

Jens Olsen,

President of ISSA – The International Ship Suppliers & Services
Association

Requirements for the future modern EU Customs Policy – a viewpoint of a Ship Supplier

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

**Presentation of the new OCEAN Webpage + Logo and Lunchtime
Debate “Modernized challenges for economic operators in European
Customs Policy?!?”**

Brussels, The European Parliament, 5 November 2009

Dear Mr. Watson, MEP
Dear Director Zielinski,
Dear Colleagues & Friends,
Dear Ladies and Gentlemen

My Name is Jens Olsen, I am the President of the International Ship Suppliers & Services Association. I am representing nearly 2,000 ship suppliers throughout the world with 43 national associations and many associate members.

Ship supply is at least 5,000 years old! We have a drawing of a Phoenician ship being supplied although we admit ISSA has not been around that long. We enjoy Non-Governmental Organisation (NGO) status with both the International Maritime Organisation (IMO) and UNCTAD and take part in the SAFE Working Group of the World Customs Organisation as an observer. You see, together with OCEAN, we can truly represent the interest of international Ship Supply companies around the world.

Obviously, Europe is a major driver in international customs development. Your progress in the customs modernization is remarkable. This is why we turn to you (the EU) if we want to progress internationally. That's what my contribution today at this lunchtime debate is all about: I will make some general statements about how we in ISSA would like to see the European Union progress under the Modernised Customs Code. At the same time, the key questions I raise here could also be asked to any customs authority around the world.

To put it bluntly, I would like to have ONE CLEAR and SIMPLE customs & taxation procedure for ship supply. One regime for all countries within the European Union, no more 27 different regimes as is currently practised. Sure we need flexibility for local arrangements given specific local conditions, but the overall common framework, specifically for Ship Supply should be there. I need clear rules to ensure that competition is not distorted and that all ship suppliers have an even playing field. A clear, single and simple customs and taxation regime for our Ship Supply industry is essential, but does not exist, not in Europe, not across the globe.

Let me make it very clear: Since Ship Suppliers deal with bringing goods to and from the vessel the whole range of customs procedures – meaning export, transit AND IMPORT apply. In addition taxation and veterinary rules affects Ship Supply to a large extent.

You heard about our special trade from Mr. Ericson and you will understand that we need to focus our efforts on more trade facilitation. Moreover, it is necessary to have flexibility in application of the regulations to suit the circumstances under which the ship is being supplied.

As regards the Modernised Customs Code of the EU, it is fundamental to understand that the key difference between goods delivered for the purpose of ship supply and traditional cargo in containers is that ship stores are being used and consumed exclusively on board of the vessel during its voyage. Traditional cargo means that goods are only transported by means of the vessel from one point inside the EU to one point outside the EU. In our case, the vessel is the final destination, not the means of transport. Ship Supply goods are neither destined for import into another country nor will they be able to leave the vessel (unless they are officially imported following EU rules). ISSA and OCEAN therefore believe that goods designated as ship supply should be considered to have left the EU once they have been loaded onboard of a vessel which is bound for another country. The vessel should therefore consider being equivalent to a "third country".

Speaking as a European Shippers' Association and Board member of OCEAN, I can say that in order to obtain a workable, single policy regime for European Ship Supply, OCEAN is calling for a recognition in EU law that:

- Goods designated as ship supply have left the EU once they have been loaded onboard of a vessel which is bound for another country.
- The vessel is considered to be similar to a "third country" regardless its origin or destination.
- Ship Supply is considered to be similar to export.

I believe that the Modernised Customs Code and its implementing provisions allow us to advance on this interpretation and the time is ripe to define Ship Supply at European level as an export operation. This is done in several EU Member States already (e.g. like Portugal) and I have yet to hear any opposition from any EU Member State against such a move. We have requested the opinion of the WCO and its members on that matter to obtain an international definition on what customs procedure applies to ship supply. Given that we present pre-departure declarations to customs authorities and use the Export Control System, how can you oblige us to use these systems but refuse to recognise at European level that ship supply is export?

Mr. Zielinski, I count on your cooperation to ensure that we really modernise the "Modernized Customs Code" – for Europe and for the entire world of Ship Supply. Define ship supply as export in Europe – for Europe.

Thank you very much