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REPORT FROM THE COMMISSION

Fourth report on the implementation of Council Regulation 3577/92 applying the principle of freedom to provide services to maritime cabotage (1999-2000)

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SUMMARY

This is the fourth two-yearly report on the application of the cabotage Regulation. It covers the years 1999 to 2000. Like the previous reports, this report has been based on a study carried out on behalf of the Commission.

Almost all cabotage services in Europe have been liberalised since 1 January 1999. The Greek market, which is the last to still be partly protected, will be opening up to Community shipowners as from 1 November 2002. The adaptations of Member States' legal provisions to the cabotage Regulation will soon be completed.

The first part of the report describes the state of play regarding legislation. It states which of the Community second registers may take part in cabotage. Among vessels registered in a Member State, only those in the Italian second register and passenger vessels in the Danish second register do not have access at the present time to Community cabotage. In other words, Italy and Denmark do not authorise those particular vessels to carry out cabotage in their respective countries. The report also specifies the rules on manning imposed by certain Member States on vessels carrying out cabotage with islands. Finally, for the first time, an annex recapitulates the public service obligations laid down by the Member States.

This new phase of liberalisation has not adversely affected the market. Cargo volumes (260.99 million tonnes in 1999) and the number of passengers (152 million in 1999) transported have remained relatively stable. The five Member States concerned by this new phase of liberalisation (Spain, France, Greece, Italy and Portugal) have tackled it by improving the quality of their fleets. Penetration by foreign vessels into the national cabotage markets remains limited in the majority of the Member States.

The second part of the report presents detailed statistics by country including, in the case of cargo, the breakdown according to type of cargo transported depending on whether it was island or mainland cabotage. The greatest market for cargo traffic is that of the United Kingdom, followed by that of Italy. Liquid bulk heads the league table in terms of cargo transported. In the case of passengers, Greece has the greatest traffic, followed by Italy and the United Kingdom.

Finally, the last part of the report gives manning costs for three types of cargo and three types of passenger vessel. The most expensive register is the Finnish register. The Portuguese second register, the MAR register, is the least expensive in Europe.

Given that the liberalisation of the market will soon be completed and in the light of the difficulties encountered in collecting the statistics needed to draw up this report, the Commission speculates in its conclusions on the form which future cabotage reports will have to take. It considers that forthcoming reports could be drawn up on the basis of answers from the Member States to a questionnaire addressed to them by the Commission. This would be the most economical solution because it would avoid having recourse to often costly studies. It would make it possible to set up a consistent and uniform database on the subject available to everybody. The Commission is inviting Member States and interested parties to give their opinion on this question.

REPORT

This report has three chapters. The first depicts legislative developments in the fifteen Member States and the EFTA countries. The second presents market trends in these same countries. The third recapitulates manning costs in the different registers of the EEA countries.

1. Legislative developments

1.1. Legislative developments in the 15 Member States

1.1.1. *Access to the provision of maritime cabotage services*

Since 1 January 1999, almost all maritime cabotage services have been open to the beneficiaries of Regulation No 3577/92. In accordance with Article 1 of the Regulation, these beneficiaries are: *"Community shipowners who have their ships registered in, and flying the flag of a Member State, provided that these ships comply with all conditions for carrying out cabotage in that Member State"*.

This date of 1 January 1999 corresponds to the penultimate stage in the liberalisation of Community cabotage. It concerned **regular passenger transport services and ferry transport as well as cabotage services with the islands of five Member States** (Spain, France, Greece, Italy and Portugal).

The liberalisation of maritime cabotage will be complete when the following two categories of **island** cabotage services will have been liberalised in **Greece**: regular passenger transport services and transport by ferry as well as services performed by ships smaller than 650 gross tonnes.

1.1.1.1. Liberalised services

As far as liberalised services are concerned, there have been few changes in legislation since the last cabotage report.

Following the adoption of Law 2001-43 of 16 January 2001, French legislation complied with the Regulation as from that date. On the other hand, infringement proceedings are still pending with regard to Spanish legislation (Royal Decree 1466/1997), Portuguese legislation (Decree Law 194/98 of 10 July 1998 amended by Decree Law 331/99 of 20 August 1999) and Greek legislation (Article 165, paragraphs 1 and 6 of the Greek Shipping Code and the Circulars of 4 August 1998, 18 December 1998 and 21 December 1998).

The Spanish Royal Decree No 1466/97 has been attacked in the Spanish courts, which in turn brought the matter before the Court of Justice of the European Communities for a preliminary ruling. The Court delivered its judgment on 20 February 2001 (Case C-205/99).

The first registers of Member States all have access to cabotage. In the matter of access to the second registers of Member States to Community cabotage, the situation is identical to that described in the previous cabotage report and is reproduced below.¹

The Regulation provides that, for a ship of a Member State to be admitted into cabotage in another Member State, it must first of all fulfil all the conditions required for admission to cabotage in the Member State in which it finds itself.

This applies to the following ships, which fulfil all the conditions required to participate fully in cabotage in the Member States of the EU:

- ships registered in the Spanish REC Register;
- ships registered in the Portuguese MAR Register;
- cargo ships registered in the Danish DIS Register.

Ships registered in the German ISR and Finnish vessels entered on the "List of cargo ships in international trade" have only a limited access to cabotage. They may only offer regular services throughout the year.

Ships registered in the Italian second register and passenger ships registered in the Danish second register do not have access to Community cabotage.

1.1.1.2. Services which are still protected

As mentioned above, the liberalisation of maritime cabotage will be complete when the following two categories of **island** cabotage services are liberalised in **Greece**: regular passenger transport services and transport by ferry as well as services performed by vessels smaller than 650 gross tonnes. These services benefit from a waiver until 2004 pursuant to the cabotage Regulation.

The greatest legal advance since the last cabotage report concerns, precisely, these services. **Greece has decided to open them up to Community shipowners before the 2004 deadline.** Part I of Law 2932/2001 published on 27 June 2001 provides for them to be liberalised as from **1 November 2002**. Public service obligations will nevertheless continue to be imposed. This law is innovatory in that it entrusts an independent authority with supervising the sector.

In accordance with Article 9 of the cabotage Regulation, the Greek authorities notified the Commission services of the text of this law. Those services forwarded their queries to the Greek authorities and raised the question of the non-conformity in 2004 of some of the provisions of the text with the cabotage Regulation.

¹ As a reminder, the "off shore" registers of ships of Member States are not beneficiaries of the cabotage Regulation (the Kerguelen Register, the French Southern and Antarctic Territories' Register (TAAF Register), the Dutch Antilles' Register, the Isle of Man Register, the Bermuda and Cayman Islands Registers).

1.1.2. Rules on manning

Only five Member States wanted to apply the provisions of Article 3(2) of the cabotage Regulation, which permits the State in which a cabotage service is carried out (host State) to decide on the rules relating to the manning of vessels carrying out cabotage with islands and vessels smaller than 650 gross tonnes - except, in the case of cargo vessels, when the voyage concerned follows or precedes a voyage to or from another State.

The following national texts relating to the rules of the host State on manning have been deemed to comply with the cabotage Regulation: the French Decree No 99/195 of 16 March 1999, the Spanish Order of 22 July 1999, the Italian Decree and Circular of 25 November 1999. The main rules contained in these texts are set out in Annex 1.

Infringement proceedings have been initiated, however, against the Portuguese legislation (Decree Law No 194/98 of 10 July 1998, amended by Decree Law No 331/99 of 20 August 1999) and the Greek legislation (Circular of 21 December 1998). The Portuguese infringement is well on the way to being settled.

In accordance with the cabotage Regulation, **the definitive system governing manning**, based on a proposal from the Commission following a detailed examination of the economic and social impact of the liberalisation of island cabotage, was to be approved by the Council before 1 January 1999. The Commission submitted a report to the Council on this question on 17 June 1997 and a proposal for a regulation on 29 April 1998 (COM(1998)251 final). The residual competence of the host State concerned vessels smaller than 650 GT and the required proportion of Community nationals in the crews of ships carrying out regular passenger and ferry services (including mixed passenger/cargo services and scheduled cruise services). Seafarers from non-member countries on board this kind of vessel were to enjoy identical employment conditions to those of the residents of Member States. The Commission proposal did not meet with the favour of the Member States. The Commission accordingly withdrew its proposal on 11 December 2001.

1.1.3. Public service obligations

Article 4 of the Regulation authorises Member States to impose public service obligations and to conclude public service contracts for regular services to, from and between islands provided that these obligations are necessary and are imposed on a non-discriminatory basis in respect of all Community shipowners.

Only four of the 15 Member States do not impose public service obligations. They are Luxembourg and Austria, which are not concerned for obvious geographical reasons, and Belgium and the Netherlands, which do not have public maritime services.

Among the Member States which impose public service obligations, some have chosen to do so on the basis of an authorisation or licence system. This is currently the case in Greece (delivery of licences), in Spain, Portugal and Sweden (authorisation scheme for some services).

The principle of non-discrimination laid down in the Regulation became legally binding for all Member States (with the exception of some services in Greece) on 1 January 1999, the date on which the liberalisation of island cabotage became complete. This led to most Member States launching calls for tenders to select operators to carry out the public services.

The Regulation's provisions regarding public service are not yet however applied in their entirety in practice. For example, some **public service contracts concluded before 1 January 1993 (date of entry into force of the Regulation) have not yet expired.** The Regulation itself provides that these contracts **may remain in force until their date of expiry.**² Also, some Member States are still not complying entirely with the provisions of the Regulation. Following complaints it has received, the Commission has had to initiate several **infringement proceedings.**

Asked for a preliminary ruling, the Court of Justice delivered its first judgment on the interpretation of the public service provisions in the Regulation on 20 February 2001 in Case C-205/99. In particular, the Court adopted a position on the lawfulness of a prior authorisation scheme and on the possibility of the co-existence of public service contracts and obligations on the same route.

With regard to the first point, the Court indicated that the Regulation permits the provision of regular maritime cabotage services to, from and between islands to be made subject to prior administrative authorisation only if:

- a real public service need arising from the inadequacy of the regular transport services under conditions of free competition can be demonstrated;
- it is also demonstrated that that prior administrative authorisation scheme is necessary and proportionate to the aim pursued;
- such a scheme is based on objective, non-discriminatory criteria which are known in advance to the undertakings concerned.

With regard to the second point, the Court indicated that the Regulation must be interpreted to mean that it permits a Member State to impose public service obligations on some shipping companies and, at the same time, to conclude public service contracts in order to ensure the same regular traffic to, from or between islands, provided that a real public service need can be demonstrated and in so far as that application of the two methods concurrently is on a non-discriminatory basis and is justified in relation to the public-interest objective pursued.

The situation regarding public service obligations in the different Member States is recapitulated in a table in Annex 2.

² See the agreement concluded by the French authorities in 1976 with the SNCM company for maritime services to Corsica, which expired on 31 December 2001 for example, or the agreements concluded between the Italian authorities and the Tirrenia group companies in 1991, which will expire on 31 December 2008.

1.2. Legislative developments in the EFTA States

Conditions of access to the market of the EFTA States have not changed during the period.

The table reproduced in Annex 3 shows the rules governing establishment, the nationality of crews and taxes which are applied to each register.

2. Market developments

As a preliminary remark, it must be pointed out that the Commission had difficulties in collecting the data needed to draw up this report. To begin with, Member States no longer collect such detailed statistics as in the past. Data referring to the year 2000 were not always available, either.

The liberalisation on 1 January 1999 of cabotage services that were still protected (regular services for the transport of passengers and transport by ferry as well as cabotage services with islands in Spain, France, Italy, Portugal and - partly - in Greece) did not lead to any increase in traffic nor to any significant penetration of the national markets by vessels flying foreign flags. On the other hand, it appears that the quality of the services rendered increased.

2.1. Traffic developments

2.1.1. Cargo transport

2.1.1.1. Total traffic

As indicated in the table reproduced below, the volume of cargo transported by cabotage within the countries of the European Union amounted to 260.99 million tonnes in 1999.

The volume of cargo transported in the five Member States concerned by the liberalisation phase beginning on 1 January 1999 (Spain, France, Greece, Italy and Portugal) is slightly higher than the volume of cargo transported in the ten Member States where traffic was already liberalised. The market now appears stabilised.

The liberalisation of cabotage with the islands of the five States mentioned above has not generated new cargo flows. Unlike mainland cabotage, this market does not seem to offer much potential for development.

Total volume (in millions of tonnes)			
	1995	1997	1999
Sub-total of countries where cabotage had already been liberalised on 1/1/1999	120.89	125.39	122.19
Sub-total of countries where cabotage was liberalised on 1/1/1999	134.3	139.45	138.8
Total	255.19	264.84	260.99

Source: PWC

The market with the largest traffic is the United Kingdom (nearly a third of the total). 70% of cargo transported within the Member States of the north are transported in this country. The second³ largest market is that of Italy, with a quarter of all traffic. Italy accounts in volume for almost half of the cargo transported in the southern Member States.

Total Volume (in millions of tons)				
	1995	1997	1999	2000
Austria	-	-	-	-
Belgium	0.05	0.05	0.05	Na
Denmark	19.2	19.3	12.8 ⁴	Na
Finland	5.9	7.1	6.6	Na
Germany	3.9	4.0	5.35	5
Ireland	0.7	0.75	0.85	Na
Luxembourg	-	-	-	-
Netherlands	0.04	0.04	0.04	Na
Sweden	13.6	12.95	13.2	Na
United Kingdom ⁵	77.5	81.2	83.3	Na
Total northern countries	120.89	125.39	122.19	Na
France	7.9	7.8	8.6	9
Greece	21.9	21.05	22.5	Na
Italy	60.3	68.0	66.2	Na
Portugal	6.0	5.5	6.7	5.7
Spain	38.2	37.1	34.8	38
Total southern countries	134.3	139.45	138.8	Na
Total	255.19	264.84	260.99	Na

Source: PWC

³ The Italian market occupies first place if off-shore traffic in the United Kingdom is excluded.

⁴ This fall in traffic is the result of a fixed link opening between Copenhagen and the mainland.

⁵ One-port traffic is included.

With regard to the EFTA countries, the very small volume of Icelandic traffic has remained constant, while the volume of freight transported in Norway is high. It varies according to the off-shore oil traffic.

Total Volume (in millions of tons)			
	1995	1997	1999
Iceland	0.4	0.45	0.4
Norway	39.9 (17.9)	48 (20)	46 (20)

Source: PWC - *The figures in brackets represent volumes transported that were not off-shore traffic.*

2.1.1.2. Categories of freight transported

Turning to the type of cargo transported, it is clear that liquid bulk is still in first place. It represents on average 55% of total traffic (76% in the United Kingdom, but only 18% in Denmark). The dry bulk and miscellaneous cargo segments are larger in the south than in the north.

Classification by type of freight (millions of tons)									
Freight	Dry bulk			Liquid bulk			General cargo		
Year	1995	1997	1999	1995	1997	1999	1995	1997	1999
Total northern	21.39	18.19	13.92	82.05	87.95	81.06	17.45	19.25	27.21
Total southern	35.8	35.35	38.9	68.4	68.3	63.7	30.1	35.8	36.2
Total	57.19	53.54	52.82	150.45	156.25	144.76	47.55	55.05	63.41

Source: PWC

Detailed data by country are given in Annex 4.

Where the EFTA countries are concerned, dry bulk transport predominates in Norway. The volume of off-shore traffic in this country should not however be forgotten (see table under point 2.1.1.1 above), since it exceeds the volumes of "traditional" freight.

Classification by type of freight in EFTA Countries in 1999 (millions of tons)				
Freight	Dry bulk	Liquid bulk	General cargo	Total
Iceland	0.05	0.3	0.05	0.4
Norway	15.1	4.0	0.9	20
Total	15.15	4.3	0.95	20.4

Source: PWC

2.1.1.3. Distinction between island and mainland traffic

Island cabotage accounts for 64% of the volumes of freight transported in the five Member States concerned by the liberalisation phase dating from 1 January 1999. This overall percentage masks significant differences according to country, since in Italy, 78% of cabotage is of the island type, while in France, 86% of the volume of freight transported occurs between two mainland ports.

Volumes transported in 1999 in the five southern Member States distinguishing between mainland and island cabotage (in rounded percentages)						
Country	France	Greece	Italy	Portugal	Spain	Total 5 countries
Island	14	52	78	39	65	64
Mainland	86	48	22	61	35	36

If we analyse in greater detail according to the types of cargo transported, we can see that island cabotage accounts for most of the general cargo (86%). When it comes to dry bulk and liquid bulk, the breakdown between island and mainland cabotage is more balanced.

Total volumes transported in 1999 in the five southern Member States by type of freight distinguishing between mainland and island cabotage (in rounded percentages)			
Types of cargo	Dry bulk	Liquid bulk	General cargo
Island	58	56	86
Mainland	42	44	14

The statistics by country on which these tables are based are reproduced in Annex 5.

2.1.2. Passenger transport

2.1.2.1. Total traffic

As in the case of cargo traffic, passenger traffic appears stable overall. 152 million passengers were transported in 1999, 60% of them in the five Member States concerned by the liberalisation beginning on 1 January 1999. The largest national market for passengers is the Greek market (nearly 30% of the total), followed by the Italian and British markets (each having about a quarter of the total).

Over this period, there was an increase in demand in the southern countries. This appears to be partly due to the improvement of the services offered. In the north, on the other hand, passenger traffic fell. In particular, the fall in traffic recorded in Denmark is due to the opening of the bridge connecting Copenhagen to the mainland.

Passengers transported (millions)				
	1995	1997	1999	2000
Austria	-	-	-	-
Belgium	-	-	-	-
Denmark	21.5	16.4	10.5	Na
Finland	4.0	3.4	4.0	4.18
Germany	5.0	5.0	5.0	Na
Ireland	-	-	-	-
Luxembourg	-	-	-	-
Netherlands	-	-	-	-
Sweden	1.1	1.1	1.2	1.3
United Kingdom ⁶	40	40	37.6	Na
Total northern countries	71.6	65.9	58.3	Na
France	1.3	1.28	1.5	1.39
Greece	36.0	41.3	44.1	Na
Italy	38.0	37.2	39.9	Na
Portugal	0.4	0.35	0.4	Na
Spain	7.1	6.5	7.9	Na
Total southern countries	82.8	86.6	93.9	Na
Total	154.4	152.5	152.2	Na

Source: PWC

With regard to the EFTA countries, the number of passengers transported in Norway is very high. It exceeds the number of passengers transported in Greece.

Passengers transported (millions)			
	1995	1997	1999
Iceland	0.3	0.4	0.4
Norway	43.2	44.6	46.0

Source: PWC

2.1.2.2. Cruises

The world cruise ship fleet has a total capacity of approximately 8.5 million GT. Of these 8.5 million, 2.5 million (nearly 30%) are flying EEA flags. The largest European fleet flies the British flag (750 000 GT), followed by Italy, Norway and the Netherlands (approximately 500 000 GT each).

Quantitatively, there are more international cruises than any other type.

Among the Member States which are cruise destinations, first place is taken by Greece for the number of stops and Italy for the number of embarkations.

⁶ Non-official estimated data contained in 2nd and 3rd reports for 1995 and 1997. 12 million of the 37.6 million passengers transported in 1999 were conveyed in the context of island cabotage.

2.2. Respective market shares of the first and second registers

The table below gives the data available on the relative importance of the first and second registers of Member States in cabotage traffic. The data concern only five Member States and Norway. This table clearly shows the importance of the first registers for passenger transport. Nevertheless, the role of the second registers is tending to increase.

Incidence of 2 nd register (% transported by national fleet) in 1999								
Country	1 st register				2 nd register			
	Passengers	Dry bulk	Liquid bulk	General cargo	Passengers	Dry bulk	Liquid bulk	General cargo
Denmark	100	100	-	40	-	-	100	60
France	100	13	3	100	-	87	97	-
Italy	100	100	100	100	-	-	-	-
Portugal	80	70	7	100	20	30	93	-
Spain	-	-	-	-	100	100	100	100
Norway	100	100	10	100	0	0	90	0

Source: PWC

2.3. Foreign-flag penetration

As a general rule, the liberalisation of cabotage has not led to a significant penetration of national markets by EEA flags. These markets have in fact warded off penetration by improving their competitiveness, liberalisation being accompanied by a reduction in the cost of the national registers and a modernisation of their fleets. At the present time, the markets of the Member States concerned by the liberalisation which began on 1 January 1999 remain to a great extent dominated by national fleets: 98% of the traffic in Greece,⁷ approximately 90% of the traffic in Italy, Portugal⁸ and Spain. Among the five Member States concerned, the market which is most open to non-nationals is the French market, where 25% of vessels flying EEA flags and 7% of non-EEA vessels operate. In the other countries, there is a sharp distinction between Finland (90% of vessels flying the national flag) and Ireland (only 5%). The greatest number of non-EEA flags are to be found in the United Kingdom, Ireland, Germany and Sweden.

⁷ This very high figure can be explained by the incomplete liberalisation of cabotage, the excentric geographical situation of Greece and the competitiveness of its fleet.

⁸ Many foreign companies decided to register their ships under the highly competitive MAR flag.

Percentage of fleet participating in cabotage traffic									
Freight	National flag			Other EEA			Other non-EEA		
Year	1995	1997	1999	1995	1997	1999	1995	1997	1999
Austria	-	-	-	-	-	-	-	-	-
Belgium	100	100	100	-	-	-	-	-	-
Denmark	48	48	NA	NA	NA	NA	NA	NA	NA
Finland	86.4	88.1	89.9	12.7	11.9	9.8	0.9	0	0.3
Germany ⁹	83	68	69	15	9	9	2	23	22
Ireland	5	4	5	71	73	71	24	23	24
Luxembourg	-	-	-	-	-	-	-	-	-
Netherlands	100	100	100	-	-	-	-	-	-
Sweden ¹⁰	84.6	79.2	48	NA	6.9	35	NA	13.9	17
United Kingdom	25.4	13.9	29	28.9	25.2	33	45.7	60.9	38
France	85	73	68	7	21	25	8	6	7
Greece	99.5	99	98	0.25	0.5	1	0.25	0.5	1
Italy	99.5	98.5	91.7	0.2	1.2	4.1	0.3	0.3	4.2
Portugal ¹¹	28.3	99.0	91.2	70.1	0	4.1	1.6	1.0	4.7
Spain	93.5	84.6	89.1	4.2	6.2	3.4	2.3	9.2	7.5

Source: PWC

The penetration of foreign vessels in the EFTA countries remains limited.

Percentage of fleet participating in cabotage traffic				
		National flag	Other EEA	Other non-EEA
Iceland		100	-	-
Norway	Loaded	74.3	14.7	11.0
	Unloaded	78.3	11.3	10.4

Source: PWC.

3. Manning costs

Manning costs vary according to the composition of crews (number of seafarers on board, their training and nationality) and the taxes and social charges imposed by the national authorities.

Manning costs for cargo vessels are almost three times higher in Finland (the most costly register for this feature) than in Portugal. The Portuguese second register, the MAR register, appears the least costly in Europe.

The disparities are not so great in the case of passenger vessels.

Details of the costs for each of the Community registers are given in Annexes 6 and 7.

⁹ Estimated data based on the trend up to and including October 2000.

¹⁰ The changes in 1999 are due to the fact that the Swedish government provided the information for its fleet by the number of cabotage ships rather than the number of tonnes transported.

¹¹ MAR not included as national in 1995, included as national in 1997.

4. Conclusions

4.1. The impact of cabotage liberalisation

The liberalisation of the last cabotage services that were still protected (with the exception of the two abovementioned segments of the Greek market) resulted in the presence of Community operators in markets which up until then had been reserved to nationals. The percentage of non-nationals in the markets of the countries concerned by the liberalisation starting on 1 January 1999 remains, however, limited. In this respect, the Regulation's provisions on manning and on public services have certainly played a restraining role.

In other ways, liberalisation has had a positive impact, as the national fleets of the countries concerned have modernised to face the increased risk of competition.

As liberalisation has now been practically completed and the market appears stabilised, the question as to the content of forthcoming reports on the application of the cabotage Regulation must be raised.

4.2. Appeal for consultation on the content of forthcoming reports on the application of the cabotage Regulation

The impact of cabotage liberalisation in Greece on 1 November 2002 will not be known before 2004. It will only be possible to analyse it, therefore, in the two-yearly report referring to the years 2003-2004.

That is why the question must be raised as to the content of the report relating to the years 2001-2002 and to the reports which will follow the two-yearly report of 2003-2004. Should these reports confine themselves to presenting the available Community statistics on cabotage - which are fewer and fewer in number - or should they abandon this quantitative approach and focus on a more qualitative analysis of the problems encountered in implementing the Regulation and the solutions found? One might also envisage a lower frequency, with reports being produced only every three to four years, for example.

If the quantitative approach is maintained and the Commission considers it of interest, the way in which the cabotage report is compiled will have to be reviewed. Member States will have to collect the basic market statistics and forward them to the Commission, which will be responsible for their dissemination.

To shed light on this discussion, the Commission would like to know what kinds of statistics are still compiled at national level and to what extent their dissemination to all the Member States is useful. In addition, it is inviting the Member States to communicate their thoughts on the content of the cabotage reports which will have to be produced in the years to come.

For the Commission to be able to take them into account before embarking on the preparatory work for the 2001-2002 two-yearly report, these observations will have to be communicated to it before **31 May 2002**. They should be sent to the following postal address:

European Commission
Directorate-General for Transport and Energy
Maritime Transport Directorate
Office DM 28 3/50
B-1049 Brussels

Finally, on the occasion of the publication of this report, the Commission would like to announce its intention of adopting a communication on the interpretation of the cabotage Regulation at the end of the year 2002. This communication will deal with the questions of public service in particular, including mainland connections and those with small islands.

ANNEX 1 Rules on manning adopted in accordance with Article 3 of the cabotage Regulation

Country/Text	EEA nationals (proportion)	Social security		Training	Working conditions	
	Minimum crew	EU/EEA nationals	Third country nationals		Working hours	Wage
Spain Order of 22/07/1999	At least 50% of the crew as well as the captain and the first officer Application of the SOLAS Convention	Coverage in one of the EU/EEA States (EEC Regulation No 1408/1971)	Coverage of the same level as in Spain for accidents, illness, maternity, old age, invalidity and unemployment		Same as on board national vessels performing a comparable service	At least the minimum wage applicable in Spain
Italy Decree No 529 of 25/11/1999 Circular of 25/11/1999	100% EU/EEA (exceptions provided for less qualified crew members) Application of the SOLAS Convention	Coverage in one of the EU/EEA States		STCW Crew in charge of safety must have a sufficient knowledge of Italian (pursuant to Directive 94/58)	The same as on board national vessels performing a comparable service	At least the minimum wage fixed by law and collective agreements
France Decree No 99-195 of 16/03/1999	100% EU/EEA Application of the SOLAS Convention	Coverage in one of the EU/EEA States		STCW Application of Directive 94/58	The same as on board national vessels performing a comparable service	At least the growth-linked guaranteed minimum wage (maritime SMIC)

ANNEX 2 Public service obligations in the Member States

Country	Route/area	Start date	Duration	Expiry date	Comments
Denmark	Assens-Baago	1/1/01	5 years	31/12/05	Operated by Assens-Baago Faergen A/S - Remuneration: 1.578.690 DKK/year
	Boyden – Fyndshav	1/5/98	5 years	30/4/03	Operated by Scandlines Sydfynske A/S - Remuneration: 11.613.552 DKK/year
	Spodsbjerg – Tars	1/4/00	5 years	31/3/05	Operated by Scandlines Sydfynske A/S - Remuneration: 7.918.669 DKK/year
	Faaborg-Bjorno	1/1/01	5 years	31/12/05	Operated by Bjorno Faergen – Remuneration 1.000.000 DKK/year
	Faaborg-Lyo-Avernako				Operated by O-Faergen A/S – Remuneration 3.200.000 DKK/year
	Stryno- Rudkobing	1/1/01	5 years	31/12/05	Operated by Stryno-Rudkobing Faergefart A/S - Remuneration: 2.141.000 DKK/year
	Marstal-Birkholm	1/1/01	5 years	31/12/05	Operated by Gustav Anneberg Jensen - Remuneration: 310.000 DKK/year
	20 routes to 26 islands				These routes are, in most cases, run by local authorities
	2 additional routes to Samsø	30/11/98	5 years	1/12/03	Operated by Samsø Linien ApS
	Sjaelland:				Remuneration: 16.304.220 DKK/year
Finland	Jylland:	1/1/01	3 years	1/12/03	Remuneration: 13.000.000 DKK/year
	1 routes to Havnsø.	1/7/01	5 years	30/6/06	Four ferries
	Southwestern archipelago				14 vessels involved
	Mainland – Corsica	31/12/1976	25 years	31/12/01	Operated by SNCM-CMN.
France	(various routes)	1/01/02	5 years	31/12/06	Public service contract Marseilles-Corsica (operator: SNCM/CMN remuneration: FF 414 millions) & light public service obligations Nice-Corsica and Toulon-Corsica.
	Atlantic coast				Finistère – 4 islands, Morbihan – 6 islands, Loire Atlantique – 1 island, Charente maritime – 1 island.

Country	Route/area	Start date	Duration	Expiry date	Comments
Germany	Lower Saxony (5 routes)	1/01/1997	15	31/12/2011	No tender.
Greece	Ministry of Aegean 31 routes		1 year		Frequency: up to 8 times a week. Remuneration: From GRD 35 000/year to GRD 9500.000/year
	Ministry of Merchant Marine 11 routes		1 year		Frequency: up to once a day. Remuneration: From GRD 420 000/month to GRD 2 550 000/month
Italy	19 National routes 11 to Sardinia 6 to Sicily 2 to Sardinia & Sicily			31/12/08	
	46 Local routes to Islands				
Ireland			1 to 4 years		The services are tendered.
Portugal	Mainland Portugal to Madeira and Azores		Continuity of the service must be guaranteed for at least one year.		Public service obligations for cargo only. Authorisation system.
Spain	9 + 1 lines Mainland with Canaries/ Balears / Ceuta / Melilla		Current contract 3 ½ years		Ferry and passenger services – Remuneration: €5.7 million/ year
	Inter Canary islands 5 routes		5 years maximum		Tenders through regional government

Country	Route/area	Start date	Duration	Expiry date	Comments
Sweden	Mainland – Gotland 2 routes: Visby – Nynäshamn Visby – Oskarshamn	1/1/98	4+2 years	31/12/03	Operated by Destino Gotland AB
United Kingdom	Northern Ireland Ballycastle – Rathlin Island – 1 route	1/4/97	5 years	31/3/02	
	Northern isles Mainland –Orkney/ Shetlands – 2 routes	1/10/1997	5 years	1/10/2002	Operated by P&O Scottish Ferries. Remuneration: GBP 11 million/ year
	Clyde and Western isles:-28 routes	1960 (most recent Undertaking: 1995)	Open ended	None	Operated by state owned company (CalMac). Remuneration:GBP 20 million/year Tender in preparation in order to comply with EC rules.

ANNEX 3 Overall view of provisions on cabotage in the EU and EFTA countries

Country	Basic Principle on Cabotage	Comment	Waiver system	Crew nationality requirements		Vessel ownership requirements		Fiscal regime
				1 st register	2 nd register	1 st register	2 nd register	
Austria	No maritime cabotage	-	Not applicable	None negotiated on ship by ship basis.	Not applicable	Vessel owned/managed by EU citizen/company domiciled in Austria	Not applicable	None applicable for shipping
Belgium	Not restricted	-	Not applicable	Captain should be Belgian citizen, waivers given in case of non-availability	Not applicable	Vessel owned by Belgian/EU citizen or a non-EU citizen domiciled in Belgium or by a company having its registered office in the EU. The vessel must be managed from Belgium	Not Applicable	Social security exemptions (total exemption for employers' contributions and partial exemption for seafarers' contributions on board EU vessels).
Denmark	Not restricted except for DIS passenger vessels For micro-cabotage there was a formal restriction, which was repealed by Decree 658/94- - Decree 658/94 allows all foreign vessels to participate.	By Law 464 of 12 June 1996 DIS cargo vessels were allowed to Danish cabotage as per 1 December 1996. Passenger vessels remain excluded from Danish cabotage	Not applicable	- Captain must be Danish. Third country nationals can be employed on Danish terms	DIS Register: - Captain must be Danish national. - Third country nationals can be employed on local wage conditions.	Vessel owned by Danish or EU persons or companies managed from Denmark.	DIS Register: see 1 st register	Roll-over relief. Seafarers on board DIS vessels are tax exempted and paid net wage.

Country	Basic Principle on Cabotage	Comment	Waiver system	Crew nationality requirements		Vessel ownership requirements		Fiscal regime
				1 st register	2 nd register	1 st register	2 nd register	
Finland	Restricted Cabotage governed by Section 4 of Restrictive Trades Practices Act. - Non EU vessels are generally prohibited from entering domestic coastal trades Vessels in the List of Cargo vessels in International Trade have restricted access to cabotage.	Amending Act (1362/94) of 22 December 1994 to the Restrictive Trades Practices Act abolished restrictions concerning cabotage on EU vessels as from 1.1.1995 (accession). -Bilateral agreement with Norway as of 1.1.97. applies to NIS	Mainland cabotage: - Special permits obtained from the MOTC for non-EU vessels in mainland cabotage where no other suitable vessel is available. - Permits are granted for a maximum of one year to foreign vessels trading between Aland and the mainland.	Master must be Finnish national No other restrictions	- Master Finnish national. - At least half the crew must consist of EEA/EU citizens. - Recruitment of non-EEA crew members is permitted on certain conditions by way of derogation from the usual collective labour agreements.	- Registration governed by the Marine Registration Act (512/1993) and Finnish Maritime Code (674/1994) (amendments entered into effect on January 2000) - At least 60 percent of the vessel must be owned by Finnish citizens or Finnish registered companies. - The MOTC also permits foreign-owned ships to be registered in the Finnish register provided that the person or company owning at least 60 percent of the vessel has its domicile or residence the EEA.	- List of Cargo Vessels in International Trade (Act No 1707/1991) - Cargo or primarily cargo vessels may be entered if they are registered in the Finnish 1^o register, if they are primarily used for foreign traffic and if they are less than 20 years old. Registration not permitted for passenger/car ferries or vessels engaged only in cabotage. Only passenger vessels operating between third countries and not operating regularly between Nordic ports may be entered.	Special reductions of seafarers' income tax for vessels flying the Finnish flag (18% reduction of municipal tax and 30% of State tax). The State also participates in the pension payments to seafarers. A tax rebate of seafarers' income tax and partial refund of social security costs is paid to the employer. This is available for ships listed on the International Register.

Country	Basic Principle on Cabotage	Comment	Waiver system	Crew nationality requirements		Vessel ownership requirements		Fiscal regime
				1 st register	2 nd register	1 st register	2 nd register	
France	Restricted - Art.257.1 of the 'Code des Douanes' of 11/5/77: -UE/EEA vessels are considered equal to French ships. -Decree 99-195 sets the host state rules for vessels/cruises under 650 GT in mainland cabotage and for vessels in Island cabotage, except for vessels in consecutive services.		Waivers can be granted to non-EU vessels (Art.257 "Code des Douanes").	1st Register (Metropolitan register): - Master and first mate French citizens. - Other crew citizens of the EU or EEA.	Taaf (Kerguelen) Register: 35% of the crew should be French nationals, incl. Captain and 1st engineer.	-50% of the vessel must be owned by a physical person who is a national of EU/EEA or 100% of the vessel must be owned by a company having its registered office in EU/EEA and its operation carried out from a permanent establishment in France. -French legislation restricts investments from non-EU/EEA parties to less than 50% of the total shares if the company or vessel is still to be considered French	TAAF register similar to 1st register.	-Capital allowances to shipowners. -Tax refunds for shipping company businesses. -Tax incentives for new companies (whatever the economic sector). -New taxation measures: the quirat scheme has been abolished and replaced in 1998 by the Economic Interest Group (EIG) Taxation.
Germany	Restricted Regulated in Art.5: Paragraph 2, 3 "Gesetz über die küsten-schiffahrt" (Law on coastal shipping). Vessels used in international trade for the greater part of the financial year, must be registered in the ISR register. (Flaggenrechtsgesetz).	Article 5 of the "Gesetz über Änderung der Rechtsvorschrift en auf dem Gebiet der Seeschiffahrt" (which came into effect on 23 July 1994) brought Art. 5 in line with Reg. 3577/92	Article 2.2 and 2.3 of the amended "Law on Coastal Shipping" provides that waivers to non-EU vessels may only be granted if no EU vessels are available or if they are available at very unfavourable conditions. - Waivers can also be granted on the basis of reciprocity.	- Requirements for crewmembers are according to the "Schiffsbesetzungsordnung" the same for all German vessels: Master should be German national, 1 or 2 officers German or EU national. Other crew any nationality.	Same, but: - Vessels on ISR list, (operating> half year international) may employ all foreigners. - Vessels>half year in cabotage cannot enter ISR list and may only employ foreigners if nationals are not available.	>50% ownership/control by German or EU nationals with representatives domiciled in Germany or by German or EU companies having their registered office, central administration or principal place of business in the EU. (Art. 1& 2 of: "flaggenrechtsgesetz")	ISR same as 1st register.	- Ships operating <u>solely</u> in cabotage: no tax relief on income and no subsidies. Ships operating internationally may opt between normal taxation or the tonnage tax. - They also benefit from 40% income tax reduction

Country	Basic Principle on Cabotage	Comment	Waiver system	Crew nationality requirements		Vessel ownership requirements		Fiscal regime
				1 st register	2 nd register	1 st register	2 nd register	
Greece	Restricted: Regulated in Code of Public Maritime Law (CPML). Decree Law 187/73 Arts. 165 and 166 reserves Greek passenger and cargo cabotage to Greek vessels. This legislation has been partly adapted to Reg. 3577/92. Act 2932/2001 will completely liberalise Greek cabotage from November, 2002 (14 months earlier).	Presidential Decree 215/94 partly harmonized Greek law in accordance with CR.3577/92. - Allows access of other EU vessels in non-strategic mainland trades with vessels > 650 GT. Presidential Decrees 117/97 and 84/98 further adapted Greek legislation to Reg. 3577/92	Waivers can be granted on condition of reciprocity: - Art. 1696 of CPML	100% of crew of EU/EEA nationals	Not applicable	Article 5 of CPML (amended by Presidential Decree n° 27-1-2000): > 50 % of shares of the vessel must be owned by Greek or EEA nationals or companies. The vessels must be managed from Greece.	Not applicable	Officers pay 9% income tax; other crew members pay 6% income tax. - Reduced rate of social security rate. - Tonnage tax is imposed on Greek tonnages serving ports outside Greece.
Ireland	Not restricted	-	Not applicable	- Officers to be Irish, UK, other EU or Commonwealth citizens. - Ratings: Irish, UK, or other EU citizens	Not applicable	Following the judgment of the Court of Justice of the European Communities of 12 June 1997 in Case C-151/97, Ireland adopted the Merchant Shipping (Miscellaneous provisions) Act. 1998. Vessels must be owned by EU nationals or a body corporate established under and subject to the law of a Member State and having its principal place of business in a Member State.	Not applicable	- 10% Corporate profits tax. - 15% straight line depreciation, for the first 6 years, 10% for the 7th year. - Special reduction in seafarers' income tax for seafarers at sea for at least 196 days per year. - Reimbursement of social charges paid by employees in respect of seafarers on a MS registered vessel.

Country	Basic Principle on Cabotage	Comment	Waiver system	Crew nationality requirements		Vessel ownership requirements		Fiscal regime
				1 st register	2 nd register	1 st register	2 nd register	
Italy	Restricted Regulated in Article 224 of the “Codice della Navigazione” (Shipping Code). As amended by Law 30/98 restricted to Community vessels. -Circular of 25 November 1999 states the host state rules for shipowners that wish to render their services in Italian cabotage.	- Revised art. 224 allows other EU vessels to participate in Italian cabotage in accordance with Reg. 3577/92	The Ministry of Transport/Navigation may grant waivers on case by case basis through special authorization	- Master and chief officer to be Italian - Other crew members Italian or EU citizens Article 318 “Codice della Navigazione”	2 nd Register, instituted through law 30/98, second register vessels have no access to the cabotage trades.	Over 50% vessel shares must belong to Italian/Community nationals or to Italian or EU companies. Art. 143 CDN, as modified by Law 30 of 27 February 1998.	2 nd Register not applicable to vessels operating in cabotage	Tax breaks for the three-year period (1999-2001). Partial exemption from social security charges.
Luxembourg	No maritime cabotage	-	Not applicable	Independent register mainly used by Belgian owners. Captain EU citizen, licence recognized by Luxembourg. Crew according to STCW standards.	Not applicable	Owned >50% by nationals of EU or commercial companies with registered office in the EU, if significant part of management is handled from Luxembourg.	Not applicable	- Reduced rate of seafarers' income tax...
Netherlands	Not restricted	-	Not applicable	Captain Dutch national, other crew according to STCW standards certificates recognized by Dutch authorities.	Not applicable	2/3 vessel must belong to Dutch national or legal entities with EU/EEA nationality. Substantial part of (operational) management must be carried out from the Netherlands. Regulated in Dutch Commercial Code Art. 311.	Not applicable	- Withholding of tax and social security charges normally payable by shipowner/employer - Option to apply tonnage tax or corporate tax on business results

Country	Basic Principle on Cabotage	Comment	Waiver system	Crew nationality requirements		Vessel ownership requirements		Fiscal regime
				1 st register	2 nd register	1 st register	2 nd register	
Portugal	Restricted: Regulated in Decree Law 194/98. Legislative Decree 331/99 of 20 August, enables MAR-registered vessels to have access to Portuguese island cabotage and sets the host state rules.	Legislative Decree 331/99 of 20 August - revoked Decree-Law 31/97. - re-drafted Article 15 of Decree Law 96/89 and Articles 4 and 6 of Decree-Law 194/98 of 10 July.	Art.5 of Decree Law 194/98 allows-subject to authorization of the General Directorate (DGPNTM) – the use of other vessels in case of non-availability of EU vessels	100% Portuguese or EU nationals. Captain/chief mate Portuguese, unless authorization obtained in special conditions	Madeira (MAR) register: Captain + 50% crew Portuguese or EU nationals. With authorization exemptions can be obtained in case of non-availability	Regulated by Decree Law 196/98, which establishes the regulatory and legal context of maritime transport activities: Shipowner with address or head office and main establishment in national territory and to be registered at DGPNTM	Madeira register: - (Branch) office or legal representation in Madeira island	-Income tax on 30% of shipowner's profit. -No corporate tax in international waters - Tax free reserves -Full deduction on workers' income tax (MAR).
Spain	Restricted – Regulated in Law 27/1992 on State Ports and Merchant Marine. REC vessels have unrestricted access to cabotage. Order of Transport Minister of 22 July 1999 establishes the Host State Rules for ships in Spanish Island Cabotage	RD 2221/98, of 416 October 1998, allowed REC ships to participate in all Spanish cabotage trades (incl. Island cabotage)-	- Art.81 of Law 27/1992 regulates the possibility for waivers exceptionally, in case of non-availability of Spanish (EU) ships	- Captain & 1st officer Spanish nationals, - Other crew EU nationals.	Canary Island Register (REC): - Captain & 1st officer Spanish nationals, -Other crew minimum 50% EU nationals, possible waiver for additional non-EU crew if EU nationals not available. - Up to 1.1.99, if involved in non-liberalised trades all crew to be EU. - Nationals	Any Spanish or EU national or company with representative appointed in Spain. (Article 76 Law 27/92)	Any shipping company, established either in Spain, EU or in a third country may register a ship under the REC if the vessel is managed from the Canaries or if it has a permanent establishment in the Canary Islands.	Law 19/1994, modified last in December 1996, allows fiscal allowances for REC registered vessels. -90% reduction in employer Social Security contribution, -90% reduction of Corporate Tax. -exemption of income tax with respect to 50% of seafarers' income.

Country	Basic Principle on Cabotage	Comment	Waiver system	Crew nationality requirements		Vessel ownership requirements		Fiscal regime
				1 st register	2 nd register	1 st register	2 nd register	
Sweden	Restricted Decree of 1 July 1995 amended. 235/75. giving access to EU vessels	Trades have been liberalised to EU vessels in accordance with Regulation 3577/92 since 1.1.95 (accession). Bilateral agreement with Norway (1989) applies to NIS	- Exemptions are granted by the Swedish Maritime Administration in cases where no suitable Swedish/EU vessel is available Approximately 20 exemptions awarded each year	- Captain must be Swedish (no exceptions). No other restrictions. - All crew retained on collective wage agreements regardless of nationality	Not applicable	- Governed by Maritime Act (1994:1009). >50% to be owned by Swedish citizen/corporations. - Government reserves the right to permit foreign vessels to fly the Swedish flag whose operation is under Swedish control and shows owner has his permanent residence in Sweden. Vessel >50% owned by EEA nationals or companies having their registered office, central administration or principal place of business in the EEA and whose operation is controlled from Sweden may be registered in the Swedish register	Not applicable	- Tax – free reserved. -Shipowners receive full rebate of tax paid on seafarers' income plus an additional relief of SEK 58,000 per full time employee for social cost contributions -Special tax regime for seafarers abolished in 1998. Seafarers now pay full income tax on gross earnings.
United Kingdom	Not restricted	-	Not applicable	- For “strategic” ship-types: master to be British, Commonwealth, EEA or NATO nationality. - Other ships no nationality requirements	Not applicable	Vessel >50% owned by citizen or bodies incorporated in the EU or UK Dependent Territories	Not applicable	- Roll-over relief -Exemptions for UK seafarers not resident in the UK for more than 183 days per year. -Optional tonnage tax, which replaces corporate tax.

Country ¹²	Basic Principle on Cabotage	Comment	Waiver system	Crew nationality requirements		Vessel ownership requirements		Fiscal regime
				1 st register	2 nd register	1 st register	2 nd register	
Iceland	Not restricted: Open coastline	- Practically unlimited scope for foreign merchant ships to trade between Icelandic ports. - As from 5.10.97 CR 3577/92 applies (Joint Committee Decision No 70/97)	Not applicable	- Since EEA, all EEA citizens are eligible crew. - Under Act 26/1987 Employment Rights of Foreigners, all non-EEA crew members must obtain a work permit from the Ministry of Social Affairs for entering employment on board	Not applicable	- Governed by Registration of ships Act 115/1985, previously limited registration to Icelandic nationals/residents. - Amending Act 62/1992 gives right of registration to citizens/corporations of EEA countries	Not applicable	- Seafarers obtain following tax privileges: - Income tax deduction ISK 685 (US 10.4) x 1.49 for each sea day. - Shipowners do not receive any rebates/refunds for social cost contributions
Norway ¹³	Not restricted: - Open coastline - NIS vessels are in principle excluded, but permission is given for cargo vessels if certain requirements are fulfilled	Under the scope of the Public Transportation Act 1976, all operators deploying vessels on scheduled coastal passenger services are required to obtain a licence from the MOTC. As from 5.10.97 CR 3577/92 applies to all EEA members (Joint Committee Decision No 70/97)	- NIS vessels can enter some cabotage cargo trades. Such vessels are entered on a list of the Maritime Directorate. The current list includes 16 mostly highly specialised gas tankers	- None, except master must be Norwegian. This requirement is in the process of being changed - All crew retained on collective wage agreements.	NIS register: - General requirement for Norwegian master. However exemptions for other nationalities are readily available.	- Norwegian ordinary Register (NOR) governed by Maritime Transportation Act. - Open only to EEA citizens/residents or unlimited partnership where at least 60% of ownership is by EEA citizens or the owner is a limited company where at least 60% of the capital and operating powers are in EEA hands.	NIS register put into operation by the Norwegian International Ship Register Act of 12.6 1987. - Ownership requirements as for NOR. If nationality conditions are not met, registration also open to limited company or partnership with head-office in Norway, or ship-owning partnership with Norway-based managing owner, or owner with appointed representative authorised to accept writs on behalf of the owner	- All crew members serving on NOR/NIS vessels are entitled to special tax deduction limited to 30% of their gross income, but not > Nkr 70,000 per year. Limited to seafarers working for a minimum sailing period. - Tax rebate system revised spring 1998. - Provides refunds to ship owners of 12% tax paid on seafarers' gross wages. Rebates only available for crew members resident/liable for taxation in Norway. Restricted to NOR vessels fulfil necessary residency/liability requirements -Tonnage tax system. Introduced in July '96

¹² EEA Joint Committee decision No 70/97, of 4 October 1997 (OJ L30, 5.2.98) amended Annex III (Transport) to the EEA agreement in order to provide that Regulation 3577/92 applies to all.

¹³ The Norwegian Maritime Directorate has proposed a formal amendment in "Regulation of 29 April 1998 n° 398 concerning Qualifications, Requirements, Issue of Certificates, Rights for Personnel on Norwegian Ships". This amendment will formally confirm existing practice, which provides for equal treatment of all EEA nationals, also for the position as master on Norwegian registered vessels.

ANNEX 4 Types of freight transported in the Member States

Classification by type of freight (millions of tons)									
Freight	Dry bulk			Liquid bulk			General cargo		
Year	1995	1997	1999	1995	1997	1999	1995	1997	1999
Austria	-	-	-	-	-	-	-	-	-
Belgium	-	-	-	0.05	0.05	0.5	-	-	-
Denmark	5.9	5.7	4.7	3.8	3.9	2.3	9.5	9.7	5.8
Finland	1.3	1.3	2.5	4.5	5.7	4.0	0.1	0.1	0.1
Germany	0.8	1.25	2.25	2.85	2.45	2.7	0.25	0.3	0.4
Ireland	0.05	0.05	0.03	0.65	0.7	0.81	-	-	0.01
Luxembourg	-	-	-	-	-	-	-	-	-
Netherlands	0.04	0.04	0.04	-	-	-	-	-	-
Sweden	5.6	5.15	3.1	7.7	7.45	7.4	0.3	0.35	2.7
United Kingdom	7.7	4.7	1.3	62.5	67.7	63.8	7.3	8.8	18.2
Total northern	21.39	18.9	13.92	82.05	87.95	81.06	17.45	19.25	27.21
France	1.8	1.9	1.5	5.3	5.1	6.3	0.8	0.8	0.8
Greece	10.1	9.25	9.8	9.0	7.9	8.5	2.8	3.9	4.2
Italy	18.7	19.2	19.8	27.5	31.4	30.8	14.1	17.4	15.6
Portugal	0.3	0.3	1.0	4.7	4.0	4.3	1.0	1.2	1.4
Spain	4.9	4.7	6.8	21.9	19.9	13.8	11.4	12.5	14.2
Total southern	35.8	35.35	38.9	68.4	68.3	63.7	30.1	35.8	36.2
Total	57.19	53.54	52.82	150.45	156.25	144.76	47.55	55.05	63.41

Source :PWC

ANNEX 5 Volumes transported in 1999 by type of freight distinguishing between mainland and island cabotage (in millions of tonnes)

Country	Dry bulk		Liquid bulk		General cargo		Total
	Island	Mainland	Island	Mainland	Island	Mainland	
France	0.2	1.3	0.2	6.1	0.8	0	8.6
Greece	5	4.8	2.1	6.4	3.8	0.4	22.5
Italy ¹⁴	14.1	5.7	26.8	4.0	11.1	4.5	66.2
Portugal	0.7	0.3	0.5	3.8	1.4	0	6.7
Spain	2.48	4.32	6.15	7.68	13.97	0.25	34.85
Total	22.48	16.42	35.75	27.98	31.07	5.15	138.85

¹⁴ In the case of dry bulk and general cargo, these are estimates calculated on the basis of a total figure comprising both types of freight (25.2 million tonnes for island cabotage and 10.2 million tonnes for mainland cabotage).

ANNEX 6 Comparison of manning costs for cargo vessels

Manning costs for cargo vessels (euros/month)			
	General cargo 1500GT	Solid bulk 3000 GT	Liquid bulk 9000 GT
Finland	72 140	72 140	103 378
Iceland	66 912	66 912	84 111
NOR	64 821	64 821	122 299
Sweden	62 730	62 730	78 530
Denmark	58 548	58 548	112 169
France	54 366	54 366	69 157
Belgium	52 275	52 275	63 985
Holland	51 230	51 230	78 216
Kerguelen	50 184	50 184	59 288
United Kingdom	48 093	48 093	58 809
Germany	41 820	41 820	57 027
Portugal	41 820	48 100	69 300
NIS	40 775	40 775	77 964
DIS	40 775	40 775	76 184
ISR	39 729	39 729	63 414
Spain	37 638	55 093	57 821
Ireland	35 547	35 547	44 111
Italy	30 738	30 738	48 741
Greece	30 612	30 612	48 753
REC	26 300	40 580	53 100
MAR	23 675	27 500	39 750

Source PWC

ANNEX 7 Comparison of manning costs for passenger vessels

Manning costs for passenger vessels (euros/month)			
	Jet foil 1500GT	Ferry 5000 GT	Cruise 20.000 GT
Finland	80 627	160 311	631 754
Iceland	75 178	152 782	535 507
NOR	73 210	151 969	809 891
Sweden	71 217	150 901	540 112
Denmark	66 814	144 418	800 139
France	62 361	137 425	510 993
Belgium	60 270	135 334	489 130
Holland	59 367	135 760	617 906
United Kingdom	56 297	133 324	494 649
Germany	49 200	118 490	494 234
Portugal	49 446	139 223	618 310
NIS	48 450	120 513	715 536
DIS	48 690	123 005	718 669
ISR	47 675	122 277	614 411
Spain	45 387	172 931	574 998
Ireland	43 075	113 750	449 932
Italy	37 428	100 240	509 614
Greece	37 455	101 700	522 199
REC	32 334	137 296	582 330
MAR	29 246	94 722	446 083

Source : PWC