

**The New European Maritime Policy Forum – Challenges and Opportunities
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“European maritime policy - the Norwegian perspective”

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Mr. President, Ministers, Excellencies, Ladies and Gentlemen,

It is a great pleasure for me to be with you at this conference. I look forward to sharing with you the Norwegian perspective on the new European maritime policy. We believe that the maritime sector is one of the most crucial building blocks if the increased prosperity experienced by many parts of the globe is to continue, and – even more important – to spread to the less fortunate parts of the globe.

The Norwegian Government therefore strongly supports the development of a new and even more dynamic European maritime policy, and wishes to play an active role in framing it. The Norwegian government believe Norway and the European Union share fundamental ideas on the management of maritime affairs. A maritime policy should ensure a holistic approach to all activities with an impact on the marine ecosystem. An effective and progressive European maritime policy is of paramount importance to Norway, and a goal towards which we will contribute.

We are pleased that the European Union recognizes that Norway has significant interests, experience and expertise in the maritime area. Norway is one of the world's major maritime nations. We have one of the world largest merchant fleets. We are the world's third largest exporter of seafood. Norwegian companies deliver 7% of the world's ship-equipment. The maritime industries are important to the future of the Norwegian economy. Therefore, the maritime sector will be high on the agenda of the New Norwegian government

Let me now move on to presenting some of the Norwegian interests in the maritime field.

Shipping is Norway's second largest export industry. Norway's international merchant fleet comprises around 1600 ships. Norwegian shipping companies make up the core of a comprehensive maritime cluster. This cluster stretches from shipbuilding to classification, manufacturing of ship equipment, ship broking, ship finance and insurance as well as maritime offshore activities. About 90 000 people make their livelihood in these industries. In 2004, the total turnover of the Norwegian maritime cluster amounted to 29 billion Euros.

Tourism is another key sector for Norway. In 2004 3,5 million foreign travellers visited Norway. A relatively large proportion of foreign travellers to Norway arrives by ferries and cruise ships. There has been a significant increase in cruise tourism. We wish to

increase the number of foreign travellers to Norway. The development of tourism connected to the ocean and coast should also benefit the general aim of developing a sustainable framework for employment and industry.

The fisheries and aquaculture industry is equally important to Norway. 95% of the Norwegian catch and production of seafood is exported to 150 countries around the world. The total export value is estimated to reach 4 billion euros in 2005. The sound management of marine resources is important to us. Despite elaborate management regimes in Europe, too many stocks are still overexploited. Hence fisheries are not yielding optimal economic return or securing a sustainable use of our marine resources. The sustainability of the fishing sector should be essential in the development of a New European Maritime Policy.

The petroleum industry is the largest of the industries linked to the maritime environment in Norway. We are the world's third largest exporter of oil and natural gas. The Norwegian experience has proven that exploiting offshore petroleum resources is compatible with an environmentally sustainable approach to our oceans. The technology, knowledge and resources gained in offshore development also benefit the development of new energy technologies. These include tidal waterpower production and offshore windmills.

To achieve a sustainable use of the ocean's resources all activities with an impact on the marine ecosystem should be seen as a whole. As a tool to implement this policy in practice, Norway is developing regional management plans for the Norwegian Seas. A central political priority for Norway is to develop a cohesive strategy for the High North. The management plan for the Barents Sea is scheduled for spring 2006. The purpose of the management plan is to enable a balance between commercial interests such as fisheries, maritime transport and petroleum activities on the one hand and sustainable development on the other. The same sustainable and efficient use of the ocean's resources should be the basis for the new European Maritime Policy.

I hope this introduction has given you an idea of the spectre of the Norwegian maritime interests. Let me now go into more detail in the area that interests us most here today, namely the shipping sector.

Norway is a small, open economy that is dependent on international trade. Today, that dependency is common to most economies, which is certainly a good thing. International maritime transport makes international trade possible. About 90% of all goods in international trade are transported by sea. Sea transport also remains by far the most cost-effective way to move goods and raw materials in quantity around the world. So it is evident that international shipping is an enabler of global trade and thereby global prosperity. Indeed, shipping can be said to constitute the lifeblood of global trade, and as such to constitute one of the most important preconditions for the dramatically increased prosperity that many areas of the world have seen the last 60 years.

On this basis, it is evident that a sound EU policy in this area is essential. Let me indicate some further elements that we believe to be important in this context.

Non-discriminatory market access and a stable fiscal environment are important to secure the international competitiveness of shipping as a cost-efficient means of transportation. It is a fact that there is little or no taxation of international shipping activities. This goes both with respect to the profit of shipping companies and salaries of seafarers. Norway appreciates the initiatives by the European Commission in establishing long-term guidelines and limits for support schemes for the maritime transport industry. The use of subsidies and particular tax benefits in the maritime transport sector may, however, distort competition and create economic inefficiencies. A long-term solution to this issue might be found if the work of the WTO/GATS on subsidies in the service sectors is more actively pursued, which it should be.

Shipping is a global industry. Therefore challenges in shipping require global solutions. We need to ensure high global standards through international rules and regulations. The EU's Maritime Policy should, in our view, avoid the development of unilateral regulations, and strongly support continued efforts on an international level. Let me give you a few of examples:

First, Norway puts high priority on the work done in international forums such as the International Maritime Organization. IMO should continue to be the primary body for developing international rules concerning safety, security and environmental protection for the shipping sector. Second, the work in ILO on updating and consolidating a comprehensive Maritime Labour Convention for seafarers is also important. Lastly, it is crucial to properly reflect the liberal market conditions for international maritime transport in the rules of the world trade system through the WTO/GATS agreement.

As you are all well aware of, Norway is integrated in the EU internal market through the Agreement on the European Economic Area (EEA). All regulations of the European Union in the maritime area thus apply in Norway. Norway also has a comprehensive co-operation with the institutions of the European Union in the maritime sector, such as the European Maritime Safety Agency. Norway supports and takes active part in EU's work on promoting Short Sea Shipping. We have established a Short Sea Promotion Centre in Norway. We also participate in the EU Marco Polo programme. Our cooperation is also essential to influence the development of international regulations in the shipping area.

Let me now elaborate a bit more on the Norwegian approach to shipping policy, and in this context touch upon some further elements that we believe should be covered by the new EU maritime policy.

In addition to non-discriminatory market access and a globally competitive and stable fiscal environment, there are two important points which provide quality shipping

nations with a competitive advantage: first and foremost, high safety and environmental standards, second, innovation and knowledge. I believe all of these areas will also be of interest in the process leading up to the New European Maritime Policy.

As a major maritime nation with a long and vulnerable coastline, enhancing safety and security and reducing marine pollution associated with shipping are of great importance to Norway. International regulations that assure the same high global environmental and safety standards are important to secure the industry a level playing field. We should work to prevent competition based on sub-standard shipping. The responsibilities for control of vessels by flag states are our primary tool to raise standards. Our second line of defence is port state control. However, it is important to develop efficient target mechanisms and avoid the duplication of controls. These mechanisms should also be balanced with the need to avoid hindering trade unnecessarily. The European Maritime Policy should underline the importance of these efforts.

The realization of safe and cost-effective maritime transportation is vital to economic development and hence to employment. Seafarers represent a vital source of knowledge for the shipping sector. In addition, maritime industries need ex-seafarers for land-based operations in order to ensure the industries competitiveness. European seafarers are valued for their high technological knowledge and excellent safety standards. The Norwegian fleet employs 50 000 seafarers of which approximately half are from the European Economic Area. I believe that one essential aim of a European maritime policy should be to develop a sustainable framework that allows the industry to continue to generate employment based on competence and quality.

The Norwegian Government sees innovation and knowledge as the foundation for continued development of the competitiveness of the Norwegian maritime industries. Therefore, the Norwegian Government has established two schemes to further increase research and innovation within the maritime industries. These initiatives are based on cooperation between the maritime industries, research institutions, and public authorities. Norway is also a full member of the European framework program for research and development. I believe research and innovation is fundamental for the future of the maritime industry and of strategic importance to the economic and social development of Europe. This point, too, should be reflected in the European Maritime Policy.

As I stated earlier, the government of Norway considers the maritime sector to be of paramount importance to European and global prosperity. We also consider that it is a sector in which sensible policies and free markets must interact in a constructive way to achieve the desired results. Norway thus strongly supports the EU's holistic approach to maritime management. By addressing maritime issues across a broad range of sectors, the EU will have a resilient policy. We believe the EU maritime policy should be developed in ways that stimulate economic activity and employment, while at the same time balancing the considerations to the environment. To repeat one essential

point, I believe the shipping sector will be very important in the New European Maritime Policy. Safe, secure, environmentally friendly and efficient shipping will benefit the population of Europe through economic growth, employment and environmental protection.

Norway looks forward to playing an active role as a partner to the European Union in the development of the new maritime policy. In that context, we look forward to welcoming you to Norway on the 5th and 6th of October next year for the conference of the Maritime Industries Forum. This will give us an excellent opportunity to check up on our progress, and further discuss the issues raised here today.

Thank you!