

**“A NEW INDUSTRIAL STRATEGY FOR EUROPE”,
A “SME STRATEGY FOR A SUSTAINABLE AND DIGITAL EUROPE”
SEA Europe’s Position Paper**

EXECUTIVE SUMMARY

- SEA Europe¹ very much welcomes the Commission Communications on a “*New Industrial Strategy for Europe*” and on a “*SME Strategy for a sustainable and digital Europe*” and **calls upon the European Commission to recognise the strategic role of Europe’s maritime technology sector** in the development and implementation of these initiatives. Equally, SEA Europe calls upon the European Commission to make the maritime technology sector a priority of other forthcoming Strategies, such as “*Smart and Sustainable Mobility*” and “*Offshore Renewable Energy*”. The maritime technology sector is indeed strategic for Europe, throughout its entire value chain, as explained in SEA Europe’s White Paper “*Maritime Technology in Europe: A Strategic Solution Provider for Major Societal Challenges*”, issued in October 2019 (available [here](#)). Against this background, **SEA Europe fully supports the European Commission’s intention to “systematically analyse the different ecosystems and assess the different risks and needs of industries” and calls upon the European Commission to select the maritime technology sector amongst the ecosystems that require tailor-made solutions.**
- **SEA Europe appreciates that the Communication on a “New Industrial Strategy for Europe” has recognised the key role of Europe’s shipbuilding industry and its supply chain, as a driver for climate and digital transitions.** In this respect, SEA Europe underlines the need for the European Green Deal Investment Plan and the European Innovation Council for SMEs to have a special focus on the maritime technology industry. Moreover, SEA Europe calls upon the European Commission to approve the selected Co-Programmed Partnership on Zero-emission Waterborne Transport in the framework of Horizon Europe, as a necessary instrument to realize an important part of the European Green Deal. Finally, SEA Europe calls for the selection of an Important Project of Common European Interest (IPCEI) on “Connected and Automated Waterborne Transport”.
- **SEA Europe looks forward to the announced Renewed Strategy for Sustainable Finance** and calls upon the European Commission to fully consult with shipyards and maritime equipment companies, in particular in the discussions on an EU taxonomy of sustainable maritime activities for financing and investment purposes.
- **Whilst welcoming all these initiatives, SEA Europe reiterates the need for the European Commission to complement all afore-mentioned communications and strategies with the urgent adoption of adequate tailor-made sectoral policies and actions in support of the specific needs, challenges, threats and opportunities of Europe’s shipyards and maritime equipment industry.** Inspiration for such sector-specific industrial strategy can be found in the above-mentioned SEA Europe’s White Paper “*Maritime Technology in Europe: A Strategic Solution Provider for Major Societal Challenges*”. To be effective, these complementary sectoral policies and actions should be developed in close cooperation with the representatives from the maritime technology sector.
- On the **substance** of the Communications on a “*New Industrial Strategy for Europe*” and on a “*SME Strategy for a sustainable and digital Europe*”, SEA Europe wants to highlight the following points:

¹ SEA Europe represents close to 100% of the maritime technology industry in 16 nations, including EU Member States, Norway and Turkey. The maritime technology sector encompasses the building, maintenance, repair, retrofitting and conversion of all types of ships and floating structures – commercial as well as naval – including the full supply chain with the various producers of maritime systems, equipment material, technologies and services.

- On **trade and competition**, SEA Europe considers the European Commission's "*White Paper on a new instrument to tackle foreign subsidies*" as an appropriate means to address the current lack of any trade defence instruments in support of Europe's shipyards and to tackle the adverse consequences from the long-lasting aggressive and unfair competitive distortions resulting from Asian State-led policies and practices. In this respect, **it is time for the European Commission to adopt a specific EU instrument to effectively deter any foreign unfair trade practices and competitive distortions with an aim at securing the survival and growth of Europe's maritime technology sector.** The same EU instrument should also ensure a proper enforcement of EU rules aiming at stimulating only fairly traded ships to operate in European waters and ports. To that end, SEA Europe calls upon the European Commission to **set up a dedicated Task Force**, with representatives from the maritime technology sector, to develop such instrument. **This White Paper should also adequately tackle access of foreign, state-owned companies to procurement markets and EU funding. It should also apply stricter rules on the use of EU funds, based on criteria of conditionality and reciprocity, in order to stimulate shipbuilding-related projects in the EU.**
- For Europe's maritime technology sector, the initiatives foreseen in the Commission Communications on a "*New Industrial Strategy for Europe*" and on a "*SME Strategy for a sustainable and digital Europe*" on **skilling and reskilling** are very important topics since the maritime technology sector needs highly skilled workforce, with very specific technical skills and knowledge, in order to maintain its global leadership, innovation and competitiveness. Equally, SEA Europe welcomes the EU Gender Strategy as a means to attract also highly skilled women to the maritime technology sector. Furthermore, SEA Europe stresses the importance for the European Commission and Member States to help the maritime technology sector in organising EU and national-wide promotional and awareness campaigns to attract (young) talent to the strategic maritime technology sector. In addition, SEA Europe calls upon the EU to enable shipyards and maritime equipment companies to attract the necessary skills and talent from outside the EU will help the maritime technology sector in coping with its current labour needs. Finally, SEA Europe agrees with the need to invest in life-long-learning, both at company and sectoral levels, and strongly supports the promotion of collective action of industry, Member States, Social Partners and other stakeholders through a new 'Pact for Skills'.
- On **Intellectual Property Rights**, SEA Europe welcomes the adoption of a new Intellectual Property Action Plan as a means to upgrade the legal framework, ensure a smart use of IP and enhance the fight against IP theft. This is a particular problem in Europe's maritime technology sector, which is characterised with complex and innovative products. Equally, SEA Europe welcomes the European Commission's intention to support Initial Public Offerings (IPOs) of SMEs through a new private-public fund and to strengthen venture capital financing through the so-called ESCALAR initiative.
- On **administrative burdens**, SEA Europe calls upon the Europe Commission to make use of the upcoming *SME Strategy* to make significant progress on an EU system for mutual recognition of ship classification, in order to reduce effectively the administrative burdens and related certification costs for European maritime equipment companies, without compromising maritime safety.
- SEA Europe considers the implementation of the foreseen programs with particular regard to the **European Defence Fund (EDF)**, based on the initial Commission proposal, as an essential element towards the development of European critical capabilities based on the strengthening of coordination, interoperability, and ever close common requirements. Furthermore, on **civil-naval defense cooperation**, SEA Europe looks forward to supporting and assisting the European Commission in the preparation and implementation of the "*new Action Plan on synergies between civil and defence industries*" and calls upon the EU to create possibilities for cross-fertilisation between civil and military technologies (dual-use technologies), both for shipyards and maritime equipment companies.

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1. INTRODUCTION

As a founding member of the “[Industry4Europe](#)” Coalition, SEA Europe – the Shipyards’ and Maritime Equipment Association of Europe – very much welcomes the Commission Communications on a “[New Industrial Strategy for Europe](#)²” and on a “[SME Strategy for a sustainable and digital Europe](#)”³. Both documents contain relevant actions for Europe’s shipyards and maritime equipment industry (known as the “*maritime technology sector*”), a highly innovative industrial ecosystem of strategic importance for Europe.

Several points included in the new Industry Strategy, such as the upcoming White Paper to address distortive effects caused by foreign subsidies, an Intellectual Property Action Plan, and a renewed focus on innovation, investment and skills, are all key points for SEA Europe. **What is necessary is to ensure that those actions are implemented also at sectoral level.** In this regard, SEA Europe is preparing a response to the Communication on the New Industry Strategy and the SME Strategy highlighting the maritime technology industry’s concrete needs in these topics. (e.g. the new Pact on Skills at sectoral level should be accessible for SEA Europe and its social partner).

Whilst welcoming both Communications, SEA Europe draws attention to the fact that they only contain horizontal strategies, applying to all industries in Europe regardless of their individual sectoral specificities, needs and challenges. **For Europe’s maritime technology sector, however, SEA Europe calls upon the European Commission to complement these horizontal strategies urgently with a tailor-made sector-specific industrial strategy**, aiming at enabling shipyards and maritime equipment manufacturers to survive aggressive competitive distortions (mainly from Asia), whilst coping with its own challenges, needs, threats and opportunities. Inspiration for such sector-specific industrial strategy can be found in SEA Europe’s *White Paper “Maritime Technology in Europe: A Strategic Solution Provider for Major Societal Challenges”*, issued in October 2019 (available [here](#)).

With this position paper, SEA Europe outlines its views on both Communications and calls upon the European Commission to adopt the afore-mentioned tailor-made sectoral industrial strategy for Europe’s maritime technology sector in close cooperation with the representatives from this sector. In this connection, SEA Europe looks forward to joining the “*Industrial Forum*”, announced in the “*New Industrial Strategy for Europe*”.

2. MAKE THE MARITIME TECHNOLOGY SECTOR AGAIN A PRIORITY OF EU (INDUSTRIAL) POLICIES

- **A strategic sector for Europe**

With a production value of €120 billion, more than 22.000 large and SME companies and more than 1 million jobs, Europe’s maritime technology sector is key for Europe’s economic growth, employment and welfare creation. The sector is also one of the core pillars of Europe’s maritime cluster and Blue Economy. To date, Europe’s shipyards are global leaders in the building of innovative complex ships

² COM(2020) 102 final

³ COM(2020) 103 final

as well as in the retrofitting of vessels into environmental-friendly ships. Europe's maritime equipment and supply industry is a global leader in the production and supply of innovative advanced maritime equipment, systems and technologies. This global leadership directly results from the sector's continuous investments in highly skilled workforce as well as in research, development and innovation (RDI). With an annual investment of about 8 to 9% of its turnover in RDI, the sector is one of the most RDI intensive sectors in Europe.

SEA Europe highly appreciates that the Communication on a “New Industrial Strategy for Europe” recognises the key role of Europe’s shipbuilding industry and its supply chain, as a driver for climate and digital transitions. Europe’s shipyards and maritime equipment manufacturers are indeed key enablers and solution providers for many EU long-term policies. The ships, offshore platforms and maritime technologies built or produced in Europe, for instance, will contribute to making waterborne transport climate-neutral by 2050 (see European Green Deal). They will also enable the EU to realize its Blue Economy ambitions. They are, furthermore, key in making waterborne transport, ports and logistics’ chains in the EU better connected and more digital (see EU’s Mobility and Artificial Intelligence policies). Finally, they contribute to protecting Europe’s defence and security and thus to securing Europe’s political and economic independence.

- **A global leadership at risk without a sector-specific industrial strategy**

For the afore-mentioned reasons, it is of paramount importance that the EU secures the global leadership of Europe’s maritime technology sector in complex shipbuilding and in advanced maritime equipment manufacturing. However, this leadership position is in danger as foreign countries (mainly from Asia) aim at taking over Europe’s global leadership in complex shipbuilding as well as in advanced maritime equipment manufacturing. To that end, they, inter alia, make use of the same aggressive State-led industrial policies and strategies, financial support (including massive state aid, cheap ship finance or below-production costs) and unfair trade practices that have already helped them in conquering Europe’s previous leadership in merchant shipbuilding (the building of tankers, bulkers and containership) and partly in offshore building.

Past experiences have clearly shown that EU horizontal industrial policies (e.g. on trade defence) have been insufficient and ineffective to enable shipyards in Europe to protect themselves against Asian aggressive state-led competitive distortions and trade protectionism in merchant shipbuilding and partly in offshore building. This explains why these markets have almost completely disappeared in Europe.

Without any tailor-made sectoral industrial strategy in Europe, Europe’s maritime technology sector risks to lose its current global leadership in complex shipbuilding and in advanced maritime equipment manufacturing as well. This risk is real and was already recognised in a European Commission study in October 2017⁴. This study concluded that the next decade will be decisive for Europe’s shipyards and maritime equipment companies as it will determine whether the sector will be able to continue to innovate, grow and survive or, will decline and ultimately disappear.

Without its own maritime technology sector, the EU will become entirely dependent on foreign (mainly Asian) maritime technology companies, for instance, for implementing its own long-term ambitions. The danger of becoming entirely dependent on one region or country (e.g. China) has recently been demonstrated by the COVID-19 outbreak (e.g. as regards strategic medical equipment) and should not be replicated in the strategic maritime technology sector.

Against this background, SEA Europe welcomes the European Commission’s intention to “systematically analyse the different ecosystems and assess the different risks and needs of industries”. **SEA Europe calls upon the European Commission to do so for Europe’s shipyards and maritime**

⁴ “Study on New Trends in Globalisation in Shipbuilding and Marine Supplies – Consequences for European Industrial and Trade Policy”, BALance, October 2017.

equipment industry as well, by selecting the maritime technology sector amongst the ecosystems that require tailor-made solutions.

In conclusion, to secure its survival and growth, **it is of utmost importance for the European Commission to place the maritime technology sector again on top of its new industrial policies**, including the forthcoming Strategies on “*Smart and Sustainable Mobility*” and “*Offshore Renewable Energy*”.

3. SPECIFIC POLICY AREAS

a. **Adopting a dedicated EU instrument to tackle international competitive distortions and unfair trade practices in maritime technology**

For SEA Europe, the *White Paper on “A new instrument to tackle foreign subsidies”* is an appropriate means to address the current lack of applicable trade defence instruments in support of Europe’s shipyards. As said before, since many years, Europe’s shipyards have suffered from the adverse consequences from long-lasting aggressive and unfair competitive distortions from foreign (mainly Asian) State-led policies and practices, such as massive state aid, cheap ship financing, and below-production cost pricing. These foreign policies and practices – combined with no adequate trade defence remedies – have resulted in an almost complete loss of merchant shipbuilding and partly of offshore building in Europe, to the benefit of Asia. A similar loss is now occurring in the building of ferries, following China’s determination to take over Europe’s global leadership in complex shipbuilding, including the building of ferries and Europe’s highly sophisticated and advanced marine equipment industry (see “Made in China 2025”).

Whilst SEA Europe still supports the EU’s efforts to strengthen global trade rules on industrial subsidies⁵, **it cannot be ignored that neither WTO nor EU trade defence instruments on imports** (such as “countervailing” or “antidumping” duties) **have given any protection to Europe’s shipyards against Asia’s aggressive trade protectionism and competitive distortions** because of the specificities of the “ship” product and its purchase transaction, i.e. contrary to most other manufactured products, ships are generally not “imported” for resale.

Despite several attempts and the EU’s best efforts in this respect, a legally binding international or plurilateral trade agreement amongst shipbuilding nations (e.g. on a price discipline in global shipbuilding) has not yet been successfully negotiated, mainly because of South Korea’s political unwillingness to be bound by such agreement. Consequently, since there is no chance for such agreement in the foreseeable future, **the time has now come for the European Commission to adopt urgently a specific EU instrument to effectively deter any foreign unfair trade practices and competitive distortions in maritime technology** (such as dumping and trade-distorting subsidization), in order to secure the sector’s survival. **This same EU instrument should also properly enforce EU rules with an aim at stimulating only fairly traded ships to operate in European waters and ports.** To that end, **SEA Europe calls upon the European Commission to set up a dedicated EU Task Force** with an aim at developing adequate trade defence instruments that meet the sector’s specificities and needs. Such Task Force should include representatives from the maritime technology sector.

The White Paper should also adequately tackle access of foreign, state-owned companies to procurement markets and EU funding. This is very important for Europe’s shipyards because third country shipyards, particularly State-owned and thus already heavily subsidized companies in their own country, can currently benefit from EU funds (such as Connecting Europe Facility), whilst themselves undercutting competition through underbidding and avoiding EU shipyards from bidding for similar projects locally. Hence, **for SEA Europe the White Paper offers a unique opportunity to**

⁵ SEA Europe Position Paper on WTO reform, April 2019 (2019 (available [here](#)))

stimulate shipbuilding-related projects in the EU by applying stricter rules on the use of EU funds (e.g. Connecting Europe Facility), based on criteria of conditionality and reciprocity.

SEA Europe equally supports and calls for a swift agreement on the proposed **International Procurement Instrument** aiming at addressing the lack of reciprocity and at opening international public procurement markets. Such instrument should be ambitious enough to create the necessary leverage for the EU to push other countries to open their public tenders to European maritime technology companies, which have often faced *de jure* and/or *de facto* barriers, such as local content policies and other discriminatory practices, when trying to access foreign markets.

SEA Europe agrees with the European Commission that *“in a fast-changing world, and at a time when Europe is embarking on its major twin transitions”*, **the EU should ensure that its “competition rules remain fit for today’s world”**. More specifically, when applying or assessing existing EU antitrust rules, the European Commission should take into account that the global landscape in maritime technology, is characterised by fierce international competition from disruptive state economic models (e.g. China) and/or aggressive State-led industrial policies (e.g. South Korea) because these foreign countries consider maritime technology as a strategic sector. Equally, SEA Europe welcomes the European Commission’s plans to further strengthen the EU Foreign Direct Screening Investment (FDI) Regulation. This regulation is very relevant for the strategic maritime technology sector.

Access to global markets is vital for many European maritime technology companies. SEA Europe therefore supports an **information portal on trade policy and export opportunities** (see *SME Strategy*) and **the creation of a Chief Trade Enforcement Officer**. At the same time, SEA Europe would welcome additional initiatives aiming at **breaking down trade barriers for European maritime technology companies doing business in foreign shipbuilding nations**.

b. Protecting IPR and fighting against IP theft in an IPR intensive maritime technology sector

With around 8-9% of its turnover invested in R&I, over the years, European shipyards and maritime equipment companies have accumulated knowledge and assets of tremendous value. Being active in high value-added market segments, IP protection is key to maintaining European technological leadership on the international market. However, the specific characteristics and a complex regulatory environment of the maritime business create additional challenges in protecting IPRs.

On the one hand, a single vessel can include several innovations (and IPRs) from the shipyard but also from the equipment installed onboard, generating a complex chain of IPRs. On the other hand, the large variety of actors with access to potentially sensitive information during the long lifespan of a ship (+/- 20 years), require special attention to avoid leakages. In addition, the nature of the maritime business makes it very difficult to identify IPR violations and installation of counterfeited equipment onboard. This complexity requires a smart management of IP at company level which implies high costs.

SEA Europe agrees with the European Commission that *“most SMEs are unaware of EU and national IP initiatives or fear the complexity and expense of acquiring and enforcing them”*, and therefore strongly welcomes that the upcoming Intellectual Property Action Plan will propose new measures to make the IP system more effective for SMEs. In this line, SEA Europe recognises a challenging scarcity of IP awareness across the sector in Europe and encourages **additional measures intending to facilitate the knowledge and management of IP for SMEs and larger companies in strategic sectors with high IP complexity**.

SEA Europe strongly welcomes a reinforcement of the fight against IPR-violations as well as counterfeiting, and believes that **monitoring and controlling the use and installation of counterfeited maritime equipment or technologies should become a priority** since the use of counterfeited equipment and spare parts onboard ships or offshore platforms can compromise maritime safety and the environment. In this regard, an additional specific challenge for the industry is the exemption of

Paris Convention, which impedes enforcing patents when counterfeited products are installed onboard ships that are part of an international trade lane.

Additional actions to simplify IP registration procedures (e.g. reforming the EU legislation on industrial designs) can be very beneficial, especially for SMEs. However, it must be taken into consideration that **simplifying procedures should facilitate the use of IP tools while maintaining a strong and reliable system.**

c. Classification issues

Europe's maritime equipment industry invests significantly in the certification and approval of its equipment, systems and technologies by Classification Societies. Typically, one maritime equipment company needs a certificate from 7 to 8 different classification societies before it can bring its product to the market and install it onboard ships.

Although Article 10 (1) of Regulation 391/2009 was adopted to reduce this very expensive administrative burden, by means of a mutual recognition of classification certificates and an harmonisation of classification rules, SEA Europe regrets to note that 10 years after this adoption, no meaningful progress has been made since classification societies remain unwilling to move forward. Consequently, existing and expensive administrative burdens for the approval and certification of maritime equipment remain in place, hampering the competitiveness of Europe's maritime equipment companies. **For this reason, SEA Europe calls upon the Europe Commission to use the upcoming *SME Strategy* to make significant progress on an EU system for mutual recognition of ship classification, in order to reduce effectively the administrative burdens and related certification costs for European maritime equipment companies, without compromising maritime safety.**

d. Skilling and reskilling

SEA Europe welcomes the initiatives from the *New EU Industrial Strategy* and the *SME Strategy on skilling and reskilling*. For Europe's maritime technology sector, these topics are very important since the sector needs highly skilled workforce to maintain its global leadership in complex products and its competitiveness in terms of innovation. However, such workforce is very difficult to find in the market, due to a scarcity of dedicated education and training programmes and a serious difficulty to attract youngsters to maritime-related and STEM-careers. These challenges seriously hamper the activities of shipyards and maritime equipment companies in Europe. **SEA Europe therefore fully supports the need for higher and vocational education and training systems** in order to provide for more scientists, engineers and technicians for the labour market. SEA Europe also **agrees on the need to update existing education and training programmes urgently and welcomes the EU Gender Strategy** to attract highly skilled women to the maritime technology sector.

Furthermore, SEA Europe calls upon the European Commission and Member States to **help the maritime technology sector in organising EU and national-wide promotional and awareness campaigns to attract talent.** In addition, upskilling and reskilling remain necessary tools to maintain the sector's current workforce, help workers to adapt themselves to a fast-changing world (e.g. due to the increased use of new and digital technologies), and enhance their career prospects and/or mobility within companies. For this reason, SEA Europe supports the need to **invest in life-long-learning, both at company and sectoral levels.** At the same time, SEA Europe is of the opinion that **the sector should also be allowed to attract the necessary skills and talent from outside the EU to cope with current labour needs and shortages.**

Finally, **SEA Europe strongly supports the promotion of collective action of industry, Member States, Social Partners and other stakeholders through a new 'Pact for Skills'.** Such Pact should be facilitated in coordination with the recognised European Sectoral Social Partners in the maritime technology sector, i.e. SEA Europe for the employers and IndustriAll Europe as trade union. This pact can contribute to addressing the upskilling and reskilling needs of the sector and facilitate relevant public

and private investments in workforce. In this respect, **SEA Europe strongly calls upon policy makers to address these issues at sectoral level** in order to maximise the maritime technology sector's high growth potential and secure the sector's global leadership in complex products.

e. Financing & Innovation

The maritime technology sector is very capital-intensive. In the case of shipbuilding, European yards are in harsh competition with Asia, whereby Asian shipyards – contrary to Europe – benefit from massive state aid and cheap financing. For European shipyards, adequate financing is needed through e.g. EU financing instruments in order to enable them to carry out viable projects and maintain their global leadership in complex products. Against this background, **SEA Europe firmly believes that the European Green Deal Investment Plan and the European Innovation Council for SMEs should have a special focus on the maritime technology sector**, not least because European maritime technology companies, including SMEs and start-ups, develop innovative cutting-edge maritime solutions that will be key to transform waterborne transport into a climate neutral mode of transport, in accordance with the EU's Green Deal targets on climate neutral waterborne transport. To that end, significant investments will be necessary in research and develop (R&D) beyond the current levels of R&D investments. For this reason, SEA Europe welcomes the candidate Co-Programmed Partnership on zero-emission waterborne transport in the framework of Horizon Europe.

Besides R&D investments in innovative green and digital maritime technologies, additional (EU) funds and (EU) financing will be necessary to support the uptake and deployment of existing as well as innovative green and digital technologies and mature alternative fuels. In this respect, it is worth noting that a recent study concluded that a full decarbonization of shipping by 2050 will require a total investment of \$1,4 to \$1.9 trillion. Adding a full decarbonization of inland navigation, this investment will be much higher. For this reason, **SEA Europe calls for a dedicated EU Maritime Fund**, to be financed on the basis of the "polluter-pays-principle". This money can be used to financially support the necessary investments in uptake and deployment of innovative green technologies, alternative fuels and green infrastructure as well as to financially stimulate European first moving companies creating an EU return on investment.

As regards the identification and financing of innovative green technologies, alternative fuels and green infrastructure, **SEA Europe looks forward to the announced Renewed Strategy for Sustainable Finance and calls upon the European Commission to fully consult with shipyards and maritime equipment companies.** This consultation is particularly relevant in the discussions on an EU taxonomy of sustainable maritime activities for financing and investment purposes.

Mobilising private investment and public finance is key where there are market failures, especially for large-scale deployment of innovative technologies. One tool with a proven track record in this area is "*Important Projects of Common European Interest*" (IPCEIs). Member States can use IPCEIs to pool financial resources, act quickly and connect the right players along key value chains. They are a catalyst for investment and allow Member States to fund large-scale innovation projects across borders in case of market failures. Building on experience with recent IPCEIs, the European Commission will explore ways to combine national and EU instruments to leverage investment across the value chain, in full respect of relevant financial and competition rules. In this respect, **SEA Europe calls for an IPCEI on connected and automated waterborne transport as a key asset for the European maritime technology sector.**

Access to finance is also a challenge for SMEs operating in the maritime technology sector. In this respect, **SEA Europe welcomes the European Commission's SME Strategy to support Initial Public Offerings (IPOs) of SMEs (through a new private-public fund) and to strengthen venture capital financing (through the ESCALAR initiative).**

f. Naval issues

Defence programs are based on leading edge technologies, public expenditure, long-term programming and are employing highly skilled European workforce. In times of crisis (being these sanitary or financial crises), such programs are anti-cyclic and serve as mitigation instruments. Furthermore, in a fast-changing geopolitical landscape with cyber, hybrid-and the return of traditional threats, it becomes essential for Europe to keep up with the development of planned capabilities to maintain the right level of ambition. In this frame, for the domain of naval defence, **SEA Europe considers the implementation of the foreseen programs with particular regard to the European Defence Fund (EDF), based on the initial Commission proposal, as an essential element towards the development of European critical capabilities based on the strengthening of coordination, interoperability, and ever close-common-requirements.**

The European peninsula attached to the Euro-Asian landmass, uses sea lines to move around 75% of goods in external trades and around 30% of goods in the internal trades; European maritime choke-points are essential key elements of the overall mobility structure of goods and military assets. It is therefore **urgent to add the maritime dimension to close this serious gap in the military mobility architecture.** Besides docks in ports that need to be prepared for certain military tasks, other key elements should be included in the plan. Repair docks (being on land or floating at sea), shipyards (that have obviously access to sea) and the ships themselves (both civil and naval assets) need to be prepared for the tasks foreseen in the Military Mobility Action Plan.

Finally, on civil-naval defence cooperation, **SEA Europe looks forward to supporting and assisting the European Commission in the preparation and implementation of the “new Action Plan on synergies between civil and defence industries” and calls upon the EU to create possibilities (and built-in-programs mechanisms) for cross-fertilisation between civil and military technologies (dual-use technologies), both for shipyards and maritime equipment companies.** In this regard, SEA Europe draws attention to leading-edge technologies for naval applications, developed by maritime technology companies active in the defence sector, which may also find their way to commercial applications, e.g. for energy generation, management and use.

4. CONCLUSION

SEA Europe very much welcomes the Commission Communications on a “*New Industrial Strategy for Europe*” and on a “*SME Strategy for a sustainable and digital Europe*” but urges the European Commission to complement these (and other) communications and strategies with the adoption of adequate tailor-made sectoral policies and actions in support of the specific needs, challenges, threats and opportunities of Europe’s shipyards and maritime equipment industry. To be effective, these complementary sectoral policies and actions should be developed in close cooperation with the representatives from the maritime technology sector.