



ANNUAL REPORT 2008-2009



ECSA as an organisation

ECSA, formed in 1965, comprises the national shipowner associations of the EU and Norway.

ECSA works through a permanent secretariat in Brussels and a Board of Directors, as well as a number of specialised committees.

Its aim is to promote the interests of European shipping so that the industry can best serve European and international trade and commerce in a competitive free enterprise environment to the benefit of shippers and consumers.

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Foreword by the President

The financial and economic crisis has drastically changed the global trading environment. Since up to 90 % of world trade is carried by shipping services the effects on our sector are very serious.

Shipping being a cyclical business, a downward cycle was expected after an exceptional boom period for an unusual long time. However, the downward cycle has been strongly reinforced by the financial and economic crisis. The crisis is serious, however often influenced by speculation, psychological effects on the market and snowball reactions. It has to be hoped that confidence will be re-established and that a sound framework will be established for the future.

On the political front efforts should be enhanced to avoid protectionist measures that we see coming up in all kinds of forms. It should be clear to the political world that such measures would further delay a return to healthy economies.

It is evident that order has to be created in the bank sector. Speculation in building ships for which there is no economic necessity should be avoided. The overcapacity of ships that we will face in the future in some sectors is alarming. However, this should not result in refusing to finance projects in shipping that are genuine and valuable. Indeed, financing of healthy shipping should not be curtailed. The same goes for the financing of healthy trade projects. It should not be forgotten that financing of trade is the backbone of the world economy.

On the European front last year was marked with key political steps. The Council of Employment Ministers agreed in December 2008 a Directive implementing

the Social Partners Agreement (ECSA/ETF) on transposing parts of the ILO Maritime Labour Convention (MLC) in EU law. ECSA hopes that Member States will ratify the Convention soonest, leading to a global level playing field for seafarers.

In December 2008 also the Council of Transport Ministers reached agreement on the outstanding proposals of the Maritime safety Package III which eventually lead to the approval by the European Parliament on the full package of 7 in March 2009.

In January 2009 Vice President and Transport Commissioner Antonio Tajani presented a Commission Communication on a Maritime Transport Strategy for the next decennium. The comprehensive strategy paper touches upon a wide range of basic elements such as: the competitive position of European shipping in global markets, human resources, seamanship and maritime know how, quality shipping as a key competitive advantage, working together on the international scene, exploiting the full potential of short sea shipping and sea transport services for business and citizens in Europe and Europe as a world leader in maritime research and innovation.

This Strategy Paper is welcomed. Though the main parts of it have been written prior to the financial and economic crisis the principles expressed in it are very valid in these difficult times. It is encouraging to note that the Commission confirms that the present leader position that European shipping has globally should be maintained through an appropriate operating framework of the state aid guidelines that have to be maintained for a longer period.

The environment and in particular ship emissions will be a main item on the agenda for the next year. Amendments to the sulphur Directive following the agreement in IMO on MARPOL Annex VI are now evaluated through impact assessments and studies. As we expressed in last year's annual report ECSA supports the agreement reached in IMO. However, care has to be taken that the effect of implementation in the ECAs will not result in a modal shift from the sea to the land.

On carbon emissions all eyes are now on the UN Conference taking place in Copenhagen in December 2009. Whilst technical measures are in process to further reduce carbon emissions of shipping most public attention is going to Market-Based Instruments (MBIs). Following detailed analysis ECSA has not expressed a firm preference for any specific MBI. However it has been made clear that shipping as a global business needs a global solution. The natural vehicle being the IMO. It should also not be overlooked that the industry has over the years made some efforts to reduce fuel consumption/CO₂.

I worked closely with Philippe Louis-Dreyfus during his two year term as President of ECSA. Having taken over the Presidency now I would like to thank him and commend him for leading ECSA with often difficult issues on the agenda.

We will be faced in the next months with many changes. A new Parliament has now been composed and a new Commission will be appointed soon. In a period of crisis we need the right political decisions and a vision for the future. As I mentioned good principles have been put down in the Maritime Transport Strategy 2009-2018. Let's build on them now.

I look forward to continue the cooperation with the European Institutions: the Commission, Member States and the European Parliament.

I am sure that the ECSA membership will support me in this challenging task



Marnix van Overklift.





European shipping in a global market

WORLD SEABORNE TRADE

Following the dramatic development of the financial/economic crisis since September 2008, real global output growth in trade slowed down to 1.7%, compared to an increase by 3.5% in 2007, and is likely to fall by 1.4% in 2009. According to the IMF an expansion of 2.5% is expected for 2010.

Fearnleys reports that world seaborne trade showed an estimated 3.3% increase in tonne-miles in 2008, after a 5.1% year on year increase in 2007. The trade is estimated to contract by 0.4% during 2009. The estimated outlook for 2010 is an overall increase of approximately 2%. These estimates date from early 2009 and contain large uncertainties. China continued to play the central role in the dry cargo market in 2008.

The dry cargo freight market showed extremes through 2008 with unprecedented tops and a catastrophic drop in the last months. The tanker freight market did very well in 2008, be it that also here the financial crisis had a dampening effect starting in autumn. The volume of LNG seaborne trade disappointed with a 1% increase in 2008, notably also due to delayed entry into service of four important production projects.

Container volumes increased throughout 2008 by 4.9% to 149,7 million TEU, but contraction set in during the last months and the forecast for 2009 is a reduction by 10.3%. This more or less equals the volumes of early 2007, but the available carrying capacity expanded over the year by some 19% to 13,445 million TEU. And more capacity is on order.

The global fleet of idle containerships represents 9.5% of the total fleet. This surplus capacity spread between owners and operators has a serious impact on the freight rates and charter rates.

EU/EEA SHIPPING

European shipping, in terms of capacity, is maintaining well in all its sectors. The registered tonnage increased by 6.7% against a growth of the World fleet of 6.9% in Gross Tonnage. The EEA share kept its position at about 23.5%. The EU share increased slightly to 21.6%.

Overall the EEA maintains its prominent beneficially controlled share of some 40% in GT of the World merchant fleet.

The effects of the crisis on the real economy and on global trade as well as the over capacity in some sectors particularly dry bulk and container ships will seriously influence the results in these sectors.

On a more positive note, the European fleet is continuously adjusted to requirements, becoming increasingly modern in propulsion and supporting equipment, bringing substantial benefits in terms of efficiency, safety and environmental performance.





European Maritime Transport Policy 2009-2018

A SOUND BASIS FOR THE FUTURE

ECSA welcomes the Commission Strategy Paper of 21 January 2009 as a generally sound basis for a European shipping policy. It stresses the key role of European shipping services for global and European trade and for the daily life of its citizens. The process followed towards the Strategy Paper, through a high level consultation of Member States and of senior maritime professionals, resulted in a balanced strategy.

Though most of the issues are dealt with in detail in this Annual report we give hereunder some general considerations.

The Commission has acknowledged in the future strategy the de facto global character of European shipping and takes this into account on all fronts, particularly in respect of the global competitive position of European shipping, safety and environment and the need for high quality maritime know how.

It is recognised that European shipping is a world leader and that this position should be maintained and reinforced through the framework of the present state aid guidelines that should be maintained longer in term and improved where appropriate.

The recent Commission decisions covering a clarification of the scope of the guidelines, particularly on service ships, are a step in the right direction.

Attracting young people to a maritime career to safeguard the highest level of maritime know-how in the European maritime cluster – being the most important

one on a global basis – is clearly a necessity. As mentioned in the chapter on Human Resources of this Annual Report promotion activities, education and training towards the highest quality should be further enhanced.

ECSA is fully prepared to contribute to the work of the Task Force that will be established to deal with the important issue of European maritime know-how. Ratification and the application of the ILO Maritime Labour Convention (MLC) will create a global level playing field for seafarers. The industry wishes to reiterate that also labour market policies should be market-based in order to bring about the desired effects and safeguard the competitive position of European shipowners.

The approval of the full Maritime Safety Package III by the European Parliament on 11 March resulted in a comprehensive package of European legislation on maritime safety based on the global approach of the IMO. The working of this UN body should be fully supported and the contribution of the expertise of EU Member States should be reinforced. Decisions weakening this aim should be avoided.

On the environment and particularly on ships' emissions, there is a clear message that the IMO should also deliver further improvements on carbon emissions following the far-reaching decisions on sulphur in the context of MARPOL Annex VI in October 2008. However, as referred to in the Strategy Paper with regard to the application of sulphur limits in the ECAs, one should avoid that measures which at first sight are positive for the environment and society will not

have the opposite effect to the one intended i.e. a modal shift from the sea to the land. The European policy of co-modality and the promotion of short sea services should not be endangered. Appropriate impact assessments prior to taking decisions are essential.

The inherent environmental characteristics of shipping should also not be overlooked. Indeed, in the context of the mass effect and the distance involved as well as the ongoing modernisation of ships towards more energy efficiency, shipping is one of the best performers on emissions particularly on carbon. Targeted research should further improve this performance.

A global free market environment is a de facto requirement of shipping being a global industry. The Strategy Paper rightly refers to the longstanding commitment of the European Union to open and fair competition and also to quality shipping. Efforts to come to an agreement in WTO should be enhanced. The bilateral maritime agreement between the EU and China can be promoted as “best practice” with other trading nations.

The process towards drafting of the Maritime Strategy Paper started prior to the economic and financial crisis and has not gone into the details of it. However, the principles laid down in the Paper are also valid in periods of crisis. Whereas some points of the Strategy Paper need further clarification to ensure consistency with the recognised basic principles of the international character and the need for keeping the competitiveness and world leadership of the EU shipping industry, ECSA offers the cooperation of the European shipping industry for the application of these principles in practice.







Human Resources & Maritime Know How

SEAFARERS' TRAINING AND RECRUITMENT

There is a widely recognised need to attract young Europeans to the maritime profession and, in that context, to improve the knowledge and image of the industry.

This is reflected in the above mentioned Commission Communication on a Maritime Transport Strategy 2009-18 which in the wider context indicates that the growing shortage of European maritime professionals entails the risk of *"losing the critical mass of human resources that sustains the competitiveness of the European maritime industries in general"*.

It is acknowledged that maintaining and improving maritime know-how in the context of the maritime clusters is vital to the economic and social interests of the Community. Indeed, in addition to employment on board ships, there is a clear need for skilled seafarers by ports, shipping companies, maritime administrations, shipping companies ashore, financial institutions, and equipment manufacturers among many others.

While the current severe economic downturn has certainly adversely affected shipping in the short term, ECSA remains convinced that recruitment of European seafarers and enhanced training towards high qualification are in the longer term interests of both the direct European shipping industry and the wider maritime cluster.

THE SOCIAL DIALOGUE

Against this background, Social Partners in the maritime transport sector, ETF and ECSA, have engaged in

discussions on how to address the above mentioned concerns. To that purpose, in late 2008 ECSA and ETF set up a specific Working Group on seafarers "recruitment and training" within the Social Dialogue framework.

This Working Group will discuss viable solutions and define concrete goals and targets with a view to attracting young Europeans to the seafaring professions in sufficient numbers to reflect the needs of the maritime industry in Member States so as to maintain and improve maritime know-how in the context of the maritime cluster. They will look at increasing training programmes, improving the knowledge and image of the maritime profession, as well as tackling the issues of demographic change and an ageing workforce.

Whilst taking into account national specificities and the need to design tailored selected measures to fit local particular circumstances, the Working Group aims to further provide guidance on the best ways to achieve the above-mentioned objectives/goals/targets.

The Social Partners considered that, in order to achieve the ambitious objectives set by Social Partners in their joint work programme for 2009 and 2010 in this field, an initiative in addition to discussions in the Working Group was necessary. Against the background of many significant initiatives in the training and recruitment being taken in many Member States, ECSA proposed, as a first step, to put together a joint Workshop to share such national information and best practices, and to learn from unsuccessful initiatives, as well as to draw conclusions on the challenges facing the industry in the area of seafarer training and recruitment. It is hoped that it will take place in 2010.



Other issues discussed within the Social Dialogue work programme included Health and Safety matters, piracy off the coast of Somalia, on which a joint statement was issued in December, and revision of the STCW.

EU TASK FORCE

It is significant that in the context of preserving and promoting maritime know-how in the Community, the Commission announced under the Maritime Transport Strategy 2009-2018 its intention to create a Task Force to report in 2010. As mentioned above ECSA will actively and constructively contribute to the work of the Task Force. It is noted that its terms of reference are to find a balance between employment conditions of seafarers and maintaining the competitiveness of the European fleet in the current difficult economic climate. In this regard, ECSA has stressed the importance of ratification and application of the ILO Maritime Labour Convention (MLC) in creating a global level playing field for seafarers and the agreement between the EU Social Partners to transpose parts of the MLC into EU law. ECSA looks forward to discussions with the Commission and ETF on the provisions of the envisaged Directive to address the enforcement of the MLC Directive.

EU FATIGUE STUDY

ECSA is a member of the Steering Committee of the 30 month EU funded Horizon study on the effects of fatigue on the cognitive performance of watch-keepers through the use of simulators launched in June 2009. ECSA believes that by using real-time, realistic scenarios to objectively assess the impact of fatigue on decision-making and performance the initiative has the potential to make a valuable contribution.





Safety/ Environment

MARITIME SAFETY PACKAGE III

A significant contribution to safety

After more than three years of negotiation, formal agreement was reached on the Maritime Safety Package III in early 2009. Essentially addressing shortcomings in existing legislation rather than in response to an accident, the Package covers: port state control, flag state compliance, accident investigation, vessel traffic monitoring, classification societies, shipowners' insurance for maritime claims and the liability of carriers of passengers by sea in the event of accidents. Published in the Official Journal in late May and coming into force between mid 2011 and 2012, ECSA views the Package as a balanced set of measures which will further improve maritime safety in European waters and as a considerable achievement by the Commission, Council and Parliament.

SHIP EMISSIONS

REDUCING CARBON EMISSIONS

A global approach through the IMO

In the wider political debate on the future climate change regime for the world economy, all eyes are on the UN Conference taking place in Copenhagen in December 2009 within the UN Framework Convention on Climate Change (UNFCCC). From the shipping perspective, in depth work on reducing CO₂ emissions globally is taking place at the IMO and it is very much to be hoped that UNFCCC will decide that IMO is the international regulatory body that can most effectively deliver tangible reductions in emissions while having the most minimal impact possible on global trade; some 90% of international trade is transported by sea.

It is encouraging that the Commission has consistently indicated its preference for a global rather than regional carbon reduction regime for shipping and has stated that IMO should develop and adopt global market-based measures by the end of 2010. This view was taken in the context of their wish to see the UNFCCC setting targets for reducing climate impact to below 2005 levels by 2020 and significantly below 1990 levels by 2050.

It is notable, however, that the Commission has made clear that in the absence of global measures, the EU would come forward with proposed measures by end 2011 with entry into force by 2013. This is linked to the ongoing study for the Commission by consultants CE Delft on the options for Market-Based Instruments for shipping considered by the Commission to have the most potential; these include, in particular, a possible Emission Trading Scheme, (it being notable that aviation is now included in the EU ETS), and an emission levy in conjunction with technical and operational improvements. Completion of the work is due in late 2009.

ECSA, in close cooperation with its international sister organisation, ICS, has been actively involved in analysing the complexities of the different MBI possibilities, having as a starting point that, to be fair and effective, any eventual scheme should be agreed internationally, must focus on relative rather than absolute reductions given the anticipated growth in world trade over time and be 'flag neutral' in order to avoid market distortions. ECSA members have contributed to the detailed analysis of the environmental benefits and commercial implications of the different options being considered by Governments, produced by ICS and submitted to IMO in 2009.

Against the background of the current uncertainty about how the various options might work in practice and different internal preferences at this stage in the



ongoing debate, ECSA has not taken a firm stance in favour of one particular MBI or another. However, the detailed work that has been undertaken enables the industry to actively and constructively contribute to the debate with the EU institutions and the consultants undertaking work for the Commission, and this will no doubt continue.

What is now important is that IMO comes forward as soon as possible with an acceptable internationally agreed regime for reducing carbon emissions which recognizes that shipping is, and should remain, the most carbon efficient means of commercial transport.

SULPHUR

The IMO Agreement on MARPOL Annex VI 'SOx' and 'NOx' formally agreed in October 2008 has generally been welcomed by the shipping industry as demonstrating the ability of IMO to take effective global action; however, one element has caused considerable concern. This relates to the 0.1% sulphur requirement in 2015 within the Emission Control Areas (ECAs), the fear being that its economic impact will be such that it will have the counterproductive environment consequence of a modal shift from sea to land.

Discussions on this prospect have taken place between ECSA and the Commission, it being agreed that as part of their impact assessment obligations in relation to the revision of the 2005 Sulphur Directive the Commission will make a study on the prospects/implications of the measure. This work, to be undertaken in consultation with ECSA, should be completed in the early autumn. In parallel, ECSA has asked specialists in the University of Antwerp and Leuven to make an independent study on the economic and environmental implications of the 0.1% sulphur requirement. A number of Member States are also studying the implications of the measure and it is anticipated that,

on completion of these various pieces of work, discussions between the industry and the authorities will take place to address the issues identified.

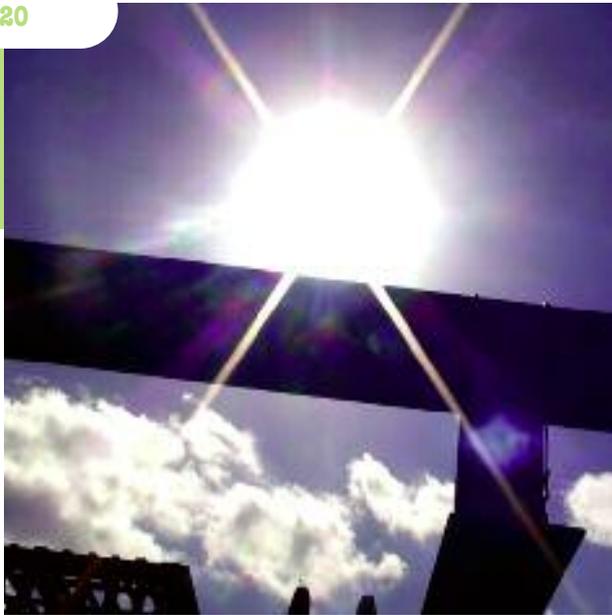
RECYCLING

Ratification and implementation of the IMO Convention essential

It is anticipated that the IMO Convention for the Safe and Environmentally Sound Recycling of ships, adopted in Hong Kong in May 2009, will go a long way to addressing the legitimate and long held concerns about the substandard working practices and environmental standards in some recycling yards in the Indian Sub-Continent. In essence, the Convention aims at ensuring that ships when being recycled at the end of their operational lives do not pose any unnecessary risk to human health and safety or the environment.

It is now crucial that there is swift ratification and implementation of the Convention by all Member States, including recycling States. The EU can play an important role in this regard, a point stressed by ECSA in the context of a recent consultation on the Commission's Communication on an EU Strategy for Better Ship Dismantling. In particular, the Commission, in addition to promoting ratification by Member States, should use its political influence to encourage recycling states to take similar action in order to ensure that sufficient global recycling capacity is maintained.

The political reality, however, is that it will probably take several years for the Convention to enter into force and the industry, through its Working Group on Ship Recycling, has developed voluntary interim measures to provide additional guidance for shipowners which will be regularly updated as the IMO standards are implemented and more experience is gained. This initiative is relevant in the context of the Commission's



ongoing consideration of possible proposals in 2010 for EU measures on ship recycling. In this regard, ECSA hopes that the Commission will continue to fully consult the industry to ensure that any action that is proposed is both practical and does not discriminate against European Shipping in relation to the international market in which it operates.

EUROPEAN MARITIME SAFETY AGENCY (EMSA)

EMSA continues to play an increasingly important role in the areas of safety and environment. In addition to providing technical support and advice to the Commission and Member States in relation to EU legislation, EMSA also has an important operational task in the field of oil pollution response and the Long Range Identification and Tracking of ships Data Centre which entered into service on 1st June. ECSA recognizes and supports the valuable work of EMSA and appreciated holding a meeting of its Safety and Environment Committee meeting at their headquarters in late 2008. The ECSA President also had the pleasure of addressing the event to mark their move to new offices in central Lisbon in June 2009.







Security Customs

DELAY OF AN IMPORTANT PART OF THE COMMUNITY'S ADVANCE CARGO DECLARATION REGIME UNTIL 31.12.2010

In 2005 and 2006, the EU adopted legislation on advance cargo declaration, through Regulations 648/2005 and 1875/2006.

This legislation, which was scheduled to enter into force as from 1 July 2009, obliges economic operators, when trading to or from the EU, to provide customs authorities of Member States electronically with specific information on the cargo they intend to import to or export from the EU, within specific time limits.

However, the original legislation on the Community's advance cargo declaration regime contained so many significant shortcomings that a revision thereof was required. This revision is laid down in Regulation 312/2009 of 16 April 2009.

Since this revision took longer than expected, electronic systems to fulfil the obligations laid down in the legislation could not be implemented by the deadline laid down in Regulation 1875/2006, i.e. by 1 July 2009. It has therefore been decided to delay an essential part of the Community's advance cargo declaration regime, notably the mandatory application of the so-called entry and exit summary declarations, until 31.12.2010.





Piracy

A FRAGILE SITUATION NEEDING ONGOING EFFORTS

The Board of ECSA has on different occasions commended EU-NAVFOR for its operations off the Somali Coast/Gulf of Aden. The EU-NAVFOR/ATALANTA operation started on 8 December 2008 and is the first aero-naval international EU operation. It was preceded by the creation of a coordination cell in Brussels (NAVCO) that met with ECSA in September 2008.

ECSA is pleased to note that the mandate of EU-NAVFOR/ATALANTA has been extended until 13 December 2010. It is anticipated that the UN Resolution will also be extended for a further year.

The presence of the EU NAVFOR and of ships of several other navies has resulted in reducing piracy in the region. Particularly the sharing of information between EU NAVFOR with other forces such as of India, China, Japan and Russia is leading to a better coordinated approach. The cooperation between the different Naval Forces should be further enhanced.

It is realised that a key point is to improve living conditions and governance in Somalia. The European Commission/United Nations donor conference held in Brussels on 22/23 April 2009 is part of the ongoing efforts to support the way towards a normalised situation.

Notwithstanding the presence of naval armed forces in the area the piracy situation is fragile; therefore ongoing efforts are essential.





Short Sea Shipping and Co-modality

TRANS-EUROPEAN TRANSPORT NETWORKS

A Green Paper and a public consultation on future challenges of the TEN-T policy

In February 2009, the European Commission adopted a Green Paper on future challenges of the TEN-T policy, which needs, inter alia, to be realigned to contribute more effectively to combating climate change and to supporting Europe's increasing international role through better infrastructure connections with its neighbours and the wider world.

The Green Paper launched a public consultation seeking views from stakeholders on the proposed future objectives and on the following three options:

- Option 1 – Maintaining the current dual layer structure with the comprehensive network and (unconnected) priority projects;
- Option 2 – Reducing the TEN-T to a single layer (priority projects, possibly connected into a priority network);
- Option 3 – A dual layer structure with the comprehensive network and a core network, comprising a – geographically defined – priority network and a conceptual pillar to help integrate the various transport policy and transport infrastructure aspects.

ECSA submitted comments in support of option 3.

A new paper on TEN-T will be issued in 2010.

MOTORWAYS OF THE SEA

A multitude of initiatives

With regard to Motorways of the Sea, the past year was once again characterised by a multitude of initia-

tives, both at European level and at the level of Member States.

At European level, the European Commission adopted, in December 2008, a Communication on Motorways of the Sea in supplement of the 2004 Community Guidelines on State Aid to Maritime Transport. The Communication clarified the way that Member States may provide state aid to projects relating to Motorways of the Sea links, i.e. Member States are allowed to grant state aid to operational costs of Marco Polo selected projects up to 35% over five years, and to start up investments – in the context of TEN-T Motorways of the Sea projects – up to 30% for two years.

In March 2009, the European Commission launched the 2009 TEN-T Motorways of the Sea Call. The Call, which was closed in May, makes nearly € 1 billion of financing available for European transport infrastructure projects. The management of the Call and the evaluation of project proposals submitted there under are with the TEN-T Executive Agency.

At the level of Member States, various initiatives were launched. In February 2009, France and Spain established two new Motorways of the Sea projects, one between the French ports of Nantes/Saint-Nazaire and Le Havre and the Spanish port of Vigo (with a possible extension to Algeciras in 2010), and another one linking the French port of Nantes/Saint-Nazaire and the Spanish port of Gijon. The two projects involve a total amount of € 30 million as a start-up subsidy, spread over 5 years, and they include a special clause allowing both Member States to recover a part of the subsidy in case of good performance of the services.

Another initiative at the level of Member States was the publication, in June 2009, by France, Italy and Malta of a joint call for tender for Motorways of the

Sea proposals in the West Mediterranean region. This call is addressed to consortia, of at least two ports/port terminals from two different Member States of which one should be from a participating country, and to maritime transport operators. The deadline for submitting MoS proposals is 15 November 2009.

Other studies and projects are in process.

MARCO POLO PROGRAMME

In February 2009, the European Commission announced the selection of 28 projects under the 2008 Call under the Marco Polo II Programme, whereby 9 of them involved or related to shipping. At the same time, the European Commission launched the 2009 Call. At the end of June, the EU decided which projects will receive grants. The number of project proposals has risen by 50% in 2009 to a total of 70. The successful projects are likely to be announced publicly beginning 2010.

EUROPEAN MARITIME TRANSPORT SPACE WITHOUT BARRIERS

Commission Communication to lead to reduction of administrative burdens for intra EU cargoes

In January 2009, the European Commission issued a Communication on a European Maritime Transport Space without barriers. The Communication consisted of an Action Plan with short and medium term measures as well as recommendations to Member States.

Short term measures include, *inter alia*, a proposal to abolish the “authorised regular shipping status” and, instead, to apply to all vessels sailing purely between EU ports a presumption that the Community cargo that these ships carry onboard would maintain its Community status. This measure should apply as from 2010.

Medium term measures consist, *inter alia*, of a proposal to simplify administrative formalities that apply to ships sailing between EU ports but calling also at third country ports. This proposal includes that electronic means would be used to identify Community cargo carried onboard such ships. The application date would be 2013.

Recommendations to Member States relate, *inter alia*, to the need to co-ordinate administrative inspections for ships so as to shorten their turnaround times and to the need to create a regulatory framework which would permit easier pilotage exemptions.

Discussions are now concentrated on short term measures, in particular on the “authorised regular shipping status”. Whilst the initial idea of the European Commission was to abolish this status, there is now an agreement in principle to maintain but to simplify the status by linking it to the shipping company rather than to the ship. Furthermore, the exchange of information between the customs administration and the shipping company on the “authorised regular shipping status” would be done electronically and a shipping company would only have to communicate changes to one customs administration only.

ECSA hopes that the result of the Commission Communication will drastically reduce the administrative burdens for intra-EU cargoes.





EU on the international scene

A FREE TRADING ENVIRONMENT MORE VALID THAN EVER

Faced with the economic and financial crisis a watchful eye is required for any forms of (trade) restrictive measures, often in the form of protectionism. The strong statements to this end, including the call for a collective surveillance mechanism by the G20 London meeting in spring 2009, also backed by WTO monitoring initiatives are in practice not fully adhered to by larger and smaller countries alike, including from the G20 group. This also counts for maritime transport interests.

It should be said that the EU is taking an increasingly active and pragmatic role on issues of free trade and market access, in international organisations, but also by close coordination with Member States and the private sector in the EU.

Compared to other sectors, trading in goods and in services, maritime transport is generally operating in a quite liberal environment, allowing free access to market and establishment of subsidiaries and branches. Still, these often de-facto freedoms can be much strengthened by commitments in bilateral and multilateral agreements, which will boost trade and include maritime articles. The legal certainty thus arrived at will stimulate long term commitments and foreign direct investments.

Examples of negotiations with third countries by the EU, usually represented by the European Commission by specific mandates, include:

The **WTO-DDA multilateral negotiations**, most regrettably have already in an early stage ran into heavy weather mainly over agricultural issues and tariffs for goods, effectively blocking the more complicated negotiations on the very diverse services sector,

including Maritime Transport. As a singular issue, good progress is being made on Trade Facilitation; very important, but it will not be easy to be carried outside an overall DDA agreement. No doubt stimulated by the current crisis the belief in and commitment to a new WTO Agreement is increasing and a positive outcome by end 2010 should be feasible. This should offer the enhanced structures, commitments and trust for the recovery of international trade and economies.

Free Trade Agreement (FTA) bilateral negotiations are aimed at WTO + commitments. The EU is running somewhat behind FTA's already concluded by other major industrial nations, but can use these as basis to improve on. The negotiations with South Korea are close to conclusion, followed by Central American nations and the Andean; others like with India prove more complex. New negotiations are due with Canada and Libya.

European Partnership Agreements (EPA) are building on the EU-ACP Cotonou agreement. The EPA's have developed as main pillar, but also including trade. The agreement with the Caribbean includes services and maritime with country commitments



differing in the detail. Negotiations with West Africa will for the time being not include services and thus also not maritime transport.

Connecting Africa and Europe under a recent Communication DG TREN is proposing the strengthening of transport cooperation. The Communication is a starting point, for coming to concrete actions agenda's with an active involvement of the European and local private sector. Maritime Transport and the related port

and inland connections are to receive much attention, both for North Africa and Sub-Sahara Africa.

The Bilateral Maritime Agreement with China includes most successful annual implementation meetings. The negotiations with India are regrettably not progressing as desired, due to differing starting points and ambitions. Bilateral Maritime Dialogues take place with e.g. Brazil and South Africa, offering potential for closer ties.







Legal Issues

EU COMPETITION RULES/CONSORTIA

In October 2008, the European Commission (DG COMP) organised a public consultation seeking views from stakeholders on a revision of Regulation 611/2005, laying down a block exemption for consortia, which will expire on 25.4.2010.

In November 2008, ECSA submitted comments to DG COMP in which it reiterated the need to delete “chiefly by container” so as to apply the Block Exemption Regulation to a wider range of cooperation arrangements in the maritime sector. ECSA also questioned the need to impose market thresholds on consortia and to aggregate market shares of consortia.

The new Consortia Block Exemption Regulation is expected towards the end of 2009.

UNCITRAL Convention/Rotterdam rules

Harmonised rules at global level

Between 2002 and 2008, a new international Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea was negotiated under the aegis of the United Nations Commission on International Trade Law (“UNCITRAL”). The new Convention will be signed in Rotterdam on 23 September 2009, after which it will be known as the “Rotterdam Rules”.

ECSA supports the Rotterdam Rules as they will modernize the liability regimes that currently apply to the carriage of goods by sea, they will address the gaps that presently exist (e.g. by laying down rules on e-commerce) and they will regulate the multimodal carriage of goods that involve a sea leg. Furthermore,

ECSA believes that the Rotterdam Rules represent a last attempt to have a harmonized cargo liability regime at global level that will provide for modern rules and for legal certainty and uniformity and that will reduce conflict of laws between the various jurisdictions across the world. On this basis, ECSA has urged States, including all EU Member States, to ratify the Rotterdam Rules soonest.

EU plans on multimodal liability and single transport document are still under investigation

Despite an international agreement on the international Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea, known as “Rotterdam Rules”, and despite a strong opposition from several States and from the shipping industry, including ECSA, the European Commission is still investigating the possibility of a legislative proposal on a European regime on multimodal liability and on a single transport document, as indicated in the Commission Action Plan on Freight Transport Logistics of October 2007.

In preparation of a possible legislative proposal, the European Commission (DG TREN) launched a public consultation in September 2008 to seek views from stakeholders on a European regime on multimodal liability and on a single transport document. ECSA responded by reiterating its opposition to any regional legislation on multimodal liability and on a single transport document and by underlining the need for shipping to be governed by international rules based on the Rotterdam Rules.

The European Commission has recently indicated that they will soon carry out an impact assessment following which they may issue a legislative proposal on multimodal liability and on a single transport document.

CRIMINAL SANCTIONS FOR SHIP-SOURCE POLLUTION

In April 2009, the European Parliament and the Council of Ministers reached an agreement on a Directive that will amend Directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements. The new Directive provides that ship-source pollution shall be regarded as a criminal offence “if it is committed with intent, recklessly or with serious negligence and it results in a serious deterioration of the quality of the water”.

The concrete penalties that should apply to criminal ship-source pollution and that were laid down in the previously annulled Council Framework Decision on ship-source pollution and on the introduction of penalties for infringements, are not part of the new amending Directive. The European Commission is expected to issue soon another legislative proposal laying down concrete minimum penalties.







Passenger Rights

TOWARDS A PRACTICABLE AND WORKABLE REGIME

In December 2008 the Commission adopted a legislative proposal on passenger rights for maritime services. The regulation addresses rights of persons with reduced mobility, compensation and assistance when journeys are interrupted, liability for death and injury of passengers and treatment of complaints and means of redress. This initiative followed a lengthy Commission consultation period in 2007/08 in which both ECSA and the European Cruise Council made detailed submissions on the practical considerations for the ferry and cruise sectors respectively in these areas.

The proposal has been examined from both the ferry and cruise perspectives and it is clear that the 'one size fits all' approach of the initiative would cause practical problems for companies in a number of areas. In relation to ferries, there is a wide diversity of vessels, routes and geographical circumstances which justify some flexibility being incorporated into the text on the lines of 'where reasonable and practical'.

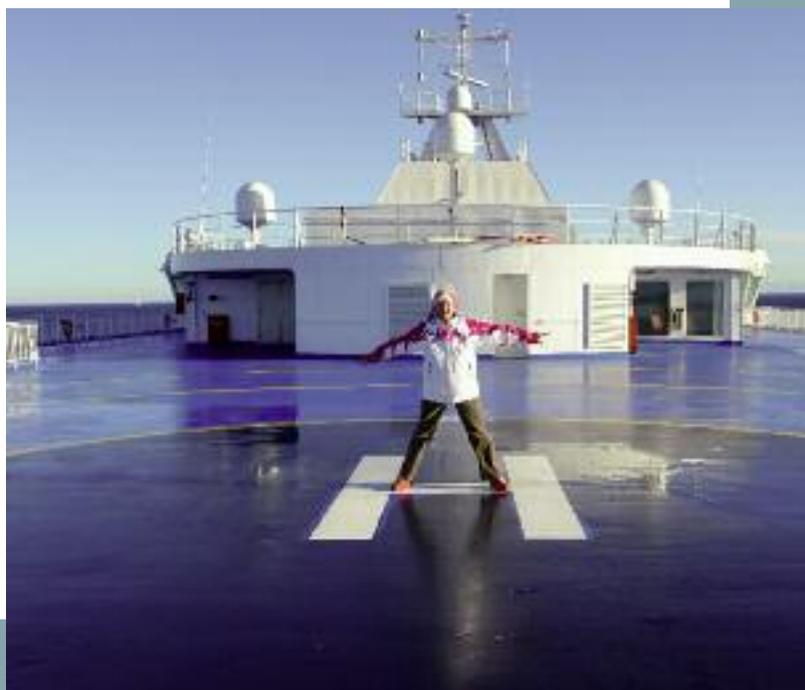
Account must also be taken of circumstances over which the operator has no control, such as weather, in relation to the obligations in the event of interrupted travel; there is a need also to ensure that ports, and not just carriers, take on responsibility for providing assistance for persons with reduced mobility (PRM).

This latter point is equally valid for the cruise sector, in relation to which it is crucial that PRMs provide information on their needs at the time of booking if their requirements are to be properly catered for during their voyage. It is also important that the cruise operator has the ability to make an assessment on whether the carriage of a passenger would put at risk the health and safety of that passenger.

These and other detailed points have been raised in both the European Parliament and Council during the legislative process.

In April, the European Parliament adopted a 1st Reading Report which did go some way to addressing the concerns of both the ferry and cruise sectors. It was encouraging that many of the amendments adopted took account of the diversity of the shipping sector and the need to avoid a 'one size fits all' regulatory approach.

Discussions between Member States started at the beginning of the year at Council Working Group level, with the Swedish Presidency hoping to reach political agreement by the late autumn. ECSA and the ECC have been active in explaining the particular practical and operational characteristics of the ferry and cruise sectors and the industry is optimistic that the eventual text agreed will be acceptable and workable while maintaining the overall goals of the proposal.





Flagship

INNOVATION THROUGH THE FLAGSHIP PROJECT

The ambitious Flagship R&D project started off in January 2007 for conclusion by end 2010. ECSA took on the coordinator's role of this European Commission co-funded project to lead in progress, demonstrate the drive of the shipping industry to innovate, take a constructive part in meeting public and political demand for enhancement of safety and environmental sustainability, and combining this with enhancement of the competitiveness of maritime transport. This will be achieved through the development of innovative systems and solutions, including improved use of ICT.

The project is on schedule and while there are always unpredictable elements in research, the general quality of the already 50 completed deliverables is solid to say the least and leading to promising outcomes. Time is now coming close for evaluation and demonstration of the sub-projects outcomes, in which cooperation by ECSA members and companies will be required for assessing the practical values. Questions arising in a first workshop included the practicality of introducing some of the systems and procedures between larger and small(er) shipowners and the possible impact on responsibilities / liabilities following much enhanced communication of functions between ship and shore. These are matters to be taken at heart. More information on the project's objectives and deliverables can be found under www.flagship.be

The e-Maritime concept as being contemplated by the European Commission may represent a development towards a more systematic management of information in the maritime domain, including the ship as well as the shore. As Flagship deals with improvement of maritime processes and the use of information technology to do this, it is obvious that the project also will have an impact in the area of e-Maritime.

On a more general level, the project is in the position to contribute significantly and on the policy level in the areas as operational efficiency, nautical safety and rule compliance, ship-shore communication, human factors. Some of the subprojects are already involved in national and international policy initiatives like in IMO and are providing input to these, but Flagship is able and interested in also cooperating with other initiatives.



ECSA Internal

The ECSA General Assembly held in Paris on 26 June appointed Mr Marnix van Overklift as the new President for a period of two years, succeeding Mr Philippe Louis-Dreyfus.

Marnix van Overklift has a long career in shipping coming from a coaster shipowning family and since 1973 with Seatrade a company established in Groningen in 1951. He served on the Board of the Seatrade Group of companies operating a large fleet of refrigerated vessels. He has different other mandates notably Vice Chairman of the Royal Association of

Netherlands' Shipowners, member of Lloyds Register Benelux Committee, board member of Skuld and has previously been Vice President of ICS (International Chamber of Shipping) and the International Shipping Federation (ISF).

The General Assembly also appointed Mr Juan Riva CEO of all companies part of the Suardiaz Group and having many other mandates including the Presidency of the Spanish Shipowners' Association ANAVE, as Vice President/President elect of ECSA for a period of two years.



From the left to the right : Mr. Juan Riva (Vice President of ECSA), Mr. Marnix van Overklift (President of ECSA), Mr. Philippe Louis-Dreyfus (Previous ECSA President)



Annex 1

ECSCA structure

ECSCA STRUCTURE BOARD OF DIRECTORS

PRESIDENT

Marnix van Overklift

VICE-PRESIDENT/PRESIDENT-ELECT

Juan Riva

DIRECTORS

ALTERNATES

AUSTRIA
BELGIUM/LUXEMBOURG

Hans Georg Wurmböck
Nicolas Saverys

Peter Verstuyft
Leo Werkers

BULGARIA
CYPRUS

Hristo Donev
Dirk Fry
George Mouskas
Polys V. Hadjioannou
Torben Janholt

Marin Petrov
Thomas Kazakos
George Tsavlis
Michael Filippou
Peter Bjerregaard
Jan Fritz Hansen
Jaan Kalmus

DENMARK

ESTONIA

Toivo Ninnas
Tõnis Rihvk
Thomas Franck
Philippe Louis-Dreyfus
Ottmar Gast
Nicos D. Efthymiou
John C. Lyras
Dave Hopkins
Emanuele Grimaldi
(Conf.) Nicola Coccia

Olof Widén
Anne-Sophie Avé
Hans Heinrich Nöll
Matheos D. Los
Anna Bredima
Jim Kavanagh

FINLAND
FRANCE
GERMANY
GREECE

IRELAND
ITALY

LITHUANIA
MALTA
THE NETHERLANDS
NORWAY
POLAND
PORTUGAL
SLOVENIA
SPAIN
SWEDEN
UNITED KINGDOM

(Fedar.)Lorenzo Paolizzi
Vytautas Lygnugaris
Nicolas A. Pappadakis
Marnix J. van Overklift
Thor Jorgen Guttormsen
Pawel Szykaruk
Marques da Costa
Egon Bandelj
Juan Riva
Fredrik Lantz
Michael Parker

Gennaro Fiore
Laurence Martin
Giovanni Rizzo
Gintautas KUTKA
Joseph Curmi
Guido Hollaar
Sturla Henriksen
Adolf Wysocki
P. Magalhães
Loredana Kolbe
Manuel Carlier
Håkan Friberg
Mark Brownrigg

ECSA SECRETARIAT – LIST COMMITTEES & WORKING GROUPS

ECSA SECRETARIAT

SECRETARY GENERAL

Alfons Guinier

DEPUTY SECRETARIES GENERAL

Tim Marking

Th. Herman de Meester

MANAGER LEGAL AFFAIRS

Christophe Tytgat

MARITIME SAFETY AND ENVIRONMENT

EXECUTIVE ADVISER

Benoit Loicq

EUROPEAN RO-RO CARRIERS ACTION GROUP

EXECUTIVE DIRECTOR

James Dempster

SHIPPING POLICY COMMITTEE

Chairman: M. Carlier

Vice-Chairman: N. Hassiotis

AUSTRIA	H.G. Wurmböck
BELGIUM	L. Werkers
BULGARIA	Hr. Donev, M. Petrov
CYPRUS	S. Constantinou, M. Filippou, L. Hamatsos
DENMARK	J.F. Hansen, R. Piil Pedersen, P. Olsen
ESTONIA	E. Kreem
FINLAND	O. Widén
FRANCE	A-S Avé, B. Huchet
GERMANY	J. Habicht, D. Hosseus
GREECE	J.C. Lyras, A. Bredima, N. Hassiotis, K. Peppas
IRELAND	R. McCann
ITALY	L. Paolizzi, G. Cerruti, L. Martin
LITHUANIAN	V. Lygnugaris
NETHERLANDS	T.P. Blankestijn, T. P. Tammes
NORWAY	C. Demeer Strøm
POLAND	A. Wysocki
PORTUGAL	J. Bebian (until June 09)
SPAIN	M. Carlier, E. Seco
SWEDEN	H. Friberg, P. Sjöberger, C. Frisk
U.K.	M. Brownrigg, G. Simmonds, D. Asprey, A. Frisk
ICS	S. Bennett

SOCIAL AFFAIRS COMMITTEE

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Vice-Chairman: G. Sulpice

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BELGIUM	N. Simons
BULGARIA	M. Petrov
CYPRUS	T. Kazakos, G. Ioannides
DENMARK	P. Voss
ESTONIA	I. Kaunis
FINLAND	K. Kostianen
FRANCE	G. Sulpice
GERMANY	U. Ordemann
GREECE	G. Koltsidopoulos, K. Peppas
IRELAND	D. Elliott
ITALY	F. Cirnigliaro, L. Paolizzi
LITHUANIA	R. Vaitiekunas
NETHERLANDS	G. Hollaar, T. Westra, Lea M. van Vlier-Douma
NORWAY	E. Midelfart
POLAND	R. Czyzyk
SPAIN	M. Carlier
SWEDEN	L. Andersson, C. Frisk
U.K.	E. Brookes, T. Springett
ISF	N. Shaw

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Vice-Chairman: E. Brookes

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BELGIUM	L. Werkers
BULGARIA	M. Petrov, G. Tzvetkov
CYPRUS	A. Josephides, T. Papaioannou
DENMARK	H.H. Petersen
ESTONIA	R. Önnis
FINLAND	T. Jokilehto
FRANCE	P. Rondeau
GERMANY	W. Hintzsche, M. Plötzke
GREECE	J. Panopoulos, J. Andreopoulos, G. Gabriel
ITALY	F. Faraone
NETHERLANDS	E. Staal
NORWAY	T. Gloersen, H. Lee Behrens
POLAND	Z. Nieweglowski
SPAIN	A. Basurko
SWEDEN	C. Carlsson, T. Ahlman

U.K. E. Brookes, R. Ashdown
ICS P. Hinchliffe

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GREECE N. Hassiotis
NETHERLANDS G. Hollaar
NORWAY C. Demeer Strøm

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BULGARIA M. Petrov
CYPRUS K. Neophytou
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S. Constantinou
DENMARK J.F. Hansen, P. Olsen
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J. Tzavaras, A. Bredima, K. Peppas

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CYPRUS P. Christodoulou, Elie Medlej,
M. Pilavakis
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SWEDEN R. Lindgren, P. Sjöberger
U.K. V. Moorcraft, T. Reardon, M. Barlow,
AIDA CRUISES P. Soulsby
COSTA CROCIERE A. Dietrich
CARNIVAL CORP. J. Border
ROYAL CARIBBEAN
CRUISES C. Gingrich

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FINLAND T. Voionmaa
FRANCE T. Conte, A-S. Avé, B. Huchet
GERMANY D. Meenke, T. Brüggemann
GREECE M. Sarlis, N. Hassiotis
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SPAIN M. Carlier

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U.K. D. Asprey, T. Reardon

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DENMARK S. Dahl, P. Olsen
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GERMANY E. Donner, K. Steffen, D. Griebel,
D. Hosseus
GREECE K. Peppa
ITALY G. Cerruti
NETHERLANDS H. Veldman, J.W. de Braal
NORWAY B. Markveien
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PORTUGAL J. Fernandes
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SWITZERLAND (MSC) M. Lauro

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SWEDEN C. Frisk, P. Sjöberger
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BULGARIA H. Vasileva
CYPRUS T. Kazakos, M. Pilavakis
DENMARK J. F. Hansen, J. Clasen, P. Olsen
FRANCE B. Huchet, C. Bellord

GERMANY H. H. Nöll
GREECE N. Hassiotis, G. Koltsidopoulos
ITALY L. Martin,
NETHERLANDS M. Dorsman
NORWAY G. Aakvik, T. Saxegaard
PORTUGAL J. Bebian (until June 09)
SWEDEN C. Frisk
U.K. D. Asprey

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P. Olsen
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GERMANY D. Hosseus
GREECE N. Hassiotis, K. Peppa
ITALY L. Martin, G. Cerruti
NETHERLANDS T.P. Blankestijn, T. P. Tammes
NORWAY T. Tjomsland, C. Demeer Strøm
SPAIN M. Carlier
SWEDEN P. Sjöberger, C. Frisk
U.K. G. Simmonds

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DENMARK R. Pill Pedersen, B. Bertram, P. Olsen
FRANCE P. Rondeau, B. Huchet
GERMANY D. Meenke, W. Hintzsche
GREECE J. Andreopoulos
ITALY L. Martin
NETHERLANDS E. Staal
NORWAY T. Gloersen, H. Lee Behrens
U.K. T. Reardon, G. Simmonds
ICS

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CYPRUS S. Constantinou, P. Onoufriou
DENMARK U. Rasmussen, P. Olsen
FINLAND H. Ahlström
FRANCE C. Bellord
GERMANY H. H. Nöll, B. Kröger,

GREECE	N. Hassiotis, K. Peppas, G. Koltsidopoulos
NETHERLANDS	T. P. Tammes, S. De Smet
NORWAY	V. Bondi, K. Boehler
SWEDEN	C. Frisk
POLAND	R. Czyzyk, P. Mickiewicz
U.K.	D. Chard, A. Frisk
ICS	K. Khosla

AIR EMISSIONS WORKING GROUP

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CYPRUS	A. Josephides
DENMARK	H.H. Petersen, A. Mikkelsen, P. Olsen
FINLAND	T. Jokilehto
FRANCE	P. Rondeau, A. Coatanhay
GERMANY	M. Plötzke
GREECE	J. Panopoulos, J. Andreopoulos
ITALY	F. Faraone
NETHERLANDS	R. Fonseca
NORWAY	T. Gloersen, H. Lee Behrens
SPAIN	E. Seco
SWEDEN	C. Carlsson
U.K.	R. Ashdown
ICS	P. Hinchliffe

ETS EXPERT GROUP

Chairman: L. Werkers

BELGIUM	L. Werkers L. Laffineur, B. Lavent, L. Saerens
CYPRUS	A. Josephides
FRANCE	A. Coatanhay
DENMARK	A. Mikkelsen
GERMANY	M. Plötzke
GREECE	J. Panopoulos
ITALY	F. Faraone
NETHERLANDS	
NORWAY	T. Gløersen, H. Lee Behrens
SWEDEN	C. Carlsson J. Roos
UK	R. Ashdown

SECTORAL DIALOGUE COMMITTEE ON MARITIME TRANSPORT

The Sectoral Dialogue Committee is a consultative body to the EC Commission, half representing shipowners' associations, the other half maritime unions.

Shipowner Members

AUSTRIA	H.G. Wurmböck
BELGIUM	N. Simons
BULGARIA	H. Donev, M. Petrov
CYPRUS	T. Kazakos, L. Hamatsos
DENMARK	P. Voss
ESTONIA	I. Kaunis
FINLAND	H. Ahlström, K. Kostainen
FRANCE	G. Sulpice
GERMANY	U. Ordemann
GREECE	G. Koltsidopoulos
IRELAND	D. Elliott
ITALY	L. Paolizzi
LITHUANIA	R. Vaitiekunas
NETHERLANDS	G. Hollaar, T. Westra
NORWAY	E. Midelfart
POLAND	R. Czyzyk
SPAIN	M. Carlier
SWEDEN	L. Andersson, C. Frisk
U.K.	E. Brookes, T. Springett
ISF	N. Shaw
Secretariat	A. Guinier, T. Marking

HIGH LEVEL PASSENGER FERRY GROUP

Chairman: Mr Jan-Eric Nilsson

DENMARK	H. Rorbaek (Scandlines), J. stehen Mikkelsen (Scandlines), S. Jespersen (DFDS), K. Robdrup (Norfolk Line)
ESTONIA	T. Vilosius (AS Tallink Group) T. Hinno (Tallink)
FINLAND	L. Lääne (Tallink Silja Line) K. Mehtonen (Tallink Silja Oy), N-E. Eklund (Viking Line Abp), K. Nyström (Viking Line).
FRANCE	V. Clement-Launoy (Sea France), P. Denneulin (Brittany Ferries), P. Mattei (Corsica Ferries/Tourship Group), P. Vieu (Société Nationale Maritime Corse-Méditerranée), A. Person (L.D. Lines), M. Maraval (Veolia)
GERMANY	A-H. von Oertzen (TT-Line), G. Tesch (Scandlines Deutschland GMBH), G. Becker (KG Seetouristik GMBH)

GREECE S. Paschalis (Superfast Ferries),
Y.Krassakopoulou (Attica Group)
G. Yannoulatos (Hellenic
Mediterranean Lines)

ITALY P. Kyprianou (Grimaldi Group)

IRELAND E. Keane (Irish Ferries)

NETHERLANDS W. De Lange (Stena Line)

NORWAY T. Kleivdal (Color Line),
R. Kjaer (Color Line as alternate),
D. Solem (Fjord Line)

POLAND P. Waszczenko (Unity Line),
P. Mickiewicz (Unity Line)

SWEDEN J.E. Nilsson (Rederi AB Gotland),
S-O Brax (Brax shipping), C. Jarnvall

U.K. H. Deeble (P&O Ferries Ltd),
John Garner (P&O Ferries)

S. Kiliaris (Louis Cruise Lines)
N. Lingard (Fred Olsen Cruise Lines)
A. Molina (Pullmantur Cruises)
L. Narraway (Carnival Cruises Lines)
P.L. Foschi (Costa Crociere)
S. Schnier (Delphin Kreuzfahrten GMBH)
D. Selby (Thomson Cruises)
C. Sauleau (Regent Seven Seas Cruises)
M. Thamm (Aida Cruises)
P. Vago (MSC Cruises)
M. Zengerle (Norwegian Cruise Lines)
F. Weill (France Ferries & Croisières)
J. Zurnieden (Phönix Reisen)
R. Marshall (Royal Caribbean Cruise Line)
S. Ahrens (Hapag Lloyd)
P. Waehnert (Transocean Tours Touristik)
I. Cottam (Hurtigruten)
E. Krafft (Star Clippers)
R. Vogel (Tui Cruises GmbH)
B. Swets (Disney Cruise Line)
A. Serrano (Iberocruceros)
N. Sharp (Croisières de France)

**EUROPEAN RO-RO CARRIERS ACTION GROUP
(EUROCAG)**

Chairman: T. Voionmaa

BELGIUM (Cobelfret) M. Cigrang, M. Gray

DENMARK (DFDS A/S) P. Gellert Pedersen

FINLAND (Finnlines) T. Voionmaa

FRANCE (Louis Dreyfus Lines) C. Santoni

GERMANY (KESS) N. Yokoyama, H. Ackermann

GREECE (Neptune Lines) N. Travlos,
M. Travlos (Vice Chairman)

ITALY (Grimaldi Group) E. Grimaldi,
P. Kyprianou

NETHERLANDS (Van Uden Maritime B.V. – Van Uden
RoRo), D.P.F. Dutilh, (Transfennica)
D. Witteveen (Norfolk Line)
K. Robdrup, G. Quist

NORWAY (UECC) T. Nielsen, B. Svenningsen,
A.Fernandez

SPAIN (Flota Suardiaz) V. Serrano,
L.M. Labarra Perez

SWEDEN (Stena RoRo) R. Almstrôm

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Annex 2

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Annex 3

Country Reports

BELGIUM

Up to now the advantages of the Belgian flag, offering a combination of quality, reliability and cost effectiveness seem to have proven their value.

In 2008 the Belgian shipping sector has shown itself to be very enterprising and innovative, which increasingly confirms Belgium as a leading seafaring country. The RBSA (Royal Belgian Shipowners Association) has vigorously dedicated itself to staunchly support this reputation with a number of initiatives, relating amongst others to the environment and the piracy threat in the Gulf of Aden.

Environment :

Ship recycling:

The RBSA has been especially active in fostering the legislative process concerning ship recycling within the IMO. Some examples of issues, where Belgium and the RBSA have created added value in the international legislative process, include :

- Extending the convention to the biggest possible number of countries with ship recycling yards;
- Possible application to government vessels;
- Clarifying the notification procedure before ships are sent to ship recycling yards;
- Interpretation of the dispute settlement provisions.

The IMO Shiprecycling Convention, adopted in Hong Kong, is considered as a step forward, as it is expected to replace the existing unilateral and sometimes conflicting approaches of Basel, ILO and IMO.

Greenhouse gases:

The RBSA stressed that a policy instrument for the maritime sector should :

- Focus on an efficient reduction of absolute CO² emissions;
- Be as cost-effective as possible

- Not adversely affect the competitiveness of the shipping industry within the world market in which it operates
- Be a worldwide instrument, developed by IMO as more efficient means for reducing CO² emissions than any equivalent regional system.

In 2008 declared its preference for a global emission trading system.

A paper was submitted to the Greenhouse Gas Working Group of IMO, proposing a fine tuning methodology of the Energy Efficiency Operational Index, for the first time based on real facts and figures, resulting from a joint study by the RBSA and the Flemish Institute for Technological Research. Main objective was to contribute to the interpretation and practical implementation of the CO² emission indexing.

Piracy:

Confronted with the piracy issue off the Somali coast, the RBSA urged the Belgian Government to send the frigate "Louise-Marie" to the Gulf of Aden. Furthermore the Belgian Government agreed to make available Vessel Protection Detachments to be put on board of vessels that are more vulnerable to pirate attacks due to their slow speed or low freeboard. However no solution has been found yet for a few issues such as liabilities and costs.

OTHER ISSUES TO REPORT:

Belgian Flag State response:

In 2007-2008 the Federal Public Service (FPS) Mobility and Transport developed a strategy in order to define, in a structured way and based on a risk assessment methodology, the necessary control measures for keeping the Belgian flag on the White List. The system was trialed in the course of 2008 and embedded in an integrated quality management system, which became operational on the 1st August 2009.

State Aid Guidelines:

Within the framework of the future review of the State Aid Guidelines the EC has started information gathering among member states. With regard to Tonnage Tax in particular, some EU Member States have submitted a number of requests for expanding its scope. The Belgian shipowners have on several occasions expressed their fear that expanding the qualifying activities and/or types of vessels and/or liberalizing the conditions could mean the system being hollowed out as a result of which the Guidelines might be abolished in the longer term.

Antwerp Maritime Academy (AMA):

The trend, that has been apparent since 2000, showing an ever increasing number of students in the Maritime Academy, continued in 2008.

Thanks to some long awaited legal changes, the Antwerp Maritime Academy will start as from mid-2009 as an “autonomous college”, a status that fits better its mission. The AMA has been actively internationalizing and has several projects in progress, both in terms of student and teacher exchanges and with respect to service provision in developing countries. The RBSA however, continues to hammer at the point that giving training to future seafarers should remain the AMA's first priority.

Review of the Belgian Maritime Act:

Started in 2007, the Royal Commission, entrusted with this huge legal project, is expected to lay down its draft-Act before the end of 2009. As the RBSA launched the idea of this review, which has to bring the Belgian maritime law in line with the actual international legislation, it continuously is monitoring the progress.

BULGARIA

The unclear maritime shipping policy in 2007-2008 period resulted in fruitless discussions with the government services aimed at introduction of state aid on the labor costs and liberalization of legislation to permit employment of foreign citizens, outside EU, on board Bulgarian flag vessels.

At the same time the government did not provide support for the national shipbuilding and shipping in the way of CIRR ship financing scheme.

The privatization of 70% of the biggest Bulgarian shipowner “Navibulgar” was finalized in 2008, and just at the time the new owner begun restructuring the company, the world crisis hit us. In the view of the above and the missing actions on the government side it is very difficult to be optimistic about the future of the Bulgarian shipping registry.

Bulgaria volunteered for an IMO audit which took place in autumn 2008. The number of findings and non-conformities found refer also the above mentioned unclear policy for the development of the national shipping in terms of FSI.

Bulgarian Shipowners Association will try to convince the new government (elected in July 2009) of the national merchant shipping importance for the economy and general development of the country. The above mentioned measures for promoting national shipping are some of the best European practices and these are to be undertaken by the government as soon as possible if the national policy is to retain the national fleet. Otherwise we are going to see the same negative developments, experienced by the leading European maritime countries 10 years ago.

CYPRUS

At the end of 2008, the Cyprus Flag consisted of 1869 vessels with a total of 21.626.432 million GT. As such, Cyprus constitutes the 3rd largest fleet in the EU, and is considered to be the largest third-party shipmanagement centre in Europe, as well as being the 10th largest fleet worldwide.

The contribution of Shipping to the Cyprus economy is estimated at 4% of the GDP. Furthermore, the total number of gainfully employed persons by Cyprus shipping companies ashore is approximately 4,500 and 25,000 seafarers are employed onboard Cyprus flag ships at any one time.

During the last few years, Cyprus adopted a series of measures aiming at the upgrading and the modernisation of Cyprus Shipping through a safety policy which focused on the effective control of the ships and the improvement of the quality of its fleet. As a result, the Cyprus Flag has been placed on the “White Lists” of both the Paris and Tokyo MOUs on Port State Control and has recently been removed from the United States Coast Guard “Target List”, something which clearly indicates that Cyprus is committed to high operational and safety standards.

The Cyprus Shipping Chamber and the Cyprus Union of Shipowners forming JCSA, in close cooperation with the Cyprus Government have also been working hard in order to improve further the Cyprus Tonnage Tax System by offering new additional tax incentives for Cyprus shipping companies, always within the spirit of the “EU State Aid Guidelines for Maritime Transport”, and thus make Cyprus an even more attractive location for Shipping activities. An important recent development which has taken place is the announcement by the EU Commission that “Crew or Technical Management” Companies, will be eligible to apply to come under the tonnage tax system provided that certain conditions are met. This is indeed a very positive development for Cyprus and EU Shipping at large.

As part of its long-standing “Cyprus Shipping Public Relations Campaign” and in cooperation with the Cyprus Maritime Administration, the Cyprus Shipping Chamber organised in September 2008, in Limassol on the occasion of the “World Maritime Day”, the “Day of the Sea” Event which attracted more than 10000 visitors. The “Day of the Sea” is a social event that aims to increase public awareness of the Shipping Industry in general and at the same time promote its image in Cyprus, as well as maritime employment both onboard and ashore.

In addition, the Cyprus Shipping Chamber in cooperation with the Cyprus Government will once again organise on 27-30 September 2009, the biennial international shipping Conference “Maritime Cyprus”, which attracts hundreds of shipping executives and experts

from all around the world, under the title: “*A Changing Climate: Emerging Opportunities*”.

On 15 May 2009, a Cyprus delegation including a CUS representative visited EU Navfor Mission - Atalanta’s headquarters for an operational briefing and in an effort to show the Industry’s willingness to contribute in the on-going effort to tackle the burning issue of Piracy at the High Seas. Finally, Cyprus has become a member of the Athens Multinational Strategic Lift Coordination Center (AMSCC), which was established to strengthen the existing strategic lift capacity of EU, UN and NATO led humanitarian operations.

With regard to the Turkish Ban on Cyprus-flag and Cyprus-related ships, the matter is being actively pursued by the Cyprus Government and the JCSA at various regional and international fora. This illegal trade ban against European and International Shipping, will be heavily scrutinised at the December official Assessment of Turkey’s EU Accession Process by the European Union when it is expected that maximum pressure will be exerted on Turkey to lift the ban.

DENMARK

2008 was a year with great changes. High freight rates in the first eight months were followed by a sharp declining fourth quarter. During the last six years the world economy has grown by 5 percent per annum and demand for shipping in the same period has grown by around 8 percent a year. It was assumed that freight rates would decline from 2009 and onwards, but prompted by the financial crisis, the fall in rates has come faster than expected.

As a whole, 2008 was a particularly good year for nearly all Danish shipping lines. Following from this, key figures from the industry were once again at record levels. By the end of the year the Danish merchant fleet was more than 10 million gross tonnes and the average age is as low as seven years, measured by tonnage. Merchant ships under Danish flag have grown by 20 percent in just two years. The shipping industry’s contribution to the Danish balance of pay-

ments has continued to grow, so in 2008 Danish shipping lines contributed around 25 billion €.

In compliance with EU maritime state aid guidelines and in line with other EU Member States Denmark has introduced tonnage tax and a Danish international shipping register that makes Danish ships and Danish seafarers more competitive in the global shipping market. Key figures show that these initiatives are working and Danish shipping constitutes a significant part of the Danish economy. Danish seafarers and onshore support staff form the core of 'Blue Denmark' which in total employs more than 100,000 workers.

The general picture is that Danish shipping is well-prepared to come through the economic downturn and will be able to take market share again when the economy turns. This assessment is not least based on the shipping companies' focus on financial consolidation, developing employees' skills and ongoing investments in new and efficient tonnage.

Since 2006, Danish Shipowners have been responsible for a successful recruitment campaign for all of Blue Denmark, under the name 'World Careers'. In autumn 2008, Blue Denmark again executed a massive publicity campaign including TV commercials, web ads, radio spots and cinema commercials. Studies afterwards showed a clear increase in brand recognition and that the values that young people and their parents attach to an education in Blue Denmark are just those characteristics the campaign sought to communicate: international industry, industry with good career opportunities, competitive industry, industry with high credibility and an industry that offers great challenges. The targets for enrolment were met in 2008.

In a European perspective Danish Shipowners consider it extremely positive that the European Commission in January 2009 with the new Maritime Transport Strategy stated that it will conduct a maritime policy in the coming years to match the industry's global needs. This commitment is key to ensure that the European maritime industry thrives amidst challenging economic times. The Danish Shipowners hope that the construc-

tive dialogue with the European Commission will be continued in the coming year and that the positive statements from the Maritime Transport Strategy can be transposed into a satisfactory revision of the EU maritime state aid guidelines in 2011.

A key challenge the coming year will be the discussion about climate change and green house gases. Hopefully commitments at the COP 15 meeting in Copenhagen in December will make it possible to reach a global solution in IMO afterwards.

ESTONIA

State aid to the Estonian shipping sector remains most uncertain. Passenger vessels do not currently receive any state aid.

At the same time, it is the passenger transport which is more developed in Estonia. Tallink Grupp has invested continuously into newbuildings. The company has renewed its fleet for more than a billion € in the past seven years and received another new cruise ferry Baltic Queen in April 2009 operating now on the Tallinn-Mariehamn-Stockholm route. The deliveries of a number of newbuildings during the last years enabled to increase the capacity and to improve service standards of several routes operated by Tallink. In addition to the routes which are now serviced by the newbuildings, Tallink also renewed the Riga-Stockholm route in 2009 enjoying now the services of the vessel Romantika (2002).

Considering the current situation in Estonia, including the negative attitude of the state authorities to take necessary steps to improve the competitiveness of the Estonian shipping sector in general, Tallink has taken altogether four of its vessels out of the Estonian Ships Registry and these are now operated under the more favourable Latvian flag.

The ESCO group, one of the main liner-operators in Estonia, added in February 2008 the port of Klaipeda in Lithuania and in March 2008 the port of Swinoujscie in Poland to its existing lines. The group also switched

to bigger capacity – 300-400 TEU - vessels used on its lines. The logistic services of the Group are on the constant upswing with new representations opened in Latvia and Lithuania and one in Moscow and in St.Petersburg in April 2009.

Amongst the members of the Estonian Shipowners' Association, the tugboat company AS PKL is also growing fast. PKL is an international tugboat company, specialized in harbor and sea towage in different Estonian, Latvian, and Finnish ports. At present, the total fleet of PKL has 18 tugs, broken down into 12 modern ASD tugs and 6 conventional. PKL is going to continue its new-building program and enlarge its fleet in future.

Saaremaa Laevakompanii AS (SLK) has 7 ferries at the moment: MS Harilaid, MS Kõrgelaid, MS Regula, MS Ofelia, MS Scania, MS Viire, MS St.Ola and a passenger ship named Aegna. Ferries are operating between the Estonian mainland and the islands Saaremaa and Hiiumaa and between the islands Saaremaa and Hiiumaa.

SLK and its financial partners are building three new ferries, which will start sailing on the routes between the Saaremaa and Hiiumaa islands and the Estonian mainland in 2009 and 2010. Each of the ferries can carry 160 motorcars and up to 600 passengers. The ships are approx. 98 m long, 18 m wide and their draught is 4 m. The keel ceremony of the first new ferry of the Saaremaa Laevakompanii was held 21. May 2008 in Klaipeda. The first ship will be launched in July 2009. At the same time the keel ceremony of the second ferry will be held.

One ship takes about a year to be built and the total time required, including design and model tests, is about two years.

FINLAND

In 2008 the volume of goods shipped to and from Finland reached a new all time high, more than 100 million tons for the second consecutive year. 45 million tons were exported and 58 million tons imported. The share of goods exported on Finnish keels was

20 % and imported 40 %. The first few months of 2009 and the forecast for the rest of the year reflect the rapid downturn of international trade, especially in the transit shipments to Russia.

Since 1st of June 2008 the three Finnish shipping associations merged into one. Today our 24 member companies represent 114 of the 120 vessels sailing in international trade under Finnish flag. The new organisation enables us to avoid parallel work and we have reached a much stronger position as an interest group. We also work much more efficiently as a player in the labour market. From an organisational point of view the Finnish shipping sector has never been more united and solid. Our objective is to double the total tonnage operated by Finnish shipping companies within the next ten years.

Finnish ships are still manned with Finnish seamen to a very high extent and our association is strongly committed to recruitment of young professionals. During this autumn we are launching a recruitment portal on the web. Difficulties to attract the youngsters is a well known problem in EU-shipping. The knowledge level of shipping among young people of both sexes is surprisingly low. Many people don't know that you have great opportunities to have quality time together with your family or for your hobbies, thanks to the 4+4 week system in the cargo vessels (four weeks of work, four weeks off) and 1+1 system in the passenger ships.

Finnish shipping is deeply involved in the discussions to solve the environmental issues without risking the future of the export industry. The Baltic Sea environment is very sensitive and therefore we have focused on emissions of sulphur oxides and for example the passenger ships are voluntarily using low sulphur (0,5 %) bunker. But the future plans in IMO to reduce the sulphur content to 0,1 % in 2015 in the so called SECA (Sulphur Emission Control Area) area is making us anxious. If vessels in Finnish trade have to use sulphur free fuels, this would mean an extra cost of around 800 million € per year. This will affect the competitiveness of Finnish products, for example paper, sawn wood, mining products and metals.

The Finnish shipping trade contributes to the Finnish GDP with 2,5 billion € annually and the indirect contribution is much higher. Our main problem is still the tonnage tax. The corresponding law is applied everywhere in the European Union except for Sweden, Austria and Finland! A change into the harmonised system would mean much simpler trade with vessels. The shipping companies could adapt their fleet according to shifting business cycles instead of fiscal periods. The policy could be offensive instead of defensive, good business opportunities could be taken, more strategic operations would be possible. We hope that this will be done very soon as a very simple measure to improve the conditions for our business.

FRANCE

As the rest of the world, the French shipping industry suffers from declining freights and rates although the consequences of the crisis vary greatly from one sector to another and even from one company to another. Thus, some sectors maintained strong growth up to now: this is particularly true for the offshore operating companies which perform either in the platform services or in the seismic research.

The French fleet remains more or less at the same level, although the recent French international register tends to increase gradually. All kinds of ships included, the French merchant fleet reaches almost 600 ships. This fleet is quite diversified ranging from the largest VLCCs to small offshore platform vessels. Its average age is 6,9 years old. Moreover, French ship owners control over 500 ships flying foreign flags.

After the announcement of the reform of maritime training, the French administration is currently working on the practical details. Armateurs de France is very much involved in the process, which is still far from being completed. In general, training and employment remain high on the agenda of Armateurs de France. An occupational observatory has been launched, in cooperation with the trade unions. The aim is to improve the knowledge of current trends but also to anticipate employers' needs. A new staff member is

also, among other responsibilities, in charge of promoting our maritime occupations.

The bill on the port reform program was passed in July. After the setting up of boards of directors and supervisory boards, each port has drawn up a strategic plan. Stevedoring equipments and personnels must now be transferred to private companies.

The legislation on criminal liability which was flawed and inconsistent has been modified at last: the new law provides for increased consistency and visibility regarding fines, which are now on a graduated scale, can be readily understood and act as a true deterrent. It does away with variable fines, and with those sentences applicable only to French seafarers for crimes perpetrated outside territorial waters. Armateurs de France has welcomed very warmly this harsh, but fair, piece of legislation. The ranking of the French flag on the 2008 Paris MoU Flags List (second best performance) demonstrates the commitment of French operators to safety and environment protection.

Other legislative changes include the new Transportation Code, which brings together all provisions pertaining to maritime transport, including maritime labour law. Its publication is still pending.

After the wide-ranging forum on environmental issues called "Grenelle de l'environnement", a maritime forum ("Grenelle de la Mer") was launched, with the aim of defining the French maritime policy. The methodology is similar: specific working groups, formed of representatives of all maritime activities, draw up conclusions for their specific field at national level, then at local level. Final decisions will be taken in summer.

At the end of 2008, the French Standardization Agency (AFNOR) awarded Armateurs de France the "Quali'OP" certification, which recognizes that the services provided to its members comply with the requirements of a reference document. This certification is not an end in itself: it is also the start of an on-going improvement process.

GERMANY

The German-owned and operated merchant fleet kept on growing in 2008. At the end of 2008, the German merchant fleet consisted of 3,371 vessels, totalling 71 million GT and thus making up for about 10% of the whole fleet of merchant vessels worldwide. During the last ten years, the fleet has quadrupled in size, resulting in an average growth rate of approx. 15 % per year. Due to the high inflow of new, modern tonnage, Germany has become the third largest shipping nation in the world. In its core business – container shipping – it even leads the global market with over one third of the controlled container vessel fleet.

This position will also be kept in the future as German shipowners have placed a newbuilding programme of about 1,200 vessels, representing 40 million GT with a total value of USD 60 billion. This will keep the fleet modern, efficient and eco-friendly.

The backbone of this development is the political framework. At the last National Maritime Conference in March 2009, the German Chancellor, Dr. Angela Merkel, endorsed the existing pillars of the shipping policy including the tonnage tax regime, reduction of wage costs and training subsidy. This was mainly due to the fact that all agreements made by the National Maritime Conference in 2006 had been fulfilled until the end of 2008 by the shipowners as part of the German Maritime Alliance. The German shipowners have met their promise to reflag more than 100 vessels to over 500 in total. Moreover, VDR reconfirmed its promise given at the National Maritime Conference in 2006 to add an additional 100 ships to the German flag by the end of 2010 provided that a positive economic background is given.

Furthermore in 2008, German shipowners continued their financial support of vocational training of national seafarers by contributing 10,000 € p.p. to the training of ship mechanics and nautical officers through VDR as well as the expansion of enrolment capacity in maritime schools and universities. Besides additional sponsorships by individual German shipowners, VDR has promised at the National Maritime Conference in

2006 to invest 3 million € in total over three years from 2007 to 2009 in nautical schools alone. As a result, training capacity for nautical and technical students has increased by 50 and 35 % respectively. A further success of the recruiting initiative is the rise of young people entering shipping in total by over 150 % since 2001. For this reason, the positive development of shipping has a deep impact not only on the German economy but also on the labour market.

VDR will continue to strengthen its endeavours to retain a high number of trainees in the future. What is even more important is that VDR will actively support the increasing number of graduates from nautical schools in taking up employment in these difficult economic times.

A further major focus was the issue of climate change mitigation. VDR explicitly acknowledges the goal of combating climate change. We support a meaningful and reasonable action to reduce fuel consumption and hence greenhouse gas emissions. Within that context, VDR also welcomes the engagement of the federal government in seeking for a global solution at IMO which is neutral in terms of competition and reliable for shipping companies. VDR calls for the establishment of an international climate compensation fund for shipping, including all states. VDR believes that the fund model gives good prospects of achieving a global solution in the IMO, because the interests of the developing countries could also be taken into account with the allocation of the funds collected.

GREECE

In 2008, the shipping sector, due to the drastic reduction of demand and trade as a result of the global financial recession, faced a crisis of unpredictable duration and intensity. In particular, it had to face cancellations of newbuilding orders, and rescheduling of deliveries as well as a steep reduction of ship values, resulting in a deep change of the psychological climate of the market.

Despite these unfavourable circumstances, in 2008, Greek owned tonnage maintained its position as the

world's largest fleet. It amounted to 3,135 vessels (ships greater than 1,000 gt) of 169.45 million dead-weight tonnage, representing 14.81% of total world dwt¹. The Greek flag fleet now ranks fifth internationally and first in the EU (in terms of dwt). The Greek owned fleet under EU flags accounts for 40.9 % of the EU dwt. Greek owners control 20.1% of the world tanker fleet (crude / oil product tankers) and 18.55% of the world bulk carrier fleet in terms of dwt (excluding ships currently on order).

By the end of December 2008, newbuilding orders by Greek interests amounted to 1,088 vessels, representing 97.64 million dwt. Out of these vessels, 379 were tankers corresponding to 20% of world tonnage (dwt), i.e., 174 crude / oil product tankers amounting 23.42% of world tonnage (dwt), 152 chemical / product tankers amounting to 12.64% of world tonnage (dwt), 53 product tankers amounting to 12.55% of world tonnage (dwt) and 554 bulkers corresponding to 21.41% of world tonnage (dwt) on order in each category.

Regarding the age profile of the fleet, the order book of newbuildings further improved the age profile of the Greek-owned fleet. In particular, in 2009, its average age is 11.9 years compared to 12.5 in 2008 (whereas the average age of the world fleet is 12.9 years). The average age of the Greek-registered fleet is 9.5 years compared to 9 years in 2008 (including vessels on order). Shipping companies established in Greece amount to 1,300 and the maritime cluster provides employment directly or indirectly for 200,000 persons. In 2008 foreign exchange earnings from ocean going shipping services amounted to €19.188 million, reaching 8% of the gross domestic product and covering 35% of the trade deficit of Greece.

At the same time, there was an intensification of the strategic co-operation between China and Greece through a three pronged approach encompassing ports, transshipment centres and enhanced maritime co-operation. "Greek ports develop into transshipment centres for Chinese goods en route for the EU, South East Europe and the Mediterranean", in the words of the Greek Prime Minister.

Last but not least, in 2008, the UGS launched an extensive campaign for the promotion of the seafaring profession and the attraction of youngsters to the maritime careers in close co-operation with the Ministry of Education. The campaign bore fruit in that all posts of cadets in the Marine Academies were filled up and there was also a 25% increase compared to the previous year. Efforts will be continued and stepped up to also improve the level of maritime education, theoretical and practical.

¹ Source: Lloyd's Register – Fairplay, January 2009

IRELAND

Shipping ownership and Management environment

After a long period of strong economic growth the year 2008 saw a different set of economic conditions arrive in Ireland. The downturn in the global economy coupled with issues within the domestic economy have provided a difficult market environment for Irish based companies, whether they are trading globally or more weighted in Irish traffic volumes.

At the end 2008, we estimate that there was 160 vessels owned, managed and operated by Irish shipping based companies. 42 of these vessels were registered on the Irish flag. over 66% of the Irish fleet is under 10 years old with 45% of vessels less than three years old.

In spite of difficult market conditions seven Irish-based shipping companies announced total investments in new and second hand vessels of just over €635 million last year. In the first six months of 2008, 21 new and second hand vessels had already been acquired, with a further 27 vessels expected to be delivered over the next two years, most of which will be newly built.

Irish tonnage tax continues to be an important vehicle for sustainable growth development of the Irish indigenous fleet. By the end of 2008, 21 companies had elected to Irish Tonnage Tax regime with a further 9 applications pending at the beginning of 2009. Almost

60% of the Irish controlled fleet is within Irish or EU tonnage tax regimes.

The growth and development over the recent years in tonnage tax has seen notable developments in growth in other supporting aspects of the maritime cluster, such as banking/finance, legal, training, accounting services and specialist shipmanagement. A new bill on ship registration is expected to be published during the Autumn of 2009.

Maintaining and improving maritime know-how and protecting and promoting employment

In addition to the investment of €51 million in the development of the National Maritime College, the Irish Government, through several agencies and working with the Irish chamber of shipping has continually supported a comprehensive programme for raising awareness of the maritime industry, promoting maritime careers onshore and at sea, supporting cadet training and supporting career progression.

In 2008, more than 70 students benefited from seagoing training payments and company support. A further 14 graduate engineering cadets were provided with funding that enabled them to complete their OOW Engineering degrees. The office also provided direct funding support for the up-skilling of 9 qualified Irish seafarers to gain higher certificates of professional competency. In 2008 the office also agreed to provide direct financial support to the establishment of NMCI Services. We hope that this initiative will support the creation of additional 3rd party training at the College while also maximising the overall world class training utility potential at the College.

The following activities are currently also being supported by the Irish Government

- **Follow the Fleet:** An online educational tool aimed at schoolchildren between the ages of 8-13. Curriculum-based allowing teachers to educate students in a variety of subjects using the shipping indus-

try as a medium. This is now being undertaken by more than 400 schools in Ireland.

- **Maritimecareers.ie:** A website aimed at school-leavers, 3rd level students and the industry in general. Information on educational and employment opportunities is provided. Last year the IMDO partnered the Institute of Chartered Shipbrokers (ICS) to establish a new lecture program which was held at DCU in Dublin. As a result of this latest initiative, the ICS has confirmed record numbers of students registered to undertake exams in 2009

- **Irish Seafarer Education Assistance Scheme (ISEAS):** Irish Government grant aid providing financial support for training. Aimed primarily at students seeking to enhance their careers in the shipping industry and training providers offering training berths to cadets studying at the National Maritime College of Ireland. Through ISEAS (Irish Seafarers Assistance Scheme) funding, the Government has supported almost 400 cadets and 17 training providers. Approximately 100 deck officers and engineers have achieved higher certificates of competency under this scheme since 2003. In total, almost €2 million of Government resources and ISEAS funding have been committed to maritime education support and promotion since 2004.

- **PRSI Refund scheme:** The Government offers all Irish-based companies a refund on the social insurance paid by Irish-based seafarers to encourage the employment and retention of Irish crew.

- **Seafarers additional tax credits:** The Irish Government also offers additional tax credits to seafarers liable to Irish income tax, subject to a number of restrictions. The measure was adopted to enhance careers at sea.

Domestic shipping market

Following a peak in traffic volumes in all shipping sectors through Irish ports during 2007 a steady decline took place with significant volume corrections occurring in the market in line with the general downturn in both the domestic and global economies. IMDO's latest data indicates that between January and March this year, 4 of the 5 key shipping market segments have recorded their lowest levels of volume demand for the last 30 months. Since March 09 the majority of

sectors, with the exception of dry bulk, have seen small positive monthly increases in volumes shipped. In spite of this recent recovery, shipping volumes remain significantly depressed compared to 2007 peak levels. Shipping companies serving the Irish market have had to make a number of short run adjustment to their capacity requirements. The following 12 months will be a difficult period for Irish operators and owners

ITALY

At the end of 2008, the Italian owned merchant fleet consisted of 1,561 ships, for a total gross tonnage of 14,515,708 gt, broken down as follows: over 1,000 gt: 756 vessels, making for 14,256,126 gt, from 100 to 999 gt: 805 vessels, making for 259,582 gt. Compared to 2007, there was an increase of 2% in the number of ships and 4% in the tonnage.

The ships entered in the Italian International Register, total 12,995,000 gt, which equals to 90% of the Italian-owned merchant fleet. The ships entered in the Ordinary Register total 1,425,000 gt, which represents 10% of the Italian fleet, while a smaller number of Italian-owned ships are temporarily flying a foreign flag.

The portion of the fleet controlled by subjects, whose capital is all or predominantly private, is equal to more than 95.8% of the total, while the portion controlled by public-sector subjects shows a constant decline.

The Italian fleet confirms its status as a young fleet, both in absolute terms and compared to the worldwide average: approximately 57% of the vessels are less than 10 years old and 33% are less than 5 years old.

During the period 1999-2008, delivery was made of 471 ships, totalling 7.2 million GT, while, at the end of 2008, there were 117 ships under construction in Italian and foreign shipyards, totalling almost 2 million tons.

During 2008, the marked maritime vocation of Italian foreign trade was confirmed: the overall volume of international transactions involving maritime transport

of cargo and passengers is equal to 40% of the total interchange of transport services, registering a figure of 12.478 billion €, as compared to 19.280 billion € for all the other transport systems taken together.

The most significant portion of the maritime economy is to be assigned to the maritime transport of goods and passengers, with yielding dimension of 16,700 millions €, equivalent to 43% of the entire maritime system. This is a sector with a strong capacity to produce profit: the national system creates a yielding of over 220 € corresponding to each additional 100 € that go to the shipping sector because of new investments or increased exports and consumptions. From the occupational point of view, it is estimated that 100 additional labour units in the maritime sector become 328 in the entire economic system. At the end of 2007, on-board jobs with the Italian fleet are estimated more than 33,500, for an increase of 10% over the previous year.

In 2008, 56% of Italian foreign trade utilised seaborne transport (218 million tons of imports and 65 million tons of exports), while 19% travelled on the road. 37.5% of Italian foreign trade is carried out with the countries of the European Union, for a total of 189.5 million tons. Of this amount, 16% travels by sea (10% of imports and 22% of exports). In contrast, 44% of trade with the EU (approximately 84 million tons) is carried out using road transport.

Despite all the adversity, Italian shipping has continued to grow and invest, to the point where it currently contributes roughly half of the 2.7% of Italy's GDP accounted for by the maritime cluster as a whole.

LITHUANIA

The number and capacity of merchant vessels under the Lithuanian flag remained stable for the consecutive third year. Since 1 July 2009, 149 vessels with a capacity of 485236 GT are registered into the Lithuanian maritime ships' register. There are about 2500 seafarers employed onboard the national fleet, whilst some 8000 others are serving onboard foreign ships.

Due to the drastic reduction in demand and trade, the shipping sector is facing a crisis of unpredictable duration and intensity. In the third quarter of 2008, freight rates fell drastically. Besides the shipping sector, the entire Lithuanian economy is being affected by negative trends. This means that no domestic support should be expected. The main focus of the Association remains to amend and to create favourable maritime legislation, which should not be a „costly” exercise to the national budget.

Despite decisions from the Governmental Strategic Committee, which has approved guidelines on the basis of a study on the “Relevance and Economic Impact of Modern Shipping Policy on Lithuania’s Economy” in 2004, the question of reducing social contribution taxes has still not been resolved.

Until 2009, all seafarers in Lithuania, regardless onboard which flagged ships they were employed on, enjoyed a “zero” personal income taxation but following some remarks from the European Commission, the Lithuanian Parliament has voted in favour of a more narrow application of the tax so that from 1 January 2009 onwards, only seafarers working onboard EU flagged ships can enjoy the personal income reduction.

On 18-22 May 2009, the Paris MoU Committee adopted a new list of flag States for the period 2006-2008 whereby Lithuania got on the “White list”. The efficiency of the new list of flag states was executed on 1 July 2009.

Increased competitiveness of the Lithuanian shipping sector yet demands a continuing improvement of the reputation of the Lithuanian flag and a further application of state aid measures in accordance with the 2004 Community guidelines on State aid to maritime transport, which would also allow a renewal of the Lithuanian fleet.

MALTA

At the end of 2008, the number of vessels registered under the Malta Merchant Shipping Act stood at 5,019 with a GT of over 33 million. This tonnage represents a

net increase of 19% over the previous year. During the six months ending June, 2009, the number of registered vessels further increased to 5,154 totalling 34.9 million GT.

Of the 5,154 registered vessels, 2,404 are pleasure yachts and 790 are fishing vessels, leaving a total of 1,960 ships with a GT of over 34.8 million which are mainly engaged in the international carriage of dry and liquid bulk cargoes. This tonnage places Malta as the second largest flag state in Europe and among the leading ship registers in the world.

The continuing steady growth in the size of the Malta register confirms the confidence that European and other international shipowners continue to have in the Maltese flag.

The economic activity generated by the ship registration business and the maritime cluster that has developed around it make a significant contribution to the growth of the European shipping industry and of the European and Maltese economy.

An important factor which has generated the confidence and respect that the Malta Register now enjoy is the policy of the Maltese maritime authorities to focus on safety and quality shipping backed by a strengthened ship inspectorate regime operating internationally. This emphasis on quality shipping has earned Malta a classification in the White List of the Paris MOU. The Malta Maritime Authority is also a founder member of the Mediterranean MOU on port state control and currently holds its chairmanship.

At an international level, Malta, being a leading flag state, is actively engaged in the work of the International Maritime Organization (IMO) of which it is an elected Council Member and in the maritime labour issues which fall within the jurisdiction of the International Labour Organization (ILO).

Malta has adopted and implements all the major maritime conventions, the latest being the 2001 International Convention on the Control of Harmful Antifouling

Systems on Ships and work is continuing on the adoption of the Maritime Labour Convention, 2006.

At the EU level, Malta, in pursuit of its policy to protect and promote the shipping industry and all maritime related activities, was actively engaged in the discussions on major issues impacting on maritime transportation, particularly the formulation of the Integrated Future Maritime Policy for the EU, the Third Maritime Safety Package, ship recycling and air emissions issues. In the analysis and position formulation phases of the discussions with the competent bodies of the European Union, the Maltese maritime authorities consult closely with the Malta International Shipping Council which is the national association representing owners of vessels under the Maltese flag and which is also a full member of ECSA.

Other maritime sectors in Malta which continued to enjoy growth during 2008 were the cruise liner business in the Valletta Grand Harbour, container transshipment at the Malta Freeport Terminals and yachting.

NETHERLANDS

With regard to a restoring of the competitive position of shipowners, there is ample leeway for aid to the shipping industry within the context of the Guidelines on state aid to maritime transport. However, within the Netherlands this option is not being used to the full; consequently Dutch shipowners are lagging behind in this respect. Their costs are higher than those of competitors in surrounding countries, making them less competitive on the international markets. The KVNR would therefore like to see prompt action on the part of the Ministry of Transport and the Ministry of Finance. They have already admitted that the Dutch shipowners' competitive position has in fact been impaired by the flawed fiscal legislation. Improvement of said legislation is being widely supported in the Second Chamber of Parliament, but it is taking far too long before any action is seen. An improvement to the wage withholding tax facilities for the shipping industry would have a price tag of around 10 million € annually.

As regards improvements to environmental performance, the KVNR feels that the shipping industry must and can be cleaner. Dutch shipowners' potential to remain competitive within the global markets is crucial to any new legislation. Therefore the KVNR advocates that any environmental legislation is to be determined by IMO. In addition, within the Dutch fleet there is a large number of short sea vessels operational and careful attention must therefore be paid to the effects of any new environmental legislation on their competitive position to avoid an environmentally counterproductive modal shift from sea to road.

To combat piracy, the Dutch government has adopted a "Piracy Scenario", with national procedures that are clear to all parties. The KVNR is pleased to have the scenario. But there has been hardly any effective protection for Dutch vessels and their crews. The KVNR urges the Dutch government to investigate the deployment of Dutch soldiers on board merchant ships, if so requested by the shipowner, and accompanied by a Dutch warship. Moreover communication among all nations active in the Gulf of Aden should be optimised.

The international regulations concerning port state inspections still contain the gruesome clause that 25% of all vessels calling at ports must be inspected. Dutch shipowners are heavily involved in short sea and coastal traffic and as a matter of course they call at a large number of ports. Consequently they are subject to a relatively large number of inspections, increasing their waiting times. The KVNR advocates the speedy implementation of risk based inspections. Dutch shipowners have invested in a modern fleet. The KVNR would therefore expect them to be rewarded with a reduced frequency of inspections.

Retaining sufficient numbers of Dutch seafarers within the Dutch fleet is of crucial importance to the Dutch maritime cluster. Said numbers have decreased and this gives the KVNR cause for concern. The Task Force for the Maritime Labour Market in which the social partners join forces is geared towards stimulating more young people to enrol in nautical academies and to reduce the numbers of premature school leavers.

Furthermore, shipping has to become more visible. Giving youngsters the opportunity to experience a short passage during their holidays is an excellent strategy in this respect. It's all about making it clear to youngsters how attractive a maritime career can be.

NORWAY

Shipping continues to be Norway's second most important export industry and the core of a maritime cluster employing some 90.000 Norwegians. The Norwegian authorities are continuing their work with the initiatives in the national maritime strategy.

In 2007 a revised and competitive Norwegian tonnage tax system was introduced. At the end of 2008 the EEA's monitoring body, the ESA decided to approve the new system. The approval of the system was conditional on two new conditions being introduced, corresponding to those often found in tonnage tax systems within the EU: a requirement that all qualifying companies should choose the same system of taxation and a requirement for a binding period of ten years.

As part of the transitional rules to the new system the Norwegian authorities imposed a retroactive taxation for the previous 11 years, at a total NOK 21 billion. The question of whether this retroactive taxation is unconstitutional has now been tested in the courts. In 2009 two separate district courts have decided two of three cases in favour of the shipowners. The cases are likely to go all the way to the Supreme Court before being settled.

In May an environmental agreement was entered into with the Norwegian authorities - also known as the Industry NOx agreement - that is aimed at achieving necessary reductions in Norwegian NOx emissions. Companies that sign up to the agreement are exempted from environmental tax payments to the Government and make payments into a NOx fund established by industry organisations which in turn is used to support the implementation of NOx reducing measures.

At the end of 2008, the Norwegian controlled fleet represented 41.7 million deadweight tons, an increase

of two per cent on the previous year end. During the same period, the fleet increased by 56 vessels to a total of 1,856 ships. The number of Norwegian flagged ships in the foreign fleet increased by four, meaning that 48 per cent of the fleet sailed into 2009 under Norwegian flags, against 47 per cent the year before.

On 1 January 2009, Norwegian shipowners had 344 ships on order, 27 fewer than at the start of 2008. The order book has a value of NOK 140.1 billion and, if the orders for 25 drilling rigs are also included, the total value of Norwegian ships and rigs on order represents NOK 220.9 billion. Norwegian shipyards are building 104 of the Norwegian ships on order, Chinese shipyards are building 91 and South Korean shipyards are building 45 ships for Norwegian shipowners. Of the drilling rigs on order, only two are being built in Norway, while 23 will be delivered from Asian shipyards.

The problem of piracy around the Horn of Africa escalated greatly in both extent and character in 2008. Norwegian shipowners did not themselves experience a single kidnapping. The NSA has discussed the situation with the Norwegian authorities and the government has decided to send the frigate "Fridtjof Nansen" to the problem waters to strengthen the international forces in the area.

POLAND

The ongoing positive development of the Polish Maritime Sector was, inevitably, affected by the global downturn and a worsening economic climate manifested itself though a general slow down during the fourth quarter of 2008.

As of January 1st 2009, Polish shipping companies operated/controlled a fleet of 149 vessels which totals 1,935.3 million GT, 2,614.5 million DWT and comprises 123 ocean-going vessels and 26 passenger coasters. Of the aforesaid 149 vessels only 18 were registered under the Polish flag. In comparison to the preceding year 6 ships were sold and 8 acquired, 4 of which are newbuildings (bulk carriers). The newbuilding programme for 2009 envisages the delivery 8 of newbuild-

dings to enter into the service (all bulk carriers in a range of up to 80,000 DWT).

Current statistics indicate that as many as approx 5,000 seafarers/officers are employed by the Polish shipowners, the overall turnover for the year 2008 totalled PLN 4.4 billion and total carryings of the fleet amounted to 10,447,400 tonnes of cargo. Compared to the previous year this represents a drop in cargo volume of 8.6 % and, with reference to passenger volume, the figure is approximately 5% less than in 2007 (935,600 passengers including drivers accompanying lorries). Statistical data for 2008 indicates 47,8 million tonnes as total turnaround in Polish Sea Ports, which represents a 7.3% drop compared to 2007.

Shipbuilding yards in Gdynia, Gdańsk and Szczecin delivered 20 newbuildings (10 less than in 2007) most of which are container ships (35%) and car carriers (25%) for foreign owners.

A Tonnage Tax Act enacted in August 2006 has been applied by some Polish ship owners though this regime has not yet been formally approved by the European Commission. Clarification should be sought on the new requirement to re-notify existing state aid measures at national level to the European Commission every 10 years. Though the reasons for this new requirement were understood by those concerned, such clarification is considered essential in the context of the review of the Guidelines on state aid to maritime transport after 2011. This clarification is needed, in particular, to ensure that shipowners obtain the required legal certainty enabling them to operate their business.

The Polish Government is also considering further incentives aimed at attracting tonnage to the Polish flag. To that end, the Government is working on introducing amended social/labour measures and, though not yet finalized, negotiations continue within a Three Party Committee which includes Social Partners inclusive. There is a real concern that further delays in this respect may further deteriorate the position of Polish shipping companies being confronted with the ever growing external costs and competition.

Meanwhile, Owners continue to concentrate their efforts on investing in modern equipment to comply with the applicable international standards and Community Law in respect of safety, security, environmental performance and on-board working conditions.

Finally, an intensive and positive recruitment drive backed by the Polish shipowning community has already began to yield positive results. Namely, there is a number of new recruits attracted to study at the Maritime Universities in Szczecin and Gdynia.

Those two Universities are seeking to be recognized by the EU as the Maritime Education Centre of Excellence.

PORTUGAL

Almost three years after the adoption by the Ministry of Transport, in the end of 2006, of the “Strategic Guidelines for Maritime and Port Sectors”, none of the important measures foreseen in this document have been implemented.

Thus, the Portuguese Shipowners are still one of the very few in the EU not having a “tonnage tax system” or a consistent alternative model enabling a level playing field and ensuring the sector’s competitiveness. This, of course, continues feeding the climate of uncertainty for the future.

Fortunately, the in-depth study on the impact and importance of the sea related activities to the Portuguese economy, sponsored by some shipping industries companies, has just been finished and is being considered by the Government.

It is with some expectation that the Portuguese Shipowners wait for the results of this study, hoping it may contribute to a better understanding by the Portuguese Government of the need for an effective shipping policy, similar to those that have been successfully implemented in other EU countries

At the beginning of 2009, the Portuguese Shipowners controlled 53 ships, with a total of 548,794 GT. Of this

total, 15 ships (28%) of 66,544 GT were flying the Portuguese Flag (Conventional Register); 23 ships (43%) of 76,041 GT were flying the Portuguese Flag (Madeira International Register) and 15 ships (28%) of 406,209 GT were flagged out.

SLOVENIA

The geographic and transport position within Europe is one of the advantages of Slovenia. Despite being a small country, it is well aware of the significance of transportation and, within it, the position of maritime transport.

The leading shipowner in Slovenia is Splošna plovba, who has a tradition of offering its maritime transport services on the international maritime market for 55 years continuously. It currently operates 22 vessels of 852.133 dwt in the tramp market and also in liner services on the Asian market.

The Tonnage Tax Act, adopted by the Slovenian Parliament in June 2007 finally came into force upon approval by the European Commission in the beginning of 2009. With the Tonnage Tax Act the Slovenian taxation legislation in this field is now harmonized with other European maritime countries.

Regarding seafarers, the situation is different. Despite the introduction of an increased relief for the taxation of seafarers and consequently some facilitation of the conditions of employment of Slovenian seafarers, such a taxation basis is still rather high and is still not comparable to the relief offered to seafarers employed with other European shipowners.

Another problem is a deficit of specialized seafarers, especially marine engine technicians and engineers. Companies are obliged to employ such skilled labor on the international market. With the aim of improving the attainment of a domestic workforce, the company Splošna plovba has invited applications for scholarships in all fields at the Secondary marine School Portorož.

SPAIN

As of January 1st 2009, Spanish shipping companies operated a fleet of 270 vessels, totalling 4,262,210 GT and 4,892,240 dwt. This tonnage decreased by 0.8% in terms of GT and 2.1% in dwt, while the number of ships fell by 14 units (-4.9%) as a consequence of the addition, during 2008, of large ships to the fleet against the sale out of smaller ones.

Out of this totals, the part that sailed under national flag (Canary Island Special Register) was 59.3% of the ships and 55.5% of the GT and diminished in 2008 by 5 units, while both GT and dwt remained rather stable, adding up to 160 ships, 2,363,626 GT and 2,234,414 dwt. The fleet controlled under foreign flags decreased by 9 units, 1.8% in terms of GT and 3.9% in terms of dwt. In the first half of 2009 there have been no significant changes in the fleet.

During 2008, containerships, with a decrease of 15.2% in terms of GT, and the especially the reefer fleet which decreased by 46.7%, experienced the major decline, while the passengers ships was the fleet segment with the higher increase (+13,1%).

The investment in newbuildings by Spanish shipping companies was significantly lower than previous years, totalling € 219 million. During 2008, 10 newbuildings were incorporated to the Spanish controlled fleet adding up 68.722 GT. The Canary Island register accounted for 7 of these ships (73.5% GT) while the other 3 were registered in Panama.

By the end of 2008, the average age was 13.3 years for the Spanish fleet and 15.8 years for the total controlled fleet, both significantly lower than the world fleet average age.

Spanish seaborne trade (imports + exports + national cabotage) decreased by 4.6% last year, down to 329.1 million tonnes. These figures do not include transhipped containers, that increased by 11.6% up to 44.3 million tonnes.

By merchandise type, liquid bulk trades grew by 1.6%, to 139.6 million tons, while both dry bulk and general cargo trades decreased considerably, by 13.0% and 4.2% respectively, amounting 91.7 and 97.7 million tons.

Liquid bulk imports summed up 110.5 million tons and dry bulks 75.8. Total bulk trades accounted for 83.3% of the Spanish imports. General cargo imports totalled 37.4 million tons. On the other hand, general cargo accounted for 62.1% of Spanish exports with 38.0 million tons, 5.2% more than in 2007. Spain also exported 14.8 million tons of liquid bulks and 8.4 million tons of dry bulk (-0.1%).

At the political front, the most important news was the approval by the government of two major legal initiatives in the maritime field, which were blocked in the Parliament during the last legislature: an amendment to the Ports Law and a new Sea Navigation Law. Both of them are due to be discussed by the Spanish parliament in the coming months, and it is still uncertain whether the socialist government will find the necessary supports to bring them forward, especially in what refers to the ports law.

SWEDEN

Swedish shipping is going through hard times with a government that is not following the European shipping policy and the conditions according to the State Aid Guide Lines.

We are still discussing the tonnage tax with our government, regrettably without success. This right-wing government has explained that they will not introduce any tonnage tax during the coming year, regardless of the fact that Sweden will be holding the Presidency of the EU during 2009. This means that we are not in line with other EU countries regarding the conditions for the maritime industry.

On the main agenda for Swedish shipping are of course the environmental issues. The decision about the sulphur level of 0,1 % in 2015 will definitely cause substantial problems for the shipping industry within

the ECA area. This decision will increase the cost with about 60 % for the bunker and will certainly not result in more cargo at sea.

The Swedish Shipowners Association and the land based industry will continuously work hard for a change, i.e. that the sulphur level should not be lower than 0,5 % in the ECA area.

The association has also put big resources into the recruitment of young people to study for a shipping education. This has been very successful and we have more applications this year than we have had for many years.

UNITED KINGDOM

It is now almost a decade since the introduction of tonnage tax and UK-based shipping has continued its growth, albeit with less confidence in the last year, which was a year of stark contrasts. The early part of 2008 saw the end of a period of unprecedented growth in world shipping, the second saw a dramatic slowdown in trade and a collapse in shipping freight rates in many major sectors. British shipping had benefitted from the good markets and in 2009 growth has been held back by the decline in consumer spending, the shortage of capital and other recessionary impacts. From a national perspective there has also been some continuing lack of certainty in some aspects of the tonnage tax and UK's fiscal regime generally.

UK-owned shipping increased in tonnage terms during the twelve month period from mid- 2008 by more than 4% to 21.1m deadweight tonnes (dwt) and is now some 190% higher than in 2000. UK-registered shipping also continued on a rising trend, increasing by more than 18% to 16.7m dwt over the year. It is now over six times greater than at the beginning of the decade.

In recently-released official UK figures for 2008 shipping revenue was Euros15bn (£11.9bn). This turnover shows an increase of 78% on 2003 levels. The overall net contribution to the Britain's balance of payments was up at Euros 7.2bn (£5.7bn), and is over 70% grea-

ter than in 2003. Sea transport is in the UK top three service sector export earners. British shipping earns over Euros40m (£32m) every day, almost Euros29m (£23m) of which is from exports.

The economic benefits the shipping industry brings to the UK economy and employment was explored in depth during 2008 in an updated study undertaken by Oxford Economics. Their final report published in February 2009 explained the enormous positive impact shipping has on the British economy. The report showed the UK shipping industry directly employed 96,000 people in 2007 and enjoyed very high productivity, with per capita gross domestic product (GDP) 10% higher than the average across the manufacturing sectors. UK shipping contributed Euros6.3bn (£5bn) directly and, including direct, indirect and induced impacts, a total of Euros12.3bn (£9.8bn) to GDP. The industry generates Euros3.6bn (£2.9bn) in tax revenue per year.

The study concluded that the tonnage tax regime has led to the British shipping industry becoming between three and five times larger than it would otherwise have been. The industry has made a further positive contribution to employment through the tonnage tax regime; the numbers of new trainee officers have increased from around 450 per year to about 900 for the full academic year which started in 2008, of whom 36% now take degree level courses.

The economic contribution of shipping together with that of the other maritime sectors has created a clear argument for closer working with our industry partners and in 2008 the 'One Voice' initiative was established by the Chamber with the other major UK maritime services associations: Baltic Exchange, British Ports Association, Institute of Chartered Shipbrokers, Maritime London and UK Major Ports Group. In its first full year the initiative has enabled strong and clear maritime messages to be relayed to government. 'One Voice' will continue this collective lobbying approach on an increasing number of maritime issues.

In view of the importance of environmental issues and to prepare the way for a potential global deal on maritime carbon emissions the Chamber took a clear position at the end of 2008 advocating a global and open emissions trading scheme.

Employment is a perennial and key concern for shipowners and the Chamber has continued to emphasise that the employment of seafarers takes place in a world market in which cost and quality should be the determining factors. There remains a need to support training beyond first certificate to sustain maritime employment.

The Chamber has taken a leading role in liaising with EU and other initiatives in response to piracy off Somalia, working closely with the EU NAVFOR staff based at the UK's Fleet Headquarters at Northwood. The provision of Merchant Navy Liaison Officers at Northwood from shipping companies across Europe has been particularly valued.



Annex 4

glossary

ACP	A group of countries from Africa, the Caribbean and the Pacific	ICT	Information and Communication Technologies
ANDEAN	Bolivia, Colombia, Ecuador, Peru, and Venezuela	ILO	International Labour Organisation (UN)
Central America	Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua	IMF	International Monetary Fund
CO2	Carbon Dioxide	IMO	International Maritime Organisation
DG COMP	Directorate General for Competition	ISF	International Shipping Federation
DG TREN	Directorate General for Transport and Energy	LNG	Liquefied Natural Gas
DWT	Dead weight tonnage	MARPOL	International Convention for the Prevention of Pollution from Ships, 1973 and Protocol of 1978
ECA	Emission Control Area	MBI	Market Based Instrument
ECC	European Cruise Council	MLC	Maritime Labour Convention
ECSA	European Community Shipowners' Associations	NAVCO	EU Naval Coordination Cell
EEA	European Economic Area, including EU, Iceland, Liechtenstein and Norway	NAVFOR/ATALANTA	EU Naval Force – A European Union military operation to contribute to the deterrence, prevention and repression of acts of piracy and armed robbery off the Somali coast
EMSA	European Maritime Safety Agency	NOx	Nitrogen Oxides
EPA	European Partnership Agreements	PRM	Persons with reduced mobility
ETF	European Transport Workers' Federation	SOx	Sulphur Oxides
ETS	Emission Trading Scheme	STCW	International Convention on Standards of Training, Certification and Watchkeeping for seafarers
EU	European Union	TEN-T	Trans- European Transport Networks
FTA	Free Trade Agreements	TEU	Twenty Foot Equivalent Unit (container)
G20	The Group of Twenty (G-20) Finance Ministers and Central Bank Governors was established in 1999 to bring together systemically important industrialized and developing economies to discuss key issues in the global economy.	UN	United Nations
GDP	Gross Domestic Product	UNCITRAL	International Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea
GT	Gross Tonnage is the internationally accepted measurement of vessels, notably taking into account the volume of the vessels enclosed spaces.	UNFCCC	UN Framework Convention on Climate Change
ICS	International Chamber of Shipping	USD	US dollar
		WTO	World Trade Organisation
		WTO-DDA	WTO-Doha Development Agenda – negotiations on a new comprehensive world trade agreement, started 2001.

Annex 5

Statistical Tables

EEA REGISTERED TRADING FLEET BY FLAG

As at 1st July 2009 (100 GT and above)

TABLE 1

FLAG	No	GT	DWT
AUSTRIA	2	9 860	11 675
BELGIUM	83	4 153 894	6 476 486
BULGARIA	73	610 126	842 241
CYPRUS	847	19 543 063	30 544 404
DENMARK	398	10 260 207	12 546 598
ESTONIA	33	340 642	81 332
FINLAND	159	1 413 692	1 130 328
FRANCE	246	6 147 774	8 191 832
GERMANY	585	15 248 885	18 002 196
GREECE	1 272	38 902 690	67 425 532
ICELAND	13	7 257	2 756
IRISH REPUBLIC	43	109 364	157 235
ITALY	938	14 271 707	15 466 204
LATVIA	35	282 930	228 492
LITHUANIA	56	389 818	348 088
LUXEMBOURG	42	539 710	694 119
MALTA	1 517	33 508 601	53 960 961
NETHERLANDS	688	6 194 787	6 337 980
NORWAY	1 135	16 028 544	21 154 055
POLAND	56	80 191	59 435
PORTUGAL	165	1 062 800	1 180 404
ROMANIA	34	146 475	163 506
SLOVAKIA	42	173 065	226 681
SPAIN	2022	347 225	2 239 758
SWEDEN	339	4 244 807	2 451 146
UNITED KINGDOM	703	16 122 523	16 696 431
GIBRALTAR REGISTER	253	1 665 995	2 236 368
TOTAL	9 959	193 806 632	268 856 243

Source: Lloyd's Register - Fairplay

EEA AND WORLD TRADING FLEETS

Reference date 1st July 2009 (100 GT and above - thousand tonnes)

TABLE 2

TYPE	EEA FLEET			WORLD FLEET		
	NO	GT	DWT	NO	GT	DWT
BULK CARRIER	1 241	41 800	76 282	7 258	236 326	425 971
BULK/OIL CARRIER	14	842	1 448	98	2 454	4 137
CHEMICAL TANKER	149	903	1 410	1 265	4 631	7 594
CONTAINER (FC)	1 149	41 900	47 990	4 702	143 811	166 826
CRUISE	119	4 845	592	462	14 698	1 658
GEN CARGO MULTI DECK	546	2 610	3 467	4 009	17 382	23 749
GEN CARGO SINGLE DECK	1 620	7 290	10 258	12 807	38 681	55 835
GEN CARGO/PASSENGER	50	44	15	319	556	265
LIQUEFIED GAS CARRIER	243	7 466	7 178	1 497	44 249	39 109
OIL TANKER	2 020	61 561	110 320	10 599	250 859	450 013
OTHER TANKER	72	103	136	398	811	1 094
PASSENGER	779	267	48	2 774	1 063	209
REEFER	110	743	807	1 214	6 105	6 517
RO-RO OTHER CARGO	307	4 885	3 017	881	10 114	6 802
RO-RO PASSENGER	1 186	10 482	2 309	2 816	16 827	4 079
SPECIALISED CARRIER	354	8 065	3 580	2 009	36 125	16 336
TOTAL	9 959	193 806	268 857	53 108	824 692	1 210 194

ADDITIONAL SELECTED COMMERCIAL FLEETS

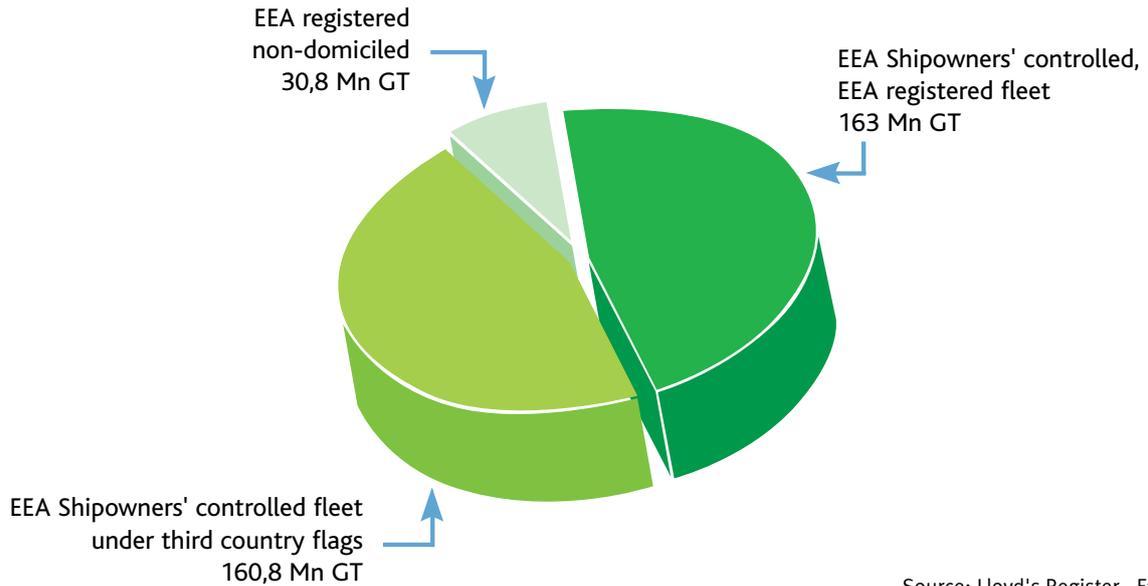
TYPE	EEA FLEET			WORLD FLEET		
	NO	GT	DWT	NO	GT	DWT
DREDGING	371	1 130	1 538	1 201	2 847	3 490
OFFSHORE SUPPLY	587	1 398	1 490	3 960	5 400	5 713
TUG	1 932	618	292	13 046	3 781	1 449
TOTAL	2 890	3 146	3 320	18 207	12 028	10 652

Source: Lloyd's Register - Fairplay

EEA REGISTERED AND EEA CONTROLLED FLEET

As at 1st July 2009

TABLE 3



Source: Lloyd's Register - Fairplay

THE EEA REGISTERED AND WORLD FLEET DEVELOPMENT

As at 1st July 2009 (100 GT and above)

TABLE 4

YEAR	EEA		WORLD		EEA AS % OF WORLD TONNAGE
	N°	MN. TONNES	N°	MN. TONNES	
2000	6 783	84351 GT	45 023	518 221 GT	16,3
2005	9 047	154 332 GT	46 801	618 109 GT	25,0
2006	9 037	156 907 GT	48 096	660 749 GT	23,7
2007	9 168	161 719 GT	49 705	704 604GT	23,0
2008	9 732	181 668 GT	51 687	770 980GT	23,6
2009	9 959	193 807 GT	53 108	824 692 GT	23,5

Source: Lloyd's Register - Fairplay

AVERAGE AGE OF FLEETS

As at 1st July 2009

TABLE 5

	2008		2009	
	EEA	WORLD	EEA	WORLD
DRY BULK	12,6	13,5	11,5	13,2
LIQUID	7,9	10,2	7,5	9,5
OTHER DRY CARGO	11,0	13,3	10,5	12,7
PASSENGER	13,8	12,2	14,0	12,3
TOTAL TRADING	10,4	12,2	9,7	11,7

Source: Lloyd's Register - Fairplay

TOP 25 MERCHANT FLEET DISTRIBUTION BY TYPE OF VESSEL

As at 1st July 2009 - '000 GT

TABLE 6

NO. FLAG	TANKERS	BULK GEN. CARGO	CONTAINER	OTHER TYPES	TOTAL	
1 PANAMA	47 015	80 306	7 492	30 874	19 207	184 894
2 LIBERIA	38 706	16 912	1 411	26 442	2 396	85 867
3 BAHAMAS	38 755	12 849	4 110	1 745	3 023	60 482
4 MARSHALL ISLANDS	27 566	11 927	1 003	4 526	712	45 734
5 HONG KONG	10 321	20 691	1 997	8 207	658	41 874
6 SINGAPORE	19 875	8 061	1 222	8 328	2 665	40 151
7 GREECE	23 785	10 925	196	2 349	1 647	38 902
8 MALTA	11 867	14 540	2 549	2 262	2 290	33 508
9 CHINA, PEOPLE'S REPUBLIC	5 368	11 817	3 992	3 997	1 182	26 356
10 CYPRUS	5 690	7 854	1 251	3 932	816	19 543
11 UNITED KINGDOM	1 737	1 492	383	8 965	3 545	16 122
12 NORWAY	8 637	2 288	1 254	5	3 844	16 028
13 GERMANY	648	417	273	13 373	537	15 248
14 ITALY	4 713	2 502	284	884	5 888	14 271
15 JAPAN	5 598	3 001	657	482	3 174	12 912
16 ANTIGUA & BARBUDA	93	1 303	4 039	7 021	230	12 686
17 KOREA, SOUTH	2 224	7 453	956	1 480	565	12 678
18 UNITED STATES OF AMERICA	2 611	1 185	719	3 458	2 656	10 629
19 DENMARK	3 123	251	117	5 997	772	10 260
20 BERMUDA	4 476	1 809		770	2 109	9 164
21 ISLE OF MAN	6 671	1 649	241	137	143	8 841
22 INDIA	5 402	2 327	429	254	105	8 517
23 MALAYSIA	5 849	261	362	689	138	7 299
24 NETHERLANDS	611	1	1 994	1 599	1 989	6 194
25 RUSSIA	1 465	436	2 284	139	692	5 016
TOTAL WORLD TONNAGE	282 806	222 257	39 215	137 915	60 983	743 176

EEA Member Countries

Source: Lloyd's Register - Fairplay/ECSCA

NEWBUILDINGS ON ORDER

Vessel types on multi annual order by Country of Domicile - as at June 2009

TABLE 7

COUNTRY OF DOMICILE	DRY CARGO		CONTAINER		TANKERS	
	N°	TOTAL DWT	N°	TOTAL DWT	N°	TOTAL DWT
AUSTRIA	-	-	-	-	-	-
BELGIUM	10	114 900	14	517 356	36	2 787 800
BULGARIA	4	53 200	-	-	-	-
CYPRUS	43	678 958	32	829 900	33	2 109 274
DENMARK	48	503 481	68	5 592 158	99	4 437 837
ESTONIA	1	4 560	-	-	-	-
FINLAND	1	4 600	-	-	-	-
FRANCE	-	-	71	6 836 008	5	31 160
GERMANY	344	3 795 831	346	14 262 020	102	3 706 349
GREECE	-	-	22	1 759 164	296	23 377 200
IRELAND	12	133 250	-	-	2	93 800
ITALY	15	186 300	-	-	88	5 434 249
LATVIA	1	4 000	-	-	4	208 000
LUXEMBOURG	-	-	-	-	-	-
MALTA	-	-	-	-	1	5 600
MONACO	-	-	-	-	6	586 765
NETHERLANDS	187	1 620 403	32	509 210	38	970 151
NORWAY	34	546 700	-	-	93	5 298 980
POLAND	8	13 600	-	-	-	-
PORTUGAL	1	13 000	-	-	4	348 350
SPAIN	1	9 823	-	-	1	94 500
SWEDEN	-	-	-	-	25	563 050
UK	27	228 475	10	851 430	32	2 657 546
EEA TOTAL	737	7 911 081	595	31 157 246	865	52 710 611
WORLD TOTAL	1 323	13 906 428	1 118	65 321 292	2 485	164 149 126

COUNTRY OF DOMICILE	BULKER		RO-RO		PASSENGER
	N°	TOTAL DWT	N°	TOTAL DWT	N°
AUSTRIA	-	-	-	-	-
BELGIUM	32	2 350 000	6	80 250	-
BULGARIA	7	321 200	-	-	-
CYPRUS	43	2 262 960	-	-	-
DENMARK	109	6 370 641	7	83 360	3
ESTONIA	-	-	-	-	3
FINLAND	2	37 600	3	54 750	8
FRANCE	12	718 870	-	-	5
GERMANY	308	25 728 695	21	237 080	7
GREECE	419	43 552 317	32	549 500	3
IRELAND	-	-	-	-	-
ITALY	87	6 748 992	20	356 097	22
LATVIA	-	-	-	-	-
LUXEMBOURG	-	-	-	-	-
MALTA	-	-	-	-	1
MONACO	2	108 500	-	-	-
NETHERLANDS	34	2 384 000	10	126 272	1
NORWAY	32	2 843 750	44	677 260	16
POLAND	17	758 475	-	-	2
PORTUGAL	3	171 000	-	-	6
SPAIN	1	10 600	-	-	10
SWEDEN	-	-	-	-	2
UK	37	4 397 411	19	188 619	9
EEA TOTAL	1 145	98 765 011	162	2 353 188	98
WORLD TOTAL	3 385	292 440 910	313	4 266 079	193

Source: Fairplay Solutions

WORLD SEABORNE TRADE

(Million Tons)

TABLE 8

	CRUDE	OIL	IRON	COAL	GRAIN	OTHER	TOTAL
	OIL	PRODUCTS	ORE			CARGO EST.	EST.
1991	1 247	326	358	369	200	1 525	4 025
2001	1 592	425	452	565	234	2 385	5 653
2006	1 756	525	734	754	325	2 961	7 055
2007	1 775	553	787	806	341	3 166	7 428
2008	1 800	575	845	834	344	3 347	7 745
2009 Forecast	1 787	580	800	820	339	3 310	7 636
2010 Forecast	1 850	605	825	830	339	3 342	7 791

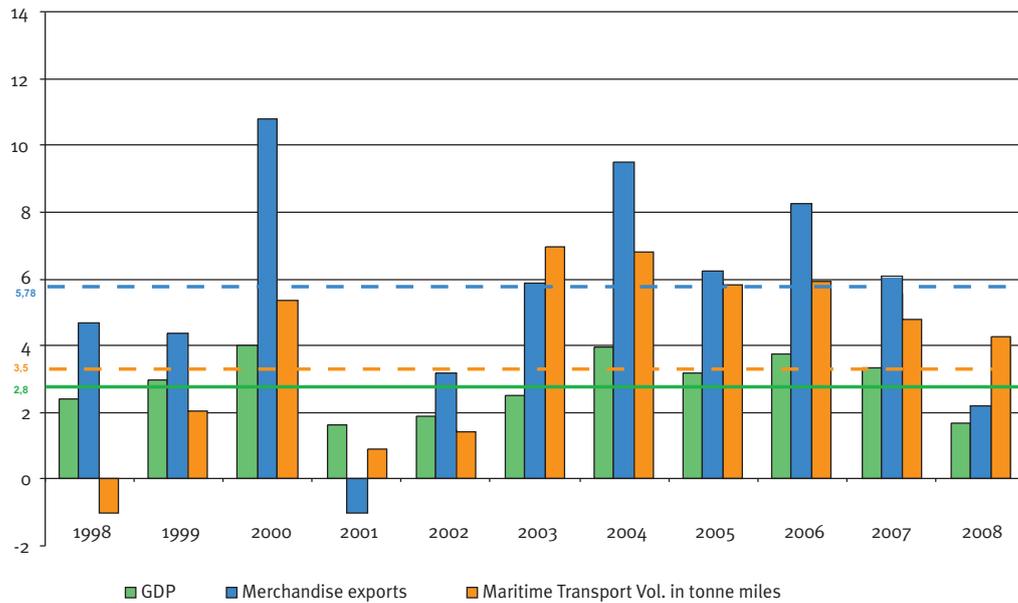
WORLD SEABORNE TRADE

(Billion tonne-miles)

	CRUDE	OIL	IRON	COAL	GRAIN	OTHER	TOTAL
	OIL	PRODUCTS	ORE			CARGO EST.	EST.
1991	6 757	1 044	2 008	1 999	1 069	4 400	17 277
2001	8 074	1 345	2 575	2 552	1 322	7 263	23 131
2006	8 983	1 758	4 192	3 540	1 822	9 763	30 058
2007	9 214	1 870	4 544	3 778	1 927	10 092	31 425
2008	9 300	1 992	4 849	3 905	2 029	10 671	32 746
2009 Forecast	9 200	2 041	4 950	3 850	2 045	10 558	32 644
2010 Forecast	9 550	2 082	5 105	3 850	2 045	10 659	33 291

Source: Fearnleys

ANNUAL PERCENTAGE GROWTH, IN GDP, OF WORLD MERCHANDISE EXPORTS IN REAL VALUE, OF MARITIME TRANSPORT VOLUME, 1998-2008



Source: WTO/ECSA

REAL MERCHANDISE TRADE GROWTH BY REGION, 2008

Annual percentage change

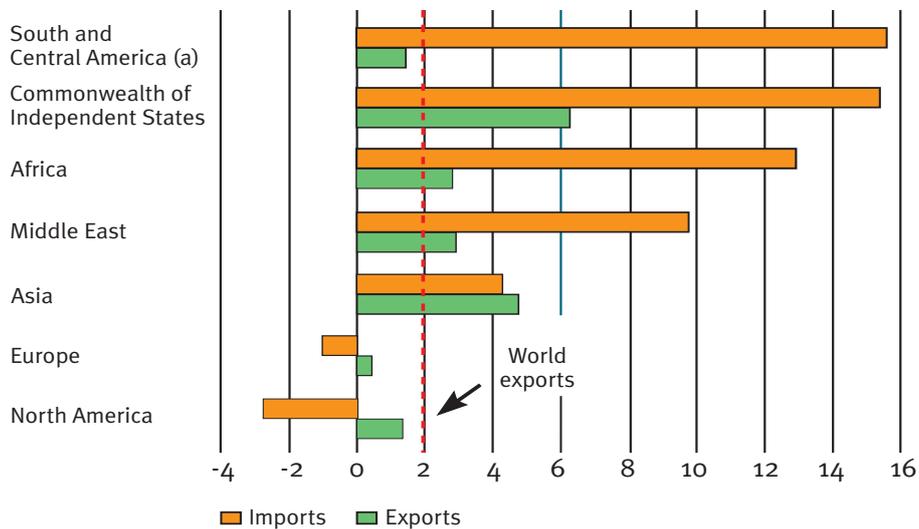


TABLE 20

MERCHANDISE TRADE BY REGION AND SELECTED COUNTRIES

(Billion dollars and percentage)

TABLE 11

	EXPORTS					IMPORTS				
	VALUE		ANNUAL PERCENTAGE CHANGE			VALUE		ANNUAL PERCENTAGE CHANGE		
	2008	2000-08	2006	2007	2008	2008	2000-08	2006	2007	2008
WORLD	15 775	12	16	16	15	16 120	12	15	15	15
NORH AMERICA	2 049	7	13	11	10	2 909	7	11	6	7
United States	1 301	7	15	12	12	2 166	7	11	5	7
SOUTH AND CENTRAL AMERICA (a)	602	15	21	14	21	595	14	22	25	30
Brazil	198	17	16	17	23	183	15	23	32	44
EUROPE	6 456	12	13	16	12	6 833	12	15	16	12
European Union (27)	5 913	12	13	16	11	6 268	12	14	16	12
EU (27) extra-trade	1 928	12	11	17	13	2 283	12	16	16	16
CIS	703	22	25	20	35	493	25	30	35	31
Russian Federeration	472	21	25	17	33	292	26	31	26	31
AFRICA	561	18	19	18	29	466	17	16	24	27
South Africa	81	13	13	20	16	99	16	26	12	12
Africa less South Africa	481	19	20	17	32	367	18	13	28	31
Oil exporters (b)	347	21	21	18	36	137	21	9	31	37
Non oil exporters	133	15	18	15	22	229	16	15	27	28
MIDDLE EAST	1 047	19	22	16	36	575	17	12	25	23
ASIA	4 355	13	17	16	15	4 247	14	16	15	20
Japan	782	6	9	10	10	762	9	12	7	22
China	1 428	24	27	26	17	1 133	22	20	21	19
India	179	20	21	22	22	292	24	21	25	35
New industrialized economies (c)	1 033	10	15	11	10	1 093	10	16	11	17
ASEAN (d)	990	11	17	12	15	936	12	14	13	21

a) includes the Caribbean.

b) Algeria, Angola, Cameroon, Chad, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, Sudan.

c) Hong Kong, China; Republic of Korea, Singapore and Chinese Taipei.

d) Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei Darussalam Vietnam, Lao People's Democratic Republic, Burma/Myanmar, Cambodia.

Source: WTO

CONTAINER TRADES - FULL MOVES

TABLE 12

WORLD WIDE FLOWS		
YEAR	TEUS	GROWTH
2006	127,8 million	10,00%
2007	142,6 million	11,58%
2008	149,7 million	4,98%
2009 (forecast)	134,3 million	-10,29%

TRADE ESTIMATES				
	2007		2008	
	TEUS	TRADE %	TEUS	TRADE %
Total East-West v.v.	61,6 million	43,2%	62,9 million	42,0%
Total North - South v.v.	25 million	17,5%	27 million	18,0%
Total Intra regional	56 million	39,3%	59,8 million	39,9%

SELECTED MAIN TRADES				
TRANSPACIFIC (*)				
YEAR	EASTBOUND		WESTBOUND	
	TEUS	GROWTH	TEUS	GROWTH
2006	14,1 million	10,1%	5,4 million	7,6%
2007	14,4 million	1,9%	6,3 million	16,6%
2008	13,4 million	-7,0%	6,7 million	6,2%
2009 (forecast)	11,5 million	-14,2%	6,7 million	-14,2%

NORTH EUROPE - FAR EAST				
YEAR	EASTBOUND		WESTBOUND	
	TEUS	GROWTH	TEUS	GROWTH
2006	4,0 million	4,3%	7,8 million	13,9%
2007	4,2 million	5,4%	9,1 million	16,6%
2008	4,1 million	-2,8%	9,1 million	-0,3%
2009 (forecast)	3,7 million	-10,0%	7,5 million	-17,4%

MED - FAR EAST				
YEAR	EASTBOUND		WESTBOUND	
	TEUS	GROWTH	TEUS	GROWTH
2006	1,0 million	3,5%	3,5 million	24,4%
2007	1,0 million	2,4%	4,3 million	23,1%
2008	1,0 million	-3,5%	4,2 million	-1,1%
2009 (forecast)	0,9 million	-8,4%	3,5 million	-17,6%

INTRA ASIA		
YEAR	2007	
	TEUS	GROWTH
2007	43,5 million	13,0%
2008	46,5 million	6,80%

(*) Including Canada and Mexico

Sources: Drewry Shipping Consultants

SELECTED MAIN BULK TRADES

CRUDE OIL TOTAL SEABORNE TRADE 2007

Figures in million tonnes

TABLE 13

TO :	N/W	MEDITER-	NORTH	SOUTH	JAPAN	OTHER	OTHERS	TOTAL	TOTAL
FROM :	EUROPE	RANEAN	AMERICA	AMERICA		ASIA		2007	2006
MIDDLE EAST	46,5	61,3	115,0	5,3	167,8	407,2	20,4	823,5	843,8
NEAR EAST	7,0	5,7	1,3	0,0	4,0	2,9	0,0	20,9	12,1
NORTH AFRICA	26,0	45,2	37,2	2,9	0,0	11,4	0,6	123,4	122,0
WEST AFRICA	15,8	18,4	101,6	11,8	6,6	78,0	6,1	238,4	226,5
CARIBBEAN	11,0	6,7	163,1	2,8	0,3	20,5	1,1	205,5	199,9
SOUTH EAST ASIA	0,0	0,0	3,5	0,1	10,9	35,1	16,9	66,5	63,7
NORTH SEA	4,1	4,7	23,5	0,1	0,0	1,0	0,9	34,4	45,8
OTHERS	102,0	69,3	29,8	2,5	13,7	43,0	2,4	262,7	242,7
TOTAL 2007	212,5	211,4	475,2	25,5	203,3	599,1	48,4	1 775,4	
TOTAL 2006	212,3	217,4	486,8	36,4	197,7	557,0	48,7		1 756,4

Source: Fearnleys

IRON ORE TOTAL SEABORNE TRADE 2007

Figures in thousand tonnes

TO :	UK/	MEDITER-	OTHER	USA	JAPAN	CHINA	OTHER	OTHERS	TOTAL	TOTAL
FROM :	CONT.	RANEAN	EUROPE				FAR EAST		2007	2006
SCANDINAVIA	10 173	1 795	2 706	158		51		5 018	19 901	17 244
OTHER EUROPE	1 453	1 936	26 205		166	8 103	31	1 684	39 579	28 635
WEST AFRICA	6 697	2 166	971			1 719		176	11 728	10 418
OTHER AFRICA	8 104	986	1		6 425	12 230	3 858	2	31 606	31 512
NORTH AMERICA	11 694	1 033	428		1 939	7 268	1 405	3 496	27 263	24 683
SOUTH AMERICA ATL.	60 648	14 886	8 285	3 265	31 520	101 450	14 882	15 927	250 862	245 245
SOUTH AMERICA PAC.	57			419	2 289	7 632	1 962	418	12 777	12 420
ASIA	838	286	797		13 300	95 039	2 063	2 973	115 296	109 773
AUSTRALIA/N.Z.	6 530	844	647		83 242	145 484	41 516	211	278 474	253 907
TOTAL 2007	106 194	23 931	40 041	3 842	138 881	378 976	65 716	29 905	787 485	
TOTAL 2006	103 443	22 426	39 116	5 239	134 252	317 299	68 768	43 295		733 837

Source: Fearnleys

COAL TOTAL SEABORNE TRADE 2007

Figures in thousand tonnes

TO :	UK/ CONT.	MEDITER- RANEAN	OTHER EUROPE	SOUTH AMERICA	JAPAN	OTHER FAR EAST	OTHERS	TOTAL 2007	TOTAL 2006
NORTH AMERICA	15 921	4 314	9 707	8 747	10 607	6 623	10 270	66 189	52 118
AUSTRALIA	21 192	3 643	8 133	12 847	113 355	37 202	54 155	250 528	238 780
SOUTH AFRICA	27 452	5 078	15 707	1 275	424	755	12 755	63 445	62 810
SOUTH AMERICA CAR.	22 411	5 667	11 393	5 380	29		32 087	76 967	57 265
CHINA	784	6	1 969	289	15 195	20 547	13 582	52 371	61 714
FSU	34 105	1 829	24 277	74	11 486	6 355	2 001	80 128	73 810
OTHER EAST EUROPE	1 297	527	2 685				561	5 068	16 197
INDONESIA	4 710	7 788	5 982	1 790	32 652	63 324	57 998	174 244	152 852
OTHERS	3 352	1 141	2 236	520	2 727	25 692	1 741	37 408	38 858
TOTAL 2007	131 222	29 993	82 088	30 922	186 476	160 498	185 150	806 349	
TOTAL 2006	144 922	25 616	65 248	29 815	176 993	140 290	171 521		754 404

Source: Fearnleys

GRAIN TOTAL SEABORNE TRADE 2007

Figures in thousand tonnes

TO :	USA	CANADA	SOUTH AMERICA	AUSTRALIA	OTHERS	TOTAL 2007	TOTAL 2006
UK/CONTINENT	3 864	1 583	22 326	8	184	27 964	22 669
MEDITERRANEAN	4 763	925	18 446	28	4 941	29 103	21 814
EAST EUROPE	166	28	3 020		7 382	10 596	10 532
OTHER EUROPE	750	152	4 601	2	958	6 463	4 287
AFRICA	17 966	2 786	10 071	806	18 080	49 709	44 827
AMERICAS	39 923	6 274	15 147	2	1 127	62 473	60 995
NEAR EAST	4 206	48	1 294		3 611	9 160	8 456
INDIAN OCEAN	5 059	3 786	7 632	1 791	10 959	29 226	33 361
JAPAN	22 773	1 610	1 456	1 499	1 735	29 073	30 021
OTHER FE	33 823	3 615	32 738	4 057	11 947	86 180	87 167
OTHERS & UNSPEC.	85	8	27	514	140	775	655
TOTAL 2007	133 377	20 818	116 757	8 707	61 063	340 722	
TOTAL 2006	122 996	21 879	97 701	20 117	62 092		324 785

Source: Fearnleys

TOP 25 CONTAINER LINES AS AT July 2009

TABLE 14

RANK	OPERATOR	TOTAL OPERATED		CHARTERED			ON ORDER		
		TEU	SHIPS	TEU	SHIPS	CAPACITY %	TEU	SHIPS	% OPERATED CAPACITY
1	APM-Maersk	2 016 752	537	881 626	326	43,7%	365 338	70	18,1%
2	Mediterranean Spg Co	1 520 023	417	673 331	202	44,3%	632 204	55	41,6%
3	CMA CGM Group	1 033 639	365	671 221	271	64,9%	505 688	60	48,9%
4	Evergreen Line	600 450	164	262 903	72	43,8%			
5	APL	524 089	134	355 329	89	67,8%	162 176	22	30,9%
6	COSCO Container L.	507 139	148	214 227	52	42,2%	425 102	56	83,8%
7	Hapag-Lloyd	484 768	126	219 437	64	45,3%	122 500	14	25,3%
8	CSCL	457 759	144	170 035	54	37,1%	146 544	17	32,0%
9	NYK	408 133	108	102 999	49	25,2%	148 760	24	36,4%
10	Hanjin Shipping	373 188	88	216 442	57	58,0%	270 448	30	72,5%
11	MOL	345 113	92	173 491	58	50,3%	157 736	30	45,7%
12	OOCL	335 985	74	131 454	39	39,1%	125 054	19	37,2%
13	Hamburg Süd Group	327 879	112	186 197	74	56,8%	104 670	18	31,9%
14	K Line	320 636	90	147 711	58	46,1%	190 266	35	59,3%
15	Yang Ming Line	318 035	79	122 598	33	38,5%	141 402	22	44,5%
16	Zim	276 641	93	163 888	63	59,2%	254 010	30	91,8%
17	CSAV Group	276 428	84	241 607	77	87,4%	135 437	20	49,0%
18	Hyundai M.M.	271 042	54	191 989	41	70,8%	84 510	8	31,2%
19	PIL (Pacific Int. Line)	191 730	106	63 271	29	33,0%	63 564	16	33,2%
20	UASC	152 856	42	39 260	15	25,7%	156 035	18	102,1%
21	Wan Hai Lines	123 863	67	21 148	13	17,1%	32 050	11	25,9%
22	MISC Berhad	100 143	34	56 249	16	56,2%	42 760	6	42,7%
23	IRIS Lines	98 085	64	11 930	14	12,2%	21 040	13	21,5%
24	RCL (Regional Container L.)	53 040	40	10 514	6	19,8%	2 086	2	3,90%
25	Grimaldi (Napoli)	49 606	46	6 120	12	12,3%	8 924	11	18,0%
TOTAL TOP 25 - Capacity employed		11 167 022	3 308	5 334 977	784		4 298 304	607	
TOTAL fully cellular ships		12 811 542	4 703						

Source: AXS Alphaliner

EUROPEAN COMPANIES

Main lines' consolidated subsidiaries :

APM-Maersk includes Safmarine and MCC

CMA-CGM includes Delmas Group (Delmas,OTAL, Setramar), ANL, Feeder Associate System, Cagama, MacAndrews, CNC

CSAV includes Norasia, Libra, Montemar, Hansa Star Line and Euroatlantic Container Line (ECL)

Evergreen includes Hatsu Marine, Italia Marittima

NYK includes Tokyo Senpaku Kaisha (TSK)

Zim includes Gold Star Line and Laurel Navigation

Hamburg-Süd includes Columbus Linie, Aliança, Crowley American Transport, Ellerman and Kien Hung

Grimaldi includes ACL





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