THE DANISH INTERNATIONAL SHIP REGISTER (DIS)

IN BRIEF
The Danish International Ship Register (DIS) has strengthened Danish shipowners’ competitiveness by providing tax relief for seafarers and allowing shipowners to employ third-country seafarers on local and thus internationally competitive wage conditions.

Framework conditions such as the DIS are vital for Danish shipping’s continued growth, and, with it, its increasingly important role in the Danish economy.

THE DANISH SHIPOWNERS’ ASSOCIATION BELIEVES

- The DIS arrangement has been a great success and has played a crucial role in ensuring not only the unprecedented size of the Danish merchant fleet but also its continued growth.
- DIS ensures good competitive terms for Danish shipowners, a prerequisite for maintaining and attracting ships under Danish flag, since competing shipowners operate globally on similar terms.
- The DIS helps to keep Danish jobs for people with maritime skills in Denmark.
- The tax revenues ‘lost’ from ship personnel should be viewed in the light of the tax income gained from the high level of activity that the DIS generates in the Danish maritime cluster as a whole.

BACKGROUND
The DIS arrangement was passed by the Danish parliament in 1988 as a response to the growing challenge of reflagging of ships in the Danish merchant fleet.

The government at the time emphasised that maintaining the largest possible part of the merchant fleet under Danish colours was clearly in the Danish interest, as it would safeguard jobs and foreign exchange earnings. Reflagging was not restricted to Denmark, but rather part of a distinct trend in many Western European countries.

These challenges have by no means diminished. On the contrary, the international economic crisis has intensified them.

Historically, the DIS has helped reinforce Danish shipowners’ competitiveness internationally. This remains the case, but tax relief alone is inadequate to keep wages for Danish and Western European seafarers at an internationally competitive level.

Moreover, Danish seafarers typically do not sail throughout their career, but rather tend to seek employment on land and hold important positions with shipping companies, consultancies, equipment suppliers, public authorities, etc.

Denmark needs the DIS to retain its maritime competencies, and thus prevent industries other than shipping from experiencing the adverse impact of losing these competencies.

FACTS AND FIGURES

- The DIS was established in 1988, and the Danish merchant fleet – calculated by cargo carrying capacity (DWT) – has consequently more than doubled over the intervening years.
- The DIS is based on an international standard and is recognised by the European Commission.
- The DIS means that net wages are paid to the seafarer without tax being deducted. This makes Danish seafarers in particular less cost-intensive for shipowners and thus also more competitive.
- The DIS is a quality register and has been ranked among the best in a variety of international studies. The most recent example comes from Port State Control Paris MOU of July 2010, in which The DIS was placed third and thus became the highest-ranking European register.

FURTHER INFORMATION
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