



ECSA SEMINAR 06/03/07 – Europe: a cluster of maritime know how, MICHAEL PARKER

Ministers, Officials of the European Union, Ladies and Gentlemen.

Lennart has described the global world in which we, as shipping companies, operate. I'd like to develop that theme in the context of our skills base and the wider maritime cluster.

There are two particular challenges which we – as Europeans – face. The challenges also apply outside the maritime sector but are starker in shipping because of the nature of our industry. Our employees (our seafarers) are employed all over the world, and other countries' employees are legitimately active in our home markets.

The first challenge is of securing jobs for the European work-force, and of maintaining essential skills for our industry. Shipping is such a global and mobile sector that we are particularly exposed in this regard. The only sustainable solution - in a free-market context - is to focus on quality and innovation, so that Europe can produce the higher-skilled employees required for our increasingly sophisticated and high-value shipping industry. Securing full employment and the right balance of skills in the economy falls to governments. But the challenge of delivering the right quality of skills in a particular sector falls squarely on business – and it is one we as a shipping industry are happy to accept.

The second challenge is one almost entirely for governments. It's the need to ensure that the employment-costs are competitive. Of course, shipping accepts willingly the clear responsibility to operate efficiently, manage our costs properly and meet the wide-ranging technical standards required of us. But the assurance of a fair and positive climate which encourages training and employment for EU nationals is again directly the responsibility of governments.

Let me take a step back here, because the training and employment of seafarers doesn't happen in isolation. Shipping is only one part of a much wider "cluster" of commercial maritime activities.

We are fortunate in Europe to have a longstanding and magnificent tradition of diverse maritime activity. Indeed, together, we have the largest maritime cluster in the world.

You'll not be surprised to find a shipowner argue that it is shipping which is both the heart and the catalyst of most business within the cluster! But the true extent of maritime activity goes far wider than ship owning. From ports to towage, from shipbuilding and ship support to marine equipment manufacture, from off-shore oil and gas exploration to other sub-sea technology applications, from renewable energy operations to fishing and mariculture, from the naval fleets to coastal rescue services, from financial and legal services to technical support services such as ship-classification and surveying, from marine leisure services to yacht-building, from educational institutions to professional and charitable associations.

This is an exciting time. Perhaps for the first time, these sub-sectors are beginning to recognise that they have common interests and common concerns, and to realise the value of working together.

Many of the clusters have common concerns on skills too. In some cases, these are shared with land-based industries – for example, the constant shortage of quality engineers. In others, the concerns stem directly from the decline in the numbers of professional seafarers, particularly officers. This is crucial because so many shore-based maritime jobs need practical seafaring expertise which can not be acquired by any other way than through significant periods of service at sea.

In a number of countries, including the United Kingdom, the interlinkages between these different maritime careers have been recognised openly in our careers and recruitment efforts. We now promote not just a career at sea, but a career with opportunities across the entire maritime sector, which would begin with a solid

professional training including ten years of seagoing experience before moving into shore-based jobs in other parts of the maritime cluster.

We have an excellent example in the Sea Vision initiative. It is an awareness campaign which aims to educate the general public about the importance both of the sea and – through that – of all maritime activities. It focuses specifically on young people, both because they are “our future”, but also because we need them for our future maritime workforce, at sea and ashore in the wider cluster.

Sea Vision partners combine forces on a regular basis at high-profile national events and regional careers exhibitions and work together at these in “maritime zones”. No longer working in isolation, they are seeking to demonstrate the cluster and the full opportunity of a maritime sector career in a concrete way.

In the UK, this cooperation is also a practical reality in training. The maritime services – shipping, ports, fishing, and some leisure activities – are combining their training expertise and processes in a Maritime Skills Alliance.

Returning to the first of the two challenges I set out earlier, delivering the right quality of skills for shipping and the wider cluster for the future is a key challenge. An important feature here – in a world where young people, parents, teachers and careers professionals are all focused on degree-level qualifications – is to ensure that a seafaring career can meet their aspirations as well as offer the more traditional apprenticeship entry routes.

The second challenge I referred to was the role of governments – and, by implication, the European Institutions – in supporting both the right training and the right employment environment for EU officers and ratings. Let me acknowledge up-front the invaluable understanding displayed in the Commission’s Maritime Transport State Aid Guidelines. The guidelines acknowledge – in employment and in fiscal matters – the importance of the EU retaining a strong maritime capability and professional skills, and also of ensuring that the cost conditions within the member states remain broadly competitive with those elsewhere in the world.

Thus, there are almost no restrictions on training, and exceptional treatment is allowed for the tax and social security arrangements relating to seafarers. These are vital policy statements and have underpinned EU seafaring employment well over the last decade.

But there are potential threats, both within the guidelines and in other ill-informed proposals which surface occasionally. Because shipping is a global business operating in a global market, it is essential that European shipping is competitive. It is a fact of life that the business will be forced to look elsewhere for a more viable base if the EU becomes uncompetitive. I say this from experience of observing many migrations over the four decades that I have been in this fascinating business.

If individual member states and the European Institutions want to preserve and encourage substantial merchant fleets and significant, sustainable maritime workforces in the long term, then it is vital that they continue to maintain and nurture a positive training and employment climate.

I am not talking here about basic occupational conditions for seafarers on board ship. The shipping industry strongly supports the 2006 ILO Maritime Labour Convention. I am, however, talking about pay levels when the crew are not resident in the flag state and when they live and maintain their families in another country.

The occasional emergence of narrow-minded and sometimes protectionist thinking must be resisted. I would mention one or two examples where warning bells sound for us. The first is the way some interlocutors within the EU Institutions respond to the imperative of globalisation but fail to translate that into an understanding that operations under different flags are just part of the new global world. It does not make practical sense in most cases to treat EU-operated shipping under non-EU flags any less favourably than national-flag operations. The State Aid Guidelines offend here, but so may other provisions.

Secondly, any protectionist or unduly interventionist proposals will certainly drive both ships and seagoing jobs away from the EU – even where they relate to intra-Community trade routes. Unless the EU is going to roll back many years of support for

open-market trading regimes, then non-EU operators are always going to be active in intra-Community shipping. To impose nationality-based restrictions on trading or on employment in these trades would be fundamentally damaging to our industry and ultimately to future job opportunities for EU seafarers.

As I draw to a close, I note that the Green Paper on a Future Maritime Policy highlights skills as a central issue. It is right to do so. As I have tried to point out, the whole matter is of fundamental importance for Europe's maritime future. It is true that "without ships there are no jobs at sea", but just as true that "without people to operate the ships, there can be no shipping industry and indeed no complete maritime cluster". While many EU-based shipping operations are increasingly reliant on non-EU seafarers, we are unlikely ever to reach the stage where the EU industry does not want and require a substantial EU-based seafaring workforce. We need them at sea in charge of some of our most costly investments and equally costly cargoes. We – like the rest of the maritime cluster – also desperately need them later in life, to come ashore into our management and our support services.

In conclusion, we all – businesses, unions, governments and EU Institutions alike – need to work for consistent and positive policies which will underpin both the training and employment of our national seafarers in a competitive way. This is essential if we are – together – to succeed in our common objective of securing a sustainable future for European shipping and the wider maritime cluster.

Thank you

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