







Santiago, December 6, 2023

## Minister of Economy Mr Nicolás Grau Veloso

Av. Libertador Bernardo O'Higgins № 1449, Santiago Downtown Torre II, piso 1 Santiago de Chile.

## Dear Minister,

The undersigned trade unions of Chile's shipping industry, together with the global authority of **the International Transport Workers' Federation (ITF)**, cordially greet you with the following statement:

The ITF and its affiliated seafarers' trade unions in Chile express their strong opposition to this Government's bill to amend the law for the promotion of the merchant navy and the law on navigation.

The approval of this bill would mean the decimation of our national merchant marine industry, which would leave national shipping companies unable to compete. As a consequence, it would leave thousands of merchant seafarers unemployed, and damage the merchant seafarer's unions who have fought for decent labour conditions. Additionally, it would cause the elimination of long-established transport services the uncertainty of maintaining connectivity in our country. It is important to consider that the experiences of opening up cabotage promoted by some countries, such as Argentina, have had disastrous consequences, which have had repercussions to this day. It would also affect other transport and logistics sectors, such as truck drivers, dockers, and related service companies.

Maintaining a healthy national fleet is strategically important for maritime countries, particularly in times of crisis when Chile should not be relying on ships from other nations for essential goods.

The sum of the exceptions indicated in this bill, which indicates that it would promote the national shipping industry and employment, **actually produces the opposite effect**, having a disastrous and negative impact on:

The loss of the Chilean flag to foreign countries, the loss of employment which would force migration to other activities - in some cases to other countries. The loss of years of progress in collective bargaining, reduction in salaries, disappearance of institutions linked to direct and related industry, an inevitable loss of professional skills, resources that would be very costly, difficult and time-consuming to recover, if the measure were to be reversed.

We have the impression that the bill is a frontal attack against Chilean workers, something that is far from the pledge of this Government to protect its workers and professionals. Therefore the undersigned will carry out actions, both national and international, to prevent this project in its current proposal.

For its part, the state must protect the National Merchant Marine, not only because it is the naval reserve of the Republic, but mainly because it is a source of public wealth and a powerful element of the national economy. Therefore, state protection must be broad and timely, effective and safe, so that we will have a maritime sector that operates optimally with a competitive and efficient National Merchant Marine. We expect the State to invest in the Maritime Industry's efficiency and safety, and not the elimination of the rights of maritime workers to which they are subject to under this law.

The signatory organizations are convinced and conclude that keeping cabotage in the hands of Chilean shipping companies allows us to safeguard our interests of commerce, labour, union organizing, professional training, national security, connectivity with social integration and preservation of the marine environment, among many others.

Any attempt to advance this perverse bill will only alert and prepare all our national and international trade union organizations (ITFs) to carry out a joint action never seen before of maritime mobilization in this country.

THEREFORE we request the Minister:

Withdraw the bill in question. It does not have the support of the affected unions and parties, since it would inevitably harm our Merchant Navy and our country, especially if it is considered that more than 94% of foreign trade is carried out by sea.

The undersigned organizations won't oppose any project that, after public scrutiny in which all the unions of the shipping industry, whether of workers or entrepreneurs, participate, tends to promote the National Merchant Marine and the related industry.

Finally, we recognize that it is of the utmost importance to generate a broad and adequate condition of participation and commitment for the greater well-being of the country, which allows for the search for balanced and fair alternatives with all parties, so we urge the Government of Chile to develop sustainable maritime transport policies with a broad and comprehensive vision.

Yours sincerely,

Hector Azúa President Inter-company Union of Merchant Navy Officers (SI. MAR)

Pablo Cajales President Trade Union of Inter-Company Workers of Shipping Companies (SITRIEMP)









**Diogenes Mancilla** President Federation of Crew Members of Chile (FETRICH)

**Eric Riffo** President Inter-Company Union of Merchant Navy Motorcycle Officers (SIOMOT)

**Dave Heindel** ITF Seafarers Section Chair Chair, ITF Fair Practices Committee Chair, ITF Fair Practices Committee

Inter-company Union of Merchant Navy Officers SI. SEA Trade Union of Inter-Company Workers of Shipping Companies – SITRIEMP Federation of Crew Members of Chile – FETRICH Inter-Company Union of Merchant Navy Motorist Officers – SIOMOT Professional Inter-Company Union of Merchant Navy Officers - SIPROMAM