

DRAFT STATE AID RULES FOR LAND AND MULTIMODAL TRANSPORT

Contribution to the public consultation

1. Interest of SEA Europe concerning this public consultation

The [Shipyards & Maritime Equipment Association of Europe \(SEA Europe\)](#) represents the European maritime technology industry in 16 countries, encompassing the production, maintenance, repair, retrofit and conversion of all types of ships and floating structures – commercial as well as military – including the full supply chain with the various producers of maritime systems, equipment material, and services.

As an organisation representing providers of assets and technological solutions relevant for inland navigation, SEA Europe is keenly interested in contributing to this [public consultation](#) launched by the European Commission on draft revised State aid rules for land and multimodal transport, as regards inland waterways.

2. Comments on the draft rules

The European Commission highlights that inland waterways currently transport approximately 150 billion tonne-kilometres of cargo annually, facilitated by 15,000 cargo vessels, alongside 3,000 day-trip passenger vessels and 430 cruise vessels. However, despite its significant potential for growth, the sector faces challenges such as an aging fleet and struggles to increase its market share compared to other transport modes. More specifically, the European Commission explains that “the inland waterways sector suffers from its limited financial capacity due to the fact that the sector consists mostly of SMEs and family businesses, which makes it difficult for them to engage in expensive investments. In that context, the increasing cost of inland waterways vessels represents a significant barrier to entry and/or expansions on the inland waterways transport market, especially given the need for specialised vessels for different types of cargo and routes”.

To address these issues, the European Commission proposes criteria to govern State aid for the acquisition of inland waterways vessels to facilitate access to finance to invest in the fleet. To this end, the proposed rules provide for the possibility to grant **aid in the form of a guarantee to buyers of vehicles for inland waterways transport**. Such support is available only to operators qualifying as SMEs.

The European Commission also proposes rules concerning **aid for investments in tangible and intangible assets contributing to the technical adaptation and modernisation of vehicles for inland waterways and of equipment for sustainable multimodal transport**. Such aid includes aid for retrofitting and/or refurbishment of inland waterways vessels, for example to improve hydrodynamics and efficiency. Eligible costs may include, in particular, costs necessary for the purchase and installation of the relevant technology, costs related to upgrades of an existing installed technology, project management costs, delivery costs, costs related to studies, testing and approval, and pilot and prototype installation.

SEA Europe welcomes the possibility given to Member States to grant easier and faster funding for investments in inland waterways vessels, with the necessary safeguards to avoid undue distortions of competition in the single market. Financial support is instrumental for the renewal and modernisation

of the old inland fleet, with the objective to transform inland navigation into a more efficient and attractive mode of transport.

However, SEA Europe has the following concerns:

- **The aid for the acquisition of vehicles for inland waterways transport is not subject to sustainable and innovative criteria** that would ensure the vessels are designed, built, and equipped with the latest technology. Thus, SEA Europe is disappointed by the lack of ambition of the European Commission in supporting the business case for sustainable, digitalised, or remotely-controlled inland navigation. The urgent need for renewal of the aging inland fleet should be an opportunity for economic growth, enhancing efficiency, improving circularity, and achieving net-zero emission inland waterborne transport, in line with the objectives of the European Green Deal and Net-Zero Industry Act.
- **The proposed rules do not prevent vessels purchased with public support of EU Member States from being built or retrofitted in non-European shipyards.** This unfortunate approach limits the potential for European shipyards to tap into promising business opportunities to build or retrofit inland vessels operating in European waters. It may also create business for non-European shipyards, which often receive significant domestic subsidies to boost their own local market and engage in unfair pricing practices distorting competition with European shipyards. Hence, without specific conditions, the proposed rules will channel more public funds to foreign shipyards, thereby further harming European shipyards that are already struggling with unfair international competition.
- **It is unclear who can benefit from aid for investments in tangible and intangible assets** contributing to the technical adaptation and modernisation of vehicles for inland waterways and of equipment for sustainable multimodal transport. SEA Europe therefore requests clarification that shipyards and maritime equipment suppliers are eligible for this aid for their production costs.

3. Recommendations

In light of the above concerns, SEA Europe recommends the following amendments to the draft rules.

- **In the draft guidelines on State aid for land and multimodal transport, the following paragraph should be added after paragraph 174:**

“Added-value of aid

To maximise the added-value of the aid, Member States should ensure that the vehicles for inland waterways acquired with the aid meet the following criteria:

- a) The vehicles incorporate state-of-the-art technology that significantly contributes to the Union's climate and environmental objectives, as well as to the digitalisation or automation of inland waterways transport.*
- b) The vehicles undergo a lifecycle assessment along a circular approach, which comprehensively evaluates their environmental impacts from manufacturing through operation, maintenance, and disposal, including energy consumption, emissions, and resource utilisation across these stages.*

c) *Priority is given to manufacturing or retrofitting the vehicles with suppliers located within the European Economic Area.*

- **In the draft Commission Regulation declaring certain categories of aid in the rail, inland waterways and multimodal transport sector compatible with the internal market, the following paragraph should be added in Article 14:**

“Member States shall ensure that the vehicles for inland waterways acquired with the aid meet the following criteria:

a) *The vehicles incorporate state-of-the-art technology that significantly contributes to the Union's climate and environmental objectives, as well as to the digitalisation or automation of inland waterways transport.*

b) *The vehicles undergo a lifecycle assessment along a circular approach, which comprehensively evaluates their environmental impacts from manufacturing through operation, maintenance, and disposal, including energy consumption, emissions, and resource utilisation across these stages.*

c) *Priority is given to manufacturing or retrofitting the vehicles with suppliers located within the European Economic Area.*

- **In the draft Commission Regulation declaring certain categories of aid in the rail, inland waterways and multimodal transport sector compatible with the internal market, paragraphs 2 and 4 of Article 17 should be amended as follows:**

*“2. The aid shall be granted to any undertaking that performs investments for the technical adaptation and modernisation of vehicles for rail or inland waterways transport and of equipment for sustainable multimodal transport, referred to in paragraph 3, **including shipyards and maritime equipment suppliers.**”*

*“4. The eligible costs shall be all costs necessary for the implementation of the eligible investments. Such costs may include, in particular, costs necessary for the **production**, purchase and installation of **the vehicles and** the relevant technology, costs related to upgrades of an existing installed technology, project management costs and delivery costs. Costs related to studies, **research**, testing and approval, and pilot and prototype installations shall be eligible for aid.”*