

INTERVIEW WITH NEW SEA EUROPE CHAIRMAN KJELD DITTMANN

## **“Trade agreements and collaborative RDI essential for future growth”**

**Following his appointment as SEA Europe Chairman at the end of June, Kjeld Dittmann is brimming with energy as he prepares to meet with Europe’s policymakers on behalf of Europe’s shipyards and maritime equipment suppliers. At its recent General Assembly in Istanbul, SEA Europe’s 23 national maritime technology associations and their members were united in their call for better international frameworks promoting fair competition and equal access to markets, as well as increased focus on Research, Development and Innovation (RDI). In this interview, Mr. Dittmann, who is the Managing Director of Denmark’s Lyngsø Marine A/S, shares his aims for his SEA Europe Chairmanship.**

**Is Europe’s maritime technology sector concerned by macroeconomic trends like commodity prices, and oil in particular? Will this affect future growth?**

**Kjeld Dittmann:** “Market forces naturally impact Europe’s maritime technology sector, but that’s nothing new. We’re certainly concerned to see that some shipyards and suppliers have been hit hard as a result of reduced investment in offshore oil and gas. However, I don’t think it represents a megatrend. In fact, this kind of jolt is not entirely negative. Sometimes these challenges are what we need to rethink our strategy and push ourselves to improve what we do. Shipbuilding has always been a very cyclical business and as an industry we know how to succeed in our markets. Not because we’re cheaper, but because we’re more flexible and more innovative. The big threat to our future growth is not the cyclical demand of markets, but rather the unequal access to markets.”

**On that note, as the EU negotiates with the US on the Transatlantic Trade and Investment Partnership (TTIP), are the US cabotage laws (the Jones Act) on the negotiating table?**

**Kjeld Dittmann:** “Yes, absolutely. SEA Europe has been very active on this front, cooperating with the European Commission. We believe working towards constructive trade agreements is essential to our future growth, not only in transatlantic trade but also with Asia – for example the EU-China Investment Agreement negotiations. Maritime technology is a global market and it’s in Europe’s interest to ensure our

industry has equal access to other regions on a level playing field. After all, we are a growth industry that generates more than €91 billion turnover annually and employs more than 500,000 Europeans. So we have a major role to play in Europe's future growth and our policymakers should make sure we have a fair chance at that."

**Critics point out that markets within Europe are not entirely open. Does that weaken Europe's position in negotiating global trade agreements?**

**Kjeld Dittmann:** "Scrutiny of state-subsidised shipbuilding schemes is certainly justified, although I must say that the EU has very strict rules on this and no country in Europe can be compared to the extreme protectionism seen in some other parts of the world. Generally, Europe's maritime technology sector is a good example of a very modern, export-driven industry that is open to fair competition, with complex cross-border supply chains. But we want the Commission to be very clear and work to eliminate unfair national schemes. We know it's not a solution; it only damages the industry in the long run. It's better to stimulate innovation."

**Isn't Europe at risk of losing European jobs to low-cost labour countries?**

**Kjeld Dittmann:** "Well, a lot of that shift has already happened and it hasn't led to the downfall of our industry. In fact, if you look at our manufacturing sector today, Europe provides 48% of the global demand for maritime equipment – we're number one in the world. Just looking at shipbuilding, Europe's order book was worth more than €17 billion in 2014. Europe ranks number three in the world [behind South Korea and China] and we are arguably the number one builder of specialist, high-tech vessels, such as passenger and offshore ships. Plus, Europe is also the base for many multinationals where, even if manufacturing and construction takes place outside Europe, much of the highly skilled, high-value employment is here in Europe."

**With the shortage of technical skills in Europe and the knowledge gap closing around the world, will Europe be able to maintain its RDI leadership and ensure future growth?**

**Kjeld Dittmann:** "In Europe we have the know-how and creativity to develop the most high-tech, innovative solutions, but we also need the right framework to stimulate research and innovation opportunities. We know tomorrow's innovations won't just pop up in our own backyards. Our sector has to push itself and find new, fruitful ways to collaborate. We need to challenge and inspire each other and there's no better way than to collaborate across our borders. Particularly with the skills shortage, we're stronger working together. The European Commission and industry can together do more to stimulate innovation, reduce barriers and facilitate cross-border consortia. That has long been a priority for SEA Europe and programmes with the European

Commission like LeaderSHIP 2020 and the Waterborne Technical Platform are the result. The mutual recognition of class type approvals will also make it easier and cheaper to bring new products to the market.”

**How important is European funding, such as the Horizon 2020 programme, in developing new innovations and stimulating future growth?**

**Kjeld Dittmann:** “These instruments drive the innovations that will underpin the European Commission’s long-term strategies to address many of Europe’s societal challenges. That means facilitating a sustainable future with zero emissions and with energy-efficient and safe ships, for example. Plus the Commission’s Blue Growth strategy sees a strong future for ocean energy, aquaculture, seabed mining and blue biotechnology. So these long-term policies have great potential as a vehicle for innovation and future growth. The development of offshore wind over the last two decades proves that potential. However, it’s important to note that our industry invests much more in RDI than we receive in funding. So we think there is an opportunity for more productive and targeted RDI by joining forces with the Commission. That’s why the industry has created ‘Vessels for the Future,’ a platform to develop long-term RDI roadmaps with the aim of establishing a public private partnership (PPP) with the Commission for the maritime transport sector. The Commission should grasp this opportunity provided to them and engage with the industry as soon as possible through the adoption of a PPP that works for the benefit of European society as a whole.”

**What role will waterborne transport play in Europe’s future compared with other transport modes?**

**Kjeld Dittmann:** “I think that the whole maritime cluster can better communicate the greener, safer and smarter benefits of waterborne transport over road and other transport alternatives to our policymakers. We’re competing with very vocal road, rail and aviation industries within Europe. Plus, there are still many opportunities for innovative sustainability solutions that make waterborne transport more efficient and more environmentally friendly.”

**Will the confusion and delays around environmental regulations reduce investment in green innovations, for example the IMO’s Ballast Water Management Convention?**

**Kjeld Dittmann:** “Yes, we’re already seeing that, which is a significant risk for our sector. Europe’s maritime technology sector is leading the world in innovative solutions to environmental challenges. We’ve been the First Movers investing in technology for tomorrow’s markets, and so have the ship owners who have fitted this equipment, but the lack of transparency and clarity about enacting and enforcing regulations puts jobs

and investments at risk. Europe needs to show political leadership and not be too shy to enforce those measures, particularly when our own industry has stuck its neck out to develop the green technology solutions.”

**You already mentioned the skills shortage. Why should young people choose a career in maritime technology?**

“We work in a challenging and also very rewarding industry, creating a great variety of products. A lot of what we do is really pretty spectacular and we should do more to share that with younger people. Careers in maritime technology are exciting, high-profile and can make a real contribution to achieving Europe’s ambitions for the future.”

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**About SEA Europe**

Denmark’s Kjeld Dittmann, the Managing Director of Lyngsø Marine A/S, was appointed the new Chairman of SEA Europe in June 2015. He has nearly 30 years of experience in maritime equipment manufacturing and extensive experience in Brussels, including the previous 3 years as a Vice-Chairman of SEA Europe. SEA Europe represents National Associations in 16 EU Member States plus Norway and Turkey, with a membership base including close to 100% of the European maritime technology industry.

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