
Berlin Declaration

Adopted at the meeting of the EMF sector committee shipbuilding on
25th/26th June 2009 in Berlin

Avoid Redundancies – Safeguard Competitiveness – Enter New Markets

EMF demands a common European strategy to overcome the crisis in shipbuilding

The European Metalworkers' Federation's (EMF) shipbuilding committee demands a common European strategy for the future of shipbuilding. Together to discuss the consequences of the financial and economic crisis on the European shipyards (25th-26th June 2009 in Berlin), representatives from the key European shipbuilding nations (France, Italy, Germany, Finland, Spain, the Netherlands, Denmark, Norway and Great Britain) agreed on the following elements of such a strategy:

Increasing numbers of shipyards and maritime suppliers in Europe are facing the consequences of the global financial and economic crisis. In particular, the resulting credit-squeeze is intensifying the global structural crisis in shipbuilding. Overcapacities in merchant shipbuilding, the absence of orders for shipyards and insufficient financing possibilities for existing and future orders are only a few of the symptoms of this crisis. Many yards have already reduced personnel and/or have announced redundancies for the coming period – the number of insolvent shipyards is increasing steadily.

Against the backdrop of public subsidy programmes for the shipbuilding and shipping industry in China and South Korea worth billions and distorting competitive conditions further, **the members of the EMF shipbuilding sector committee call for a common European strategy in order to safeguard employment, competitiveness and the future viability of the European shipbuilding industry.** Industry actors and policymakers must ensure that actions follow their rhetoric! If the industry truly believes it is a European industry with a common agenda, the time has come to demonstrate this in practice.

Without a common European strategy for shipbuilding, more and more people will lose their jobs in the shipyards as well as in the supply chain. Industrial capacities will be destroyed, the image of the industry will be damaged further and European know-how in financing and innovation will be irrevocably lost.

Policymakers, industry and trade unions must develop an integrated approach and establish **a proactive strategy for the European shipbuilding sector.** **The EMF shipbuilding sector committee demands that the following nine elements form the cornerstones of such a European shipbuilding strategy:**

1. No redundancies in 2009 and 2010!

Redundancies in shipyards must be avoided at all costs. Qualified and skilled workers who were already in short supply in recent years – a fact that industry has much lamented – must be retained. Public authorities must create a common European framework on short-time working arrangements to ensure a level playing field and worker protection available to all workers affected in all European countries. This framework must guarantee the maintenance of employment and purchasing power, and the right for all workers to access and the provision of training and retraining. A surge in precarious forms of employment (e.g. fixed-term contracts, temporary agency work) and outsourcing must be avoided. Training and qualification programmes for shipyard employees to improve their individual competences and the overall level of qualifications in the yard are necessary in order to avoid a loss of know how and expertise.

Anti-cyclical action in the areas of employment policy and training policy is vital! There should be no repeat of the mistakes of the past!

2. Promote environmental protection – Develop new markets!

When moving beyond the oversaturated mass markets, environmentally sound shipping in future will bring a significant need for environmentally friendly ships and maritime technologies. New EU environmental legislation must ensure that old and environmentally unfriendly ships are removed from the market (or refitted) and replaced by environmentally friendly, energy efficient and low-emission ships.

To reach this:

- All EU costs must be designated SECA/ECA areas (sulphur emission control areas/emission control areas); and
- The taxation of ships (tonnage tax, port duties etc.) must be linked to the environmental track record of ships.

Companies, universities and public authorities must ensure that training and qualification programmes promote and develop the right set of skills and competences to enable the transition towards low-emission and energy efficient ships. We demand 'green skills' for all shipyard employees.

The sea offers enormous potential for the development of new markets. All efforts must be made to explore future markets such as exploitation of seabed resources and the offshore energy sector. Short-sea shipping must be implemented and transport must be directed towards the sea.

3. Intensify research, development and innovation for the future!

The viability and competitiveness of the European shipbuilding industry depends on its capacity to innovate. For this reason industry must act anti-cyclically. This implies that activities and investments in the area of RDI must be intensified significantly and the development of junior staff (especially among engineers) must be promoted. Innovation aid must be increased and must in future be provided independently of orders placed.

Maritime knowledge centres must be strengthened and Europe-wide cooperation links be established.

4. Safeguarding European know-how in ship financing!

Until now Europe has dominated the shipbuilding credit markets. In order to safeguard and build on this know-how, a European guarantee system must be established that allows the shipyards to secure the financing of existing and future orders. Europe must maintain and further develop its role as a centre for ship financing.

5. Create fair conditions for competition!

In the context of massive state-led support programmes in China and in South Korea and questionable pricing policies, Europe must stand strong against all global competitive distortions. More than ever, Europe must insist on this point during the upcoming OECD negotiations. In order to establish transparent competition, the EU must revive its analysis of production conditions in the most important shipbuilding countries globally. Only on this basis can negotiations about fair competitive conditions take place and enable the high-quality and innovative European shipbuilding sector to compete internationally.

6. Responsible behaviour from ship-owners!

For many years European ship-owners have benefited from European support schemes (e.g. tonnage tax). It is therefore unacceptable that some owners cancel near-completed orders leaving shipyards with the cost of almost completed ships. We appeal to European ship-owners to behave responsibly.

7. Responsible behaviour of employers!

A profound structural crisis such as the one that the shipbuilding sector is currently experiencing can only be managed in a sustainable manner if the rights of workers and the rights of their representatives are respected and increased. In the interest of a common future-oriented shipbuilding strategy in Europe all necessary steps must be taken to ensure fair negotiation processes. Existing collective agreements as well as information and consultation rights must be respected.

8. Strengthen Social Dialogue!

Social dialogue in the European shipbuilding sector has in the past led to a common understanding between industry representatives and trade unions about the situation in the European shipbuilding industry in many areas. During the crisis the capacity of the social dialogue to develop common strategies for the future will be put to the test. The social dialogue is the platform for common approaches and solutions to tackle the current and future challenges of the shipbuilding sector.

In this framework, social standards for workers in the European shipbuilding industry must also be agreed and implemented. Principles of corporate social responsibility (CSR)

should contribute to the sustainable development of shipbuilding in Europe and lead to a harmonization of working conditions in the European yards.

9. Implementation and new orientation for LeaderShip 2015!

Through the LeaderShip 2015 initiative, many efforts have been made to steer the European shipbuilding sector towards the future. Now it is necessary that LeaderSHIP 2015 concentrates on the strengths of the European shipbuilding industry and turns the environmental challenges that are linked to shipbuilding and shipping into a dynamic plan for action. LeaderSHIP should no longer exist only on paper – the crisis demands dynamic and courageous action for the future of the core maritime industrial sector in Europe!

The future of shipbuilding in Europe is at stake. We cannot and will not accept that Europe loses this important industrial sector. The European Metalworkers' Federation and its member organisations are willing to play their part in developing a common European strategy for the shipbuilding sector. We are, therefore, calling on companies, ship-owners, the European shipbuilders' association (CESA), national governments, the European Parliament, the European Commission and the European Council to act now!

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