

European Community Shipowners' Associations



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Key points

A prominent role for European shipping in strong markets

The continued growth of world trade had a positive effect on the global shipping sector being the main carrier of it. Indeed 80 to 90 % of world trade in terms of volume is carried by sea. The increase in trade has been influenced by exceptional growth particularly in China and India.

European shipping remained a core carrier of global trade with an EEA registered fleet representing 25 % of the world tonnage and a controlled fleet of more than 40 % of global shipping.

Though both trade exchanges as well as the results of shipping operations may be influenced by amongst others the developments in the oil price, prospects are still positive.

A future maritime policy for the Union

The preparation of the announced Green Paper on a future maritime policy for the Union is in full process. Publication and the consequent consultation process are expected first half of 2006.

ECSA had a constructive exchange of views on the initiative with Vice President Jacques Barrot and Commissioner Joe Borg who is in charge.

ECSA supports the development of an all embracing EU maritime Policy. A basic consideration in such a policy should certainly be the recognition that the EU shipping sector is a key player in global maritime transport and that Europe has the main shipping cluster in the world.

Against this background ECSA has put forward five underlying themes that should be full part of the EU Maritime Policy:

- Ensure the potential for growth in Europe through adequate transport capacity.
- A stable and competitive environment for EU shipping.
- Keep regulation global.
- Support a positive development of shipping in the EU.
- An environmental approach with a global perspective.

ECSA looks forward to a constructive consultation process with the EU Institutions on the overall maritime policy.

Liberalisation of port services

ECSA reiterates that liberalisation of port services is an essential step to further improve the position of maritime transport in the supply chain and in particular for the promotion of short sea services. It will increase efficiency and contribute to make the EU economy more competitive as agreed in the Lisbon Declaration.

The proposed Directive II has been subject to a lot of criticism and also ECSA made suggestions to improve it on five critical areas notably: authorisation, duration periods of concessions, transitional periods, compensation and self handling.

ECSA has commended the Rapporteur in the European Parliament Georg Jarzembowski for his draft report on the Directive II. Many of the suggestions made by industry have been taken into account.

ECSA hopes that further discussions will lead to a Directive that offers a basis for a real liberalisation of port services that has to take place one way or another.

The review of EU Competition Rules on maritime services

The review of EU Competition Rules on Maritime services is in full process. Concrete Commission proposals are expected towards the end of the year.

On liner shipping ECSA maintains the view that a specific regime on the application of Competition Rules is essential. The proposals for an alternative regime as proposed by the European Liner Affairs Association (ELAA), are considered as the absolute minimum.

On tramp shipping ECSA has stressed that, if the exclusion of tramp shipping to the Implementing Rules would be lifted, it is essential that guidance is given by the Commission on agreements that are existing for a long time in this sector enabling to offer the capacity and services required by the trade. It is evident that such guidance should be given prior to lifting the exclusion. ECSA is in contact with the Commission services and is submitting the necessary information to obtain the guidance as required.

ECSA has commended European Parliament Rapporteur Mrs Kratsa-Tsagaropoulou on draft report on the review exercise.

The Maritime Safety Package III

The Maritime Safety Package III, ideas on which have been launched in the spring of 2004, is expected towards the end of the year. Key elements are:

- Flag State compliance
- Accidents/casualty investigation
- Amendments to the vessel traffic monitoring Directive

- Amendments to the port state control Directive
- Classification Societies
- Liability: Transposition of the Athens Convention
- Possible measures on pollution damage (IOPC)
- Certificates on financial guarantee/insurance

In the discussions with the Commission in 2004 on the contents of the package the main message given by the industry was that one should not go beyond international legislation, that existing legislation should be applied properly and that no unnecessary new legislation should be introduced. The latter point is in line with the message given recently by Commission President Barroso.

Security

EU Regulation 725/2004 applying the IMO ISPS code is now in application for more than a year (01/07/04). Apart from different interpretation on application, no major problems have been reported.

The Directive on port security, extending some requirements of the ISPS Code to the whole port area, has now been formally approved as an A point by the Council.

Law making discussions now concentrate on advance cargo declaration within the context of the Committee procedure led by DG TAXUD. ECSA has requested special consideration for short sea services with non EU Countries, including ferry links, in view of the special character of these services.

On the political front a Commission proposal on supply chain security is expected soonest. It will not deal with ships and ports since these are already covered by other EU legislation. Reportedly the main gist of the proposed legislation will be a voluntary status of “recognised economic operator” giving the benefit of advantageous/favourable treatment in security controls.

Promoting maritime employment

Two key points can be reported on. Firstly the joint projects ETF/ECSA respectively on:

- Guidelines for shipping companies and a training package on promoting equality of opportunity and diversity in the European shipping industry.
- A career mapping project demonstrating possible career planning opportunities for European seafarers in the maritime cluster.

These projects, together with the many initiatives of the ECSA membership on promoting a maritime career will be highlighted at the Maritime Employment Conference organised by the UK Presidency in London on 5 October.

Secondly, the ongoing process in ILO towards a consolidated Labour Convention. Through ISF (International Shipping Federation), ECSA is directly involved and has fully supported the Commission’s important informal involvement in encouraging a successful outcome. The most suitable means to transpose the Convention as

adopted (probably in 2006) are discussed between the Commission and the social partners.

Relations with third countries

The important role of European shipping in international trade requires an effective maritime external relations policy and action. In this respect ECSA is closely cooperating with the Commission services in the ongoing discussions on services in WTO. A positive outcome of these negotiations as well as a solid overall WTO agreement is hoped for. At the same time an active external relations policy of the EU through bilateral approaches is fully supported by ECSA. The maritime agreement with China and the starting of effective negotiation with India are key elements of it.

Legal issues

Commission approaches on legal issues have caused concern with the Shipping industry. The political process on the Directive on criminal sanctions for ship source pollution was confusing and the outcome is unsatisfactory for the industry since a strongly contested deviation from IMO was the result. Legal uncertainty is expected now.

ECSA hopes that the international regime (IMO) will be respected in the legal proposals as contained in the Maritime Safety Package III, notably on the Athens Convention (passengers' liability), financial guarantees for ships (insurance) and on the regime for compensation of pollution damages (CLC/IOPC).

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