growth of EU shipbuilding activities, notably in light of the fierce competition from Asia driven by strong state-supported financing programs and subsidies."

Further details on the sector-specific risks and structural challenges faced by the maritime manufacturing industry can be found in SEA Europe's Market Intelligence Report (June 2025), which is enclosed with this contribution.

➡ **For these reasons, it is essential that the IDAA formally recognises the maritime manufacturing industry as a strategic enabler of maritime industrial decarbonisation and ensure its full eligibility for all relevant legislative support measures.**

B. Speed up permitting procedures for access of shipyards to energy and industrial decarbonisation

SEA Europe urges the European Commission to address permitting bottlenecks that hinder decarbonisation investments in European shipyards. Key challenges include:

- **Land use restrictions:** Many shipyards are constrained by rigid land use regulations that limit their ability to expand capacity, modernise facilities, or install decarbonisation technologies – such as infrastructure for clean fuel bunkering or dockside electrification.

[2] Summary report of recommendations from the DG MOVE study to assess the situation in terms of demand and supply of finance for the maritime sector and develop a living inventory, European Commission, December 2024. See [here](#).

- **Pollution prevention permitting:** While fully committed to environmental protection, shipyards face complex and burdensome permitting procedures concerning air, soil, and water pollution, as well as waste management. These regulatory hurdles often lead to significant delays and increased compliance costs.
- **Access to clean and affordable energy:** Shipyards engage in energy-intensive operations that are significantly impacted by high industrial electricity and energy costs. Optimizing their connection to the power grid and increasing access to on-site renewable energy sources are critical for improving efficiency and maintaining competitiveness – especially in the face of intense global competition from heavily subsidized foreign shipyards.

➡ **SEA Europe calls for the establishment of streamlined, fast-track permitting procedures for decarbonisation-related investments and access to energy, underpinned by a harmonised EU-level framework and robust guarantees for timely and effective implementation at national and local levels.**

C. Identify and promote priority maritime projects subject to non-price criteria

SEA Europe proposes that the IDAA includes a dedicated list of priority maritime and underwater projects, with the procurement of associated vessels subject to non-price criteria – such as environmental performance, technological innovation, and strategic contribution to EU resilience.

This dynamic list should be developed in close collaboration with industry stakeholders and be guided by clear criteria, including market vulnerabilities, resilience objectives, and strategic public interest. Initial categories of priority vessels associated to these projects include:

- Patrol and coastguard vessels;
- Dredgers and cable-laying ships;
- Ferries;
- Research vessels;
- Offshore service vessels and converter platforms (e.g., for offshore wind infrastructure);
- Icebreakers.

A particular focus should be given to vessels equipped with dual-use technologies—serving both commercial and military purposes—or fulfilling dual-use functions. These vessels play a critical role in enhancing the EU's strategic autonomy, civil-military preparedness, and resilience across a range of missions, including security, emergency response, infrastructure protection, and military mobility.

The scope of this list should remain adaptable and be updated in response to geopolitical developments, strategic imperatives, and critical supply chain needs.

D. Create and protect European lead markets for the maritime manufacturing sector

European shipyards currently operate in a set of sustainable market sectors, characterised by a high density of technology, that can be summarised as follows[3]:

- Specialized vessels (non-cargo and small cargo types);
- Workboats and support vessels;
- Naval and security-related vessels;
- Cruise ships;
- Superyachts;
- Maintenance, repair, conversion, and retrofit (including of large ships).

Many of these markets are directly relevant to the **priority maritime projects** outlined in Section C. To stimulate demand in these **lead markets**, SEA Europe supports the application of **non-price criteria** in the procurement of vessels associated with such projects. These criteria should go beyond cost considerations to reflect broader strategic objectives, including sustainability, innovation, and resilience. These non-price criteria should build on those established by the European Commission in the [implementing regulation of the Net-Zero Industry Act](#) for renewable energy auctions.

The following cases should be addressed in the IDAA as regards priority maritime projects:

1.Public procurement, licencing, or auctions

If the project falls under public tendering or similar procedures, non-price criteria should apply partially or fully to the vessels and systems involved.

As a minimum, it should be considered to apply international certification standards (such as ISO 14001, 27001) as mandatory minimum qualification criteria, per topic, for participation in any EU maritime manufacturing project, complemented with scoring criteria derived from incumbent relevant standards, such as IMO/MARPOL, NIS2 and/or other applicable international and/or EU regulations.

In addition to these minimum requirements, potential non-price criteria may include:

- Responsible business conduct;
- Cybersecurity and data security;
- Ability to deliver the project fully and on time;
- Environmental sustainability and carbon footprint[4];
- Resilience.

As an example, the resilience criteria of the Net-Zero Industry Act are activated if more than 50% of the supply within the EU of the net-zero technologies final products originates in a single third country, or if the share of a third country has increased by at least 10 percentage points on average for two consecutive years and reaches at least 40% of the supply within the EU.

[3] For more details, refer to SEA Europe's Market Intelligence Report (June 2025), enclosed.

[4] This should be in line with MARPOL Annexes I-V.

Following this logic, the IDAA should establish **resilience criteria tailored to maritime industrial realities and risks**, incorporating a **European preference mechanism** that positively weights projects involving European technologies, suppliers, and shipyards. The exact thresholds – potentially up to 100% – should be determined based on strategic risk assessments and the capacity of European suppliers.

2.Private procurement in critical infrastructure and services

For the most strategic and sensitive maritime projects, vessels procured privately should undergo **mandatory resilience screening** by competent national authorities to mitigate risks associated with suppliers from third countries. The IDAA should establish a clear framework for these assessments, potentially drawing on the principles of the Foreign Direct Investment Screening Regulation (Regulation 2019/452) and the Directive on the Resilience of Critical Entities (Directive 2022/2557).

3.Private procurement with public funding

Where public funding (EU or Member State level) is involved in privately procured maritime projects, eligibility should be conditional upon:

- A **minimum threshold of European content** to promote European value creation, or
- Meeting the **resilience criteria** mentioned under point 1 to avoid overdependence on third-country providers.

Background Note:

SEA Europe represents close to 100% of the European shipbuilding industry in 17 nations, encompassing the production, maintenance, repair, and conversion of all types of ships and floating structures, commercial as well as naval, including the full supply chain with the various producers of maritime systems, equipment material, and services. As an NGO observer at the International Maritime Organisation (IMO), CESA represents the shipbuilding industry and its supply chain from EU Member States, Norway, and Turkey.

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