

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION
TO THE COUNCIL, THE EUROPEAN PARLIAMENT
AND THE ECONOMIC AND SOCIAL COMMITTEE

**THE EUROPEAN MARITIME INDUSTRIES:
FURTHER STEPS FOR STRENGTHENING
THEIR COMPETITIVENESS**

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I. Introduction

1. In September 1991, the Commission adopted a Communication on the *New challenges for maritime industries* ¹⁾. The objective of the Communication was to strengthen the competitiveness of the maritime industries via a global and horizontal approach. In order to elaborate this approach in detail, it was proposed to create a Discussion Forum with all parties concerned.

The brief of the Forum was:

- define more precisely the scope of the global and horizontal approach, by identifying the priority areas, and the types of actions to be developed, in order to improve the competitiveness of the EC maritime industries within the Community as well as on world level;
- to assess the appropriate method for the implementation of these actions.

In November 1991, the Council noted with interest the Communication and asked the Commission to put in place the Forum's work.

The Forum was asked to present a report to the Commission 9 months after its first plenary session - which took place on the 28.1.1992. Following this report, the Commission envisaged a further Communication to the Council, the European Parliament and the Social and Economic Committee, in order to propose further steps to strengthen the competitiveness of the maritime industries.

Against the background of the economic and environmental importance of the whole maritime sector, these industries were especially mentioned in the Communication on industrial policy ²⁾.

2. The Forum started its work on the 28. 1. 1992 with one of three plenary meetings. Participants comprised the maritime industries (shipping, shipbuilding, maritime equipment and related industries and services), trade unions, research institutes, representatives of the European Parliament, the Social and Economic Committee, Member States, Nordic EFTA States and Commission services.

At this first meeting, it was decided to set up 4 working groups:

- economic analysis
- research and development
- safety and environment
- maritime transport.

The reports of the working groups formed the basis for the Forum's final report. The Member States, the Nordic EFTA countries and the Commission services also took part in the discussion and contributed constructively to the debates. However, the final report expresses the unanimous view of the industries, trade unions and research community.

¹⁾ COM (91) 335 final, 20. September 1991.

²⁾ COM (90) 556 final, 16 November 1990.

The Forum's report was adopted at the third and final plenary session of the Forum on the 29. of October 1992 and, at the same time, presented to the Commission, represented by Vice-president Bangemann.

3. The Commission's examination of the Forum's final report has led to the conclusion that some of the recommendations (see annex) of the report can indeed contribute substantially to an improvement of the industries' competitive position. The measures proposed are of a positive, future oriented nature, appropriate to replace, at least in the medium term, many of the hitherto defensive oriented policies in the maritime area.

The proposals made in the report cover areas which are always of concern, to at least two different maritime sectors, and indicate the existence of synergy effects. Furthermore, most of the measures proposed have to be undertaken by the industry itself. The industry thus recognises its own responsibility for the reinforcement of its competitiveness. Some accompanying measures, concerning the framework and the conditions under which business in the EC's maritime sector takes place, have however to be carried through by the Member States and / or the Commission, in the spirit of the Community's industrial policy ³⁾. The industries concerned, as well as the other participants of the Forum, have engaged in a constructive dialogue, which even led to the discussion of common projects.

Given these reasons, it is appropriate - as stated in the first Communication on new challenges for maritime industries - to present the Commission's reaction to the industries' recommendations, which consist of actions of common interest to the maritime industries. This reaction, addressed to the European maritime industries, the Member States and the Commission, according to their respective responsibility, indicates further steps for enhancing the competitiveness of these industries.

³⁾ COM (90) 556 final, 16 November 1990.

II. Further Steps

The steps proposed in the Communication follow the recommendations of the Forum (see annex). As a period of 9 months did not allow to analyse all areas and topics in detail, the following measures present a starting point and are by no means comprehensive or exhaustive. For this reason, the industries concerned, together with the trade unions and the research community, intend to carry on what has been started with and through the Forum. For this purpose, organisational aspects are included and also presented in this Communication.

a) INDUSTRY ACTIONS:

The main responsibility for competitiveness lays with the industries themselves. The maritime industries are aware of this, as well as of the Commission's intention to substitute defensive oriented measures by positive and horizontal ones.

1) FINANCING (5.2.2)

According to the industries concerned, the major factor affecting the international competitiveness of shipping and shipbuilding is finance. The shipping, shipbuilding and equipment manufacturing industries will set up, with experts of maritime oriented Banks, a Panel to discuss the possibility of creating an European Guarantee Fund on a commercial basis. Its purpose would be to guarantee commercial investors in the shipping industry and provide funds for shipbuilders to pre-finance the construction of ships.

The Commission welcomes the creation of this working group.

2) CO-ORDINATION OF RESEARCH FACILITIES (5.3.1 and 5.4.3)

The Forum recognised the potential benefit to be obtained from a co-ordination of the major research and development facilities that already exist in the Member States and their industries, these could include towing tanks, hydrodynamic facilities, hydrographic ships and any proposed new oceanographic research vessels. The principle was accepted and the industries concerned agreed that a paper should be prepared on the merits and possibilities of developing and co-ordinating research facilities at Community level, involving the interested industries.

The Commission welcomes this initiative. A co-ordination of research and development facilities might allow for the exploitation of economies of scale, help to avoid duplication of projects and stimulate perhaps a better specialisation of the facilities, as they would no longer be obliged to cover the whole range of research activities and expertise.

3) OIL INDUSTRY (5.3.5)

There may also be a case for research into improving the means of clearing up spilt oil. Although the planning of the response to oil spills is very important and stockpiles of pollution control equipment exist, continuing effort and research should be put into the improvement and development of pollution

control systems, for example by use from helicopters. The Forum agreed that the oil industry should consider whether research is needed to improve the means of clearing up silt oil. The Commission welcomes this initiative.

4) FISHERY AND AQUACULTURE (5.3.6 and 5.3.7)

The Forum recommended that the aquaculture and manufacturing industries should consider whether further research is desirable to improve the means of monitoring and controlling water quality and providing other means of environmental control on fish farms. The Commission believes that this suggested common approach constitutes an important contribution ensuring an environmental friendly production for this industry and could furthermore encourage the development of new appropriate production techniques.

The Commission could support the suggestion of a joint research projects between aquaculture and shipbuilding industries to investigate methods of off-shore production for aquaculture under the condition that feasibility studies demonstrate its potentials and efficiency perspectives.

The Forum agreed that the fishing , shipbuilding and marine equipment industries should discuss with the Commission what research is necessary into the design of future fishing vessels and fishing equipment and in particular selective fishing gear. The Commission welcomes this proposal, considering that such an approach will help improving the conditions under which fishing vessels operate and the global competitiveness of the maritime industries.

5) OTHER MARINE RESOURCES (5.3.8)

Seabed mining has not yet warranted full scale development, largely because the minerals to which it would give access are not, apart from a few trace elements, in short supply. It is a sector, however, which in due course could be of great importance to shipbuilders and equipment manufacturers. Its potential value is very high; so too are the initial investments that will be necessary. This is thus an industry which is not immediately commercial but for which research could usefully be done.

The Forum agreed that the maritime and primary raw material industries should consider what research and technological development is necessary and in what time-scale, to meet the future needs of sea-bed mining. This would include new or improved techniques for location and extraction of the minerals and a possible demonstration project to allow the initiation of commercial operations; techniques for strata location; deep sea drilling techniques as well as the sub-sea technologies for inspection, maintenance and repair work.

6) ELECTRONIC DATA INTERCHANGE RESEARCH (5.3.11)

The Forum recommended that the maritime and related industries should consider whether there is a need for the stimulation of further research into Electronic Data Interchange (EDI) with a view to linking existing EDI systems.

The Commission welcomes this initiative and fully recognises the EDI will have an important role in improving the efficiency of ports and shipping and their position in the transport chain.

7) ORGANISATIONAL ASPECTS (5.4.1)

The Forum was the genesis of a dialogue and co-operation between the different parties concerned. Better co-ordination in turn will allow inter alia for the exploitation of synergies, rendering the EC's maritime industries more competitive. However, the 9 months of the Forum were too short to treat every issue in detail. Moreover, most of the subjects raised in the Forum are in any case of a future oriented nature, demanding the common analysis to continue.

For this purpose - to continue the work started at the Forum - the industries have agreed to set up specific panels covering:

- (i) short sea shipping
- (ii) marine resources
- (iii) ship financing

These panels will carry on the work of the Forum as far as these specific items are concerned. As far as further topics might emerge, further panels could be set up.

The Commission welcomes that the industries themselves are taking the initiative to proceed with the dialogue, started under the Forum launched by the Commission. This means less involvement for the Commission and the Member States. The Commission expects concrete and agreed industry initiatives to set up these panels, which will allow the industries to continue their co-operation. Nevertheless, the Commission is always prepared and willing to assist the work of the maritime industries in an appropriate way.

b) MEMBER STATES AND COMMISSION ACTIONS

1) FAIR AND OPEN MARKETS (5.2.1)

A partly subsidised over-supply of ship tonnage, after the 2nd oil shock, led to tumbling freight rates and to a severe and long-lasting decline in the ordering of new ships. Shipowners, shipbuilders and equipment suppliers were all severely affected by the resulting long lasting crisis.

Having this background in mind, the maritime industries asked the Commission to continue to seek to achieve - through the OECD negotiations and through other international Fora - a fair and open global market for the maritime industries.

The Commission welcomes the industries pledge for fair and open markets and free and fair trade. The Commission's industrial policy guidelines

as well as the current maritime initiative deliver the proof that the Commission is now actively seeking to render hitherto rather protected markets more open - not least through fair trade. However, especially in the maritime sector, until today it was only the Community that lowered its subsidies and that pledged for free trade. The Community expects at this stage similar efforts from its international partners.

2) EUROS (5.2.3)

The Commission welcomes the recommendation of the Forum to amend the EUROS proposal to include additional positive measures particularly with regard to social security provisions and company tax incentives to facilitate investment. The Commission has indeed been working out proposals along these lines, and in the light of this recommendation and the results of the 8 December Transport Council meeting, at which positive measures for the Community fleet were discussed, a modified EUROS proposal will be submitted very shortly to the Council.

3) PORTS (5.2.4)

The Commission, in its work on the network programme, should bear in mind the need not to distort or inhibit competition amongst ports.

The Commission is preparing guidelines for integrating ports and shipping services into trans-European networks. It is preparing these guidelines with the assistance of Member States, supported by their port and dredging experts, through a Member States Group on Ports and Maritime Transport. The Commission is proposing that the guidelines should put forward a strategy, based on Member States and Community policies and plans, which aims to improve the position of ports in the transport chain and the efficiency of their operations, so that they can facilitate the growth of trade and short sea shipping and enhance links to the remote regions of the Community.

The Commission shares the opinion already expressed in the Group that the guidelines should not have a negative impact on the principle of free and fair competition between ports, and should not create additional distortions. The Commission therefore will develop guidelines for integrating ports and shipping services with trans-European networks having noted the recommendations of the Forum.

4) SHORT SEA SHIPPING (5.2.5 and 5.2.10)

The relevant shipowners and shippers organisations should discuss the issue of liability for goods carried on the short-sea Ro-Ro routes to see whether changes in current practice are desirable.

The Commission believes that this issue may well be identified in its short-sea study as an impediment to the transfer of goods from land modes to sea. The Commission is prepared to examine this matter together with shipowners' and shippers' organisations and where appropriate to consider a specific study in the light of the short-sea study conclusions.

The study on potential trade flows which are likely to be of interest to short-sea shipping, has already been put in hand by the Commission, and should cover, indeed concentrate on, the reasons which inhibit the use of sea transport for such trade flows at present.

The terms of reference of the short sea study include a major section dealing with the analysis of the competitive position of short sea transport vis-à-vis other transport modes. This analysis involves identification of the obstacles which are preventing short-sea transport being used at present and will entail an examination inter alia of shipping and transboarding costs, vessel design, shipping technology (swap bodies self-unloaders), organisational aspects, port infrastructure and hinterland connections, administrative legal and social impediments.

As a follow-up to this study, the Commission intends to submit in the course of the next year a Communication to the Council which will identify concrete action to develop this mode of transport.

5) SAFETY AND ENVIRONMENT (5.2.8, 5.2.9 and 5.3.4).

The Forum recognised that the social demands for greater ship safety and more rigorous protection of the marine environment will increase. It was also recognised that it was important, when considering what measures should be taken to bear in mind, that the Community fleet operated in a world market, and in consequence, the minimum standards of construction of ships should be set internationally at the IMO. This would avoid the development of barriers to their operations from the imposition of local standards in other parts of the world.

There was a clear consensus within the Forum that a major objective of the Community should be the enforcement of international standards and the elimination from European ports and registers of ships that do not meet them. Measures to upgrade the construction of ships will also benefit fishing and aquaculture and provide opportunities for the shipbuilding and marine equipment industries. The Forum also agreed that the shipbuilding industry should consider the need for further research into safe and environmentally friendly ship designs.

The Commission welcomes the industry's recognition of the necessity for enforcement of international standards and the provision of adequate port reception facilities. These issues will be dealt with in the very near future in a specific Communication of the Commission to the Council and the European Parliament. This Communication will outline the role and policies of the Community in maritime safety and prevention of accidental or operational pollution by ships.

As a positive response to the two specific issues addressed by the Forums's Recommendations, the Commission intends to propose to the Council measures to ensure a convergent application by all Member States of the present IMO standards, including those applying to existing vessels, and harmonised inspection and detention criteria focusing on vessels and flags with low safety performance records, measures on VTS. The Commission intends to take

measures to ensure full Community support to the IMO action on establishing international criteria to be met by flag states.

The Commission would like to stress that the above mentioned recommendations regarding the improvement of safety of vessels as well as the protection of the marine environment are of particular importance for the fisheries sector. In the framework of its Common Fishery Policy, the Commission will undertake complementary measures supporting the achievements of these goals. With particular regard to the structural policy, the Commission will grant the necessary priority to projects increasing the safety on-board the fishing fleets.

6) DREDGING (5.2.11)

The Commission is recognising that dredging programmes can improve the capabilities of ports; that these improvements can be especially important for small and medium sized ports; and that these ports are likely to be able to make a valuable contribution to the development of short sea shipping with full respect of the principles of subsidiarity. The Commission is prepared to examine this question with Member States and their port experts in the Member States Group on Ports and Maritime Transport. Any use of Community funds to support dredging programmes in this context would need to be considered within the framework of the proposed maritime guidelines and the conclusions they may reach on competition issues.

7) CHARTS (5.2.12)

The Commission will consider with the offshore oil and gas and fishing industries and Member States the possibility to install an information system at Community level indicating equipment and other obstacles situated on the sea bed.

8) ELECTRONIC DATA INTERCHANGE (5.2.13)

The Commission fully recognises that EDI will play an important role in improving the efficiency of ports and shipping and their positions in the transport chain. It has therefore added the topics as an item on the agenda of meetings with the Port Working Group, on which most of Europe's major ports are represented. It intends to examine with the port experts how it can best help to promote the expansion of EDI in the maritime sector.

There is already a structure in place for the development of EDI and the creation of standard messages, by way of the UN EDIFACT Board. EDI standard messages for the maritime sector have already been developed by a limited group of shipowners and terminal operators in N.W. Europe.

9) RESEARCH AND DEVELOPMENT FOR MARITIME TECHNOLOGIES (5.3.2, 5.3.3, 5.3.10 and 5.3.11).

The Forum recognised the need for a broad approach to Community and national research and development policies that would further the interests - and in particular the competitiveness of the maritime industries. A number of the

R&D actions required to assist the maritime industries through the next millennium are common across the different market sectors and these can be viewed as a thread that runs through maritime as well as other industries. Many of the Forum's demands point towards research actions for producing results in the short and medium term and that are close to the decision making.

The Commission has already recognised in its Communication on the Fourth Framework Programme ⁴⁾ the importance of the maritime industries' research in these programmes, where special attention will be given to innovative technologies and a common organisational approach which will improve complementarity, efficiency and quality of services of all transport modes and which are adapted to the needs of an integrated transport and distribution system.

This includes the development and integration of telematic systems across the different transport modes to ensure the improved functioning of the transport system, their interconnection and interoperability. These systems will cover aspects such as dynamic traffic control, including vessels and multimodal traffic management, logistics, monitoring and communication for advanced public transport systems.

The Fourth Framework Programme also includes specific activities addressing the dissemination and optimisation of the results of on-going Community RTD activities in particular in the scope of programmes such as BRITE/EuRam (e.g. ship design, hydrodynamics, CAD/CAM systems), ESPRIT (e.g. CIM, expert systems for ship operations), EURET (e.g. high-tech vessels with reduced crews, Human Factors), DRIVE (e.g. advanced IT and communications for transport) and within the COST (e.g. simulation of Maritime Traffic, VTS) and EUREKA activities, creating the basis for the effective utilisation by the maritime industries of leading-edge technology.

Planned research actions could be developed in the Fourth Framework Programme to address many of the issues in the industry's recommendations for research, for example:

- * Fast Waterborne Transport Systems (Efficient safe and fast transport network operation of short-sea/Port/Inland Waterways)
- * Protection of the Environment
- * Competitive Euro-Ship

In order to prepare for the specific research projects for Waterborne Transport within the Fourth Framework Programme, the Commission services welcomes the relevant recommendations of the Forum as an extremely important input to help establish "bottom-up" demands.

The Commission services welcome the recommendations of the Forum as an important input to help establish "bottom-up" requirements for the final technical specification of the core themes and their integration within the scope of specific RTD programmes.

⁴⁾ COM (92) 406 final, 9 October 1992.

10) MARINE RESOURCES (5.3.6, 5.3.7, 5.3.8 and 5.3.9)

The consideration given to the exploitation of marine resources, including living, mineral and energy resources, underlines the need to put in place a medium to long term strategy, in order to create the basis to successfully compete both in traditional and in slowly emerging markets, and the need to promote an effective trans-European collaboration between the different sectors and disciplines concerned, in order to establish a rational balance between exploitation and conservation.

Within the structure of the 4th Framework Programme, as delineated above, specific core themes cover aspects such as "Fisheries and Aquaculture", "Innovation Technologies and Infrastructure for Marine and Polar Research" and "Electricity and Heat from Renewable Sources" which create the basis for an integrated approach in order to tackle the complexity of the whole maritime dimension.

The core themes address the development of the technologies in order to support a sustainable and balanced exploitation of fisheries and aquaculture resources, the description, forecast and protection of the marine environment and the development of components and systems which reduce the dependence on conventional energy sources by stimulating the application of renewable energies. In particular, this framework of activities could provide the means for meeting the requirement of supporting a potential demonstration project designed to test the viability of Ocean Thermal Energy Conversion as suggested by the Forum.

Use would be made of the different type of activities already mentioned above and of any relevant work carried out within the scope of MAST, AIR and EUREKA activities.

11) SAFETY (5.3.3 and 5.3.11)

The impact of loading techniques on safety, and in particular on safety of bulk carriers will also be dealt with by the Commission in its Communication on Maritime Safety. The Commission intends to propose measures to ensure an effective application of IMO Resolution A713 (17) on safety of ships carrying solid bulk cargoes by all Member States.

EDI technology applied to transport of dangerous or polluting cargo is currently being considered as an integral part of the proposal for a Council Directive on a reporting system for ships bound to EC ports and carrying dangerous or polluting goods. This proposal is on the agenda of the next meeting of the Council of Transport Ministers.

12) ORGANISATIONAL ASPECTS (5.4.)

12 a) HIGH LEVEL PANEL

The Commission - at the request of the maritime industries - has already convoked a High Level Panel in order:

- to make an assessment of the results and of the recommendations of the Forum
- to inform the maritime industries about the reaction of the Council to the Forum's report and the follow-up given by the Commission
- and to begin the discussion about the need for and the desirability of a permanent structure which would, in the light of developments that may evolve from future work in the Forum and in any panels that may be set up, make recommendations on matters of common interest and provide, in addition to other dialogues, an interface on such matters with Governments and Community institutions.

12b) FORUM

The Commission will convoke once a year a meeting of the Forum in order to discuss and decide on issues of major importance to the maritime industries. The next session will be held before summer 1993.

III. CONCLUSIONS

1. The Forum has contributed to an improved understanding between the different maritime industries, trade unions, research community, Member States, Nordic EFTA countries and the Commission. This, in turn, should lead to a better co-ordination of efforts between the political level and the industries concerned.
2. Further steps to be undertaken by the different parties concerned, as listed above, are recognised as being appropriate to enhance the competitive position of the maritime industries.
3. The Commission expects that, under the industries initiative, their co-operation will go on via different channels like panels and ad-hoc meetings.
4. The Commission
 - invites the Council to approve these orientations and proposed steps for further enhancing the competitiveness of the maritime industries;
 - intends to transmit this Communication for information to the European Parliament and the Social and Economic Committee,
 - and requests these Institutions to cooperate, in their own domains of competence, in the implementation of these initiatives and steps.

Annex

The Annex reproduces only Section 5 of the Report of the Discussion Forum.

SECTION 5. RECOMMENDATIONS

- 5.1 We should underline that the recommendations made in this part of the report do not comprise all recommendations which the industries represented in the Forum wish to make. We regard it as important that the Commission and Member States should use the reports of the Workings Groups as a guide on what would be in the interests of the industries concerned. This section of this part of the report concerns itself more particularly with the aspects discussed in it.
- 5.2 Policy issues.
- 5.2.1 The Commission should through OECD and other international Forums work to achieve a fair and open global market for the maritime industries (para 2.5.5).
- 5.2.2 The shipping, shipbuilding and equipment manufacturing industries should set up with Banks a Panel to discuss the possibility of creating such a European Guarantee Fund on a commercial basis; and to report to a subsequent meeting of the Forum (para 3.1.3).
- 5.2.3 The Commission should consider amending its proposals on EUROS to include provisions for a flexible fiscal regime; for example to:
- (i) widen its existing proposal on seafarers' taxation to include social security provisions;
 - (ii) include provisions for a flexible depreciation regime and/ or other provisions to facilitate investment (paras 3.1.4 & 3.1.5).
- 5.2.4 The Commission, in its work on the network programme, should bear in mind the need not to distort or inhibit competition amongst ports (para 3.2.4 (ii)).
- 5.2.5 The relevant shipowners and shippers organisations should discuss the issue of liability for goods carried on the short-sea Ro-Ro routes to see whether changes in current practice are desirable (para 3.2.5 (i)).

- 5.2.6 The Commission and the Member States should retain the status quo on the application of VAT and excise duty to goods (including ships' stores) and services supplied to ships plying between Community ports and to passenger fares (para 3.2.5 (iii)).
- 5.2.7 The Commission and the Central Rhine Commission should review the safety rules for inland waterways with a view to facilitating their use by sea-going ships (para 3.2.5 (iv)).
- 5.2.8 The Commission and the Member States should intensify the use of port-state control, in the context of the Paris Memorandum, to minimise the operation of ships not complying with international standards. A system of data interchange on such ships should be worked out (para 3.3.4 (i)).
- 5.2.9 The Commission and the Member States should support the IMO work on the application of safety and environmental standards to existing ships in particular by way of port state controls (para 3.3.2; 3.3.4).
- 5.2.10 The study on potential trade flows likely to be of interest to short-sea shipping which had already been put in hand by the Commission, should cover, indeed concentrate on, the reasons which inhibit the use of sea transport for such trade flows at present (para 3.2.2).
- 5.2.11 The Commission should consider with ports representatives what needs to be done, either by it or by the ports themselves, to stimulate optimal dredging programmes designed to facilitate links between smaller ports (para 3.2.4 (i)b).
- 5.2.12 The Commission should consider with the oil, gas and fishing industries and the Member States the provision of charts, on a Community wide basis, showing equipment and other obstacles situated on the sea bed (para 3.3.4 (v)).
- 5.2.13 The use of EDI should be encouraged (though not made mandatory), in particular, by the development of standard EDI messages and in a way that does not inhibit commercial initiative or prevent those who have invested in EDI from reaping the consequent commercial advantages. With this end in view, the Commission, in collaboration with Community ports

representatives should initiate an experiment to set up a single EDI access point in a port (para 3.7.2).

5.3 Research

5.3.1 The Community's maritime research should be enhanced and more closely co-ordinated with the objectives of:

- (i) improving the competitiveness and ability to innovate of the various maritime industries;
- (ii) maximising the use of short-sea transport;
- (iii) supporting the development of the new industries based on the exploitation of marine resources.

5.3.2 The main generic areas which should be included, should address engineering design technologies; advanced production technologies; technologies to support industrial infrastructures; and field life of products (para 3.5.1-3.5.4).

5.3.3 At a more detailed level, the Commission should include in its programme research into:

- (i) a means to alleviate the environmental problems caused in the loading and unloading of certain cargoes (para 3.2.4 (i)a);
- (ii) means to maximise the mode's potential for speed. This should mainly cover improvements in methods of handling cargo and of mooring and the potential for high-speed ships (para 3.2.4 (i)c).
- (iii) The Community's research programme should include the elaboration of test procedures for smoke and toxicity of ship-board materials, and the development or adaptation to marine use of materials with good fire resistance and low smoke emission and toxicity (para 3.3.4 (iii)).

5.3.4 The shipbuilding industry should consider the need for further research into safe and environmentally friendly ship designs (para 3.3.4 (iv)).

- 5.3.5 The oil industry should consider whether research is needed to improve the means of clearing up spilt oil (para 3.3.4 (v)).
- 5.3.6 The aquaculture and equipment manufacturing industries should consider whether research is desirable to improve the means of monitoring and controlling water quality and providing other means of environmental control on fish farms. The aquaculture and shipbuilding industries should consider whether research is desirable into methods of offshore production for aquaculture (para 3.3.4 (vi)).
- 5.3.7 The fishing, shipbuilding and marine equipment industries should discuss with the Commission what research is necessary into the design of future fishing vessels and fishing equipment (para 3.4.1).
- 5.3.8 The maritime and primary raw material industries should consider what research is necessary and in what time-scale, to meet the future needs of sea-bed mining (para 3.4.3).
- 5.3.9 The Commission should consider the possibility of supporting a demonstration project designed to test the viability of ocean thermal energy conversion (para 3.4.4).
- 5.3.10 The existing EURET programme of the Commission on consignment tracking should be continued and expanded (para 3.2.5 (ii)).
- 5.3.11 The maritime and related industries should consider whether research is necessary with a view to linking existing EDI systems (para 3.7.3).

5.4 Organisational issues

5.4.1 Panels should be set up to take further the consideration of particular proposals; initially these should cover:

- (i) Short sea shipping
- (ii) Marine resources
- (iii) Ship financing

Further panels should be considered in due course (para 4.2).

5.4.2 We invite the Commission to reconvene, say once a year, meetings of the Forum to discuss issues of major importance to the maritime industries (para 4.2).

5.4.3 With a view to a closer co-ordination of maritime research within the Community, the industries concerned should prepare a paper on the merits and possibilities of developing and co-ordinating research facilities and programmes at Community level involving interested industries (paras 3.5.4; 4.2).

5.4.4 The industries represented on the Forum request Vice President Bangemann and Commissioner Van Miert to convoke, in the very near future, a high level panel to discuss future developments of the Forum, including the need for, and the possibility of creating a permanent structure which would, in the light of developments that may evolve from future work in the Forum and in any panels that may be set up, make recommendations on matters of common interest and provide, in addition to other dialogues, an interface on such matters with Governments and Community institutions (para 4.3).

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FINANCIAL STATEMENT

SECTION 1: FINANCIAL IMPLICATIONS

1. Title of operation: steps for strengthening the competitiveness of the maritime industries

2. Budget heading involved:

- A 2550 Conferences, congresses and meetings organised by the institution
- A 250 meetings in general
- A 1178 technical and administrative assistance in support of different activities
- A 260 studies and consultancies
- B5-411 operations relating to industry

3. Description of operation

3.1 *Specific objective of operation:*

to strengthen the competitiveness of the maritime industries

3.2 *Duration:*

1993/94/95 with a progressively declining participation of the Commission against an increasing part for the industrie

3.3 *Target population:* Administration of the Member States, maritime industries

4. Classification of expenditure of revenue

4.1 non-compulsory

4.2 non-differentiated for budget headings of part A; differentiated for heading B5-411

4.3 *type of revenue involved:* no revenue

5. Type of expenditure or revenue

5.1 *100% subsidy:* no

6. Financial impact on appropriations for operations (part B of the budget)

B5-411 - operations relating to industry

studies on the competitiveness of the industries and technological development

	<u>1993</u>	<u>1994</u>	<u>1995</u>
	50.000	20.000	-

SECTION 2: ADMINISTRATIVE EXPENDITURE (part A of the budget)

1. Will the proposed operation involve an increase in the number of Commission staff? No

2. Amount of staff and administrative expenditure involved in the proposed operation and method of calculation.

	<u>1993</u>	<u>1994</u>	<u>1995</u>
A 1178 <u>technical and administrative assistance in support of different activities</u> secretariat (1 man/year '93; 0,5 in '94)	50.000	25.000	-
external person providing services (equivalent: 0,5 man/1 year category A expert in maritime matters)	40.000	20.000	-
A 250 <u>meetings of experts</u> 15 in 1993) 6 in 1994) each 650 ECU	9.750	3.900	-
A 2550 <u>conference organisation</u> (1 annual plenary session)			
* 2 representatives per Member States (24 x 483 ECU)	11.600	11.600	11.600
* experts (universities and non-governmental domains) (5 x 650 ECU)	3.250	3.250	3.250
A 260 <u>studies and consultancies</u> linked to the functioning of the panels	30.000	10.000	-

SECTION 3: ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

1. Objective and coherence with financial programming

1.1 *Specific objective(s) of proposed operation.*

- strengthening the competitiveness of the maritime industries;
- duration: 1993/94/95;
- subsidiarity:
the Forum covers the industries, the Member States and the Commission. A progressively raising role of the industries is foreseen. Due to this, the Commission's and the Member States' participation will become smaller and thus get a more indirect character.

1.2 *Is the operation incorporated in the financial programming of the DG for the years concerned? Yes*

1.3 *To which broader objective defined in the DG 's financial programming does the objective of the proposed operation correspond?*

- completion of the internal market
- strengthening of the competitiveness of the maritime industries

2. Grounds for the operations

- a) *costs*: the organisation of a forum is a most effective and most economical way to ascertain the opinions of the economic operators and representatives of the Member States
- b) *spin-off effects (impact beyond the specific objective(s))*: dialogue between the parties concerned, which is likely to produce positive results
- c) *multiplier effect (ability to mobilize other sources of finance)*: the success of the Forum is expected to bring the industries to progressively participate in the financing of this initiative

3. Monitoring and evaluation of the operation

- 3.1 *Performance indicators selected*: progressively increasing role of the industry
- 3.2 *Details and frequency of planned evaluation*: analysis - through Commission services - of the conclusions of the plenary session of the Forum - foreseen for mid-1993 and the following year
- 3.3 *Main factors of uncertainty which could affect the specific results of the operation*: none

IMPACT ON SMALL BUSINESS

The steps described in this communication will have a positive impact on the maritime industries. It will thus also benefit the SMEs in these sectors.

DOCUMENTS

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