

Position Paper 2025/166

European Maritime Strategy for the Shipbuilding Sector: industriAll Europe position

Shipbuilding, ship repair, marine equipment, and related supply chains play critical roles in Europe's industrial and economic landscape. Shipyards and maritime equipment manufacturers are also highly strategic for Europe's maritime autonomy, the Blue Economy (e.g. for food supply and energy transition) and for achieving the EU climate neutrality ambitions.

The European shipbuilding industry comprises 300 shipyards, 22,000 equipment suppliers and service companies. It provides 576,000 direct jobs and 500,000 indirect jobs, generating an aggregated production value of €125 billion. This represents 23.8% of the global maritime technology production value (€482.5 billion).

However, the sector is under increasing pressure due to geopolitical tensions, economic and environmental challenges, and the rapid rise of competitors, particularly in Asia. To safeguard Europe's strategic autonomy, promote industrial resilience, and ensure the creation of quality jobs, industriAll Europe advocates for a robust and forward-looking EU Maritime Strategy.

Political, economic and social analysis of the sector – industriAll Europe's Assessment

The shipbuilding industry has a strategic dimension. Over 80% of the EU's external trade and 40% of its internal trade is carried by sea, and EU shipping controls more than 40% of the world's fleet. EU shipyards are global leaders in complex shipbuilding, with cruise ships representing 80% of their shipyards' order book. This reliance can, however, create vulnerabilities, as seen during the COVID-19 crisis, when demand dropped.

Geopolitical dynamics heavily influence the global maritime sector. Tensions around energy security and supply chain disruptions underscore the need for a strong European shipbuilding industry capable of supporting Europe's strategic independence and defence capabilities. IndustriAll Europe is advocating to preserve the remaining good quality jobs and create new opportunities. There are real opportunities for the European sector and its workers to play a world-leading role when it comes to green technology, clean vessels and low-carbon energy.

The European shipbuilding sector is also characterised by its naval branch, which is a crucial strategic asset for Europe. It plays a vital role in ensuring the EU's strategic autonomy in the naval domain by designing, integrating, and constructing the most advanced and costly assets currently in service.

The European Commission announced in March 2025 an increase in defence spending through the ReArm EU initiative. IndustriAll Europe insists that increased defence spending in the context of austerity will not answer the challenges that Europe is facing. Europe's security depends on strong economic security, underpinned by social stability. Defence spending at the expense of resources for social objectives must be avoided at all costs.

- **Competition with Asia**

Europe's shipbuilding sector has experienced a decline in global market share, struggling to compete with subsidised industries in Asia. Despite being a leader in specialised segments, such as cruise ships and advanced marine technologies, European shipbuilders face stiff competition. This positioning must be the basis for industrial renewal, but it cannot be the sole driver of the future.

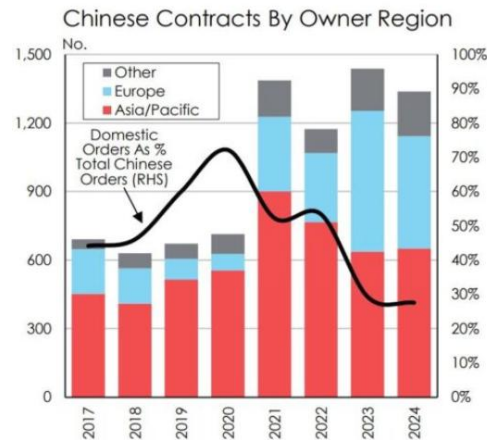
Asian economies, particularly China, South Korea and Japan, have consolidated their dominance in global shipbuilding through aggressive industrial policies, heavy State subsidies and strategic investments. Their approach underscores the need for a European Maritime Strategy that levels the playing field while promoting innovation, sustainability, quality jobs and fair competition.

Since 2000, China and South Korea have become important players, challenging the EU with massive State aid, subsidised steel, and easier access to finance, but also local content requirements favouring domestic production and other forms of protectionism. In 2024, the global orderbook was driven mostly by the continued increase of the Chinese shipbuilding industry, seizing over 60% of new contracts the same year. In contrast, [EU shipbuilding aid was abolished in 2003](#)¹, leaving Europe at a competitive disadvantage. EU shipowners are currently mainly ordering from outside of Europe to benefit from lower costs, exacerbating challenges for the domestic industry. Furthermore, the ineffectiveness of WTO frameworks² and a lack of EU trade defence instruments that apply to shipbuilding (e.g., anti-dumping measures) have created a **price difference of 30–40% between European and Asian ships**, encouraging distortive practices by competitors³.

¹ Substituted by the Framework on State Aid to Shipbuilding (2003/C 317/06), which was designed to regulate and limit how European Union Member States could provide financial support to their shipbuilding industries. While the Framework aimed to prevent distortions in the EU's Internal Market, it was not sufficient to address the intense competition from non-EU countries, which heavily subsidised their shipbuilding sectors.

² The WTO's broad mandate and limited enforcement power, combined with the strategic and subsidy-dependent nature of shipbuilding, hinder its ability to regulate this sector effectively.

³ SEA Europe Manifesto



Source: Clarksons Research

• Social Challenges

The shipbuilding sector presents significant potential for economic growth, but it also faces urgent challenges in addressing climate issues. Tapping this economic potential while steering the twin transition will require tackling a series of **labour and social challenges**. Industrial policy alone will not do the job; having appropriately skilled workers will be essential to guarantee this successful and green future for the sector.

The social risks of the maritime industries are not evenly distributed. In some countries, resources are often lacking to enforce strict safety standards, leading to higher risks for workers in these regions (East/South regions). High turnover rates in the industry can also prevent consistent advocacy for better working conditions. Workers in regions exposed to extreme weather events or rising sea levels face additional risks (for example Spanish weather compared to Finland). Peripheral and maritime regions are also highly dependent on the maritime industries. Failing to adapt and ease the transition could put at risk not only the specific industry but entire local economies.

Subcontracting in the shipbuilding sector arises primarily from the complexity, specificity, and scale of its operations. Shipbuilding requires diverse skills and expertise, from mechanical engineering to electrical systems, interior design, and advanced materials. Subcontracting allows the industry to leverage niche expertise that is often not available in-house. Subcontracting to regions with lower labour costs is a common practice to reduce overall costs but weakens skills in Europe. It can result in fragmented labour practices, with the workers of these sub-contracting companies as well as the posted workers sometimes receiving lower wages, fewer benefits, or inadequate safety conditions compared to in-house employees. Addressing these issues is critical to ensure fair working conditions across the industry. The goal is to upskill workers but also to secure their jobs—not to create pools of labour that employers can draw from when needed.

European Maritime Strategy

At global level, the sector is marked by competitive distortions and unfair trading practices which have plagued the European shipbuilding industry. Furthermore, unlike the other major economies with large maritime technology sectors (e.g. China, Japan, South Korea and the USA), the **EU does not apply sector-specific policies nor specific support to its strategic Maritime Technology sector**. With the move to so-called horizontal policies by the European Commission, there are huge gaps that put the maritime technology sector at exposed risk. This is why a comprehensive maritime strategy is needed for the sector.

Background

In view of the political and economic context faced by the sector, the European Commission President Ursula von der Leyen set out the key initiatives for the EU's transport sector in December 2024. The two key initiatives would be to develop a new industrial maritime strategy aimed at enhancing the competitiveness, sustainability, and resilience of Europe's maritime manufacturing sector, underpinned by a new Sustainable Transport Investment Plan.

IndustriAll Europe supports a strategy with an embedded industrial investment plan. It also calls for social conditionalities with a strong trade union involvement to be attached to them in order to promote a resilient, fair and sustainable future for European industry and quality employment. Failing to act could pose significant economic security risks and threaten Europe's strategic autonomy and technological sovereignty.

- **Industrial Policy**

A fair global level playing field is a key requirement for the European Maritime Technology sector. In the aftermath of COVID-19, Europe's maritime sector did not really recover from the crisis. European maritime has not received the same support as Asian economies, and remains at a competitive disadvantage.

Europe should adopt "Made in Europe" requirements and introduce conditionalities in EU financial instruments to ensure that European taxpayers' money supports investments within Europe. This approach would prevent funds from being used for projects like building or retrofitting vessels in Asian shipyards, especially when these vessels are intended for European use.

EU funding must prioritise projects that directly benefit European shipbuilding, foster the creation of quality jobs, and align with strategic objectives through transparent mechanisms. For example, financial incentives could be provided to shipowners to encourage vessel construction and retrofitting in Europe. These incentives could help close the cost gap between European and Asian shipyards, such as offering tax benefits under a harmonised European framework. To ensure fair competition within the EU Internal Market, these measures should be implemented uniformly across Member States, with oversight and approval/monitoring by the European Commission to avoid distortions and maintain compliance with EU regulations.

- **Offshore**

The relationship between offshore activities and shipbuilding in Europe is deeply interconnected, as both industries rely on complementary skills, infrastructure and technology. The offshore industry, which includes offshore wind energy, and oil and gas exploration, relies on specialised vessels, such as platform supply vessels (PSVs), wind turbine installation vessels (WTIVs), and heavy-lift ships. These vessels are often built by European shipyards. These shipyards play a crucial role in designing and building vessels tailored to the specific needs of the offshore sector, ensuring advanced safety, operational efficiency, and compliance with environmental standards. As the European shipyards have developed a strong reputation for building high-value, technologically advanced ships, and given the transition to renewable energy, this market share is an opportunity for the European shipbuilding industry.

- **Social Conditionalities**

The EU Maritime Strategy must be in line with the EU Industrial Strategy objectives to successfully manage the twin transition, while making the EU shipbuilding industry more resilient with a good industrial jobs agenda as a compass. It must also respect and protect social, workers' and trade union rights, and support the creation of quality employment, fairness, Just Transition and upward social convergence. The use of social conditionalities⁴ across a wide range of Internal Market policies, from funding instruments to State aid could help to create wins for the economy, good jobs and the environment.

The EU's new Sustainable Transport Investment Plan should include mandatory social conditionalities as an integral part of this ambitious plan. The American [Inflation Reduction Act](#) (IRA) of 2022 should be taken as a best practice to translate into EU legislation. It incorporates several social conditionalities - requirements designed to promote social objectives alongside economic and environmental goals. In this legislation, to qualify for enhanced tax credits, projects must pay prevailing wages and employ a certain percentage of apprentices, ensuring fair compensation and workforce development. However, there is a specified percentage of the project's components that must be sourced domestically, promoting US manufacturing and job creation. By taking inspiration from this legislation, the EU's new Sustainable Transport Investment Plan should have a clear reference to social conditionalities to guarantee that public investments promote quality jobs, gender equality and workers' rights.

The EU's new Maritime Strategy must emphasise the importance of social dialogue, collective bargaining and ensure efficient and effective rights to workers' information, consultation and participation. Evidence shows that⁵ one of the biggest assets of the mobility ecosystem to deal with the transition is indeed social dialogue, and collective bargaining and workers' participation in the implementation of the industrial transformation.

The new Strategy must recall the EU Corporate Sustainability Due Diligence Directive (CSDDD), which could significantly enhance fairness in subcontracting practices in the shipbuilding sector by promoting responsible and transparent business conduct throughout supply chains.

⁴ In June 2024, the ETUC's Executive Committee concluded that "Social conditionalities should promote quality jobs. According to the ETUC's definition, this means (i) collective bargaining, (ii) full respect for workers' and trade union rights, (iii) fair wages, (iv) work security and social protection, (v) training without costs and during working time, (vi) good working conditions, (vii) health and safety at the workplace, (viii) work-life balance, (ix) equality and non-discrimination."

⁵ Mobility Transition Pathway Report

For workers in the shipbuilding sector, including their needs and interests in the new Sustainable Transport Investment Plan is vital for fostering a Just Transition. By integrating workers at the core of the EU's investment plan for sustainable transport, the shipbuilding sector can deliver a green and fair transformation that leaves no one behind.

- **Posting of workers**

The issue of posted workers, particularly in the shipbuilding industry, represents a critical intersection of intra-EU labour mobility, employment standards, and industrial competitiveness. The posting of workers is both an opportunity and a challenge. Posting workers is a process in which an employee is sent by his/her employer to carry out a service in another EU Member State on a temporary basis. This occurs in various contexts, including contracts for services, intra-group postings, or hiring out through temporary work agencies, as described by the European Commission. This practice is particularly prevalent in the shipbuilding industry, where demand for highly specialised and flexible labour often drives the cross-border movement of workers.

The [Posting of Workers Directive](#) and its amendments under [Directive 2018/957/EU](#) establish the legal framework governing the rights of posted workers within the EU. Key provisions include equal pay and conditions, temporary employment, administrative obligations and addressing exploitation. While the legislative framework aims to support workers' rights, irregular practices persist, undermining the Directive's intent. Employers frequently engage in regime shopping, exploiting differences in national labour laws to reduce costs by applying terms and conditions below those mandated in the host Member State. Significant wage disparities between Member States sending and receiving posted workers create additional challenges, and violate the principle of equal pay for equal work⁶ in the same location. For instance, posted workers from lower-wage Member States may be pressured to accept pay below the host country's legal minimum as it might be higher than their original salary. Addressing these disparities and abuses could ensure that posted workers are treated fairly and given the same protections as local workers. Improving enforcement, promoting collective bargaining and ensuring fair wages can help close these gaps.

Administrative non-compliance is another significant issue, with employers failing to respect the reporting requirements or other obligations, further complicating regulatory oversight. Labour exploitation remains a pressing concern. Instances of fake self-employment and other exploitative practices within the posting framework continue to harm vulnerable workers, aggravating inequalities and undermining fair competition.

The EU Maritime Strategy must address the issue of posted workers because this practice is fundamentally linked to the shipbuilding and maritime industries. The shipbuilding sector depends on a highly skilled and mobile workforce to meet the demands of specialised labour. Posted workers are useful to ensure the industry's adaptability, but their rights and working conditions must be safeguarded. Irregular practices, such as wage undercutting and regime shopping by employers, distort fair competition among Member States and companies. These practices not only undermine businesses that comply with the rules, but also

⁶ [EU action for equal pay](#)

destabilise the Single Market. The proper enforcement of the Posting of Workers Directive is vital to level the playing field and preserve the integrity of the EU's Internal Market.

The maritime sector also faces long-term challenges, such as labour shortages and an aging workforce. To attract and retain talent, the industry must offer decent working conditions, good quality jobs and competitive wages to gain attractiveness.

This issue is not merely a technical adjustment, it is linked to European values of fairness, solidarity, and the pursuit of a Single Market that protects workers while fostering competitiveness. The EU's identity is grounded in social justice, human dignity and solidarity. When posted workers in the shipbuilding and maritime sectors are exploited, these core values are undermined. By prioritising workers' rights in the EU Maritime Strategy, tackling the exploitation of posted workers not only safeguards individual dignity but also strengthens the resilience of the maritime sector as a whole.

- **Migrant workers**

Migrant workers and posted workers are related concepts within the broader context of labour mobility, but they differ in terms of their legal status, rights and the framework under which they operate.

Migrant Workers are individuals who move from one country to another, usually on a long-term or permanent basis, to seek employment. Their employment relationship is typically established directly in the host country. Migrant workers are generally covered by the labour laws of the host country, including minimum wage laws, social security, and other protections, as they integrate into the local labour market.

Posted Workers, as explained above, are employees sent temporarily by their employer to another EU Member State to perform a service under specific conditions. Their employment relationship remains with the employer in the sending country, and they are covered by the Posting of Workers Directive.

Both categories are prominent in shipbuilding where demand for specialised or flexible labour is high. And both groups are vulnerable to exploitation. But posted workers are uniquely at risk of irregular practices, like regime shopping and fake self-employment, due to their temporary status and dual regulatory environment (host country and country of origin).

- **Good Quality Industrial Jobs ⁷**

Good-quality jobs are essential, and they should be at the core of the EU Maritime Strategy as they promote equality, drive value creation for relative prosperity, uphold dignity for all through work, and strengthen democratic systems. Poor-quality jobs have far-reaching consequences for workers, employers and society. They can harm health and well-being, perpetuate in-work and child poverty, reinforce gender inequalities within and beyond the labour market, and limit opportunities for job and social mobility. Moreover, they can diminish the sector's attractiveness, hindering its ability to draw and retain talent.

⁷ Read more: [Quality Jobs Policy Brief](#)

- **Upskilling/Reskilling**

Professions, jobs, and the entire world of work are changing much faster than expected, due to the acceleration of the twin transformations. We are facing an urgency for education and training that ensures reskilling and upskilling to equip workers for jobs in a transforming industry. Every worker must have the right to quality training and life-long learning. Training and life-long learning, including reskilling and upskilling, have been long-term priorities for IndustriAll Europe. However, the training challenge that we are facing now is unprecedented, because we need to train more people than ever, at a much higher speed. This includes the maritime technology, equipment and offshore energy sectors.

The Mobility Ecosystem Transition Pathway does not take into consideration the specific sectoral challenges that the sector is facing. However, it has emerged that the main challenge for the mobility ecosystem is the scale of adaptation affecting current jobs introduced by the green and digital transition, as well as by international competition. The ecosystem is also marked by an ageing working force, as in the shipbuilding industry, the percentage of the workforce over 50 years old is around 40%. Comprehensive and targeted strategies and actions that effectively reskill and upskill workers, with a special focus on those most impacted by the twin transition, including people in vulnerable situations, should represent a central element in the new Maritime Strategy.

The lack of skilled workers, together with a diminishing attractiveness of the sector, is already a challenge in the shipbuilding sector, with large-scale skills gaps exacerbated by skills-worker location mismatches. Skilled profiles in advanced technologies are scarce, with the industry facing strong competition from other sectors. The scale of the challenge of adapting the mobility workforce to the skills needed for the transition is considerable. To effectively pursue this effort, the industry must also overcome some social barriers and cultural attitudes towards education and life-long learning and ensure that the workforce is engaged and has enough capacity, opportunity and support to develop these skills and learn new techniques.

The industry can also develop strategies to improve the attractiveness of the jobs they propose, the transmission of knowledge and the retention of talent. **Improving working conditions and job quality** is the key to attract new talents. The industry also needs to counter some stereotypes to improve the participation of women in the labour force.

Conclusion

The EU Maritime Strategy represents a critical opportunity to reinforce Europe's shipbuilding sector, support its workers, and secure the Continent's strategic autonomy. IndustriAll Europe calls on policymakers to prioritise industrial investment with social conditionalities attached, enforce social standards, and address the challenges facing the sector with ambition and resolve. Only by doing so can we ensure that Europe remains a global leader in maritime industries, while creating quality jobs and fostering sustainable growth. Good industrial relations are also important to make the shipbuilding industry attractive, as the sector is struggling with a widespread skills shortage.

IndustriAll Europe's demands towards policymakers:

- Recognition of shipbuilding as a strategic sector within the EU's industrial policy framework and thus the need to include shipbuilding in the EU Maritime Strategy and the Sustainable Transport Investment Plan.
- The Sustainable Transport Investment Plan should be focused on developing infrastructure for alternative fuels, building net-zero vessels, and retrofitting existing ones.
- Securing the supply chains for critical energy components and materials on a European scale is essential for enhancing energy sovereignty and reducing dependency on external sources.
- We call for more funds for research and development programmes at the European and national levels, specific to the shipbuilding sector.
- Investing in existing infrastructure including port infrastructures is crucial for adapting and reaching a successful twin transition.
- Regional concentration must be taken into consideration by tailoring investments to the specific requirements of each region.
- Establish EU-wide programmes to support lifelong-learning and skills development.
- Allocate dedicated funding for upskilling and reskilling initiatives tied to emerging maritime technologies and green practices.
- Introduce binding rules linking EU funding to compliance with labour and social standards.
- Strengthen monitoring mechanisms to ensure compliance with social and labour standards.
- Enforce stricter due diligence requirements for subcontracting agencies.
- Social conditionalities must be at the heart of any EU Maritime Strategy and the Sustainable Transport Investment Plan to guarantee that public investments promote quality jobs, gender equality and workers' rights (as the US did with IRA).
- Mandatory social conditionalities for all public funding in the maritime sector.
- Companies receiving EU money should put in place social policies, such as training plans, and upskilling of social welfare for workers. In this way, workers will benefit as well from the investments received by their company.
- Tailored financial incentives for the shipbuilding sector to ensure European competitiveness.
- Public funds must be contingent upon EU social standards, ensuring decent working conditions across the sector and value chain.
- Investment in greener shipyards must include better safety measures, such as modern equipment and reduced exposure to toxic materials, like asbestos or heavy metals.
- EU maritime policy must enforce respect for collective bargaining agreements (CBAs) as a cornerstone of labour relations, protecting workers' rights and fostering social dialogue.
- Return to investment: a company receiving EU funds should invest on EU soil to maintain EU competitiveness and to create quality jobs to maintain EU capacity.
- Member States must enhance enforcement mechanisms to ensure compliance with the Posting of Workers Directive. This includes rigorous inspections, penalties for non-compliance, and cross-border cooperation.
- IndustriAll Europe advocates for policies that address wage disparities between Member States, fostering convergence of living and working standards across the EU.
- Develop a comprehensive system of recognising qualifications.

- Ensure a standardisation of training programmes.

IndustriAll Europe's demands towards employers:

- Programmes to ensure that workers are part of the digital transition to prevent automation from leading to job losses.
- Implementation of strategies to counter some stereotypes to improve the participation of women in the labour force.
- Incentives to maintain and retrain talent: good industrial jobs.
- Development of quality training pathways to match the skills needed.
- Introduction of a job-to-job transition scheme for those workers heavily affected by the transition.
- Collective bargaining systems and coverage, which must be promoted and strengthened.
- Urgently step up efforts to develop comprehensive skills strategies and supportive measures to ensure all talents are covered and promoted.
- Invest in quality training and education of the workforce.
- Incentivise and facilitate mobility across sectors and between, through recognition of qualifications.
- Standardised training and certification schemes must lead to the comprehensive recognition of qualifications without any cost to the workers.
- Promote workers' access to re- and upskilling, as well as continuous training.
- Integrate an effective right to training for every worker. This means making training accessible during working hours and cost-free for workers.