

Swedish maritime financial support 2017 **Summary**
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Summary

In 1996 Riksdagen (The 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 the 34 companies that received maritime support in 2017. The turnover of the 35 companies rose slightly compared with 2015, but average profitability measured as return on equity fell somewhat at an aggregate level. 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 2016 increased slightly to SEK 1.5 billion SEK.

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 various shipping line segments differ in profitability and capital structure, and there are major differences between the individual companies within the segments as well.

Compared to the rest of the maritime transport industry, the shipping lines receiving maritime support posted relatively favorable operating margins.

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 Diversified 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, which the key figures indicate. The maritime support is most important to Management Companies (comparable to staffing companies), for which the support is decisive, accounting for 62 percent of turnover in 2016.



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.