

W/c 30 January 2023

The purpose of this bulletin is to update MPs and Peers on the latest developments in the UK maritime sector and to provide a forward look to opportunities within parliamentary business for positive advocacy.

Latest

Net Zero Review and the Maritime Sector

On 13 January, the Department for BEIS published the final report of the Net Zero Review conducted by Chris Skidmore MP.

Overall, the report notes that the government's ambitious rhetoric on achieving net zero has so far not been matched by an equally ambitious policy effort.

The report agreed with Maritime UK's assessment that "although government and industry have both made a substantive start towards decarbonisation, there is a need to increase the scale and pace of this joint effort".

Industry view: Maritime UK views the government's Clean Maritime Plan as the vehicle to take forward the recommendations of the Net Zero Review. With the Government set to publish a refresh of the Clean Maritime Plan (CMP) in the second half of 2023, Maritime UK is keen to work with Parliamentarians to ensure the plan delivers on the sector's interests. Maritime UK has made the following recommendations for inclusion into the CMP Refresh:

- 1. greater clarity about sector emission targets;
- 2. commitment to greater industry-government partnership and intra-government engagement;
- 3. emphasis on role of government funding for green infrastructure, R&D and deployment in kickstarting decarbonisation;
- 4. a long-term policy framework underpinning decarbonisation;
- 5. reinforced commitment to influencing decarbonisation policy internationally through the IMO.

We would be grateful if Parliamentarians would consider submitting the following suggested written questions:

 To ask the Secretary of State for Transport, what timeline his department is working towards for the 2023 Clean Maritime Plan Refresh.

- To ask the Secretary of State for Transport, what discussions he has had with Maritime UK on the Clean Maritime Plan Refresh.
- To ask the Secretary of State at Defra what plans she has to work with DfT to facilitate the recycling of marine and leisure vessels as part of the Clean Maritime Plan.

Freeports launched

Inverness and Cromarty Firth Green Freeport and Forth Green Freeport have been jointly selected by the Scottish and UK governments to become Scotland's first Green Freeports. This follows news at the end of last year that Plymouth, Solent, and Teesside are now fully up and running after receiving final government approval.

Businesses in Freeports can take advantage of tax incentives, unlocking much-needed investment and bringing high quality jobs in industries of the future to some of the nation's most overlooked communities. Combined, the first three Freeports are forecast to bring millions of pounds in investment and thousands of highly skilled jobs, turbocharging local economies and benefitting the whole of the UK.

Industry view: The maritime sector would like to see government build on the concept of freeports to deliver coastal development frameworks (beyond the designated freeport locations) that stimulate private investment by driving reform of the planning and consenting process, delivering low-cost incentives, and unlocking funding for infrastructure in coastal areas.

We would be grateful if Parliamentarians would consider submitting the following suggested written questions:

- To ask the Secretary of State for Levelling Up, Housing and Communities what plans he has
 to set out more detail on his department's proposals for supporting knowledge-intensive
 clusters to drive economic growth, as announced in the Autumn statement.
- To ask the Secretary of State for Levelling Up, Housing and Communities whether he will meet with Maritime UK to discuss the recommendations in the Coastal Powerhouse Manifesto, notably on planning reform.

Maritime projects receive Levelling Up funding

Following the announcement of the second round of 'Levelling Up' funding from the Government, industry body Maritime UK has welcomed the inclusion of a number of projects focused on the sector and more broadly on our vitally important coastal communities around the United Kingdom.

Maritime is known to make a massive contribution to the country's economy, being worth £116 billion and supporting over a million jobs, and has a major contribution to make to levelling up the country as a whole. But we also know that coastal areas are amongst the most challenged economically and are in ongoing need of investment. Research previously released by Maritime UK show that almost half of our coastal communities' young are being driven away from their hometowns through lack of jobs, and unless government continues to deliver support, more are likely to follow.

See the list of successful projects here: https://maritimeuk.org/media-centre/news/news-maritime-sector-welcomes-levelling-investment-coastal-communities/.

Industry view: It is very welcome that more maritime projects are being funded through the levelling up fund. As a productive sector with a strong growth forecast, maritime can create well-paid sustainable jobs around the coast. We want to work with government to maximise the ROI on such funding rounds in the future and want to see more funding directed to industrial projects that can sustain economic growth. Significant proportions of the existing funding has been directed to arts and recreational projects.

Recent updates from Maritime UK

- Hydrogen-powered truck used in trial at Immingham docks <u>BBC News</u>
- New £100m Humber ferry terminal proposal submitted to Planning Inspectorate Business
 Live BBC News
- Flying boats and other tech for cleaner shipping <u>BBC News</u>
- Proposed Appledore Maritime Innovation Centre given £15.6m Levelling Up boost North
 Devon Gazette
- UK new build sector remains optimistic despite economic pressure <u>SuperyachtNews</u>
- £20 million Levelling Up transformation for North Portsmouth GOV.UK
- Southampton cruise passenger numbers set to hit 2 million as port returns to pre-pandemic levels - <u>Hampshire Live</u>
- As Freeport East and Liverpool get go-ahead, what is a freeport and who will benefit? ITV
 News
- £30,000 Port of Aberdeen community fund opens with promise to offer cost of living relief
 Aberdeen Live
- £100 million boost as naval shipbuilding confirms return to Belfast GOV.UK

Events for Parliamentarians

Maritime UK Awards

The 2023 Maritime UK Awards are to be held at the DoubleTree by Hilton Hull on Thursday 9 March. With over 800 years of seafaring history, Hull was chosen as the host for the 2023 awards to shine a light on a city that can be considered a global powerhouse for trade and one with a great maritime story to tell.

If you would like to attend, please contact publicaffairs@maritimeuk.email.

Upcoming Parliamentary opportunities to promote maritime

Suggested questions, statements and briefing material can be provided on request.

- Tuesday 31st January
 - o 0930 Westminster Hall Debate:
 - Progress towards the Government's Levelling Up Missions in the East of England.
 - o 1030 Defence Select Committee
 - Annual update on major shipbuilding programmes.
 - Witnesses:
 - Commodore Stephen Roberts, MoD;
 - Vice Admiral Paul Marshall CBE, MoD.
 - o TBC Adjournment Debate:
 - Green energy potential in Scotland
 - Ian Blackford MP (SNP Ross, Skye and Lochaber)
- Wednesday 1st February
 - 0930 APPG for Coastal Communities
 - Communities on the Edge: Assessing the need for levelling up (Growth) in England's coastal authorities
 - Speakers: Nicola Radford (Lincolnshire County Council);
 - Rebecca Munro (Consultant Pragmatix Advisory).

Monday 6th February

- o 1430 Lords Oral Answers
 - Lord West of Spithead (LAB) to ask HM Government how they intend to achieve Full Operating Capability for the Carrier Strike Group operating within a Maritime Task Group configuration by December 2023, given the requirement for 36 F-35B Lightning aircraft.

• Tuesday 7th February

- o Oral Questions (Treasury)
- Thursday 9th February
 - o Oral Questions (International Trade)
- Monday 20th February
 - Oral Questions (Levelling Up)

Suggested Questions

Maritime UK priority: Research and innovation

- Will the Minister for Science, Research and Innovation meet with Maritime UK to discuss how industry and government can make progress towards developing an R&D strategy for the maritime sector in collaboration with UK Research and Innovation, Innovate UK, and the wider catapult network?
- Will the Minister for Maritime look at Maritime UK's recommendation to create a cross-department forum bringing together the Departments for Business, Energy and Industrial Strategy, Transport, and Levelling Up, Housing and Communities in order to increase coordination on themes concerning energy and infrastructure, especially with the refresh of the Clean Maritime Plan due in 2023?
- How will the Department for Business, Energy and Industrial Strategy work with the maritime sector to deliver its ambition to refocus the Investment Zones programme to catalyse the highest potential knowledge-intensive growth clusters across the coast?
- Has the Government made any progress on delivering the recommendations set out by the Financial Products Working Group, co-chaired by the Maritime and Coastguard Agency and Maritime London, to increase opportunities providing capital to fund decarbonisation in the domestic maritime sector?

Maritime UK priority: Decarbonisation

- To ask the Secretary of State for Transport, what timeline his department is working towards for the 2023 Clean Maritime Plan Refresh.
- To ask the Secretary of State for Transport, what discussions he has had with Maritime UK on the Clean Maritime Plan Refresh.
- To ask the Secretary of State at Defra what plans she has to work with DfT to facilitate the recycling of marine and leisure vessels as part of the Clean Maritime Plan.

We are also happy to support parliamentarians with ideas and the production of additional written questions.

Relevant Consultations and Inquiries:

Parliamentary inquiries

- Commons International Trade Committee
 - o No deadline specified <u>UK-EU trade negotiations</u>
 - o No deadline specified <u>UK-EU trading relationship</u>
 - 17th March UK trade sanctions on Russia
- Commons Levelling Up, Housing and Communities Committee
 - o No deadline specified Funding for Levelling Up
- Commons Transport Committee
 - o 6th February Strategic Road investment

Government consultations

- Department of International Trade
 - o 2nd February <u>Trade with South Korea: call for input</u>
- Department for Business, Energy and Industrial Strategy
 - o 5th February Contracts for Difference: contract changes for Allocation Round 5
 - o 7th February Considerations for future Contracts for Difference rounds
 - o 3rd March <u>Capacity Market 2023: strengthening security of supply and alignment</u> with net zero
- HM Revenue and Customs
 - o 28th February <u>Draft guidance: research and development tax reliefs</u>
- Department for Levelling Up, Housing and Communities
 - o 2nd March <u>Levelling Up and Regeneration Bill: reforms to national planning policy</u> framework
- HM Treasury
 - o 1st February Spring Budget 2023 representations
 - o 13th March R&D tax reliefs: consultation on a single scheme

Maritime UK and its members will be responding to the above consultations and inquiries. To discuss these, please contact gbuttironi@maritimeuk.org

The Maritime Sector - key messages

- Maritime contributed a total of £116.0 billion in turnover and supported over 1 million jobs (more than air and rail combined).
- Maritime is responsible for keeping the country supplied: 95 percent of British imports and exports in goods are moved by sea, including 25 percent of the UK's energy supply and 48 percent of food supplies. Investment is essential for maintaining these resilient supply chains that every constituent relies upon.
- The past 18 months have seen significant developments for the maritime sector, on Freeports, developing the National Shipbuilding Strategy Refresh, securing extension to the Clean Maritime Demonstration Competition, a successful London International Shipping Week, major contribution at COP26 and at October's Budget and Spending Review, where the Chancellor announced reforms to Tonnage Tax.
- As one of the primary sectors within the government's ten-point plan for a green industrial revolution, the UK maritime sector has an ambition to lead the world in developing, deploying, and exporting green maritime technologies.
- Ports invest over £600m of private capital each year, benefiting coastal economies through job creation and infrastructure investment.
- Maritime workers are 43% more productive than UK average.
- Maritime is a source of well-paid highly skilled roles, which pay an average of £38,000 per year - £9,000 more than the national average.
- Globally, the maritime sector will double to \$3trn by 2030.
- In Maritime 2050, the UK has a strategy to become the world's most competitive maritime centre by the middle of the century.
- Maritime makes a significant contribution to all nations and regions of the United Kingdom.

Please email <u>publicaffairs@maritimeuk.email</u> for further information.

You can follow our Maritime UK Twitter account here, and our website is here.