European Tugowners Association

Newsletter
May 2020

The EC unveils Next Generation EU, its emergency temporary recovery instrument

The European Commission published an updated version of the EU budget for 2021-2027.This new proposal contains a revamped EU multi-annual financial framework (MFF) of €1.100 billion plus a new financial instrument called Next Generation EU, an emergency temporary recovery fund to specifically repair the economic and social damage caused by the COVID-19 pandemic. Next Generation EU will amount to €750 billion of which, €500 billion will be transferred to member states via grants while €250 will be invested in the form of loans. In sum, the proposed MFF 2021-2027, labelled the European Recovery Plan, amounts to €1.85 trillion.

The Next Generation EU communication underlines that in the context of the corona crisis, the digital and green transitions have become essential to strengthen the EU economies and enhance their strategic autonomy.

Regarding the Next Generation EU instrument, it will be financed with debt issued by the European Commission on the financial markets. This would be the first time in history the EU issues debt in such big amounts and guaranteed by its member states. These funds will be repaid through future EU budgets, between 2028 and 2058. This sum of €750 billion will be spent through the following years with an end date by 31 December 2024, so it can alleviate the economic impact of the pandemic crisis and establish the foundations for a robust recovery. These Next Generation EU funds will be invested across three pillars:

- Support to Member States for investments and reforms
- Kick-starting the EU economy by incentivizing private investment
- Learning the lessons of the crisis

Moreover, the Commission acknowledges that the crisis has demonstrated the crucial role of transport. In order to create jobs, the production and deployment of sustainable vehicles/vessels shall be accelerated. Investments in sustainable transport infrastructure is therefore deemed necessary and will be supported by European funds.

European Tugowners Association
Rue des Colonies 11/ Koloniënstraat 11
Brussels 1000

Tel: +32 25 17 60 26
info@eurotugowners.com
www.eurotugowners.com

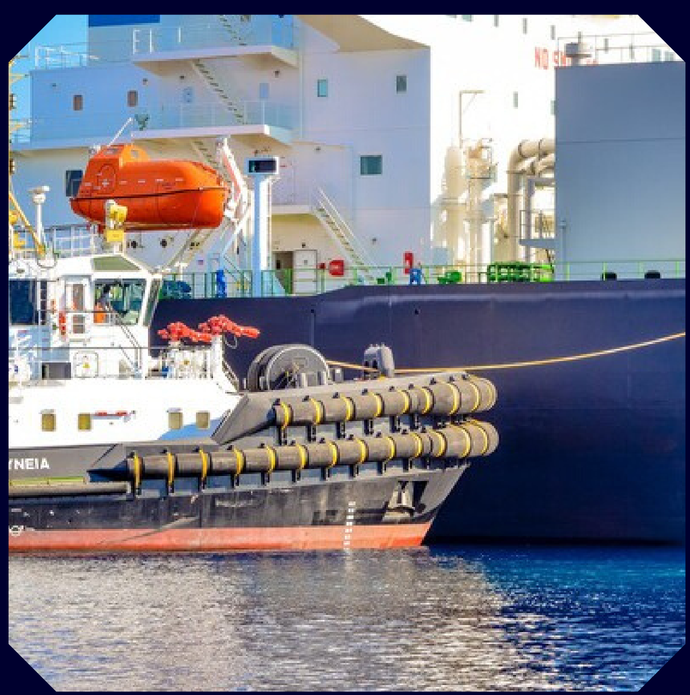
The EC published its first annual EU report on shipping CO2 emissions

The European Commission has published its first annual report on CO2 emissions from maritime transport. The document analyses the CO2 emissions and energy efficiency performance of all ships over 5,000 gross tonnage calling into European Economic Area ports (EEA, EU plus Norway and Iceland) in 2018. The study registered the emissions reported by 11,600 ships, which have generated up to over 138 million tonnes of CO2 emissions. This represents a 3.7% of total EU CO2 emissions.

The document shows that around two-thirds of the reported CO2 emissions are related to voyages to or from a port outside the EEA. Voyages inside the EEA represented less than a third of the total CO2 emissions while emissions from ships in EEA ports stood for 6% of total emissions. Container ships represented the largest share of total emissions by type of boat, with over 30%.

You can find the document here

The EC extends and clarifies its position on State Aid



The EC published an overview of the State aid rules and Public Service rules applicable to the maritime sector during the COVID-19 pandemic.

The document outlines the different measures EU member states can approve in order to support the maritime sector, and thus, give national governments more clarity regarding these special means. These mainly consist of grants, loans, tax rebates or deferrals, and rebates or deferrals of concession fees or land-lease fees. Other special measures that are not included in the list like public service compensation, need to be notified to the Commission, which will assess their compatibility under the Services of General Economic Interest Framework.

In relation to this, the EU Parliament and EU Council have approved the amendment of the the Port Services Regulation. The legal changes will give ports the possibility to waive, suspend, reduce or defer the charges for port users between March 1st 2020 and October 31st 2020. This is another special measure adopted to assist EU companies struggling to cope with the impact of COVID-19.

IMO, ILO and ICAO heads call for urgent action on crew changes for sea workers

The heads of the UN maritime, labour and aviation organizations published a joint statement calling for urgent action on crew changes and for keyworker designation so that sea and air workers can be relieved and repatriated in a safe way during the COVID-19 pandemic. Due to COVID-19 restrictions, large numbers of seafarers have had to extend their service on board ships after many months at sea, unable to be replaced or repatriated.

From the middle of June 2020, around 150,000 seafarers a month will require international flights to ensure crew changeovers can take place. The three Organizations demand the "key worker" designation for seafarers, marine personnel, fishing vessel personnel, offshore energy sector personnel, port workers, regardless of nationality. Governments are urged to exempt these personnel from travel restrictions, to ensure crew changes can be carried out and that they have access to emergency medical treatment and, if necessary, to facilitate emergency repatriation.

European Tugowners Association
Rue des Colonies 11/ Koloniënstraat 11
Brussels 1000

Tel: +32 25 17 60 26
info@eurotugowners.com
www.eurotugowners.com