

**Conference
Green Paper on a Future Maritime
Policy
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“Options for combining maritime safety and competitiveness, two EU priorities for the maritime transport chain”

Introduction

Good afternoon Ladies and gentlemen. It is a great pleasure for me to address this Conference, which inaugurates somehow the Commission campaign for the presentation of the Green Paper on a future maritime policy. I am sure that you had the opportunity this morning to discuss thoroughly the objectives and the content of this new initiative, which brings a global perspective to some of the more challenging Community policies, as is the case for the maritime transport policy.

The themes I want to develop today, maritime safety and competitiveness, are very well addressed in the Green Paper. My aim will be to demonstrate that these priorities are not at all contradictory but they can support and reinforce each other.

1st priority: Ensuring the competitiveness of the maritime transport sector in Europe

When introducing the theme of competitiveness it is always useful to repeat the essential facts and figures around European shipping. In terms of tonnage, 25% of the world tonnage is registered under EU flags, while EU shipping companies control more than 40% of the world fleet. This is a very good record, of course, although it raises immediately the question why this difference between the two figures. What is the competitive problem of the EU flags, if there is one and what can we do to remedy this?

The Commission has worked hard to enhance the use of maritime transport within the EU as well as to ensure the competitiveness of our shipping based in the EU vis-à-vis third countries in deep sea trades.

Starting with the intra-Community trade, one of the problems faced today in the EU is the bottlenecks in **Short Sea Shipping**. To help redress these difficulties, the Commission prepared in November 2005 a package of measures consisting of proposals for a modernized Customs Code and e-Customs. These developments, planned to be implemented in stages between now and 2010, are expected to considerably facilitate Short Sea Shipping. The Green paper contains the idea for the creation of a “**Common EU maritime space**”, governed by the same rules on safety, security and environmental protection. This idea is not only associated with increased efficiency in the management of territorial waters of the EU but also with the improvement of the position of short sea shipping, placing it in the same situation as land transport between Member States.

On the liberalisation of **port services**, following the withdrawal of the second draft Directive, we will have to carefully reconsider this issue with all interested stakeholders before taking any new steps in that area. The Commission intends to organize a reflection on how to achieve an open market organization and more transparency, to attract investments in ports, and to establish clear competition rules.

Focusing now on the **international shipping scene**, we support and recognize the strategic importance of EU shipping companies which is even further accentuated by the growing competition from Asian companies. There is a need for a global level playing field and a number of incentives have been undertaken to support our industries to this effect.

You will recall that in 2004, we issued a revised set of **Community guidelines on State aid to maritime transport** that largely reiterated the existing ones, which were supported by industry and governments. These guidelines are still the cornerstone of our support mechanism for EU shipping, allowing Member States to establish tonnage tax and net wage systems for seafarers enhancing shipping companies' possibilities to compete internationally.

Under the rules of UNCLOS the country in which a ship is registered, the flag state, is primarily responsible for the enforcement of the international rules and regulations. If the flag state is lax in the application or the control of these rules, it can become the home register of sub standard ships or irresponsible owners. How can the harm to the competitiveness of the responsible flag states and responsible owners be avoided?

As suggested in the Green Paper three things can be done:

- First, the EC and its Member States should put the full weight of their respective competences, combined influence and external policy instruments behind a policy to improve the performance of all flag states.
- Second, new instruments to strengthen the monitoring of international rules on the high seas and their control by port states should be urgently developed using state-of-the-art technologies such as global satellite navigation.
- Third, an in-depth analysis, with the participation of social partners, should be conducted, in order to identify ways in which the competitiveness of ships sailing under European flags can be enhanced. As already indicated some convergence of state aid measures in the Member States, notably the tonnage tax systems, has taken place on the basis of the Commission guidelines on state aids for shipping.

Let's not forget that the Commission proposed in the late 80s the setting up of an EU maritime register, called EUROS, but this proposal was later withdrawn. The question remains however, and appears indeed in the Green Paper, whether a fresh look at an optional **European quality register** could be contemplated and envisage a number of incentives aiming to encourage flagging –in.

Having stressed the link between the shipping registers and the competitive position of national fleets in this global market, I would like also to stress the effort put by the EU in **our bilateral relations with third countries**. In

this respect, I would like to remind the bilateral maritime agreement signed between the EU and its Member States and China in December 2002, which provides a favourable platform for EU shipping companies' access to the Chinese market. We are also working on reaching a similar agreement with India and on reinforcing regular maritime dialogues with major players such as Norway, Japan, the US, Russia, and soon Brazil.

The current WTO negotiations of the Doha Development Round (DDA) on services (GATS) represent the main instrument for achieving non-discriminatory market access. These negotiations should benefit from the work already undertaken in this sector during the Uruguay Round on a model schedule for maritime transport services, covering non-discriminatory market access on international maritime transport and access and provision of maritime auxiliary services as well as non-discriminatory use of port services.

2nd priority: Promotion of quality shipping because Competitiveness and quality shipping go together

Liberalisation or not, competitiveness and quality shipping are inseparably linked. The key objectives of the Community's maritime policy contain both aspects: While maintaining and promoting a competitive merchant fleet under Member States flags and liberalising global maritime transport services by enhancing market access in third countries, we want to increase maritime safety and security globally in order to avoid accidents and pollution of the seas.

There is already a very comprehensive regulatory framework in the EU intended in particular for promoting safety at sea and quality shipping, along with the establishment of a level playing field on the global market. However, despite the reduction in the number of accidents, the threats relating to failure to comply with safety standards remain. The pressure on substandard operators throughout the whole maritime transport chain must be maintained. As I already stressed, the non-respect of international safety rules is a main element of unfair competition.

With this objective in mind, the Commission presented last November a new set of proposals - the **Third Maritime Safety package** - which is now before the Council and the European Parliament. The package contains 7 legislative proposals in the field of maritime safety that will complete the measures taken so far. They are related to Flag State regimes, Port State control, traffic monitoring, classification societies, liability of carriers in the area of passenger transport, third party liability of shipowners and maritime insurance, as well as marine casualty investigations.

These initiatives cannot be seen in isolation. Without proper legal enforcement they would be of limited use. While the enforcement of Community rules is the prime responsibility of Member States, the Commission has the obligation under the Treaties to monitor how well Member States cope with their duty.

This is why the Commission considers the European Maritime Safety Agency - **EMSA** - created in 2002, as the cornerstone of the Community maritime safety policy. One of the most important tasks of this Agency is indeed to assist the Commission in the monitoring of the implementation of

the Community acquis, and for this purpose the specialised staff of the Agency carries out monitoring visits to Member States.

The Agency has also the task to assist Member States with regard to the practical implementation of Community legislation, by organising appropriate training activities and by favouring a dissemination of best practices in the Community.

Regarding the future, let us not forget that the European Parliament and the Council requested from the Commission, before the end of 2006, a feasibility study on the creation of a **European coastguard**. Such study would have to look in the way the enforcement authorities function presently in the Member States and present a cost/benefit analysis for the creation of such body. To avoid any misunderstanding here, I want to underline once again that what the Commission intends to do is to present a feasibility study at the request of the European Parliament and the Council.

When it comes to rule-making in a **multilateral context**, the EU should strive to ensure coherence, transparency, efficiency and simplicity of rules relating to oceans and seas. The EU is thus well placed to support broad consensus-building on many important issues. The gradual build-up of the role of the EU as an actor can add to the efficiency of the international agreements and organisations concerned, and must be based on solid support from Member States.

The role and status of the EU in international organisations dealing with maritime affairs needs to be reviewed, taking into account the fact that in several cases the issues under consideration fall within the competence of the Community. The issue of Community membership to **IMO** has to be

addressed on the basis of the relevant Commission recommendation of 2002.

Again in the International context, the legal framework based on UNCLOS, needs to be developed further to face new challenges. The UNCLOS regime for Exclusive Economic zones and the international straits restricts the possibility of coastal states to exercise jurisdiction over transiting ships, despite the fact that any pollution incident in these zones presents an imminent risk for them. This makes it difficult to comply with the general obligations of coastal states, set up also by UNCLOS, to protect their marine environment against pollution. As stated in the Green Paper, there is a need to rethink this principle, which will further increase our means for eliminating the competitive pressure of substandard ships and operators.

Development and cooperation instruments could also help to ensure that, as best practices in maritime management are developed within the EU, their adoption by third countries can also be encouraged and assisted. A good example here are programmes for training of maritime administrations in non Member States so as to improve flag and port state control systems in these countries, which need to be as efficient as possible if international rules for maritime transport are to be fully effective.

Maritime safety is not however only a matter of the public authorities. **Self regulation** and measures of **corporate social responsibility** may have also an important and complementary role to play. Not to mention the improvement they offer to the public image of shipping which still has today an “image problem”. The role played by all actors in the maritime transport chain is essential in that respect. Classification societies, shippers, charterers and insurers, they have all their part of responsibility. With their

actions they should provide incentives for quality shipping and penalise substandard ships.

3rd priority: The maritime professions

I could not complete my speech without referring to the maritime professions. Not only because the human element is crucial in the functioning of the shipping industry, but also because employment conditions and training of seafarers directly influence both the competitiveness of the national fleets and maritime safety.

The Commission is deeply concerned with the increasing shortage of European seafarers (particularly officers) and the impact of this situation for the future of the EU shipping sector. In recent years, the Commission took specific initiatives to contribute reversing this trend such as the launching of a wide range awareness campaign to attract people to the maritime professions.

The Transport Council looked also into this issue last December and adopted specific conclusions aiming to secure and to promote jobs in the maritime professions. I hope that all the involved parties and especially the shipowners will be part of this cause to maintain an adequate work force in Europe.

The Commission strongly believes that there is a need for a change of attitude towards social matters in the sector in order to restore the social prestige once found in the seafaring professions and retain a competent workforce for the sake of a prosperous shipping industry of quality in Europe. The competitive pressure in the shipping industry should not

reduce the willingness of European shipowners to offer jobs at wage levels that are attractive to Europeans.

Notwithstanding the worrying decline of European seafarers, I believe that the emphasis should be also on "quality". Competent and highly qualified seafarers can only be "created" through adequate and proper training. Existing Community legislation ensures competence of both European and non-European crew.

We are also very concerned to ensure seafarers' social rights and decent working and living conditions. The recent adoption of the ILO consolidated maritime labour standards Convention is a significant step in this respect, improving the prospect of a level playing field among operators in this area. The real challenge is now to ensure ratification and swift entry into force of these new rules. The Commission intends to present this year a Communication setting the conditions for the integration of this Convention into Community law.

Conclusion

To conclude, ladies and gentlemen, I would like to repeat that the reinforcement of the competitive position of the EU fleets, the improvement of maritime safety and safeguard of employment for EU seafarers are not contradictory objectives. In pursuing them we may have to use different means and instruments and act at all possible levels: private, public, Community and International. Ensuring a level playing field for shipping, leads to a more solid and competitive industry, safer seas and more employment opportunities for Community seafarers.

The Green Paper offers a very good opportunity for rethinking around these themes. The Commission is hopeful that the feed back on this important document will provide a very good guidance in the preparation of our future strategy towards maritime transport.

Thank you.

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