

Speech by Mr. Dag Terje Andersen, Minister of Trade and Industry, Norway
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It is a great pleasure for me to participate at this conference. I would like to take this opportunity to present the Norwegian perspective on the main challenges currently facing the maritime industry.

Norway has long traditions as a maritime nation. And we are proud to be an important part of the larger European maritime cluster. We value the close relations we have with the European Union when it comes to maritime and shipping matters.

The Norwegian government supports the development of a new and even more dynamic European maritime policy. We wish to play an active role, and we believe that Norway and the European Union share fundamental ideas on the management of maritime affairs. In our opinion a maritime policy should ensure a holistic approach to all activities with an impact on the marine ecosystem. An effective and progressive European maritime policy is of great importance to Norway, and a goal towards which we will actively contribute.

Norway appreciates that the approach rests firmly on two pillars, namely the Lisbon Strategy on growth and employment, and the effective protection of the environment - in particular the ocean.

Our mutual challenge today, and in the years ahead, is how to maintain the European maritime industries' leading position in an increasingly globalised economy. The maritime policy will

be an important contribution to fulfilling the aims of the Lisbon strategy by stimulating economic growth, competitiveness and jobs in a sustainable manner. Thus, maritime activities should be managed in a way that secure a sound and healthy marine environment. Stimulating entrepreneurship and innovation will prove paramount to succeeding. To do so we need to secure a well-educated and experienced workforce.

Parallel to the international and European initiatives, it is crucial for the future of the maritime industry, that national authorities also develop policies in line with future demands and challenges.

In order for Norway to remain a large maritime nation, it is in my opinion paramount for Norway to maintain and further develop it's shipping industry.

The Norwegian government has singled out the maritime industries as one of five priority areas. This is an area where Norway is considered to have comparative advantages. We have therefore taken the initiative to establish a national maritime strategy. The outcome will be presented later this year. The strategy will cover the challenges of globalization, recruitment and education, environment and how to promote short sea shipping.

Shipping is a global industry. So challenges in shipping require global solutions. We need to ensure high global standards through international rules and regulations in particular through the IMO. Unilateral and regional regulations should, from a Norwegian point of view, be avoided.

The society at large has reason to expect that the maritime industry and maritime regulators perform according to adopted rules and regulations. For that task we need systems that check that also flag states perform in accordance with acceptable standards. The agreement in IMO on an audit scheme for flag states establishes a credible system of the quality assurance of flag states performance. This IMO regulation will be a useful supplement to port state control mechanisms.

The entry into force of important maritime conventions depends upon ratification from a certain number of countries representing a fixed percentage of the world fleet. Norway supports proposals that the EU and EEA Council regularly review and publish a "score board" of EEA Member States' ratification of the most important international maritime Conventions. We believe this will stimulate speedy ratification, entry into force and implementation of important maritime Conventions.

Although seaborne transport is the most environmentally friendly mode of transportation, the environmental challenges related to shipping are enormous. We therefore need to work together on an international level to enhance the environmental performance of this industry.

About two per cent of the total green house gas emissions originate from shipping. Although this is a small proportion of total emissions from transportation, the shipping industry has

to play its part in reducing CO₂ emissions. It is important to find a practical solution on how to regulate Green House Gases in international shipping. Norway supports the work to explore alternative approaches, which is already underway in the IMO. Viable solutions must apply equally to all ships regardless of flag or register.

Local pollutants, like NO_x and sulphur emissions represent a huge problem. Norway supports the Intertanko proposal of a global sulphur cap and the requirement to use distillate fuel for all ships. Ballast water is another challenge for the environment. Through the IMO Ballast Water Convention, we have the regulatory basis for dealing with this problem. However, an effective implementation of the Convention requires new technology.

As a consequence, an essential part of Europe's maritime vision and policy should be to stimulate development of the necessary technology for environmentally friendly seaborne

transportation. This will be a very important contribution to solve our regional and global environmental challenges.

A few weeks ago, the Norwegian Shipowners Association launched a so-called zero emissions policy. Meaning that the Norwegian shipping industry shall not produce emissions that are dangerous for the environment. This is a courageous vision, which of course the Norwegian government welcomes and supports.

In order to reach this ambitious goal, new technology and new solutions are necessary. We have several examples of innovative thinking to this end in Norway. Wilhelm Wilhelmsen, for example, is developing a new vessel concept that is based on solar energy. While, Eidesvik Offshore is developing fuel cell technology, which means zero emissions of NO_x and halved emissions of CO₂, as well as halved fuel costs. These are encouraging examples that demonstrate the technological possibilities.

The EU has introduced various initiatives to increase the use of Short Sea Shipping and intermodal transport. We cooperate fully in these initiatives and share their objectives.

An example I wish to highlight is Norway's participation in the Marco Polo programme. The purpose of this program is to make a shift of transport mode from road to sea and railway.

The promotion of Short Sea Shipping and the related Motorways of the Sea programme, which involve EU funds, should be limited to investments in infrastructure, facilities and studies. We need to ensure equal access for all shipping operators and avoid distortion of competition.

The shipping industry is based on free and fair competition. True competition requires a level playing field. To create this level playing field we need an international agreement on the use of subsidies.

We already have the WTO Agreement on Subsidies and Countervailing Measures for goods. The World Trade Organisation is currently working on a similar agreement to reduce the use of subsidies for services. I am aware that the interest in this work from Member States so far has been rather limited. Our hope is that also other Members will see the merit of reinforcing their efforts in order to reach an agreement so that subsidies for services could be put on par with those for goods. The intention and long-term aim is to establish global state subsidy guidelines where shipping is treated in the same way as all other industries.

In the mean time, the State Aid Guidelines for maritime transport, confirmed until 2011, prohibits net subsidies to EEA shipping and establish a harmonized level playing field. A stable regulatory environment is important in order to ensure sustained growth within the sector.

Some particular intra EEA maritime transport trades like ferry operations, are not exposed to full global competition. Nevertheless the EEA states, including Norway, use large funds to support these activities in order to create a level playing field within the internal market. We therefore suggest that the State Aid Guidelines are revised in order to reduce the need for applying matching subsidies in this particular market.

Thank you for your attention!