



GDYNIA MARITIME ECONOMIC FORUM 2024

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A short introduction

WHAT IS SEA EUROPE?



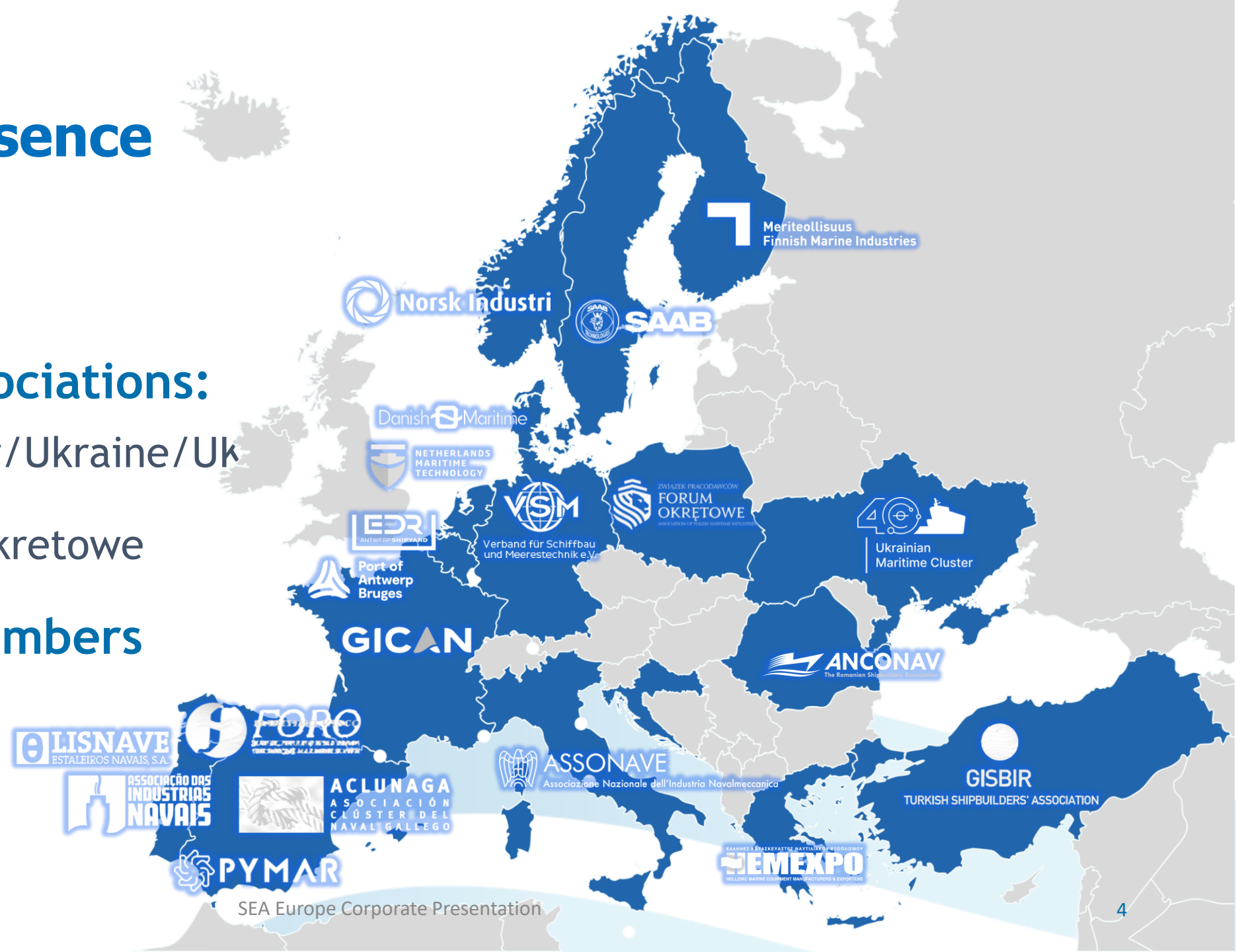
- **Shipyards' & Maritime Equipment Manufacturers' Association of Europe**
 - **Voice of European maritime technology sector**
 - **A European and international association (unique in “maritime” Brussels)**
 - **Based at the heart of EU Institutions in Brussels**
 - **A recognised social partner in the Shipbuilding Social Dialogue Committee**
 - **An NGO observer at International Maritime Organization (IMO) through CESA**

European presence

⚓ **17 Member-associations:**
EU/Norway/Turkey/Ukraine/Uk

⚓ **Poland:** Forum Okretowe

⚓ **9 Corporate members**



THE EUROPEAN MARITIME TECHNOLOGY INDUSTRY

300 shipyards

OVER 28,000
maritime equipment manufacturers and
technology providers

€128 billion
of annual production value

1.1 million
mainly highly skilled jobs

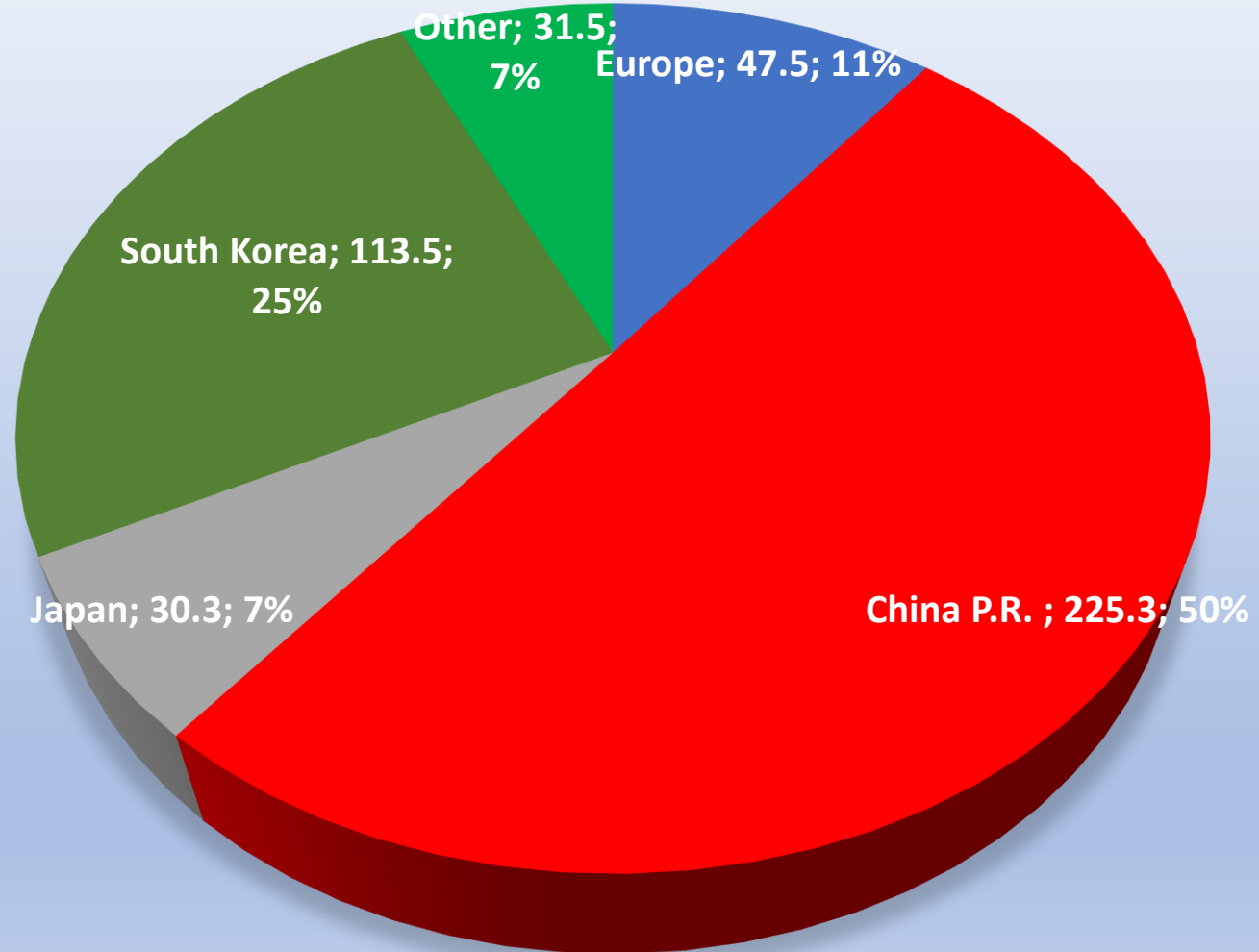
9% of annual turnover invested
in research, development and
innovation

The situation of EU shipbuilding versus global shipbuilding

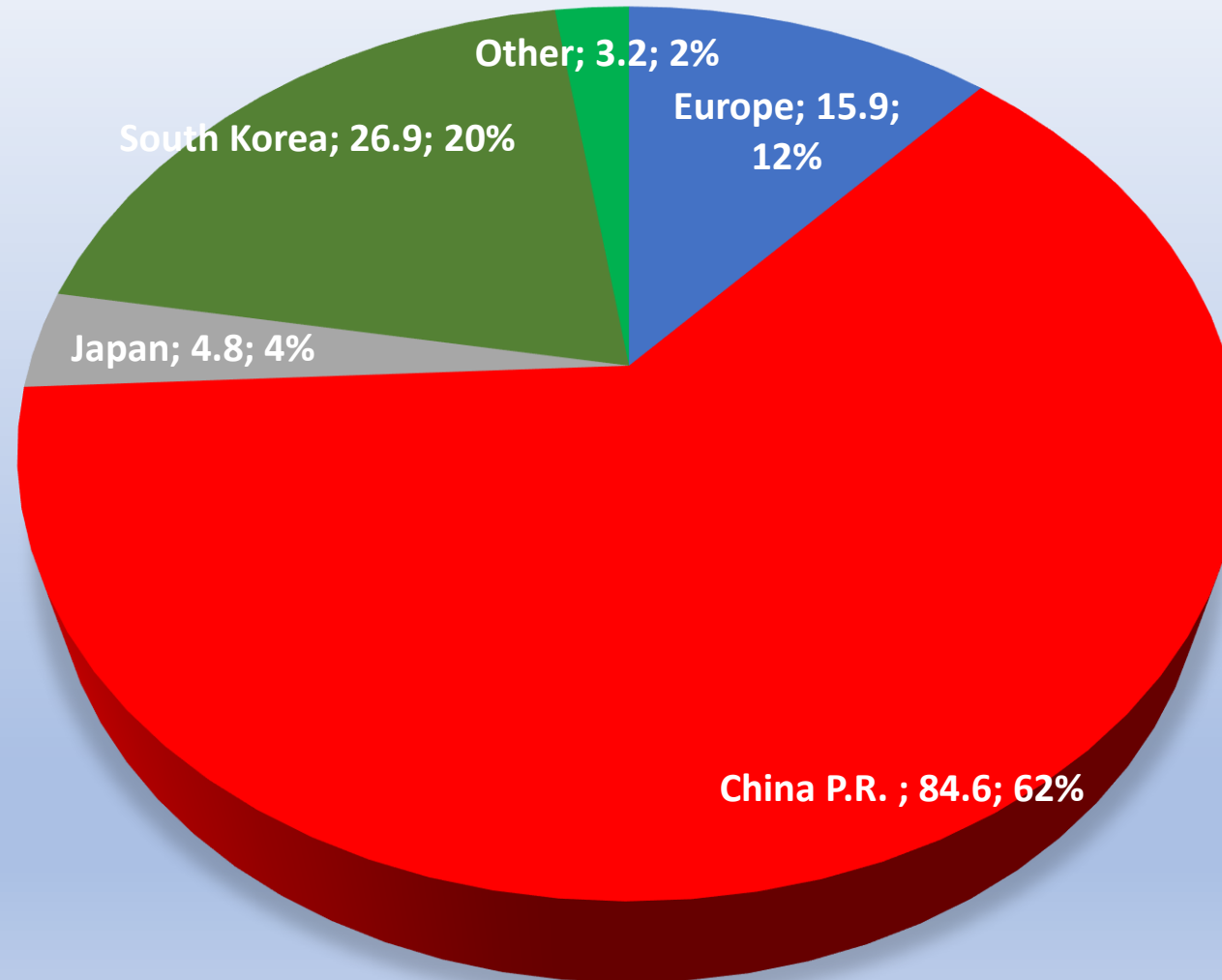
A SAD STORY

Who builds what?

Orderbook by builder region (\$bn)
As of 1st September 2024

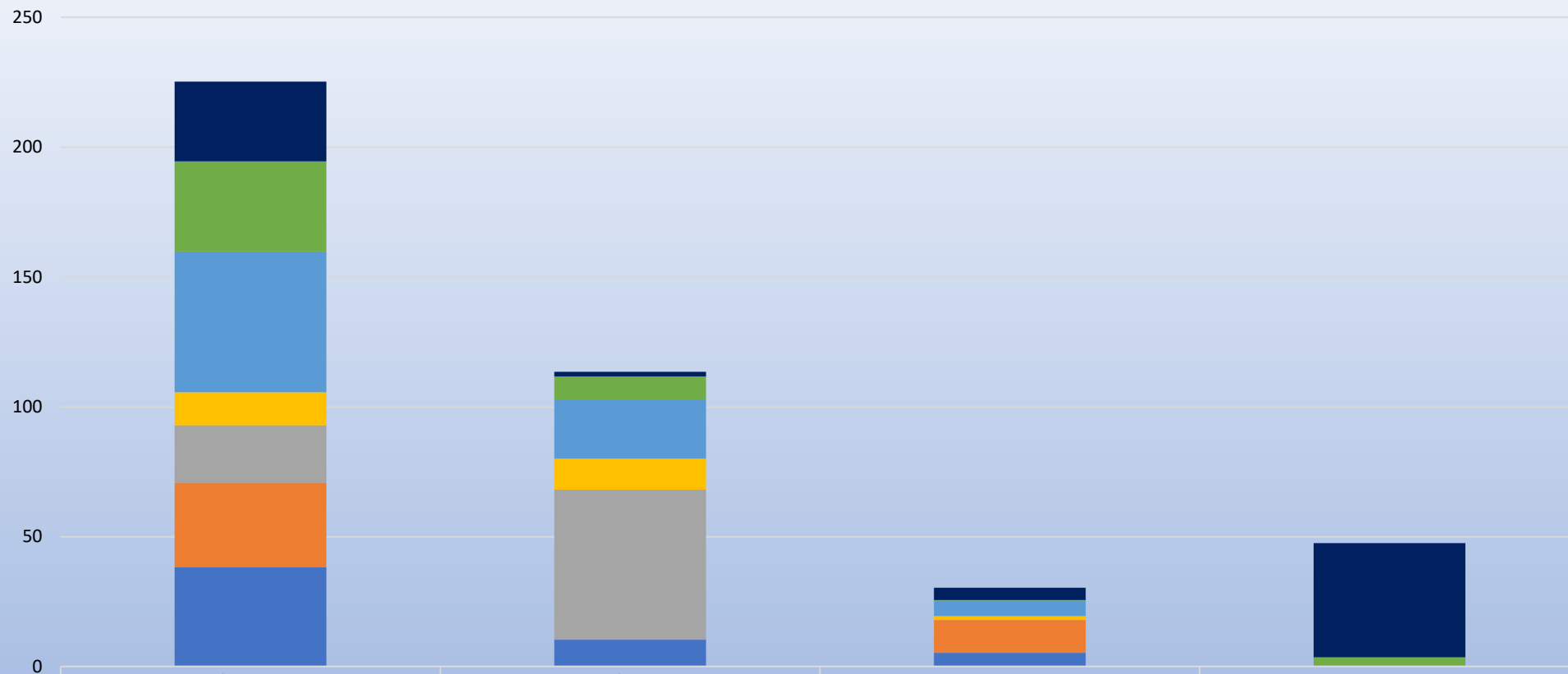


Value new orders by builder region (\$bn)
Between January and August 2024



Value of vessels on order (\$bn)

As of 1st September 2024



	China P.R.	South Korea	Japan	Europe
Other (passenger and specialized vessels)	30.8	1.8	4.7	43.9
Offshore	34.7	9.1	0.2	3.4
Containers	54.2	22.5	6	0
LPG Carriers	12.7	12	1.5	0
LNG Carriers	22	57.8	0	0
Bulkers	32.6	0	12.6	0.1
Tankers	38.3	10.3	5.3	0.1

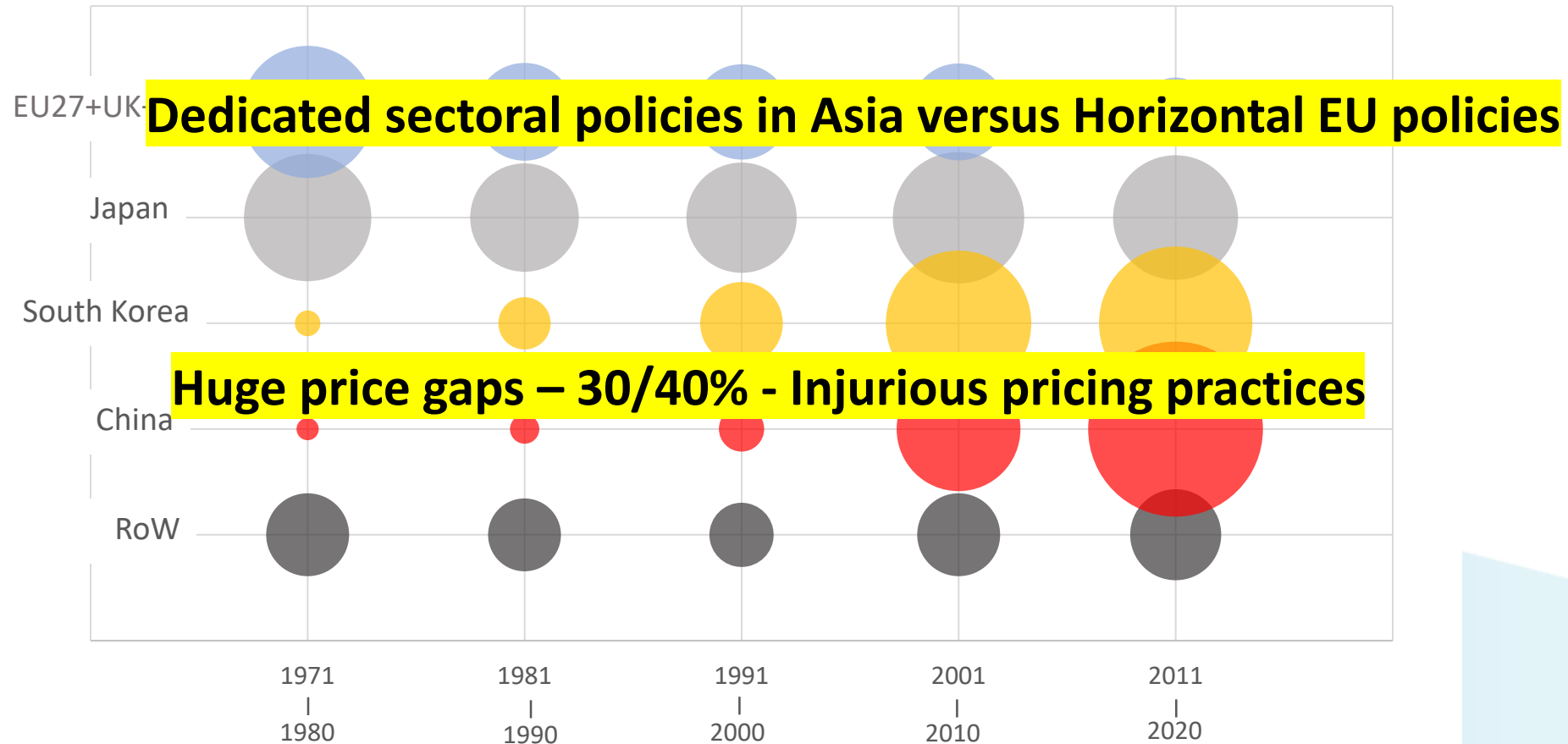
How did we arrive to this situation?

THERE IS NO COINCIDENCE ...



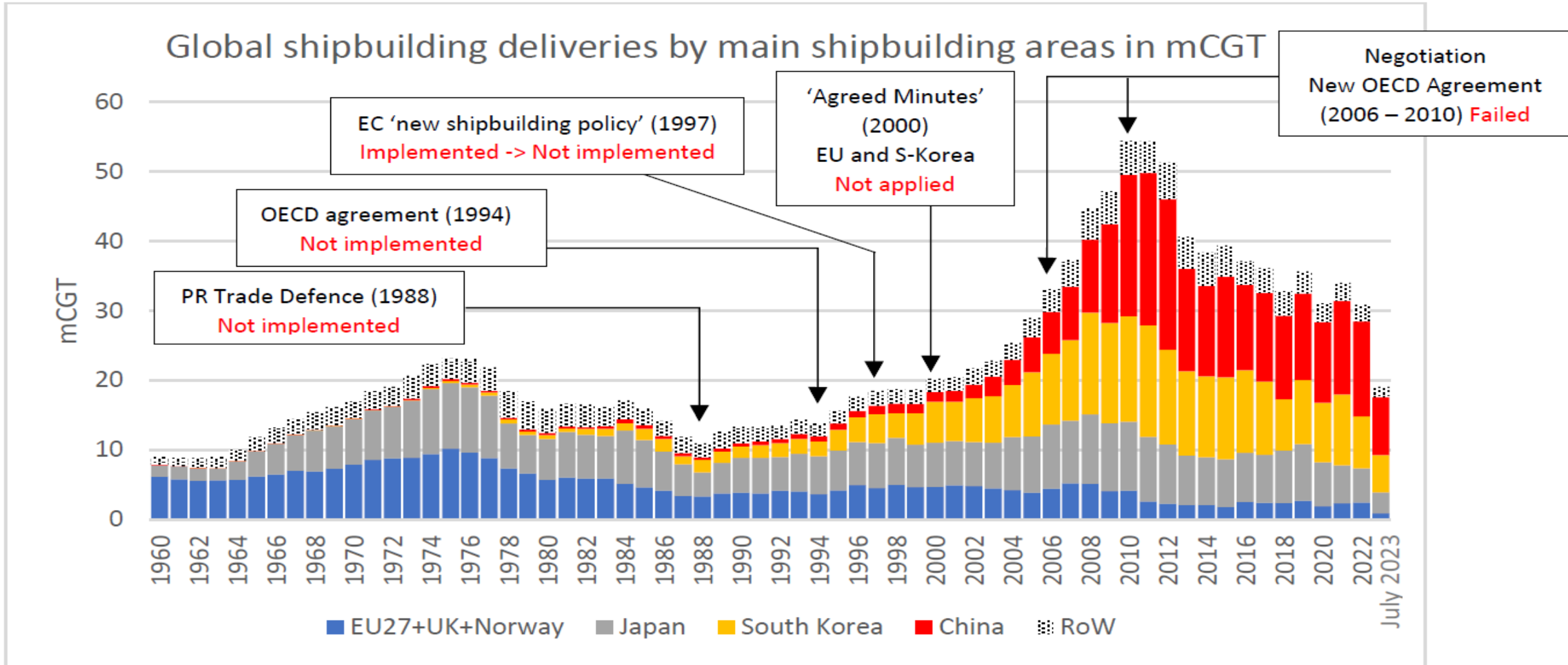
Historical evolution – Unfair competition

Global shipbuilding deliveries per ten-year period based on CGT



Data source: IHS Markit. Compiled by: SEA Europe.

What did Europe do against this situation? A failed policy of broken promises since 1988

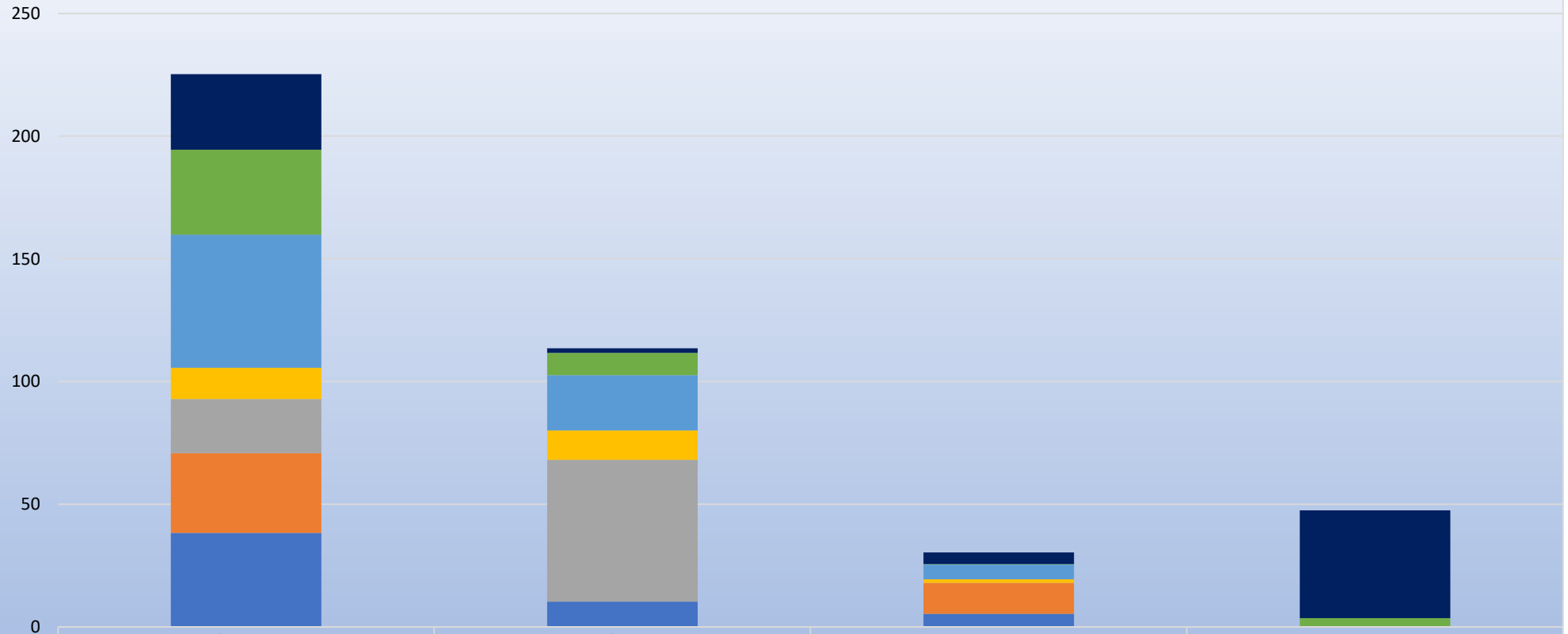


The situation of EU shipbuilding today

STILL PRESENT THANKS TO SPECIALISATION AND INNOVATION
BUT ...

A specialisation in niche markets

Value of vessels on order (\$bn)
As of 1st September 2024



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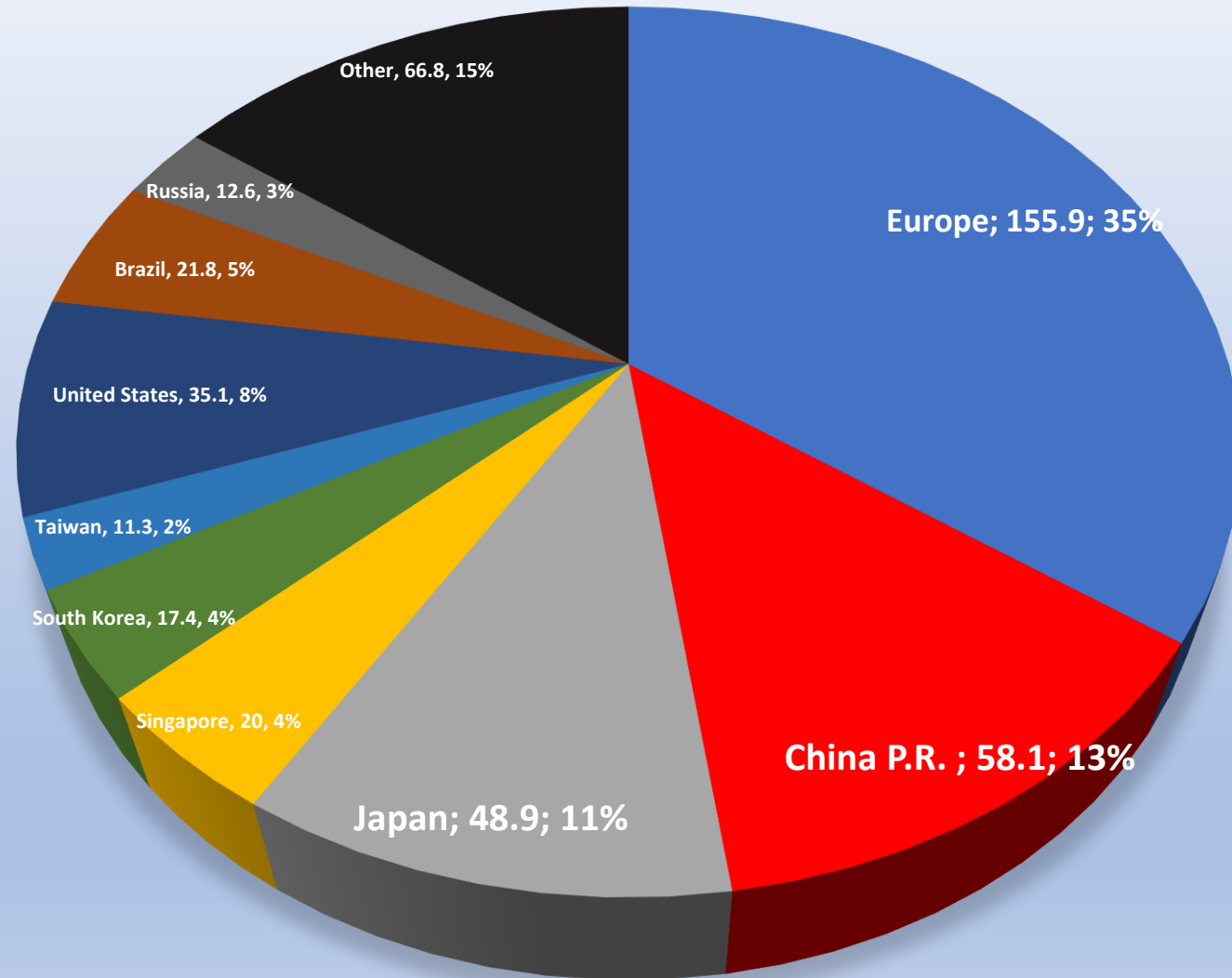
3 main observations

- **Europe's specialisation in niche markets is resilience risk**
 - E.g., Cruise during the Covid
- **China challenges Europe's remaining leadership in complex ship types**
 - "Made in China 2025"
- **Today's world is characterised by geo-political tensions**
 - Need for strategic autonomy and self-reliance, thus also for an own industrial capacity

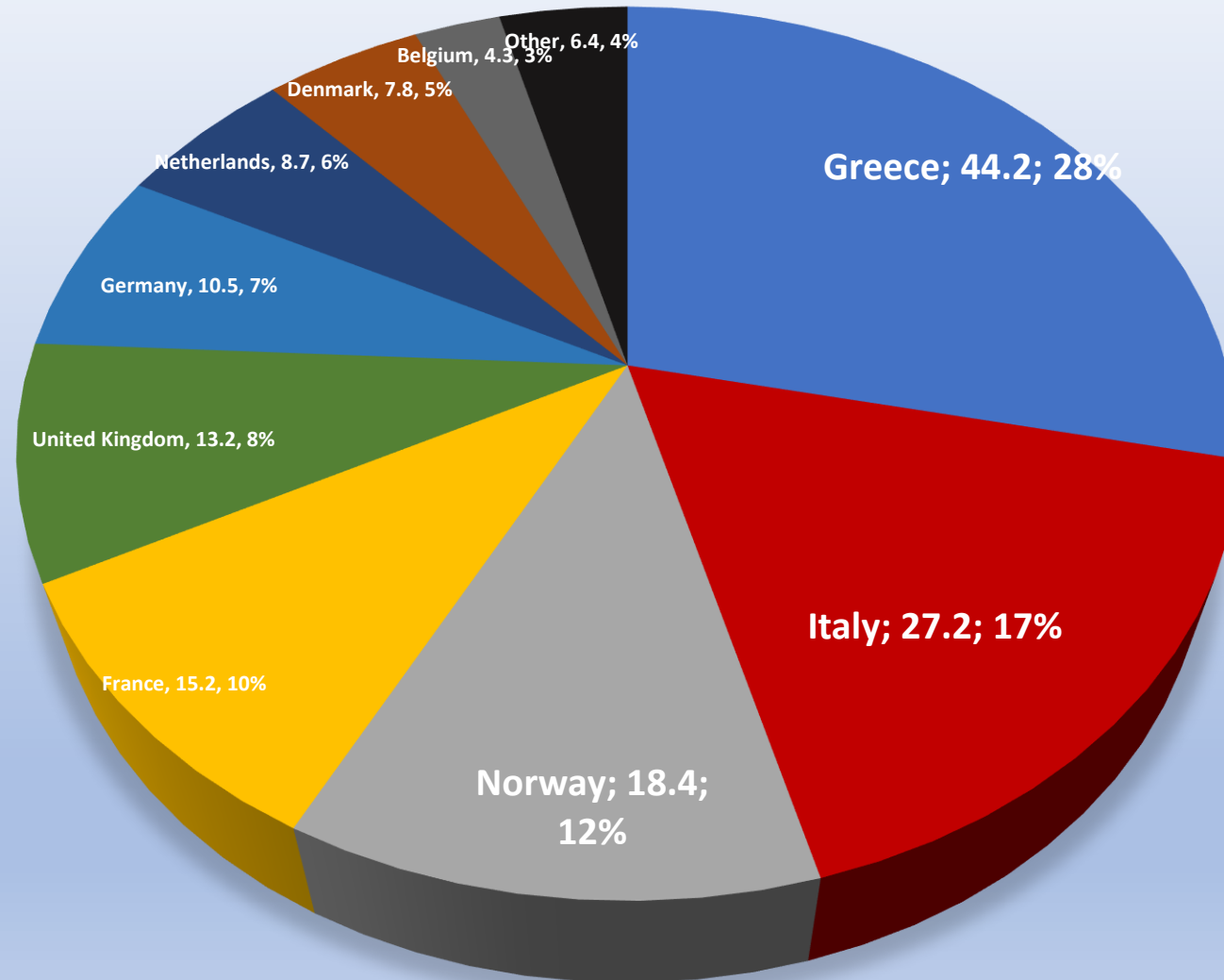
What about EU shipowners?

Orderbook by owner region (\$bn)

As of 1st September 2024

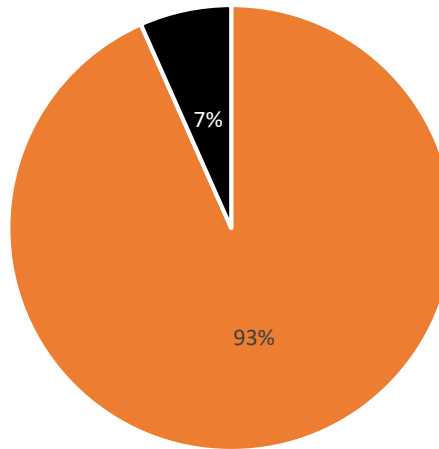


European orderbook by owner country (\$bn) – Total: \$155,9bn
As of 1st September 2024



Where do shipowners place their orders?

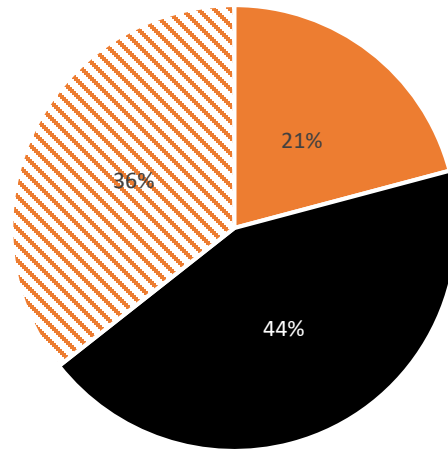
Chinese shipowners order...
... 7% abroad:



■ Domestically ■ Abroad

Figure 29

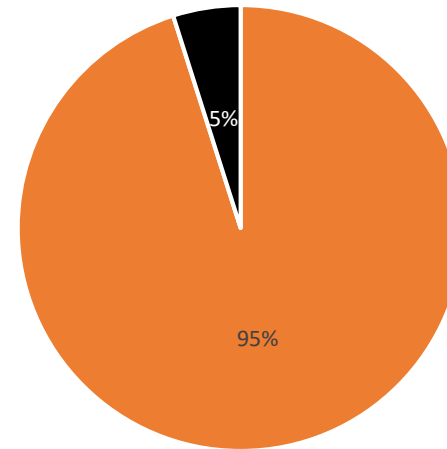
Japanese shipowners order...
... 44% abroad:



■ Domestically ■ Abroad ■ Domestically not officially confirmed

Figure 31

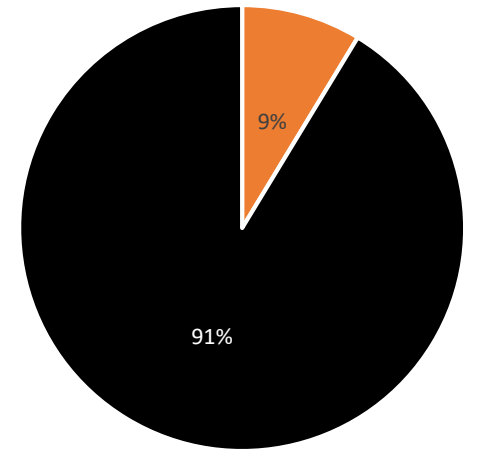
South Korean shipowners order...
... 5% abroad:



■ Domestically ■ Abroad

Figure 30

EU27+UK+N shipowners order...
... 91% abroad:



■ Domestically ■ Abroad

Figure 32

Data source: IHS Markit. Compiled by: SEA Europe.

*Assuming that many Japanese owners also remain under the radar ('N/A'), their domestic share is even higher.

*Domestically = in the EU27+UK+N
Abroad = outside the EU27+UK+N

So what do we do now???

DOING NOTHING IS NOT AN OPTION ...



Reason 1

Maritime Sector is key for EU's Strategic Autonomy

- 90% of global trade is carried by ships
- 80% of the EU's external trade is carried by ships
- 37% of the EU's internal trade is carried by ships
- So without shipping import and export of goods would not be possible.
- Ships transport people and connect maritime regions
- Ships are key for Europe's defence, border control and border protection
- Ships are key for Europe's mobility policy – They shift cargo off the roads
- Ships are key for the Blue Economy
 - E.g., offshore renewable energy, aquaculture, deep sea mining

Reason 2

Reducing foreign maritime dependency

- **The pandemic and the war in Ukraine have told us a hard lesson: The EU is too dependent on foreign countries**
 - **94% of global merchant shipbuilding is made in Asia**
 - China State Shipbuilding Corporation (CSSC) alone holds a 21.5% share of global shipbuilding market
 - **52% of shipping trade is managed by Asian companies.**
 - Chinese-owned fleet leads the world shipping trade, managing the 18% of global shipping business.
 - The world's largest shipping company is COSCO (China Ocean Shipping Company)
- **Foreign dependencies mean economic and military security risks**
 - Control of critical supply chains is key (raw materials, energy and food supply)
 - Risks of vulnerability or disruption in supply chains (closed borders; ships blocking the Suez canal)
 - Maritime autonomy is key to ensure trade
 - Naval shipbuilding autonomy is key to ensure own defence capability
 - Industrial capacity (shipbuilding/ship repair) is key for fleet operability and self-reliance

What is the way forward?

A MARITIME INDUSTRIAL STRATEGY



Strengthening the Competitiveness of EU Shipbuilding

European Defence Industrial Strategy Launched in March 2024

Strengthening the European defence industry, including naval shipbuilding

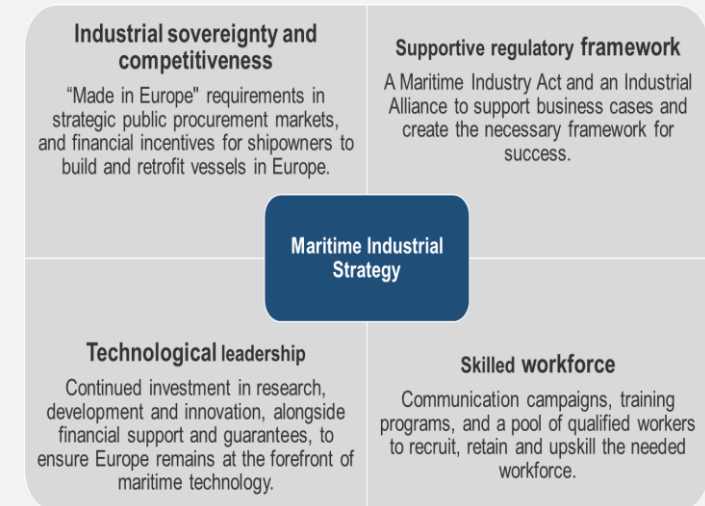
- 35%** of the EU-defence market should be made up by intra-European trade
- 40%** of defence equipment should be procured in a collaborative manner
- 50%** of the procurement budget should be devoted to procurement from Europe

To reach these goals, the Commission proposed a number of measures to facilitate access to financing and encourage cooperation.

Maritime Industrial Strategy Requested by Council (Compet) May 2024

Securing the strategic autonomy of European shipbuilding

- The European Commission has been tasked to prepare a maritime industrial strategy



What is a maritime industrial strategy?

For SEA Europe:

“A strategy about and for European shipyards and maritime equipment manufacturers”

SEA Europe's ambition



**SETTING SAIL
TO BUILD IN EUROPE
10,000 SUSTAINABLE
AND DIGITALISED VESSELS
BY 2035**

**SEA EUROPE'S CALL FOR A EUROPEAN
MARITIME INDUSTRIAL STRATEGY**

Goal:

Regaining shipbuilding capacity is critical for Europe

Our ambition:

- **Consolidate** our global leadership in complex shipbuilding & maritime equipment manufacturing
- **Regain** strategic ship types for the European Blue Economy (e.g. shortsea shipping)
- **Conquer** emerging markets (e.g. offshore renewable energy)

OBJECTIVES OF THE EUROPEAN MARITIME TECHNOLOGY INDUSTRY BY 2035

10,000

sustainable and
digitalised vessels

€10 billion

of investment in highly efficient,
automated and sustainable production
facilities

500,000

qualified workers to recruit
and re/upskill

Industrial Sovereignty & Competitiveness

"Made in Europe" requirements in strategic public procurement markets & EU financial instruments

Financial incentives for shipowners to build and retrofit vessels in Europe.

Supportive regulatory framework

A Maritime Industry Act
An Industrial Alliance for Blue Economy

Maritime Industrial Strategy

Technological leadership

Continue support for RDI (e.g., cPP)
Easier access to public & private finance (e.g., through EIB guarantees)

Skilled workforce

Communication campaigns,
Training programs
A pool of qualified workers

Are we daydreaming?

The prospects are more promising than ever

- **EESC CCMI (December 2022):** A call for a maritime industrial strategy (
- **COM Mobility Transition Pathways (January 2024):** Our industry's needs recognized
- **EP – EU Port Strategy (January 2024):** Reference to our industry's needs
- **Competitiveness Council (June 2024):** A clear call for a maritime industrial strategy
- **Draghi report (September 2024):** Shipbuilding explicitly mentioned
- **Von der Leyen's mission letter to new Transport Commissioner:** Propose a new industrial maritime strategy for Europe's maritime manufacturing sector

Many political hooks for the maritime industrial strategy

- Clean Industrial Deal
- Industrial Decarbonization Accelerator Act
- An EU Competitiveness Fund
- A Sustainable Transport Investment Plan
- Industrial Alliances combined with Important Projects of Common European Interest

Together we are stronger

- The **EU is not a state** like China or the USA
- The **EU's competences are divided** between the European Commission and EU Member States
 - The European Commission can only do what it can do.
 - But the European Commission can adopt measures to support the maritime industry
- **EU measures can help Member States to compete with Asia. Something they cannot do alone.**
- **An EU-wide framework can avoid competition amongst EU Member States** (e.g. for the national use of EU ETS revenues for maritime investments)

The political momentum for EU shipyards and maritime equipment industry is there

Now it is time to deliver

Some interesting thoughts for Poland

- **A nation with a long history in shipbuilding and ship repair**
 - So much expectation from the maritime technology industry
- **1st EU Presidency of the Council under new European Commission**
 - A unique political momentum to assist European Commission in developing a maritime industrial strategy
- **Maritime Conference in Szczecin in May 2025**
 - A unique political moment to bring EU policymakers and maritime stakeholders together

Thank you very much

