



Affiliated and Correspondent Members Meeting

Roundtable with the participation of all Member Delegations

Joseph Borg

Wednesday 28 March 2023

I would like to thank you for this important platform provided today through the Affiliated and Correspondent Members meeting.

I would like to take the opportunity first to thank former President of Eurochambres Luc Frieden, and welcome Vladimir Dlouhy, the new President of Eurochambres. We are living through challenging times and these associations such as ours help us to share our common thoughts and concerns. We have come through a pandemic which has left businesses struggling, and are now facing the challenges being brought about by the ravages of war.

As President of INSULEUR I can vouch on the significant negative impact businesses on islands have faced. Businesses on islands are completely dependent on aviation and maritime transport for all their needs. Apart from the structural difficulties they already face, they have had to come to terms with increasing energy prices, considering that the costs of generating energy on islands is greater, compounded by the disruption of supply chains which have led to a substantial increase in transportation costs to islands.

Within this scenario we are also contending with the proposal put forward by the European Commission through its Fit for 55 package to remove the exemption on aviation and maritime fuel. I have already had the opportunity to voice our concern during the last Affiliated and Correspondent Members Meeting. During the past months as INSULEUR we have presented a brief policy paper on the subject, highlighting the significant impact such a proposal will have. Islands do not have alternative means of transport, and removing such an exemption will mean that

already struggling businesses on islands will face a tougher situation as we all try to emerge from the present situation which is very difficult. I was happy to note that this position was also included in the position paper presented by Eurochambres.

I was able to voice this concern during the General Assembly of the Conference of Peripheral Maritime Regions where I was invited to intervene about the issue.

But what is INSULEUR proposing?

- INSULEUR is calling for further incentives for air and maritime carriers to shift towards more sustainable technologies and fuels, to ensure that the shift can take place in line with the technological developments and the adequate supply of sustainable fuels.
- Given the importance of the aviation and maritime sectors it must also be ensured that important EU funds related to research and innovation (such as in the case of Horizon 2020 funds) are dedicated to these sectors.

Pushing ahead with the reforms being proposed in the revision of the Energy Tax Directive as regards aviation and maritime fuel will fuel further regional disparities between islands and the mainland, without addressing the structural actions required in the airline and maritime industries.

All this however does not in any way remove our global perspective on what is happening around us, principally the war in Ukraine. We hope that a solution is found to this conflict. Peace has been an important contributing factor for the prosperity we have experienced in these past decades. Our thoughts are with all those who are suffering because of the impact of this war.