

## PRESS RELEASE

### SHIPBUILDING REGIONS SEND A STRONG POLITICAL SIGNAL

A Joint Declaration by 33 Regional Governments on the Future of the European Shipbuilding Industry was handed over today to Prof. Jerzy Buzek, President of the European Parliament, as well as representatives of the European Council, the European Commission and the President of the Committee of the Regions. Jointly, the 33 Regions consider the future of the European shipbuilding industry as a top priority for their economic development in the coming decades and share deep concerns related to the impact of the global shipbuilding crisis.

The social partners of the sector highly appreciated this initiative. Reinhard Lüken, Secretary General of the Community of European Shipyards' Associations (CESA) said: "The joint support from all major shipbuilding regions across the EU underlines the urgency of the issue and the importance of finding joint solutions to the shared worries. The Regions are calling for European leadership. We sincerely hope that the EU institutions take this call up fast. We need decisions!" Ruud van den Bergh, Chairman of the Shipbuilding Social Dialogue Group with the European Metalworkers' Federation (EMF) said: "More than 60 million people are standing behind the position expressed in this Joint Declaration of their Regional Governments. Ten thousands of jobs have already been lost due to the crisis. This is an attractive high-tech industry. We do not want to pay the price for unfair competition from Asia or the mistakes of the banks and speculators. We trust in Europe!"

The positive response of the EU Institutions during the hand-over is encouraging and CESA and EMF thank in particular President Buzek for his clear support.

The social partners in the sector have a long tradition of pulling jointly for shared policy goals. After the successful years since the introduction of the LeaderSHIP 2015 policy, the current global crisis could cause irreparable damage to Europe's outstanding shipbuilding capabilities. The proposed action programme, which resulted from the LeaderSHIP High Level Meeting in September 2009 chaired by Günther Verheugen, then Commission Vice-President in charge of Industry, is considered the right way ahead, if implemented without further delay. The industry needs first of all new orders to limit the employment impact to the minimum. To this end, particularly the concept of an eco-bonus for the replacement of out-dated, unsafe and polluting tonnage in European waters could be effective to bridge the temporary demand gap. Complementing temporary employment measures would help to avoid a social crisis and maintain a skilled workforce.

Various forms of well established as well as new ocean businesses for Europe's innovative shipyards with their dense supply and service network are offering attractive growth potential, provided a level playing field is safeguarded and access to project financing is in place.

Brussels, 8 April 2010

Annex: Joint Declaration by 33 Regional Governments on the Future of the European Shipbuilding Industry

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Background

CESA, the Community of European Shipyards' Associations, represents directly more than 99% of the EU shipbuilding production with more than 300 shipyards producing, converting and maintaining merchant and naval ships and other floating objects. European shipyards supply more than 100,000 direct jobs for a highly skilled labour force, generating an annual turnover of 30 – 40 billion €. CESA comprises 16 National Associations from the EU, Norway and Croatia.

The EMF is the representative body defending the interests of workers in the European metal industry. The EMF has a mandate for the external representation and coordination of the metalworkers' unions and a mandate to engage in bargaining at European level.



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## JOINT DECLARATION BY REGIONAL GOVERNMENTS ON THE FUTURE OF THE EUROPEAN SHIPBUILDING INDUSTRY

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*For the undersigning 33 regions, the future of the European shipbuilding industry is top priority for the economic development in the coming decades. As responsible representatives for our regions, we jointly speak on behalf of a population of more than 60 million people.*

1. Shipbuilding is a high tech sector providing thousands of high skilled jobs at shipyards countless suppliers of equipment and services to the yards. Shipbuilding forms a keystone in the regional maritime clusters with its tight network including many SMEs and invaluable scientific excellence. In our regions, shipbuilding is an essential sector for the prosperity of our people.
2. Shipbuilding has been severely affected by the global economic crisis in combination with global structural imbalances and market distortions. Demand for new ships has collapsed since summer 2008. Due to long production lead-times, shipbuilding is a late-cycle industry. The impact of the demand collapse on employment will be felt with an 18 months delay. At the end of 2009 on average about 20% of the jobs at shipyards were affected. This figure could dramatically increase in 2010. Without new contracts before summer 2010, an employment crisis with half the jobs at stake could be unavoidable.
3. During the LeaderSHIP High Level Meeting in September 2009 chaired by Vice-President Verheugen, urgent action measures were proposed to decisively counteract against irreparable damages to this industry with its outstanding capabilities. We strongly support the proposed action programme including fleet investment stimulus, financing means, level playing field and expanded and accelerated research and innovation efforts.
4. The European institutions are urged to establish, without delay, appropriate conditions for an emergency programme, generating orders for markets, which are in need for new, safe and clean ships. A targeted fleet renewal programme is expected to boost regional investments and industrial activity, improve the infrastructure, reduce significantly dangerous emissions from ships and thus contribute to a healthy environment.

5. Shipbuilding has been and will be an attractive growth market. European yards have successfully developed from a labour intensive to a know-how intensive industry. While demand for standard shiptypes is expected to remain weak for several years, a number of new markets for European yards are anticipated. These include in particular new designs for low emission ships, deep sea off-shore support vessels, ocean energy related hardware and a number of highly specialised fields of maritime activities. In addition, well established growth market such as the cruise industry will continue to develop positively.
6. Shipyards are taking all necessary measures on their side to adjust to the changed business environment. The proposed support for the European industry aims at bridging the temporary demand gap and improving key framework conditions for technologically advanced and competitive companies. The measures are not considered as attempts to delay structural change. However, they will give this future growth sector the means to successfully face the challenges arising from the distorted conditions of the global market.
7. The EU must demonstrate its ability to jointly and effectively address the challenges of the shipbuilding sector. To this end, we request the European Commission and Member States to take all necessary decisions for swift implementation in line with the LeaderSHIP proposals. We count on the European Institutions to take its full responsibility in this context.

Brussels, 8<sup>th</sup> April 2010

**Signatories:**

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- Mr. Emil Dichev, Mayor of Municipality Beloslav
- Mr. Aurel Gabriel Simionescu, Mayor of Braila
- Mr. Martin Günthner, Minister of Economic Affairs and Ports of the Free Hanseatic City of Bremen
- Mr. Dimitar Nikolov, Mayor of Burgas
- The Campania Region
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