



Feedback on the consultation on the European Commission's White Paper on levelling the playing field as regards foreign subsidies

23 September 2020

Danish Shipping welcomes the European Commission's White Paper on levelling the playing field as regards foreign subsidies.

Danish Shipping represents Danish shipowners operating both inside and outside the EU and work for free and equal competitive conditions in our sector. As the White Paper addresses important visions for new tools to secure free competition, the reason for our interest and motivation in participating in this public consultation is to provide support, together with some reflections on how the European Commission finds a sensible balance on ensuring a level playing field.

Expanding the toolbox

In principle - Danish Shipping supports the European Commission's initiative to expand the toolbox with more tools and instruments to ensure free and equal competition. This will help close the legislative gap which current EU rules do not adequately complete with regards to e.g. foreign direct investment and the integrity of the Single Market. However, it still remains to be seen how these tools will be developed in practice – and how the EU plans to sanction any potential violations.

Cases on distortion or reduction of competition, creation of overcapacity in markets and acquisitions in connection with public tenders, where shipping companies, shipyards, port terminals or other company constellations receive subsidies, are often seen in the sector inside but as well outside the EU.

The whole challenge lies in Danish shipping companies not acting in a market that is controlled by market forces, but instead by who is financially supported outside of guidelines for existing EU state aid. For the members of Danish Shipping it is a challenge in relation to maintaining and/or increasing the market share that under equal conditions of competition would potentially be theirs. It should be stressed that Danish Shipping welcomes international competition – both within the Single Market and outside. However, any such competition should be led by market forces and not by levels of government financial intervention/support.



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Striking a balance

It is important for Danish Shipping to emphasize that these instruments should be balanced. Any such instrument should not be designed based on a protectionist approach – and should at the same time not make the EU any less favorable in the eyes of the international community and potential foreign investors.

But it is indeed possible without being protectionist, to use and support the opportunities this white paper presents. It is about time that the EU puts aside its, at times, wavering approach and gain a foothold on the path proposed in the White Paper.

Danish Shipping also supports the strengthening of the tools made available to the new Chief Trade Enforcement Officer. When dealing with existing and future trade partners, it is the opinion of Danish Shipping, that such a partnership should be grounded in mutual respect and the common understanding of a level playing field on trade. This is unfortunately not always the case when it comes to dealings in the Single Market. We believe that any new instrument should have the potential to deal with enforcing existing trade agreements.