



A·P·MØLLER-MÆRSK

Mr. Antonio Tajani
Vice-President of the European Commission
Berlaymont building
rue de la Loi, 200
1040 - Bruxelles

22 September 2008

Knud Pontoppidan

Dear Vice-President Tajani,

We have the pleasure of presenting to you the attached report, which reflects our views about the challenges the shipping industry will face over the next 10 years and our recommendations for the strategic review of the EU Maritime Transport Policy in the horizon 2018.

European shipping is a vibrant business and represents one of the most competitive European industries in today's world. It creates significant added value and employment directly and indirectly through a very important cluster of maritime industries in a significant number of Member States. Well functioning shipping is crucial for the competitiveness of the EU/EEA economies and shipping continues to be the most environmentally friendly mode of transport. This is due to continuous improvements in design and increasing economies of scale.

This positive development has been made possible by stable and positive European framework conditions, which also in the future will be crucial to the success of a competitive and outward looking European shipping industry. The reason is that a number of important challenges are appearing on the horizon: Third country shipping centres strive to attract global shipping companies and employees through attractive business conditions; European infrastructure is facing congestion; environmental and security challenges must be met; and administrative obstacles and market developments could lead to short sea shipping losing its potential for further growth. Meanwhile, the outlook for the global economy could lead to regional pressure for protectionism.

We therefore believe that the shipping sector deserves a committed and ambitious policy priority, because it can contribute to tackling decisively the environmental and economic challenges that Europe will face in the years to come. We believe that it should be a strong priority encouraging the industry to benefit from globalisation and acknowledging that every country in Europe, as elsewhere in the world, depends upon shipping services for economic viability and quality of life.

We are also of the view that European shipping therefore contributes to the sustainable development of the European and world economies.

We therefore suggest the below ambitions for the next 10 years:

- *The European shipping industry should maintain or increase the relative global market position.*
- *The European shipping industry should be based on quality shipping, contributing decisively to ensure safe, secure and efficient shipping in a cleaner environment.*

In support hereof, our recommendations for achieving those ambitions pertain to international global competitiveness, free trade, international rules, quality shipping, maritime know-how, a smooth supply-chain, and short sea shipping.

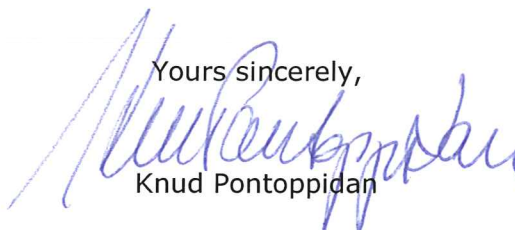
1. The EU should ensure a friendly and outward looking business climate for shipping, maintaining the EU state aid guidelines, avoiding protectionist measures and monitoring the consequences of non-uniform application of competition rules to shipping services in world markets.
2. The EU should strive to remove trade barriers in shipping markets and be alert towards possible tendencies of net-subsidies and "state sponsored" (national champion) shipping companies and protectionist measures in other countries.
3. The EU should respect that shipping is a global business, support the development of international goal based rules in the IMO, and ensure greater ratification of international conventions and encourage co-operation and co-ordination among EU countries and third countries.
4. The EU should be known for quality shipping, supporting environmental conscious rules in the IMO, focusing on stringent enforcement of existing safety and environmental rules, promoting mechanisms to reward quality operators, and developing consumer differentiation towards green transport.
5. The EU should ensure the necessary maritime know-how (quality rather than quantity) by promoting the image of shipping, the fair treatment of seafarers in all ports of the world, and the implementation of the ILO maritime labour convention, along with the development of attractive university programmes as well as training schemes enabling ratings to become officers. It is also of strategic importance for the shipping industry to be able to attract highly skilled technical and managerial professionals for the land based organisations.
6. The EU should create the necessary conditions for a smooth infrastructure, ranging from encouraging investments in ports and hinterland infrastructure and a predictable investment climate with freedom of negotiation between port authorities

and service providers, avoiding unfair competition based on subsidies in neighbouring countries and protectionist employment rules in ports.

7. The EU should increase the share of maritime transport of goods in the EU by alleviating administrative burdens, avoiding interfering with market developments, and targeting new initiatives towards the shippers to make it attractive to choose multimodal transport including a sea leg. The EU should in this regard build on the experiences of the Marco Polo programme and contribute to the development of e-shipping.

Last, but not least, we wish to assure you of our support and commitment to achieving an ambitious maritime strategy for the shipping industry for the next 10 years.

Yours sincerely,



Knud Pontoppidan

On behalf of the Group of Senior Professionals

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