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Awakening from the EU flag dream

Inflexible regulatory regimes could destroy the current demand for a European Union flag, writes maritime lawyer **Matthew Attard**

Despite strong opposition to a single European flag from Malta, Greece, and Cyprus, increasing amounts of tonnage under the European Union and ship registrations under a national EU member state flag prove

the relevance of an EU flag.

The advantages are evident. European regulatory control, together with member state participation, has meant that European ships have contributed to cleaner and safer seas and protection of seafarers. Additionally, ancillary maritime-related services offer a healthy source of income to a significant number of service suppliers across the EU.

Clearly, the EU has a responsibility to safeguard and protect this industry to the best of its ability and develop it in a sustainable manner. But such objectives must be accomplished while keeping clearly in view the fierce competition posed by other non-EU states.

The EU must adopt a more sensitive approach in its implementation and

enforcement of laws, ensuring no excessive or undue burden on the industry – especially in the currently fragile economic environment.

This does not imply that the EU should compromise on standards or turn a blind eye to any member state merely because it is attracting tonnage. It has a moral obligation to continue setting an example to the industry – but to do so responsibly and, above all, reasonably.

There is a need for a flexible approach by regulators, which is most keenly felt when it comes to the various financial incentives that member states can offer.

Some non-EU states have seen their registers explode simply because they were capable of exploiting this tool – providing

incentives while offering customers a bespoke service. And they offer this together with a reputable flag.

Europeans need to realise that their reputational edge is not the strong selling point it once was – other jurisdictions have succeeded in cleaning up their act.

The main threat to the EU flag is the EU itself, which is failing to adequately safeguard the maritime industry. Attacking certain EU flag states within the EU for being too liberal with the manner in which they grant state aid is not the right approach.

Even if changes are needed in this area, the EU should do so strategically, keeping in mind the importance of shipping to world trade, the technically specialised nature of the industry, and the vulnerability of Europe's flag states if state aid incentives are removed.

Having strong European presence is a current reality, but it cannot be taken for granted. We need to cherish this presence but also protect and work hard to preserve it. ¹



Matthew Attard: The EU should protect shipping and have a more strategic approach to regulating