



ECSCA

European Community Shipowners' Associations

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EUROPEAN SHIPOWNERS AND MARITIME TECHNOLOGY INDUSTRY CALL FOR DECISIVE ACTIONS AGAINST UNFAIR TRADE PRACTICES AND IN FAVOUR OF GLOBAL LEVEL PLAYING FIELD

Brussels, 5 October 2018

SEA Europe and ECSCA, the trade associations representing respectively European shipbuilding and maritime equipment and European shipowners, welcome the recent statement of EU Trade Commission Cecilia Malmström against unfair trade practices in the Far East. SEA Europe and ECSCA now call upon the European Commission and the EU Member States to take concrete and decisive actions against such practices and in favour of a true global level playing field for the European industry. Market-oriented conditions, rules-based trade, and open markets are essential to allow European shipping, shipbuilding and marine equipment companies to operate internationally.

In response to a question by MEP Bendt Bendtsen, Commissioner Malmström stressed that the European Commission will do what is necessary to shield European shipowners, European shipyards and European maritime equipment manufacturers from the negative impact from competitive distortions resulting from massive subsidies from China and South Korea. The Commissioner recalled that the *“EU is engaging with Chinese counterparts bilaterally as well as with other key shipbuilding nations in plurilateral fora”* to address market-distorting practices. Furthermore, the Commissioner also underlined that the European Commission is paying close attention to South Korea’s recent support measures in favour of its local shipyards, which *“could also be significant”*.

SEA Europe Secretary General Christophe Tytgat said: *“The latest support measures from South Korea are clearly an example of unfair competitive distortions. By creating artificial demands through state aid, South Korea has regrettably contributed to today’s severe overcapacity in merchant shipbuilding and merchant shipping, with dramatic, far-reaching consequences for all market players, first for European shipbuilding and now also for European shipowners and the entire maritime value chain. Europe now needs to be vigilant that the same unfair trade practices with the same potential devastating effects are not repeated in other shipbuilding and shipping segments”*.

ECSCA Secretary General Martin Dorsman said *“The South Korean reform plan is greatly concerning for the European shipowners and shipbuilding industry. These measures create an uneven playing field, hamper the free and equal access to international maritime transport and contribute to the global overcapacity. Part of this plan is also the support to secure stable cargoes for Korean flagged vessels, which is a flag reservation measure of a particularly protectionist character. At a time that protectionist trends are rising, we ask Europe to send a strong message in support of free, fair and rules-based trade.”*

About SEA Europe: SEA Europe, the European Shipyards and Maritime Equipment Association, is the voice of the European maritime technology industry. SEA Europe promotes and supports European business enterprises which are involved in the building, construction, maintenance and repair of all types of ships and other relevant maritime structures, including the complete supply chain of systems, equipment and services. The EU 28 maritime technology industry is currently the leading

global region in terms of aggregated production value of shipbuilding and ship systems production (EUR 112.5 Billion), and an important generator of employment (900.000 direct and indirect jobs).

About ECSA: The European Community Shipowners' Associations (ECSA) is a trade association representing the national shipowners' associations of the EU and Norway. The European shipowners control 40% of the global commercial fleet, contribute 140 billion to the EU GDP and provide 2.1 million Europeans with careers both onboard and ashore. ECSA promotes the interests of European shipping so that the industry can best serve European and international trade in a competitive free business environment to the benefit of shippers and consumers.

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