

A GREEN AND DIGITAL FUTURE FOR THE EUROPEAN MARITIME TECHNOLOGY SECTOR

An ambitious sectoral strategy is urgently needed to ensure a fair and Just Transition of the maritime technology sector which leaves no worker or region behind

SECTORAL SOCIAL PARTNERS' JOINT STATEMENT

The European Commission's Staff Working Document '[For a resilient, innovative, sustainable and digital mobility ecosystem](#)' (2022) called for key stakeholders to engage in a consultation process to work towards the green and digital recovery of the mobility sector (shipbuilding, automotive and rail) following the global COVID-19 pandemic which had a devastating impact on the entire mobility ecosystem.

As the official European social partners for the maritime technology sector, [industriAll European Trade Union](#) and [SEA Europe](#) will continue to actively engage in this process, including by outlining the joint priorities and demands from both industry and workers to ensure a sustainable future for the sector in Europe.

CHALLENGES FACING THE INDUSTRY

COVID-19

The maritime technology sector in Europe generates **1 million jobs** and an **aggregated production value of €128.6 billion**. The sector is **strategic** for Europe's defence and maritime independency as well as essential for many coastal regions across Europe. As such, the huge drop in new orders (90% in terms of compensated gross tonnes (CGT)) and Europe's big dependence on a few niche markets of complex ship types, continue to be a major concern for the European social partners, as clearly evidenced during the pandemic crisis. With demand for cruise ships unlikely to pick up until 2030, urgent diversification and investment in areas such as retrofitting, green technology and offshore renewables, are needed to keep shipyards and workers in work.

A long-standing, **unlevel** global playing field

As well as COVID-19 impacting the European maritime technology sector more than other regions, the European sector also continues to lack behind in terms of its recovery. While China and South Korea experienced much smaller drops in new orders (-16% and -18% respectively), they have also recovered much quicker, partly thanks to **huge state-backed stimulus packages**. These stimulus packages – in addition to already existing state aids – continue to severely distort Europe's competitiveness and explain why (European) shipowners place their orders for new ships – including green ships – in Asia instead of Europe. Unfortunately, the sector in Europe has not received the same support and remains at a competitive disadvantage with the additional issues of European shipyards not benefitting from **trade defence tools**, such as countervailing and anti-dumping measures, because ships are not imported into the EU Customs Territory. Regrettably, there is also the clear risk that the Commission's proposal on foreign subsidies distorting the internal market – despite good intentions – will also not offer any satisfactory solutions or help restore Europe's competitiveness.

Russia's aggression against Ukraine and subsequent sanctions

The European and international sanctions on Russia, following the war in Ukraine, have also adversely impacted Europe's shipyards and maritime equipment itself, and the international fallout has also had an impact on both the price and access to energy and raw materials, putting extra pressure on production in Europe. These impacts have come on top of the consequences of the pandemic crisis, from which Europe has still not fully recovered, compared to its competitors in China and South Korea.

The current high-level and geopolitical issues put additional pressure on the green and digital transition of the European maritime technology sector and provide evidence of the risks for Europe of being too dependent on other countries or regions in the world. This is certainly very valid for Europe's strategic maritime technology sector, especially for Europe's shipbuilding industry, with local shipowners placing most orders in Asia, and European shipyards not being competitive any longer to build merchant vessels. These challenges call for real re-engagement at European level, starting with the Mobility Eco-System Transition Pathway, to ensure a resilient and sustainable future for the sector and avoid the risk for Europe to become entirely dependent on Asia's maritime (technology) sector.

Against this background, the social partners for the maritime technology sector call upon the European Commission, European Parliament, and Member States, to urgently adopt concrete policy actions and to increase investment and support for the sector and its workforce to avoid Europe becoming entirely dependent on Asia's maritime (technology) sector, whilst ensuring a resilient, innovative, sustainable and digital sector, in accordance with the goals of the Mobility Eco-System Transition Pathway.

In particular, the social partners call for:

1. A sectoral approach to safeguard the sector and save jobs:

The European maritime sector continues to face sector-specific challenges on a fierce global market. While there are some common issues facing the three sectors included in the Mobility Eco-System, a sector-specific European strategy for the maritime technology sector is needed now more than ever. In particular, EU action is needed to level the global playing field, ensure fair state aid and provide EU trade defence instruments for the sector.

- ***The social partners urgently ask the European Commission to adopt a sector-specific strategy for the European maritime technology sector to level the global playing field and discuss concrete measures in a Sectoral Expert Group, to be established soon***

2. Action to stimulate domestic demand and keep jobs in Europe:

Post COVID-19, the European maritime technology sector continues to lag behind in its recovery, while other regions, notably Asia, continue to increase their share of new orders, particularly from European shipowners. Stimulus is needed to keep European shipyards afloat and workers with vital skills in work.

- ***The social partners call upon European policy makers to take urgent measures to stimulate domestic demand for innovative zero-emission vessels (e.g. through a dedicated fleet renewal scheme), for the retrofitting of existing vessels, and for the production of green vessels and technology, as well as to continue stimulating R&D to implement the strategic research agendas of the Waterborne Transport Platform in accordance with Europe's ambitious goals.***

3. Increased investment and support to safeguard jobs and protect skills:

The twin digital and green transition will require an increase in investment to ensure that it is a success. As well as investment in research and development in relation to technology and manufacturing, increased support is also needed for reskilling and upskilling, especially in green and digital skills, plus infrastructure, to ensure that shipyards can decarbonise and that green energy is available for the vessels of the future.

- ***The social partners call for concrete EU financial support for the EU Pact for Skills, increased investment in research and development for green technology and vessels, and urgent action to ensure that there is access to affordable and predictable clean energy with the adequate infrastructure in place.***

4. A Just Transition for all workers and regions

Just Transition is at the heart of the green and digital transition of the European maritime technology sector. The European social partners support this transition and will work tirelessly to ensure that Europe leads in producing the most high-tech green vessels and equipment on the global market. This transition must be supported via increased investment and funding, as well as an ambitious European sectoral strategy that allows the European sector to compete on a tough global market.

This transition must also be well managed, and the European social partners oppose any shipyard, region or worker being left behind in this transition. Quality social dialogue must be respected throughout the transition, and impact assessments, workforce planning and investment in upskilling and reskilling will be essential in ensuring a Just Transition. EU industrial strategies should be integrated into regional Just Transition plans for every region, addressing investment needs, R&D, infrastructure and skills. It cannot be forgotten that stable industrial relations will also be crucial to master the twin transformation.

- ***The social partners call for a detailed impact assessment to be carried out at regional, national, and European level that supports social partners in the anticipation of change.***
- ***A more comprehensive EU Just Transition Framework that is based on Social Dialogue between workers and employers and provides for the adequate resources to attract new workforce, support job-to-job transitions and the re- and upskilling of workers.***
- ***The European and national social partners commit to quality social dialogue to anticipate the changes for the workforce brought by the twin challenges of the green and digital transition at all relevant levels - company, regional, national and European.***

A resilient, green, and digital future is possible

The twin green and digital transition will put increased pressure on the European maritime technology sector, which continues to face various challenges at global level. However, for Europe to compete on the global market, it must lead in producing high-tech, high-value green and digital equipment and vessels. And for Europe to be resilient and less dependent on Asia, it must enable the maritime technology sector to diversify its activities. The European social partners are ready to meet these challenges together and call for urgent concrete action and support from EU policy makers, with cooperation and investment also needed at regional and national level.

A resilient, green, and digital future for the European maritime technology sector can only become a reality with real engagement between social partners and policy makers and tangible sector-specific policy actions and support. The establishment of a Sectoral Expert Group, combined with a sector-specific EU industrial strategy, are essential to protect Europe's maritime technology sector. This sector is strategic for Europe's (coastal) defence, for meeting Europe's climate ambitions, for securing Europe's international trade and (renewable) energy demands, and for ensuring a prosperous future for European coastal regions and their local communities and employment.

Brussels, 7 June 2022