



Revision of Maritime Guidelines

State of play and ways forward

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Maritime Guidelines: Overview

- Raison d'être: decline of EU industry during the 80s up to the mid 90s by registering to "flags of convenience"
- First guidelines adopted in 1989, amended in 1997, current guidelines: from 2004.
- No expiry date but have to be reviewed (but not necessarily revised) within seven years of their application.
- A public consultation on the review of the guidelines launched on 14 February



Objectives of the Guidelines

- **Main objective:** to encourage flagging or re-flagging to Member States' registers.
- **Other objectives:**
 - to improve safety, efficiency, security and environmental protection in the maritime transport,
 - to contribute to the consolidation of EU maritime cluster and competitiveness on world markets,
 - to maintain and improve maritime know-how,
 - to protect and promote employment of European seafarers, and
 - to contribute to the promotion of new services in the field of short sea shipping.



State aid tools of the Guidelines

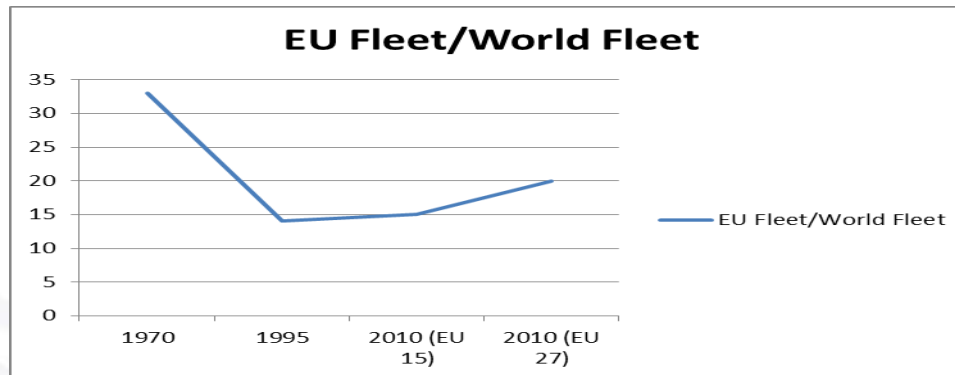
- **Tonnage tax:** the most important measure, replaces corporate taxation with a very low taxation, based on the tonnage of the ships, without any link with the actual profit of the company.
- **Reduction or full exemption from social protection contributions and/or income tax** for EU seafarers: the second most important measure
- *Other measures:*
 - *Crew relief – coverage of travel costs*
 - *Training aid – young cadets*
 - *Short Sea Shipping – encouraging the launching of new maritime services routes replacing roads*



Main messages from the public consultation

- Support for existing guidelines
- Request for stricter conditions regarding European Seafarers
- Guidelines favoured EU flag, employment on board and on shore and clusters
- Request for more clarity and transparency

Possible effects of the guidelines (1)



In the 1980-1992 period: constant decline of the EU fleet in an ever growing global fleet

=> The EU fleet decline stopped at the same time the 1994 guidelines entered into force and the EU fleet has continuously increased since then (even though less quickly than the rest of the world)



Possible effects of the guidelines (2)

Effects on employment

- Increase of total number of jobs provided by shipping industry
- Decline of number of EU-EEA employees
- Development of clusters



Open questions - scope of tonnage tax

- **Leasing companies?**
- **Chartering out?**
- **Financial EIG?**
- **Border between transport and tourism?**



Open questions

- **Treatment of capital gains when entering into tonnage tax**
- **Application of the aid ceiling (chapter 11)**