



**Effects of state aid to the shipping sector 2015**    **Summary**  
**Report 2016:17**



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# Summary

In 1996 the Riksdag (Swedish parliament) decided to introduce a state financial support scheme for maritime transport. Since 2001 this support has been available for disbursement to physical and legal persons and shipping partnerships that employ or have employed sailors for work onboard Swedish-registered vessels, under certain conditions. This support corresponds to the sailor's tax on seafaring income plus the costs of employer contributions and general payroll fees. With respect to sailors employed for work onboard vessels that provide regular passenger transport between EU ports, the maritime support is disbursed only for citizens of the EU and the European Economic Area. Maritime support can also be disbursed to sailors employed on cargo or passenger vessels used for domestic transport if the transport is procured by the state.

The report follows up on 34 companies that received maritime support in 2015. The turnover of the 34 companies rose by an average of SEK 1.8 billion compared with 2014, with the support accounting for an average of 3.4% of total turnover, a share unchanged from the year before. Average profitability measured as return on equity rose somewhat at an aggregate level.

In recent years, the Swedish maritime financial support has averaged SEK 1.7 billion per year. The follow-up indicates that this support continues to support the profitability of shipping lines. One condition for receiving this support is that the vessel be registered solely in Sweden. The number of Swedish onboard employees has decreased in parallel with the decline in the number of Swedish-registered vessels. The total financial support provided to Swedish shipping lines in 2015 increased by SEK 11 million to SEK 1.43 billion kronor, with more companies receiving maritime financial support in 2015 than in the year before.

The importance of Swedish maritime financial support for the shipping companies' profitability remains roughly the same as before. At the same time, the segments covered in the study differ markedly. The various segments were affected by the financial crisis at slightly different times, depending on the markets in which they operated and the competitive conditions they faced. The segments Major Shipping Lines, Tankers, and Dry Cargo were affected more immediately by the downturn, while Ferry Lines and Management Companies experienced a downturn somewhat later. The various shipping line segments differ in profitability and capital structure, and there are major differences between the individual companies within the segments as well.

The Major Shipping Line segment comprises a small number of large and diversified companies for which the maritime support scheme can be assumed to be of relatively minor importance. The key figures indicate this, with the maritime support accounting for an average of only 1.5% of Major Shipping Line turnover. The maritime support is most important to Management Companies (comparable to staffing companies), for which the support is decisive, accounting for 58% of turnover in 2015. In no segment did all companies post positive profit margins when the maritime support was excluded.

In the maritime transport industry, the shipping lines receiving maritime support posted relatively favourable operating margins and return on total capital. On the other hand, the

shipping lines receiving maritime support had lower solvency than the average for the maritime transport industry as a whole.

The conclusion this year is once again that, without maritime financial support, the shipping lines could not conduct their business operations as they do at present. The Swedish shipping companies would have to adapt their operations in various ways, likely by registering their vessels in other countries.





Transport Analysis is a Swedish agency for transport policy analysis. We analyse and evaluate proposed and implemented measures within the sphere of transport policy. We are also responsible for official statistics in the transport and communication sectors. Transport Analysis was established in April 2010 with its head office in Stockholm and a branch office in Östersund.