

## EMEC's presentation

### **EESC - CCM/085 - European Shipbuilding Industry - State Aid and more - Public Hearing in Gdansk on 18 April 2011**

Dear Ladies, dear Sirs,

EMEC (The European Marine Equipment Council) would like to express its support for the the "Framework on State Aid to shipbuilding" (the "Framework").

EMEC believes that the specific features of the shipbuilding industry justify the maintaining in force of a special sectoral framework.

EMEC underlines the key-role of innovation for the competitiveness of the European shipbuilding industry on a global scale, and urges the Commission to take into account the difficulties which the industry is facing, especially due to the lack of a clear and effective framework for the protection of innovation worldwide (which exposes the European industry to unfair competition from third country shipyards and equipment manufacturers).

Against this background, EMEC believes that the possibility for State support to innovation in the shipbuilding industry should be maintained. The competitive pressure from non-EU shipyards (especially Chinese and Korean) can be countered only if the European shipbuilding industry is helped in fostering its capacity to innovate.

The fact which should be taken into account is that most shipbuilding projects carried out in European yards can be considered as prototypes. On the one hand, this means that innovation is a very important factor for the sector and that the industry has to undertake significant risks and investments in order to be able to compete.

On the other hand, the return on investments in innovation may not be as high as the industry would expect: this is mainly due to the lack of know-how protection on the global scale, and to the constant necessity for new solutions.

Finally, EMEC would like to call to the Commission's attention the positive spill-over deriving from innovation in the shipbuilding sector: The extension of the Framework would have positive repercussions on the protection of the environment and on the promotion of safety at sea, meeting objectives of general Community interests and facilitating the achievements of EU Transport Policy goals.

In the same vein, EMEC would like to underline that, when enacted by Member States, State Aid schemes for innovation have produced positive and structural results. This can be confirmed in the light of the specific experience in a number of member states, which could benefit from national measures adopted on the basis of the Framework.

