
JOINT DECLARATION BY REGIONAL GOVERNMENTS ON THE FUTURE OF THE EUROPEAN SHIPBUILDING INDUSTRY

For the undersigning regions, the future of the European shipbuilding industry is top priority for the economic development in the coming decades. As responsible representatives for our regions, we jointly speak on behalf of a population of xx million people.

1. Shipbuilding is a high tech sector providing thousands of high skilled jobs at shipyards countless suppliers of equipment and services to the yards. Shipbuilding forms a keystone in the regional maritime clusters with its tight network including many SMEs and invaluable scientific excellence. In our regions, shipbuilding is an essential sector for the prosperity of our people.
2. Shipbuilding has been severely affected by the global economic crisis in combination with global structural imbalances and market distortions. Demand for new ships has collapsed since summer 2008. Due to long production lead-times, shipbuilding is a late-cycle industry. The impact of the demand collapse on employment will be felt with an 18 months delay. At the end of 2009 on average about 20% of the jobs at shipyards were affected. This figure could dramatically increase in 2010. Without new contracts before summer 2010, an employment crisis with half the jobs at stake could be unavoidable.
3. During the LeaderSHIP High Level Meeting in September 2009 chaired by Vice-President Verheugen, urgent action measures were proposed to decisively counteract against irreparable damages to this industry with its outstanding capabilities. We strongly support the proposed action programme including fleet investment stimulus, financing means, level playing field and expanded and accelerated research and innovation efforts.
4. The European institutions are urged to establish must be without delay appropriate conditions for an emergency programme, generating orders for markets, which are in need for new, safe and clean ships. A targeted fleet renewal programme is expected to boost regional investments and industrial activity, improve the infrastructure, reduce significantly dangerous emissions from ships and thus contribute to a healthy environment.
5. Shipbuilding has been and will be an attractive growth market. European yards have successfully development from a labour intensive to a know-how intensive industry. While demand for standard shiptypes is expected to remain weak for several years, a number of new markets for European yards are anticipated. These include in particular new designs for low emission ships, deep sea off-shore support vessels, ocean energy related hardware and a number of highly specialised

fields of maritime activities. In addition, well established growth market such as the cruise industry will continue to develop positively.

6. Shipyards are taking all necessary measures on their side to adjust to the changed business environment. The proposed support for the European industry aims at bridging the temporary demand gap and improving key framework conditions for technologically advanced and competitive companies. The measures are not considered as attempts to delay structural change. However, they will give this future growth sector the means to successfully face the challenges arising from the distorted conditions of the global market.
7. The EU must demonstrate its ability to jointly and effectively address the challenges of the shipbuilding sector. To this end, we request the European Commission and Member States to take all necessary decisions for swift implementation in line with the LeaderSHIP proposals. We count on the European Institutions to take its full responsibility in this context.

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