



## **German Shipbuilding calls for decisive industrial policy from Brussels and Berlin**

***Hamburg, 23.04.2024: The German shipbuilding industry is calling on the European Union and the German government to present an industrial policy concept that enables a return to the necessary growth and thus does justice to the strategic importance of the maritime industry.***

"From Maritime Actor to Sea Power" is the title of a paper by the Analysis and Research Team of the General Secretariat of the EU Council from January 2023. It describes the enormous strategic weight of the maritime dimension in a detailed and multifaceted way. However, the document does not deal with the necessary industrial policy consequences that would have to follow. The last time the European Commission presented an industrial policy for the maritime industry was in 2013. But since then, the world has not been the same.

### **Maritime industrial strategy overdue**

Two major disruptions have dramatically highlighted the need for a relaunch: the pandemic has shown the fragility of a strategy limited to high-end markets. The Russian war of aggression and the Russian-Chinese "partnership without borders" have raised awareness of the dangers of strategic dependencies.

Against this background, VSM welcomes the conclusions of the Competitiveness Council on the need for a maritime industrial strategy for Europe, which are expected for Friday. VSM President Fassmer said: *"We need a turnaround in shipbuilding policy. Europe's maritime sovereignty cannot be ordered in China"*.

### **Effective framework conditions for the maritime industry**

A crisis-proof and sustainable maritime service for Europe includes climate-neutral intra-European sea and inland waterway transport, the expansion of offshore renewable energy production, the protection of critical infrastructure on and underwater, the infrastructure for the import of renewable energy sources and a high-performance naval shipbuilding industry. To achieve this, effective framework conditions must ensure the successful operation and production of ships and maritime installations. We in the EU must quickly define these framework conditions together and consistently implement them at national level. The EU has the largest maritime single market in the world. We need to implement ambitious climate protection targets in maritime transport and we want to achieve the enormous expansion targets for offshore wind energy. The way forward must be shaped together in a way that strengthens the EU's independence and resilience.

### **Leveraging the strengths of the German shipbuilding industry**

The German shipbuilding industry is largely operating at high capacity utilization. However, supply chain disruptions and the high inflationary pressure of recent years have still left their mark in 2023, as long project durations and fixed price contracts are common in shipbuilding. The equity base of medium-sized companies has melted down in recent years.

Nevertheless, the industry is ready to meet the enormous demands, to invest and to provide excellent training for skilled workers. But it cannot do this alone. The German government has actively campaigned for the EU Council of Ministers to address this issue. However, it must now also live up to this demand with its own instruments.

Germany is home to many companies that set global technological standards. Our maritime capabilities still give us all the options we need. However, decades of a decline industrial base must be reversed so that Europe preserves its maritime industry and thus its ability to act.

Managing Director Dr. Lüken said: "The German Government has understood the need for action and has responded to the inaction of the European Commission in recent years. But this can only be the starting point. From now on, it is important to roll up our sleeves and take new steps towards real maritime sovereignty".