

Szczecin Declaration

Joint Declaration by Austria, Belgium, Bulgaria, Croatia, Cyprus, Denmark, Estonia, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia on enhancing the global competitiveness and resilience of Europe's shipping, shipbuilding and maritime manufacturing sector and the EU Industrial Maritime Strategy

HAVING REGARD TO

- The Draghi Report: *„The future of European competitiveness”*;
- The Commission Communication on *„A Competitiveness Compass for the EU”*;
- The Clean Industrial Deal: *„A joint roadmap for competitiveness and decarbonisation”*.
- The Council conclusions on industry: *„A competitive European industry driving our green, digital and resilient future”*,

ACKNOWLEDGING the strategic role of European shipping in Europe's energy supply, supply chain, and food security, and highlighting the need to strengthen its global competitiveness amid international competition, geopolitical tensions and trade protectionism.

ACKNOWLEDGING the strategic role of the shipbuilding and maritime manufacturing industry for Europe's strategic autonomy, security and defence and the urgent need to ensure a level-playing field vis-à-vis extra-EU competition while securing a strong positioning on new decarbonization technologies.

ACKNOWLEDGING the significance of internationally-recognized regulations and Conventions, especially those established by the IMO and ILO, along with their global ratification, effective enforcement, and implementation, in promoting a fair and consistent framework for safe, secure, and environmentally responsible maritime transport, thereby ensuring the sustained competitiveness of the EU's shipping sector.

ACKNOWLEDGING the vital contribution of seafarers to the EU economy and sovereignty and the need to uphold their rights and decent working conditions, especially in ensuring territorial cohesion within the European Union.

ACKNOWLEDGING that the EU transport sector, including maritime transport, is facing a shortage of skilled professionals, with an aging workforce and demanding working conditions. The shipping sector is estimated to require re- and up-skilling up to 250,000 EU seafarers in the next 10 years, with new training needs related to the use of advanced technologies such as alternative fuels and automated ship management.

ACKNOWLEDGING that the shipbuilding and maritime manufacturing technology industry has an ageing workforce, with 40% of the current staff expected to retire by 2030, and is facing important re-skilling needs to cope with the challenges resulting from the green and digital transitions.

EMPHASIZING that maritime security is essential for safeguarding trade routes, shipyards, ports, and other maritime infrastructure, thereby contributing to Europe's strategic autonomy and the resilience of its maritime industrial base.

RECALLING that the EU Maritime Security Strategy contributes to ensuring safe and secure maritime transport routes, thereby safeguarding Europe's access to global markets and reinforcing the competitiveness of the EU shipping and shipbuilding sectors.

ACKNOWLEDGING that high energy costs are putting pressure on both EU industry and citizens, leading to a potential drain of critical industries that drive the EU's economy and resilience and create quality jobs, and noting that the current situation is undermining the EU's global standing and international competitiveness.

ACKNOWLEDGING that, despite the EU-controlled shipping fleet represents approximately 35% of the world's fleet in terms of global tonnage, its market share in terms of the gross tonnage substantially dropped over the recent years from 38,5% in 2018 to 33.6% in 2024, owing to the intensification of international competition.

ACKNOWLEDGING that the distortive effects of targeted public subsidies in some third countries have been particularly acute in the shipbuilding sector, while the shipbuilding State aid was abolished in Europe in 2013.

ACKNOWLEDGING that over the years European shipowners have become fully dependent on Asia for merchant shipbuilding, which supplies 94% of global shipbuilding, and that this dependence poses an economic security risk, especially in a period of increased geopolitical tensions.

ACKNOWLEDGING that the EU banking rules, due to strict prudential requirements, have made European commercial banks risk averse and pushed them out of ship financing, with a negative impact on maritime investments in Europe, whereas other jurisdictions offer attractive leasing solutions for shipowners to acquire ships without the need for large upfront capital.

ACKNOWLEDGING that the European Union's climate agenda poses important challenges as well as opportunities for the maritime sector and that decarbonization must not come at the expense of competitiveness. According to the Draghi report, the investment needs to decarbonize the international maritime sector amount to around EUR 39 billion per year between 2031 and 2050.

ACKNOWLEDGING that the strategy must preserve and enhance the competitiveness of SMEs, which constitute the backbone of EU shipping and face significant financial and administrative burdens.

ACKNOWLEDGING that the Strategy must address the needs and special characteristics of all segments of the sector, including the bulk/tramp segment, which represent approximately 85% of global seaborne transport work.

ACKNOWLEDGING that the shipping's climate agenda is also guided by IMO environmental targets and financial mechanisms, and that European shipbuilders and shipowners must be supported to meet those ambitious targets, and thus maintain Europe's credibility in terms of environmental transition and decarbonization.

ACKNOWLEDGING that in order to achieve the objectives of decarbonising ships in relation to port infrastructures, it is necessary to establish a European sovereignty on the production of sustainable fuels and support low-carbon solutions.

REAFFIRMING the objective of supporting the long-term global competitiveness of the European shipping, shipbuilding and maritime manufacturing industries in world markets, in the face of increasing international competition, geopolitical tensions and trade protectionism.

RECALLING the Council Conclusions of 5 June 2020 on "EU Waterborne Transport Sector – Future outlook: Towards a carbon-neutral, zero accidents, automated and competitive EU Waterborne Transport Sector".

CALLING ON the European Commission to adopt, as a matter of urgency, the EU Industrial Maritime Strategy, with impactful measures to address the current policy and regulatory gaps and set out an ambitious, comprehensive, and, fit-for-purpose holistic framework to support the EU maritime sector and Blue Economy, including the following:

1. REINFORCING THE GLOBAL COMPETITIVENESS OF THE EU SHIPPING, SHIPBUILDING AND MARITIME MANUFACTURING INDUSTRY

An EU Industrial Maritime Strategy should propose actions that:

- Ensure the EU's competitiveness and strategic autonomy and attract Europeans to work for the EU shipping, shipbuilding and maritime manufacturing industries and on the EU-designed, built, flagged, and operated ships, thereby safeguarding the European knowledge and expertise in the sector.
- Ensure a fit-for-purpose regulatory and taxation framework to make the ships registration under the EU Member State flags attractive.
- Ensure the international competitiveness of the EU shipping sector and a global level-playing field by maintaining the State Aid Guidelines and appropriately aligning EU regulations with the international regulatory framework.
- Ensure a level-playing field vis-à-vis extra-EU competition on shipbuilding, as EU industry is losing momentum in the face of trade practices causing price differentials of 30% to 40% compared with EU production.
- Maintain existing shipbuilding industrial base in the EU with complex and value-added ships, and platforms, including cruise ships and inland navigation vessels or in new concepts for unmanned vessels or marine drone technology whilst regaining leadership in ferries, shortsea vessels, cabotage, energy transport and research vessels and becoming a global leader in the production of floating technologies and in the supply of vessels for the installation and maintenance of offshore renewable energy installations and other specialized vessels, including icebreakers, and icegoing vessels.
- Ensure the preservation and development of shipbuilding infrastructures capable of constructing a wide range of vessels, from small units to large and complex ships, including both civilian and naval types. Such infrastructures, though primarily dedicated to commercial production, must retain the capacity to support naval programmes if necessary. This duality of purpose is essential to the EU's strategic autonomy and industrial sovereignty.
- Enhance the global leadership of European maritime equipment manufacturers and strengthen shipyard capacity by boosting their efficiency through digitalization, automation and re-skilling whilst simultaneously granting them access to foreign markets and ensuring that their intellectual property rights are protected.
- Foster the competitiveness of the maritime sector by promoting continuous upskilling and reskilling opportunities for all professionals working within the maritime cluster. Through collaboration with educational institutions, industry partners, and policymakers, ensure that maritime professionals can seamlessly adapt to evolving industry demands and technological advancements.
- Prioritize digitalization and scalable use of advanced technologies — including artificial intelligence, digital twins, quantum and space technologies, 5G/6G networks, and robust cyber security measures in shipping, shipbuilding and maritime manufacturing. They are key to driving sustainability, operational efficiency, and resilience across the maritime sector as a whole.
- Include Europe's maritime and inland navigation sector in the Sustainable Transport Investment Plan (STIP) with additional measures to de-risk investment needed to swiftly ramp up innovative propulsion technology, charging infrastructure and the production and distribution of safe, affordable and compliant marine fuels across EU ports. STIP should also

be used to enhance access to ship financing, reduce administrative burdens, and respond to real market needs, enabling a competitive and sustainable EU maritime sector.

- Update maritime training and certification pathways to incorporate digital competencies as core components, preparing the workforce for future-ready operations.

2. ENABLING A FAIR AND FEASIBLE ENERGY TRANSITION WHILE PRESERVING THE GLOBAL COMPETITIVENESS OF EU SHIPPING AND SHIPBUILDING

An EU Industrial Maritime Strategy should propose actions that:

- Ensure the European technology leadership across the waterborne value chain, by investments in research, development and deployment of innovations to achieve the green and digital transition for more competitiveness, sustainability and resilience in the context of the next Multiannual Financial Framework.
- Support fleet renewal and retrofitting, as well as investment in the uptake of clean fuels, through financial incentives and tax relief for shipowners and shipbuilders, including small and medium enterprises (SMEs) building and retrofitting vessels in Europe. Such incentives should aim to encourage maritime and inland navigation investment in European shipyards and equipment manufacturers on a globally competitive basis.
- Facilitate access to competitive finance from public and private sources for maritime investments, especially those related to the green and digital transition of shipping and manufacturing, i.a. by addressing prudential requirements that have made European commercial banks more cautious regarding ship financing with adverse effects on the SME-driven bulk/tramp segment, which by nature relies on asset-based lending and cannot easily access capital markets. Use bank financing, the European Investment Bank guarantees, capital markets, and private investors to support the advancement of the industry.
- Facilitate access to European funding for decarbonization projects in the maritime transport and inland navigation sector. Building on existing research and innovation instruments available for the maritime industry at European level to ensure renewal and leadership in cutting-edge technologies, essential for decarbonizing the sector.
- Encourage the expansion of circular and sustainable business models, including ship dismantling in Europe and recognising the need for sufficient capacity, as well as ensure that the recycling yards included in the EU List of ship recycling facilities included in the EU Ship Recycling Regulation (EU SSR) fully comply with the SSR provisions, including the non-discrimination principle enshrined in the Treaty of the Functioning of the European Union (TFEU).
- Prioritize the European preference for vessels in public procurement projects, such as ferries, marine research, offshore energy, and submarine cable development.
- Promote short-sea shipping, and inland navigation as viable, sustainable alternatives to road transport, contributing to congestion reduction and emission targets.
- Support EU ports in installing alternative fuels and shore-based electricity facilities as required by the Alternative Fuels Infrastructure Regulation mandates.
- Ensure regulatory action on fuel supply as decarbonisation depends on the contribution of fuel producers and suppliers.
- Create a bespoke maritime green transition program with due regard to the shipping sector's special characteristics, in order to channel private investments into maritime decarbonization

pathways, including innovative propulsion systems, alternative fuels, shipyard upgrades, and infrastructure development.

- Promote the use of renewable energy on board vessels especially wind assistance and as main propulsion as it is an energy solely available for the maritime transport and where EU players are frontrunners equipment providers by recognising fully the wind and renewable energy on board as a fuel.

3. SUPPORT THE EU INDUSTRIAL NAVAL CAPACITY AND AUTONOMY

The EU maritime industry produces naval capabilities that are key to preserve Europe's strategic autonomy, to defend maritime borders, and to secure critical maritime and underwater infrastructures. In a broader terms it is also a fundamental pillar in strengthening maritime security, which is essential for safeguarding the EU's energy, food and defense supply chains and, by extension its overall strategic security and preparedness.

To this end, the EU should:

- Support cross-fertilization between commercial and naval shipyards and maritime equipment manufacturers.
- Recognise the ports and naval routes as pivotal for the European security, i.e. for the effective functioning of the global supply chains as well as military mobility.
- Fully integrate the ports and naval routes to the European military mobility network, taking into account the constitutional requirements of certain Member States, and provide appropriate support for the development of these points of entry to the European territory, in particular in the context of the Military Mobility hotspots exercise. Revise the scope of military mobility projects to consider vessels and platforms, crewed and un-crewed, as an indispensable part for an effective functioning of the hard infrastructure.
- Ensure funding from the EU defence programmes for the naval segment.

4. CONCLUSION

We, the Member States that endorse the Szczecin Declaration, urge the European Commission to swiftly adopt an EU Industrial Maritime Strategy with a focus on these priorities. A strong, ambitious, fit-for-purpose and holistic strategy is essential to maintain the Union's position as a globally competitive and innovative maritime leader and to enhance the EU's security, by building strategic independence, resilience, and control over its maritime supply chains.