



**THE EUROPEAN
DREDGING ASSOCIATION**

European Dredgers' Challenges Inside and Outside Europe

EuDA Annual Conference, 21 11 2023
Paris Sansoglou EuDA Secretary General

About EuDA

EuDA represents the interests of European dredging companies and acts as the official interface of the European dredging industry towards European institutions and international organisations.



1993

is the year EuDA was founded



16 European dredging organisations

are represented by EuDA



World leaders

top 4 world dredging companies are members of EuDA



21 European countries

have EuDA members presence



750 vessels

combined fleet of EuDA's members



10.6 billion EUR

is the 2022 turnover of EuDA members



25000 direct employees

EuDA members employ 25000 people in Europe



>48300 indirect employees

supply and service companies of EuDA members employ more than 50000 people in Europe



Objectives

Demonstrate that:

- Dredging is a problem-solving and solution-oriented sector;
- Europe faces serious threats from non-EU State-owned Enterprises.
- EU has a Vital Role to play

Provide food for thought for
EU's Open Strategic Autonomy.



1.

European Dredging



A problem-solving and solution-oriented sector

Dredging is
civil engineering where land meets water
horizontally or vertically.

Paris Sansoglou

Dredging is a problem-solving and solution-oriented sector !

Enablers of Waterborne Transport & Maritime Activities

Port access & expansion

Access channel deepening

Reclaim land on the sea

*Energy, Safety &
Multipurpose Islands*



Blue Economy

Offshore Oil & Gas

*Aggregate Mining
Deep-sea mining*

Leisure infrastructures

Maintenance dredging

Navigational Depth

Dredging facilitates and protects coastal/riparian activities worldwide

Environment & Climate Change - Enablers & Protectors

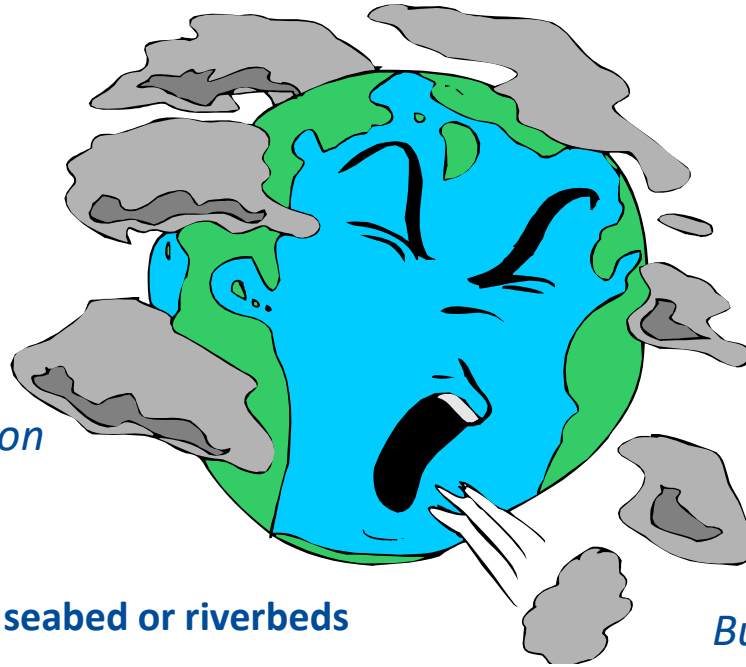
Adaptation

Climate Change Adaptation defences against sea level rise

Coastal, storm and flood protection

Remediation

Contaminated sediments on seabed or riverbeds
Environmental dredging



Mitigation

Offshore Wind Farms

*Marine Habitats Restoration
Blue Carbon*

Nature-based Solutions

Building with Nature

European Dredgers' Business Model: Dredging Plus

high-tech, high added value, high-wage



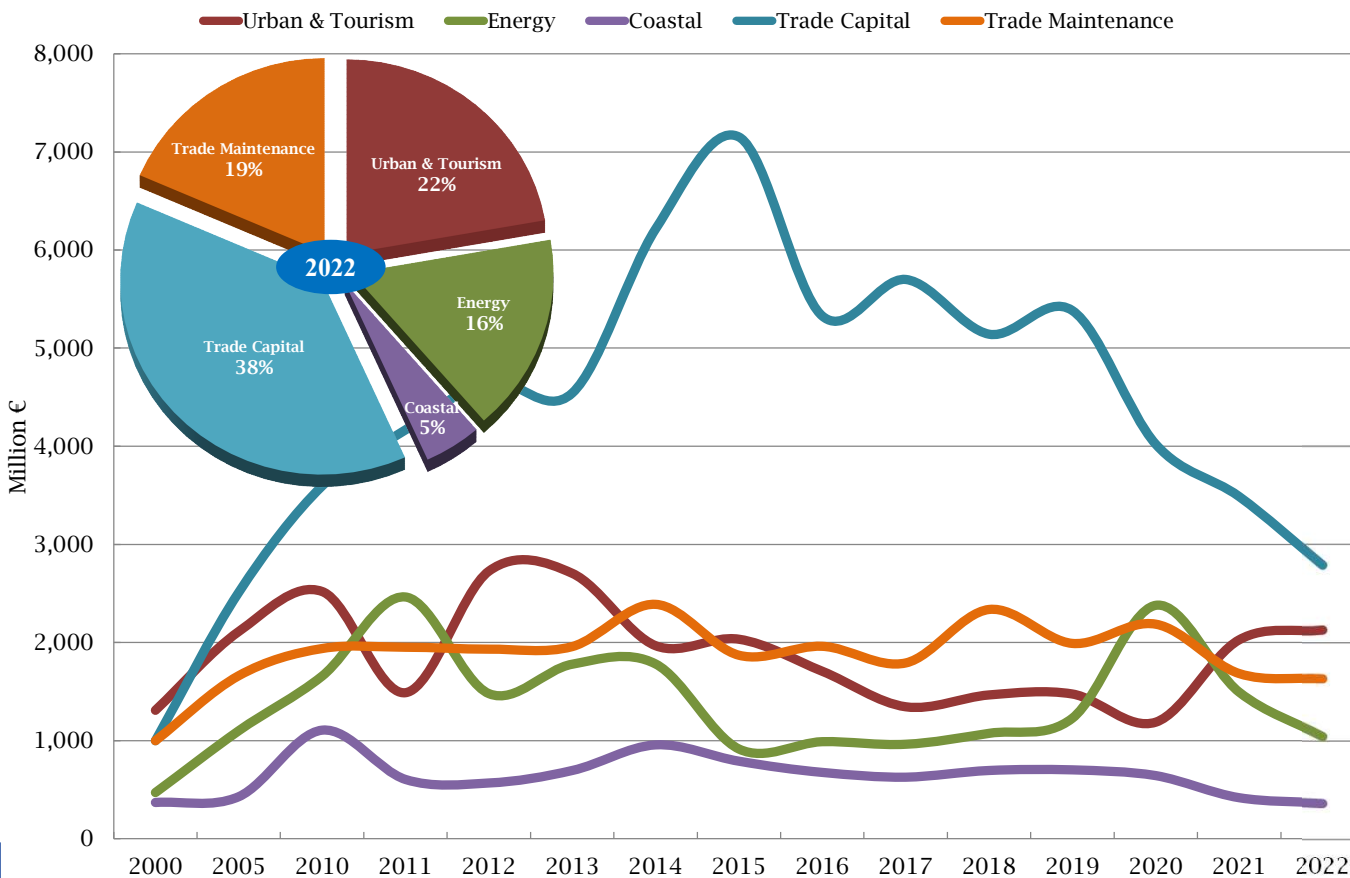
Dredging Plus:

develop dredgers' technology & processes
and integrate knowledge from other sciences !

- high added value and capital intensive
- innovative & creating new job opportunities
- acyclical and diversified
(geography & activities)



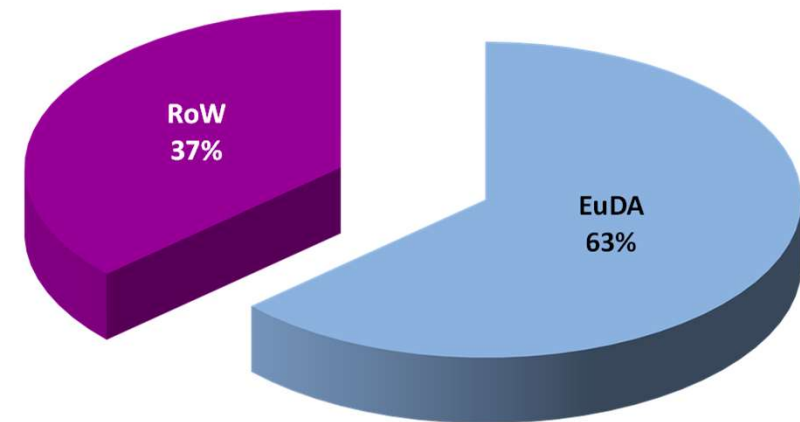
European Dredgers' Business Model: Dredging Plus



Annual turn-over dredging industry compared with other industries (in billion €, 2022)

Royal Dutch Shell	360
Toyota Motor	260
A.P. Møller-Mærsk Group	77
ArcelorMittal	75
World Dredging Industry	17

2022 European Dredging Market shares





2.

The competition issues

Unfair Trade Practices are threatening European Industries

Competition is a process of rivalry on price, quality, skills,... between suppliers seeking to win business

UK Office of Fair Trading

*“The domestic market is
the basis on which
export markets are built”*



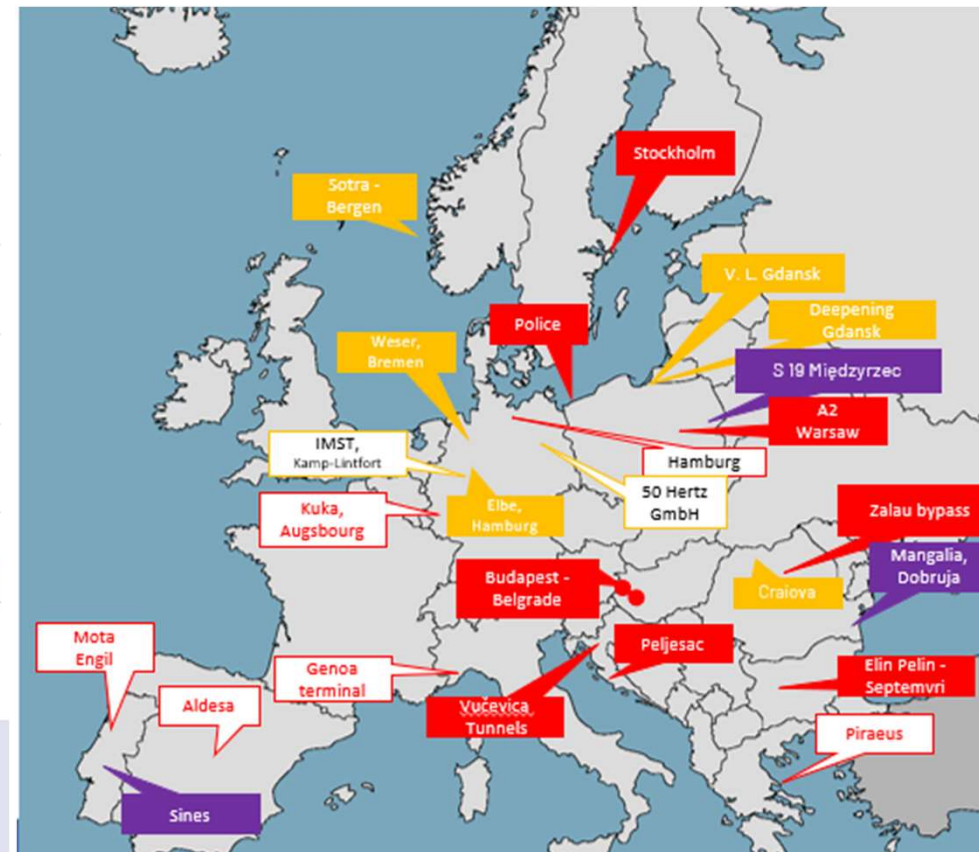
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The Case of China Activity in Europe

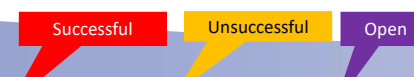
Chinese SoEs tendering in Europe



■ **Successful:** The contract has been awarded to and signed with the 3rd country SOE.
■ **Unsuccessful:** The contract has not been awarded to the 3rd country SOE.
■ **Open:** The result of the procurement procedure is still open because of an ongoing review procedure.



Chinese SoEs Bids



Chinese SoEs Acquisitions



EuDA, FIEC, EIC and UNIFE joint website: <https://soes-in-europe.eu/map.php>

The Elbe Case (2021)

Maintenance Dredging works on the river Elbe
(May – April 2021)

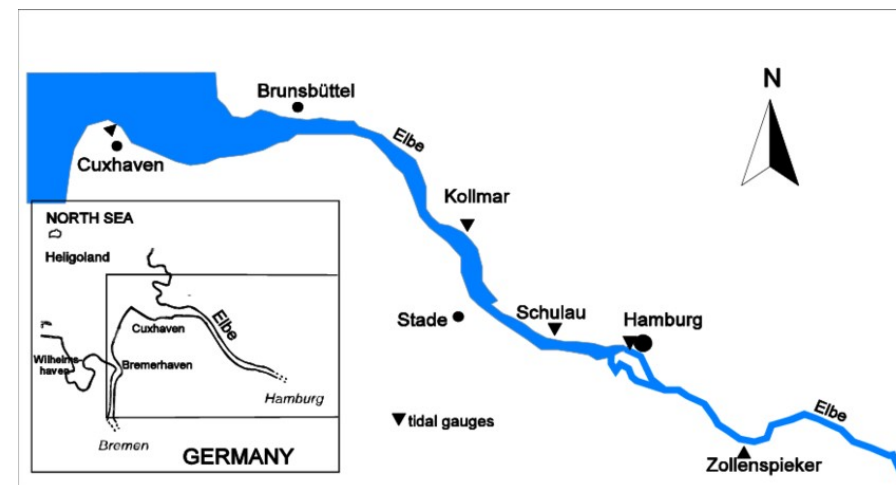
Bids:

- | | |
|------------------------------|---------------------|
| • CCCC-CHEC-CDC | 31.93 M€ (- 31.88%) |
| • DEME-VO (awarded) | 46,87 M€ (- 6.26%) |
| • JDN | 50,00 M€ |
| • BoKa | 50,04 M€ |

In 2021, no European instruments to prevent unfair competition.


Today, not a case for FSR:

- below **threshold** (~50M€ << 250M€)
- **no distortion** (CCCC disqualified)



In 2020, CCCC participated in Weser tender and was 4th in price (+6% of 1st).

Europe should also target threats.



*“Unfair trade practices
are like coastal erosion:
if left untackled, they can
wear out even the most
resilient companies”*



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China's trade practices

China's growth on export markets can be explained by:

- **a protected domestic market** (*de facto* no access)
- **finance-captured export markets** (*tied financing*)
- **exposed-captured export markets** (*dominance*)
- **foreign-financed export markets** (*subsidies*)
- **acquisition of strategic assets and companies** (*subsidies*)



China's trade strategy

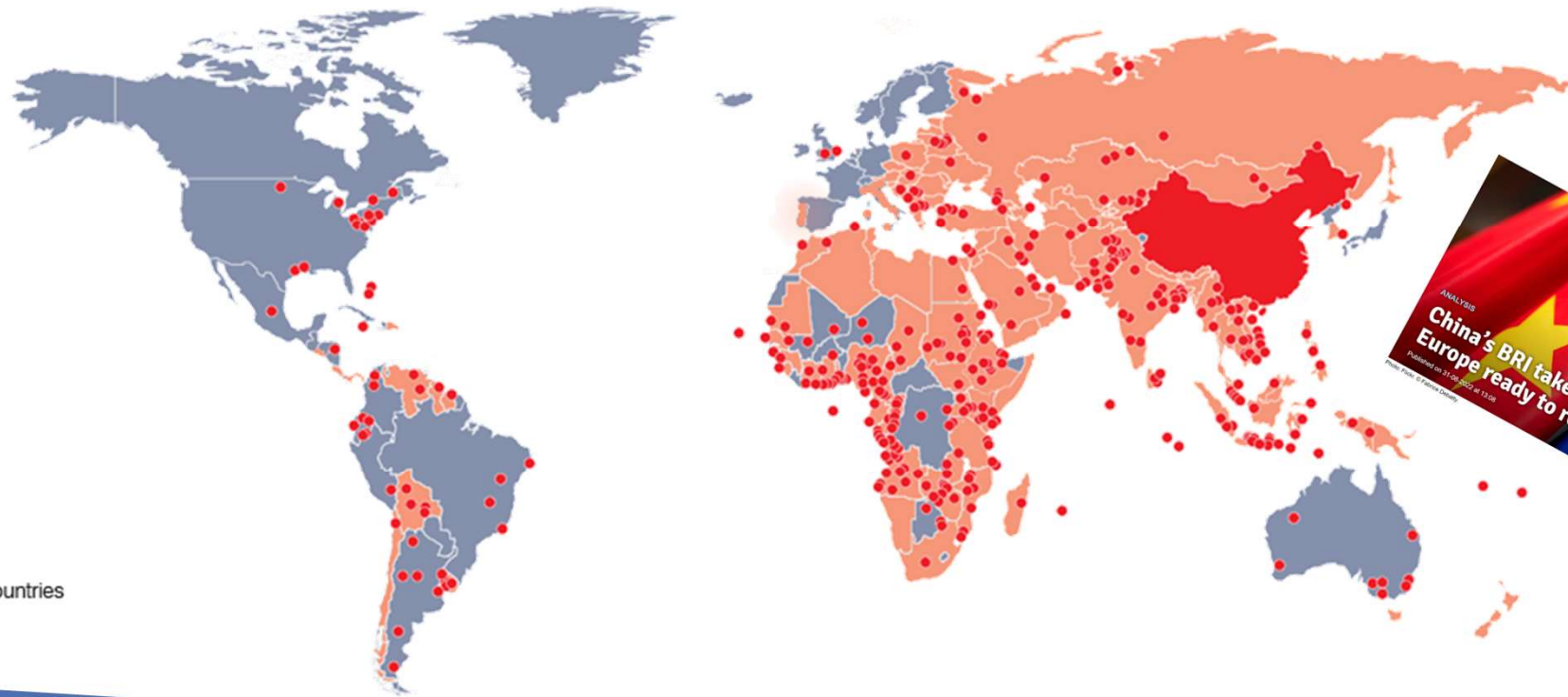
1. **Overcapacity** in China's protected domestic market leads to exports of capacity and surges of supply on the global contractor markets
2. **Asymmetric Trade Relationships**
3. **State-owned Enterprises (SoEs)** (State-controlled entities not compliant with ESG, OECD)
4. **Belt and Road Initiative:** long-term political framework to control key export & resources markets
5. **Additional concerns** (Security, dual use)



Source: visualcapitalist.com

China's Belt & Road Initiative (BRI)

China's strategy for long-term control over key export and resources markets



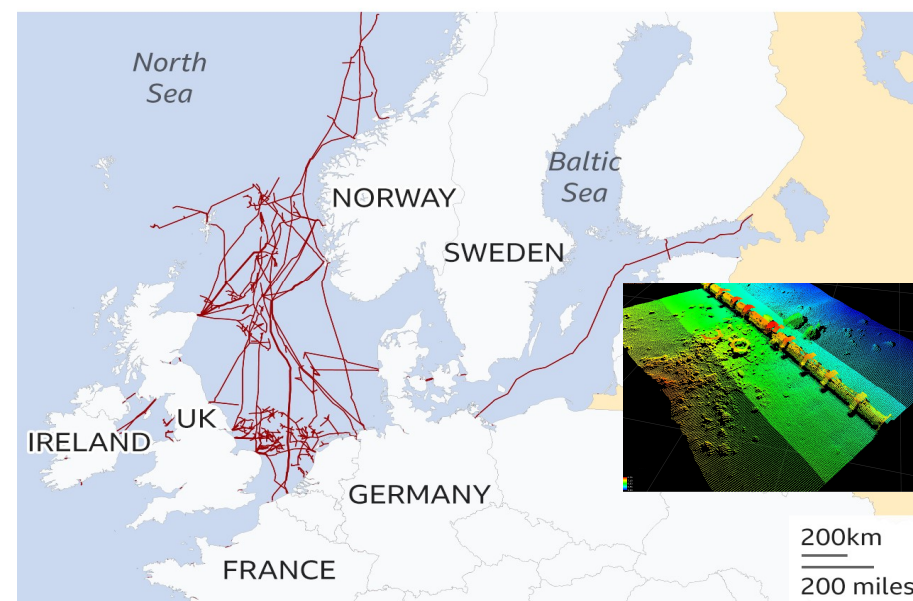
Projects financed
by China's BRI
(NYT, 2018)

- Projects
- Belt and Road countries

Additional Security concerns

- dredgers are dual-use equipment (civil & military) under Chinese law
- some projects may lead to accessing classified information
- prolonged presence of dredging and survey vessels during dredging projects
- high tech equipment used for sea-bottom scanning
- any employee of Chinese SoEs gathers intelligence if requested

Undersea gas pipelines in northern Europe



Should knowledge of and access to strategic infrastructure be granted to systemic rivals?



3.

The way forward



**Europe needs
to act now**

Europe should step away from naivety and
look after its own businesses.

Franck Riester, French Trade Minister
2022 French Presidency of the Council

Europe's Open Strategic Autonomy

Despite the complexity and variety of the unfair practices, Europe should remain **open** and

- connect to like-minded partners implementing Level Playing Field
- secure its critical entities
- further diversify its export and supply markets

However, Europe should further develop its **Strategic Trade Toolbox**:

- International Procurement Instrument (IPI)
- Regulation on Foreign Subsidies (FSR)
- Foreign Direct Investment Screening Regulation (FDI)
- Anti-Coercion Instrument (ACI)
- Global Gateway

Current and future gaps to be monitored and filled (e.g. gaps remain for dredging and construction).

Thank you!

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