



INTERNATIONAL SHIPPING TAX SEMINAR

18 September 2025, 13.00 – 16.00 at CORIT Advisory





PILLAR 2 AND SHIPPING DEEP DIVE INTO SELECT AREAS



OFFSHORE SUPPORT VESSELS PILLAR 2 AND TONNAGE TAX REGIMES

Definition, Role, and Policy Rationale

- Wind farm installation vessels (foundations, turbines), AHTS, cable layers, crew transport vessels, rescue/standby, PSV, dredgers, excavation vessels, etc.
- The vessels provide a wide range of mixed services, e.g. transport, installation, construction, maintenance, and standby.
- These vessels are included in many EU tonnage tax regimes because they contribute to the policy objectives of the EU's maritime interest, which is recognised as being of vital interest for the EU economy, cf. Commission Communication C(2004) 43.
- Some countries offer broad coverage, e.g. Denmark, whereas the scope is narrower in other countries, e.g. Sweden (focus on the transport part).
- It is recognised that the inclusion of these vessels also contribute to other important policy objectives, such as energy security and the green transition.

The International Shipping Income Exclusion

- Only the transportation of passengers or cargo by ships in international traffic
 - “Ships”
 - When is a vessel a ship? Must it be (primarily) designed to carry goods and passengers, and also be used for that?
 - “Cargo”
 - Must the transported item “belong” to someone and/or have a commercial value? Mud and sludge?
 - “Passengers”
 - SOLAS and Athens Convention, customer personnel are supernumeraries, not “passengers”
 - “International traffic”
 - Not within a single jurisdiction. MP in NL to support a DE windfarm OK, whereas MP in NL to support a NL windfarm not?
 - “Towing activities”
 - EU Framework: towing of a rig is *transport*. The SAG rules on “towage” is directed towards harbour towage.
 - SBIE – where are the vessels and crew located? Very rarely in the CE jurisdiction.

DEMURRAGE AND DETENTION

PILLAR 2 TREATMENT

Definition, commercial context and tax classification

- Demurrage: compensation for exceeding laytime in port
- Detention: damages for wrongful detention outside laytime/demurrage
- Tax classification: generally treated as taxable income, as it is a *surrogate* for lost freight income
- OECD/UN: good arguments for *directly connected*. However, only address the issue in relation to container shipping and then in the context of container leasing.
- Pillar 2:
 - Income from short-term storage of containers or detention charges for the late return of containers is QAISI.
 - Does not address demurrage or detention charges for tank and other bulk shipping.
- Is the OECD understanding at all reflecting the commercial reality?

SALE OF VESSELS

ISI PILLAR 2 TREATMENT

Scope of Pillar 2 ISI in relation to the sale of vessels

- ISI includes “the sale of a (1) ship (2) used for the transportation of passengers or cargo (3) in international traffic, (4) provided that the ship has been held for use by the CE (5) for a minimum of one year”
- The first three criteria may pose challenges for offshore support vessels, as addressed earlier.
- The fourth and fifth criteria are, according to the commentaries (para 159), to prevent ship trading activities from qualifying for the exclusion.
- The commentaries state that ships purchased with a view to reselling are usually recorded as inventory under IAS 2, and legally owned ships are recorded as PP&E according to IAS 16.
- The ordinary interpretation of “held for use” implies *control*, but not necessarily legal ownership.
- IFRS 16? Vessels on bareboat charter, or time charter with a purchase option?

What is an asset according to IFRS?

- A present economic resource **controlled** by the entity as a result of past events
- An economic resource is a right that has the potential to produce economic benefits
- Rights that produce economic benefits can take many forms, including rights over physical objects and rights to use these objects
- An entity controls an economic resource if it has the present ability to direct its use and obtain the economic benefits that may flow from it
- The phrase “held for use” appears in IAS 16, while IFRS 16 uses “right to use.” However, the effect is the same under both standards: An item is recognized as an asset because it is used in the entity’s business to produce income. Notably, legal ownership is not a requirement under IAS 16.

Example

- Under a bareboat lease with a purchase option, the charterer has been required to upgrade and modify the vessel. The charterer has also structurally modified the vessel and fitted new equipment. These costs are capitalized and accounted for under IAS 16, meaning the entire asset may be reflected on the charterer's balance sheet, albeit partly under IFRS 16 and partly under IAS 16.
- After 10 years, charterer exercises the purchase option but sells the vessel within a year.
- How to determine what qualifies and what does not if legal ownership is the requirement?



TFEU and the Stand Still Provision

TFEU Articles 107-109

- Aid granted by a member state or through state resources that distorts or threatens to distort competition is generally prohibited.
- In some circumstances government interventions are necessary for a well-functioning and equitable economy. Therefore, it allows for some instances in which state aid can be considered compatible with the internal market.
- An EU country wishing to introduce State aid, e.g. tonnage tax, or change the State aid, if already in place, must seek approval from the European Commission according to TFEU article 108(3).
- Council Regulation (EU) 2015/1588 (state aid regulation):
 - 1(c) new aid is defined as aid not already existing, including alterations to existing aid
 - 1(f) unlawful aid is defined as new aid (including alterations to existing aid) put into effect without following the required procedure
 - 3) prohibits putting notifiable aid into effect before the Commission has made, or is deemed to have made, a decision authorizing the aid.
- TFEU 288: Regulations have direct effect.



Intercompany ship-leasing

- From an international tax and transfer pricing perspective

Transfer pricing in IC-ship leasing

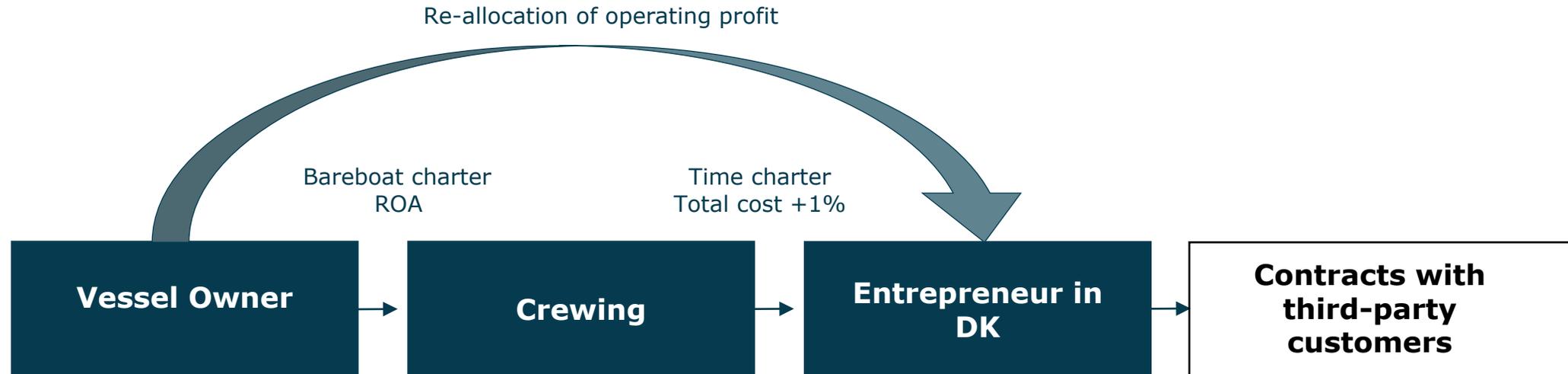
Known and widely used methodology forms the basis of any transfer pricing approach

- The starting point is the application of ordinary transfer pricing rules
- Is there any transactions (actual or deemed)?
 - Actual conduct vs. written agreements?



Transfer pricing in IC-ship leasing

Contracts with third-party customers



Bareboat charter

- Payments for the right to use industrial, commercial, or scientific equipment
 - Under domestic tax? Under tax treaty? In the EU IR-Directive

Time charter

- Payments for technical, managerial or other services
 - Under domestic tax? Under tax treaty?

The concept of “mixed contracts”

- Break down into individual components
 - Based on information in the contract or reasonable apportionment with each part subject to the correct tax treatment
- Unless
 - one part constitutes by far the principal purpose *and*
 - the other parts are only of an ancillary and largely unimportant character
- Interpretative statement from the Norwegian Ministry of Finance (2022: 21/1690 SL KAaS/HKT)
 - Time charter hire from Norway to Singapore
 - Tax treaty includes lease payments for ICS-equipment as royalties
 - Time charter agreement comprised:
 - A bareboat charter (i.e., lease of the vessel itself) – subject to royalty WHT
 - Crew and other operational services related to the vessel’s operation in international traffic - exempt from WHT
 - Although time charter agreements are often regarded and referred to as service contracts, “the lease of the vessel” cannot be considered ancillary and largely unimportant
- Reasonable apportionment based on TP-principles?

PE in a nutshell

- There must be a “place of business” (in a country) at the disposal of the enterprise, *and*
- This place of business must be “fixed” for temporal and geographical purposes, *and*
- The enterprise must carry out its business through this fixed place of business

Attribution of profit to PE based on the AOA

- Hypothesize the PE as a stand-alone entity
 - Functions performed
 - Asset used – the vessel?
 - Valuation of vessels should be made upon entry and exit € variances of the relevant value and depreciation principles
 - Risk assumed
 - Rights and obligations
 - Free capital
 - Recognize dealings
- Determine arm’s length price of dealings
 - Can internal dealings be subject to WHT?

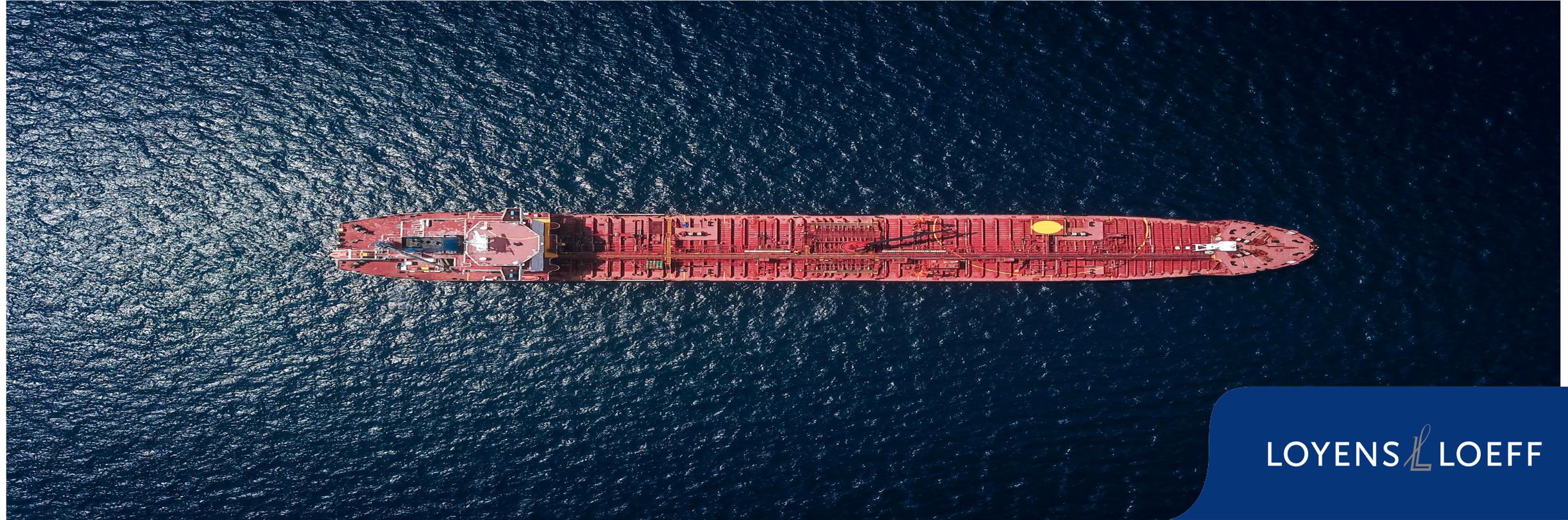


LOUISE BLICHFELDT FJORD

Associate Partner



CORIT INTERNATIONAL SHIPPING TAX SEMINAR



LOYENS  LOEFF

TON STEVENS

Pillar 2 and Shipping – Main differences between EU regimes and P2 rules

Corit Tax Meeting

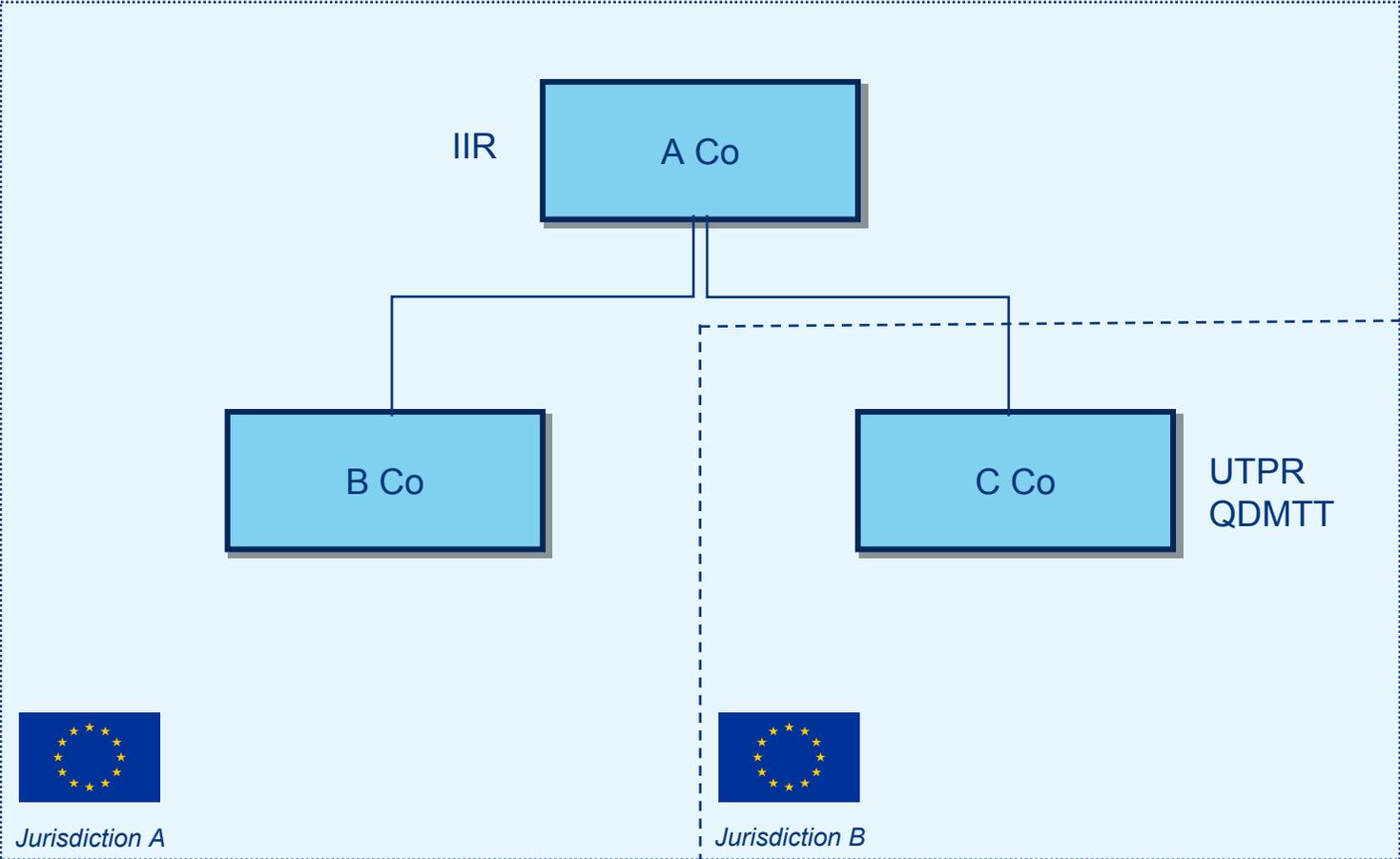
Lyngby, 18 september 2025.

- Short introduction to Pillar 2 rules
- Qualifying shipping income exclusion
- Differences between Pillar 2 shipping exclusion rules and EU shipping tax regimes
- SBIE as a last resort?
- Are differences against EU law?
- Solutions?



Ton Stevens
Professor of corporation tax
(*TiSEM, Tilburg University*)
Of Counsel (*Loyens & Loeff*)

Mechanism of Pillar 2



- If GloBE calculations result in an ETR below 15% in a certain jurisdiction the difference is taxed as a **Top-Up Tax** for **In-Scope MNE's**
- Ordering rules are important: **IIR** and **UTPR** as a back-stop. However, Low-Taxed jurisdictions can avoid the Top-Up Tax by levying a **QDMTT**
- Calculation of GloBE Income or Loss and Covered Taxes on CE-level with financial accounts as a starting point with some adjustments (article 3.2 of GloBE rules)
- One of the adjustments (article 3.3) **International Shipping Income Exclusion** (see hereafter)
- Calculating the Top-Up Tax on a jurisdictional basis on the Excess Profit (Net GloBE Income minus the Substance based Income Exclusion) (SBIE)(see hereafter)

- **OECD Commentary to GloBE-rules:** *“The widespread availability of these alternative tax regimes means that international shipping often operates outside the scope of corporate income tax. Including international shipping within the scope of the GloBE Rules would therefore raise policy questions in light of the policy choices of these jurisdictions.”*
- **Preamble to the EU Minimum Tax Directive:** *“To avoid undermining that policy rationale and to allow Member States to continue applying a specific tax treatment to the shipping sector in line with international practice and State aid rules, shipping income should be excluded from the system.”*

Article 3.3 OECD/Article 17 EU-directive: **International Shipping Income Exclusion**

Article 3.3.2. **International Shipping Income (ISI)**: the net income of a CE *from the transportation of passengers or cargo* by ships operated *in international traffic* that:

- a) are owned, leased or otherwise at the disposal of CE;
- b) are operated under slot-chartering arrangements;
- c) are leased out on charter fully equipped, crewed and supplied
- d) are leased out on bareboat charter basis to another CE;
- e) derives from the participation in a pool, a joint business or an international operating agency; and
- f) derives from the sale of a ship, provided that the ship has been held for use by the CE for a minimum of one year.

Article 3.3.3. Qualified Ancillary International Shipping income

Article 3.3.3 **Qualified Ancillary International Shipping Income (QAISI)**: net income from the following activities that are performed *primarily in connection with* the transportation of passengers or cargo by ships in international traffic:

- a) leasing a ship on a bareboat charter basis to another shipping enterprise that is not a CE, provided that the charter does not exceed three years;
- b) sale of tickets issued by other shipping enterprises for the domestic leg of an international voyage;
- c) leasing and short-term storage of containers or detention charges for the late return of containers;
- d) provision of services to other shipping enterprises by engineers, maintenance staff, cargo handlers, catering staff, and customer services personnel; and
- e) investment income where the investment that generates the income is made as an integral part of the carrying on the business of operating the ships in international traffic.

Article 3.3.4 Cap of 50% to QAISI: the aggregated QAISI of all CEs located in a jurisdiction shall not exceed 50% of those CE's ISI.

Article 3.3.5 Cost attribution rules (not further discussed)

Article 3.3.6 Substance requirements: the CE must demonstrate that the strategic or commercial management of all ships concerned is effectively carried on from within the jurisdiction where the CE is located

- **Shipping income should be excluded from the Directive**
- Carve-Out differs from the EU tonnage tax regimes (approved state aid)
- Does not (fully) extend to:
 - Offshore service vessels
 - Transportation within one jurisdiction
 - Ship management
- **Deviates from approved (existing) EU tonnage tax regimes regarding:**
 - Rules for bareboat income
 - Substance requirements
 - 50% limitation to Qualified Ancillary International Shipping Income (QAISI)
 - Limited list of activities that qualify as QAISI.
- **Result:** beneficial treatment under EU tonnage tax regimes may be “taxed away” under the Directive.

- Offshore service vessels
- Transportation within one jurisdiction
- Ship Management activities
- Substance requirements (SCM-test)

- ISI only applicable on transportation of passengers or cargo by ships in international traffic
- Excludes quite a number of activities by offshore service vessels, although those activities are included in almost all EU-approved tonnage tax regimes
- GloBE-commentary: “The exclusion does not apply to the profits from towing or dredging activities but it would apply to the profits from transportation of passengers or cargo in international traffic by offshore service vessels.”



- Definition of International Traffic: paragraph 153 of the GloBE-Commentary: “any transport by a ship, except when the ship is operated solely between places within a single jurisdiction.”
- Jurisdiction is not defined
- Deviating definition from article 8 OECD MTC and the definition used in most all EU tonnage tax regimes (“by sea”)



- Income derived from shipmanagement of qualifying ships owned by third parties not covered by the definition ISI
- Article 3.3.2: “net income obtained from the transportation of passengers or cargo by ships that it (CE) operates in international traffic, whether the ship is owned, leased or ***otherwise at the disposal*** of the CE”
- Only certain services are listed as QAISI
- Under most EU tonnage tax regimes income derived from “classic” shipmanagement are covered as qualifying tonnage tax income



- Article 3.3.6: the CE must demonstrate that the ***strategic or commercial management of all ships concerned*** is effectively carried on from within the CE jurisdiction of residency
- Most EU tonnage tax regimes have similar but sometimes deviating substance requirements
- ***Administrative Guidance is asked for:***
 - SCM definitions
 - Management from different countries
 - Outsourcing?
 - Safe harbour?
 - Ship chartering/ship pooling?



- Article 5.3: The Net GloBE Income per jurisdiction is reduced by the **SBIE** to determine the Excess Profit for purposes of computing the Top-up Tax
- SBIE is the sum of the **payroll carve-out** and the **tangible asset carve-out** for all CE's in a jurisdiction
- **Payroll carve-out** per CE is equal to 10% (5%) of the Eligible Payroll Costs of Eligible Employees *that perform activities for the MNE Group in the CE jurisdiction*
- **Tangible asset carve-out** per CE is equal to 8% (5%) of the carrying value of Eligible Tangible Assets *located in such jurisdiction*
- *When are movable assets (ships) and employees (seamen) located in the CE jurisdiction?*

- GloBE Commentary pt. 38 to Article 5.3.4: further Administrative Guidance to be given to **moveable assets** (aircraft or shipping industry)
- Up till now now agreement on **the allocation method**:
 - (i) voyages (flights) to or from the residence CE jurisdiction;
 - (ii) time spent in such jurisdiction
 - (iii) allocation on the basis of Significant People Functions (SPF's) performed

- **EU Minimum Tax Directive** has taken over **OECD GloBE-rules** to a large extent
- However, OECD GloBE-rules can only be used insofar these sources are consistent with both the Directive and (other forms of) EU law. Paragraph 24 of the Preamble: *“In implementing this Directive, Member States should use the OECD Model Rules [...] as a source of illustration or interpretation in order to ensure consistency in application across Member States to the extent that those sources are consistent with this Directive and Union law.”*
- **Preamble** (see before) requests that shipping income should be excluded from the system “in line with international practice and State aid rules”.
- Therefore, **ECJ and national courts** should interpret the concepts of the Directive in line with EU law and **EU Member States** should implement those concepts in line with EU law.

- **The Carve-Out infringes the general principle of equal treatment**, because it treats shipping companies with affected income less favourable than shipping companies without affected income, while both types of shipping companies are intended to be treated the same.
- **The Carve-Out infringes the general principle of proportionality**, because the Carve-Out is stricter than necessary to attain the purpose of the Directive.

- **The Carve-Out infringes the principle of the protection of legitimate expectations**, because existing decisions by the Commission on the approval of existing EU tonnage tax regimes have promoted reasonable expectations on which operators may rely.
- **The Carve-Out does not contribute to the establishment or functioning of the internal market** within the meaning of Article 115 TFEU, because it impairs the competitiveness of the EU fleets in the internal and global shipping market.
- **The fact that the Directive is also applicable to domestic situations is a manifest error.**

- **Annul (part of) the Directive**
 - Insofar as it deviates from the EU State Aid Guidelines for Maritime Transport/ from approved (existing) EU tonnage tax regimes (Running case: Fugro)
- **Solve inconsistencies by ‘deviating’ national implementation**
 - Consistent interpretation could partly solve inconsistencies (not fully).
 - Deviate from legal text of the Carve-Out and adhere to aim and purpose.
- **Solve inconsistencies by way of EU legislative amendments**
 - Extended application of Carve-Out.
 - Grandfathering rules.
 - Provision for delegated acts.
 - But: requires unanimity within the Council

- **Contest national Pillar 2 tax assessment before national Courts**
 - Follows national procedural rules.
 - National court may ask questions to EU Court, but it has a certain discretion
- **Contest Directive directly before EU Court**
 - Shipping companies may institute proceedings directly before EU Court
 - Relevant question is the admissibility
 - If not admissible, then higher chances for national court to ask questions
 - Running case: (Fugro)

QUESTIONS???



European Shipowners

ECSA | European Community Shipowners' Associations

EUROPEAN SHIPOWNERS



ABOUT US

European Shipowners | ECSA advocates for a competitive and sustainable European shipping industry. Founded in 1965, ES | ECSA represent 22 members from the EU and Norway.

"The voice of European shipping"



Europe's existential transformation

Europe's transformation

Meet climate neutrality by 2050

Maintain industrial leadership at global level

EU competitiveness and prosperity depend on secure global supply chains

Europe's reliance on trade

Trade = 100% of EU GDP, vs China (37%) & US (27%)

EU competitiveness and prosperity depend on secure global supply chains

Strategic contribution of shipping

European shipping represent 35% of the global fleet

Carries 76% of EU external trade and ensures energy & food security

Central to EU's decarbonisation & green transition

Keeps Europe integrated in global markets even in times of geopolitical uncertainty

A stronger European shipping sector means a stronger Europe.

Europe's existential transformation

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Current state of play: OECD two-pillar framework

- **Pillar 1:** Reallocation of taxing rights (Amount A/B). Still pending signing multilateral convention.
- **Pillar 2:** Global minimum tax (15% effective rate). Technical details are still being discussed in OECD. Global implementation is questionable. Implemented in EU via Directive 2022/2523, with most Member States transposed.
- **EU role:** EU is frontrunner on Pillar 2, aligning with OECD GloBE rules, but ahead of some global peers → risk of competitive distortions.
- **Shipping:** Exemptions recognised under Pillar 2 in OECD and EU law, but definitional issues remain

Creating competitive disadvantage?

State of play: Pillar 1

- **Not yet in effect:** Requires signing of OECD Multilateral Convention.
- **Amount A:** Reallocation of residual profits for large digital/consumer-facing multinationals. EU will only legislate once OECD text is final.
- **Amount B:** Simplified transfer pricing for routine distribution. Optional from FY 2025; adoption up to each jurisdiction.
- **EU situation:** No EU directive yet. Some Member States may adopt Amount B unilaterally in national transfer pricing rules.
- **Implication:** Legal uncertainty; DSTs remain in place in some EU countries until Amount A is implemented.

Have we learnt from the past?

State of play: Pillar 2

- **Directive 2022/2523:** In force since Jan 2024. Requires IIR from FY \geq 31 Dec 2023 and UTPR from FY \geq 31 Dec 2024.
- **Most Member States:** Transposed and applying (e.g. AT, BE, FR, DE, NL, SE).
- **Deferral:** 5 MS (Estonia, Latvia, Lithuania, Malta, Slovakia) invoked Article 50 deferral (up to 6 years).
- **Late adopters:** Spain, Greece, Portugal, Poland, Cyprus enacted laws in 2024/25.
- **Next steps:** DAC9 adopted in Apr 2025 to enable exchange of top-up tax information (first reports due June 2026).
- **Global misalignment risk:** EU is moving faster than other regions, creating competitive pressure

What's next?

State of play: Pillar 2

Member State	Status (short)	IIR application	UTPR application
Austria	Implemented & applying IIR (FY from 2024)	-	-
Belgium	Implemented & applying IIR (FY from 2024)	-	-
Bulgaria	Implemented & applying IIR (FY from 2024)	-	-
Croatia	Implemented & applying IIR (FY from 2024)	-	-
Czechia	Implemented & applying IIR (FY from 2024)	-	-
Denmark	Implemented & applying IIR (FY from 2024)	-	-
Finland	Implemented & applying IIR (FY from 2024)	-	-
France	Implemented & applying IIR (FY from 2024)	-	-
Germany	Implemented & applying IIR (FY from 2024)	-	-
Hungary	Implemented & applying IIR (FY from 2024)	-	-
Ireland	Implemented & applying IIR (FY from 2024)	-	-
Italy	Implemented & applying IIR (FY from 2024)	-	-
Luxembourg	Implemented & applying IIR (FY from 2024)	-	-
Netherlands	Implemented & applying IIR (FY from 2024)	-	-
Romania	Implemented & applying IIR (FY from 2024)	-	-

Member State	Status (short)	IIR application	UTPR application
Slovenia	Implemented & applying IIR (FY from 2024)	-	-
Sweden	Implemented & applying IIR (FY from 2024)	-	-
Spain	Implemented (Law 7/2024), applying IIR for FY from 2024; UTPR from FY from 2025	IIR FY from 2024	UTPR FY from 2025
Poland	Implemented; applying from FY starting 1 Jan 2025	IIR FY from 2025	UTPR FY from 2025
Greece	Implemented (Law 5100/2024), applying IIR FY from 2024	IIR FY from 2024	UTPR FY from 2025
Cyprus	Implemented (Dec 2024); applies to FY beginning on/after 22 Jun 2024	IIR FY from Jun 22, 2024	UTPR FY from 2025
Portugal	Implemented (Law 41/2024); IIR FY from 2024; UTPR FY from 2025	IIR FY from 2024	UTPR FY from 2025
Estonia	Enacted with Article 50 deferral of IIR/UTPR (up to 6 FYs)	Deferred	Deferred
Latvia	Enacted with Article 50 deferral of IIR/UTPR (up to 6 FYs)	Deferred	Deferred
Lithuania	Enacted with Article 50 deferral of IIR/UTPR (up to 6 FYs)	Deferred	Deferred
Malta	Enacted with Article 50 deferral of IIR/UTPR (up to 6 FYs)	Deferred	Deferred
Slovakia	Enacted; Article 50 deferral of IIR/UTPR; QDMTT in force	Deferred	Deferred

ES | ECSA Position

- **Inconsistencies** between OECD Pillar 2 and tonnage tax income definitions lead to competitive disadvantage
- **Differentiated implementation** at global level has an impact on the level playing field
- **Implementation and lack of regulatory guidance** lead to significant administrative burden

Concerns remain valid...

ES | ECSCA Position – identified inconsistencies

The Carve-Out is partly inconsistent with existing EU State aid guidelines (and current regulatory proposals) and Commission Decisions approving EU tonnage tax regimes - > no longer possible to benefit from tax benefits of certain national shipping regimes.

- Offshore service vessels;
- Transportation within one jurisdiction/definition of International Traffic;
- Ship management activities;
- Bareboat income;
- Substance requirements;
- 50% limitation to Qualified Ancillary International Shipping Income (QAIS);
- Limited list of activities that qualify as QAIS (jointly referred to as the Inconsistencies).

Concerns remain valid...



What's next?

- 1 **Shipping Coalition - International definitions** – defining and fine tuning

- 2 **European Commission** – Addressing inconsistencies

- 3 **Member States** – political approach – technical approach

- 4 **Practice**

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€127.8bn

Economic impact of European shipping

EU economy's reliance on trade
Trade to GDP ratios



€183.4bn

European shipping sector total turnover

Supply Chain Security

76% of EU external trade moves by sea



Employed in and around shipping

1.4M

Energy Security



87% of EU gas imports come in by sea

European shipping & Security

Energy Security

European shipping helps maintain a **secure and diversified** energy supply.

88% of the EU's oil is brought in by ship



87% of EU gas imports come in by sea



15,000 wind turbines to be installed by the EU's offshore vessels



European shipping represents



35% of the global tanker fleet



33% of all LNG carriers



25% of offshore vessels



Food Security

European shipping carries the EU's food imports and exports, contributing to global food security.

European shipping represents



30% of the global bulk carrier fleet



33% of all refrigerated vessels



88% of EU cereal exports by sea



82% of EU coffee and tea imports rely on shipping

Supply Chain Security

Shipping is the backbone of global and EU supply chains, keeping trade flowing.

Nearly all of the EU's **€158B** in car exports shipped by sea



76% of EU external trade moves by sea



European shipping represents



44% of the global container ship fleet



29% of all vehicle carriers





European Shipowners

ECSA | European Community Shipowners' Associations

Deloitte

EU Shipping Competitiveness Study



European Shipowners

ECSA | European Community Shipowners' Associations



Keep European Shipping Internationally Competitive

- Develop a **forward-looking European maritime strategy**
- Maintain **Maritime State Aid Guidelines (SAGs)**
- Recognise **shipping as a cornerstone of Europe's security** and a prerequisite for a strong maritime cluster



Aligning Regulations & Reducing Administrative Burden

- Align** EU regulations with **IMO/ILO** conventions
- Cut red tape** and reduce reporting requirements
- Digitalise** administrative processes



Closing the Investment Gap

- Use EU and national ETS revenues to **bridge the price gap with clean fuels** and support investments in clean tech
- Facilitate access to **finance for shipowners** in Europe
- Expand the **toolbox of financing and funding solutions**



Promoting Upskilling and Reskilling

- Train **250,000 European seafarers** for **new fuels & digital solutions**
- Strengthen international framework of **IMO STCW-convention** and update framework for **mutual certification** recognition in the EU
- Enhance the **attractiveness of seafaring as a profession**



Why this matters

- Shipping is a **cornerstone of Europe's food, energy and supply chain security**
- Shipping is at the **forefront of the energy transition** and carries **76% of the EU's external trade**
- EU shipping is growing steadily**, but others are growing faster, posing a competitiveness challenge



35%

EU share of the world's fleet



76%

of Europe's external trade is enabled by shipping



40 bn

Needed in annual investments for EU shipping's energy transition