Mr. Chairman, Ladies and Gentlemen,

First of all, I want to thank the organisers for having invited SEA Europe.

As you know, SEA Europe represents the interests of shipyards and maritime equipment manufacturers in the EU, Norway and Turkey. Our sector is known as the "maritime technology sector" and consists of 300 shipyards and more than 28.000 maritime equipment manufacturers. Together, these companies generate an annual aggregated production value of nearly €129 billion and create more than 1 million jobs. Within SEA Europe, Forum Okretowe defends the Polish interests and Norsk Industri the Norwegian ones.

The maritime technology sector is strategic for Europe in many aspects. The ships built in Europe protect Europe's defence, security and maritime borders but also give Europe access to its seas, trades and to its Blue Economy. The same is valid for the systems, equipment and technologies produced by European maritime equipment manufacturers.

In October 2017, a study carried out for the European Commission concluded that the next 10 years would be decisive for the future of Europe's shipyards and maritime equipment manufacturers. These conclusions were made against the background of Asia's massive state aid distortions, increased trade protectionism and uncertain geo-political tensions. However, with Covid-19, the future outlook of Europe's maritime technology sector looks even more uncertain that at the time of the publication of this Commission study from 2017.

Covid-19 has not only hit Europe much harder than Asia, especially in cruise and passenger shipbuilding. It has also further aggravated existing competitive and trade distortions between Europe and Asia, to the detriment of Europe. In contrast to Asia, Europe's shipyards and maritime equipment companies do not receive specific Covid-19 benefits to survive the pandemic crisis. At best, shipyards and/or maritime equipment companies may receive some funding from the European Commission's €750 billion Recovery and Resilience Fund through the national recovery and resilience plans. But this approach may not only lead to competition within Europe's internal market between those receiving some funds and those who do not receive anything at all. Moreover, this approach will not be at the scale of the support received by Asian companies.

Nevertheless, Covid-19 can – and in my view – should be used as a turning point in Europe's policy towards its shipyards and maritime equipment industry and the European Green Deal offers the perfect political momentum for that.

To make waterborne transport a zero-emission mode of transport by latest 2050, Europe's shipyards and maritime equipment manufacturers will be key since the ships they build or retrofit and the equipment, systems and technologies they produce will turn zero-emission waterborne transport into a reality.

As a result of Covid-19, it is anticipated that there will be hardly any new orders for newbuilt ships between 2021 and 2023/2024. To overcome this demand gap, Member States' governments should invest – via the money from the EU Recovery and Resilience Fund – into fleet renewal and retrofitting programs. But also at EU level, such fleet renewal and retrofitting programmes should be adopted soonest, not only to create demand for shipyards and maritime equipment manufacturers but also to accelerate the necessary significant investments into research and development of innovative green technologies and sustainable alternative fuels and their integration onboard ships.

Covid-19 has learnt us a crucial but hard lesson: Europe cannot afford being too dependent on foreign nations and this is certainly also true for its maritime technology sector, where merchant ships are mostly built in Asia and offshore activities have partly moved to Asia as well, whilst Europe itself has become too dependent on a limited number of complex ship types, with all risk in case of a crisis.

The pandemic crisis and the promising prospects of the European Green Deal are therefore an excellent wake-up call for Europe. In my view, Europe should at least answer the following two questions:

- Why is it that European shipowners are the only ones in the world to place only 5% of their orders in local shipyards and 95% abroad, i.e. in Asia?
- Is it not time for Europe to adopt a sector-specific policy that stimulates domestic demand into European shipyards, particularly in view of zero-emission waterborne transport, whilst safeguarding its current global leadership in complex shipbuilding and maritime equipment manufacturing?

Ladies and gentlemen, as we speak SEA Europe is trying to answer these and other questions with its membership with an aim at defending the answers towards all relevant decision-makers, including the European Commission. The ultimate goal being two-fold: Ensure that Europe maintains control over its own strategic maritime industry, safeguards its maritime autonomy and guarantees a bright future for the sector and its current and future workers.

Many thanks for your attention.