

Maritime 2050 call for evidence

'Maritime UK and our members warmly welcome the government's decision to create a 2050 strategy for the maritime sector'

Maritime UK brings together the UK's shipping, ports, services, engineering and leisure marine industries to promote the sector, influence government and drive growth.

The maritime sector is the fundamental enabler of British global trade. The UK sector exports its own cutting-edge maritime products and services. With innovative technology, high-quality design & manufacturing, unparalleled expertise in services and major investment opportunities, the UK is the natural home for maritime business.

[We support just under 1 million jobs and contribute around £40bn to UK GDP](#)

Our sector is a vital part of our island nation's heritage and of our modern economy – supporting jobs, driving innovation and enabling trade. Our sector also enables millions of people to enjoy the recreational benefits of the UK's coastal and inland waterways.

This submission draws upon the individual submissions of our members. Their submissions explore themes in greater detail with regard to their part of the maritime sector. This submission aims to highlight recurring and joint issues of interest and provide a holistic response to the call for evidence.

Maritime UK and our members warmly welcome the government's decision to create a 2050 strategy for the maritime sector, noting that other Department for Transport modes have existing 2050 strategies.

We are committed to participating in the series of planned workshops to shape the strategy and to work with government to create any action plan for delivery. We plan to launch our own series of online content on Maritime 2050; asking companies and representatives from across the sector to share their thoughts, predictions and ambitions for what the sector will look like in 2050, where the UK can capitalise, and what the strategy needs to deliver.

We ask that government ensures the new strategy builds upon existing activity, and supports existing initiatives such as the maritime sector deal. That proposal should be viewed as a vehicle for delivering recommendations from Maritime 2050.

Having redefined the breadth of the sector through its Maritime Growth Study, it is vital that this next Department for Transport project embraces and delivers for the breadth of the maritime sector: shipping, ports, services, engineering and leisure marine.

About Maritime UK

1) Please tell us in what context you are responding:

As a representative of a trade body

2) Please tell us about your area(s) of particular expertise:

All areas listed

3) If you are responding on behalf of an organisation, please give us an indication of the following:

a. The size of the organisation or, if more applicable, the number of people or companies you are responding on behalf of.

Maritime UK brings together all the UK's maritime trade associations.

b. The main business or activity of the organisation

Maritime UK brings together the UK's shipping, ports, services, engineering and leisure marine industries to promote the sector, influence government and drive growth.

c. The region(s) of the UK in which your activity is predominately based (if you are active across the whole country then please answer 'National', if not based in the UK please let us know in which country you are based)

National

Building a strategy that works for the UK

4) What are your views on this aim?

It is broadly a welcome aim, albeit one that should be more ambitious and offer greater clarity. The phrase “great maritime nation” will mean different things to different audiences. It is arguably more of a policy narrative aspiration than a tangible measure. Such tension between policy language and tangible target has been made clear during the sector deal development process.

This is a proposed long term strategy, and as such should be radical and ambitious. The strategy should demonstrate – and create the conditions for – a sector that is regarded as highly innovative, agile, competitive and responsive to global trends.

For instance, a commitment to be the world’s leading maritime centre is a clearer ambition and reflects the sector’s role as a provider of products, services and investment opportunities.

Identifying some of the areas where the UK wishes to lead, as part of the aim, would ensure focus from the start. This should include:

- technology and innovation
- design and manufacturing
- people and skills
- maritime business services
- infrastructure and connectivity
- attracting inward investment
- supporting place and regional growth

It is important to remember that the maritime sector has two primary functions. First as the facilitator of trade and second as a sector that offers products and services for export. Any strategy must reflect both functions. The two functions are interconnected, but nonetheless require separate consideration.

We welcome the ambition to identify the future landscape and how the UK can best place itself to capitalise upon this. Competitor countries have developed long-term visions, and Maritime 2050 is the UK’s opportunity to do so too.

Competitor countries are moving ahead of the UK due to the strong and strategic support government provides for their respective maritime sectors. To ensure that the UK is keeping pace – and eventually again moving ahead – the aim should reference government’s commitment to working closely with industry in this regard.

5) What are your views on these aspirations? Are there others that the UK needs to take into account?

These suggested aspirations are far too limited both in scope and ambition.

In scope

The UK maritime sector comprises the shipping, ports, services, engineering and leisure marine industries. The above aspirations do not cater for all of these industries, and therefore need to be broadened to meet the aspirations of the sector.

We would wish to see specific reference to the following in the strategy's aspirations:

- ensuring that the sector has the **people** and **skills** needed to fuel maritime growth, and be recognised as the leading provider of maritime education and training
- ensuring that maritime growth is **sustainable** – in terms of economic growth, impact on the environment and contribution to society
- ensuring that the maritime sector is a powerful vehicle for growth and economic development/regeneration in the **regions**
- ensuring that the UK is keeping pace with competitor countries by identifying trends and then developing the **technological** solutions to capitalise upon regulatory and other challenges
- ensuring that the UK creates the **business environment** to attract inward investment, encourage investment by the private sector and stimulate creative and dynamic new business
- ensuring that the UK offers a competitive package of fiscal measures to **attract inward investment** to ensure the UK keeps pace with competitor jurisdictions
- ensure that the leisure marine industry is supported by **domestic demand**
- ensure that once the UK has created the products and services that the global market wants, is then getting those products and services to the customer via increased **exports**

In ambition

There is a sense that the three ambitions are rather limited and focused on how the sector can maintain the status quo. We wish to see a transformative agenda driven by an ambitious and radical new strategy rooted in the significant changes that the next four decades will present.

The main enabler and facilitator for trade in and out of the UK

We would question whether this is an aspiration the sector can influence. Industry's role instead is more likely to be focused on being able to respond to trends to meet the demand of the rest of the economy, recognising that the sector serves the economy by facilitating trade.

Industry and government can ensure the sector is best-placed to competitively, efficiently and sustainably enable that trade, and government should match industry investment throughout the sector, such as at ports by investing in infrastructure.

However, beyond that it is difficult to see how the UK can aspire to one mode of transport being used ahead of another. Instead, the aspiration could read:

“To meet the demands of the economy by competitively, efficiently and sustainably facilitating trade in and out of the UK.”

To continue to significantly contribute to the UK economy

We do not see this as an aspiration, but rather a product of industry success. Today the sector supports nearly 1,000,000 jobs and just under £40bn in GVA. Whilst we wish to see that contribution increase, a more useful measure would be an indicator of the UK’s position relative to competitor maritime centres.

To be a world leader in contributing to the continued maintenance and further development of a safe secure global maritime environment

We do not understand why safety and security have been singled out as one of the three aspirations. Clearly important, in this context they appear incongruous without reference to the issues identified above within “in scope”.

6) What developments (for example technological) in other sectors of the UK economy could influence user demand for maritime services in the future?

Developments that could influence demand for sector as facilitator of trade

- competitiveness, capacity and efficiency of other modes of transport
- increased protectionism
- climate change and increased environmental concerns
- energy self-sufficiency
- shale oil and gas development
- technology including 3D printing
- logistics and freight modernisation
- future demand for finished goods
- inshoring and nearshoring
- the UK’s departure from the European Union

Developments that could influence demand for sector’s offer in products, services and investment opportunities

- decommissioning of North Sea oil and gas facilities
- expansion of renewable energy and the sector’s servicing of these assets
- competitor activity and relative market share
- leisure demand within both the cruise industry and as leisure marine users
- automation and its effect on skills requirements and commercial functions and processes
- innovation from both competitor countries and in sector trends
- exploration of blue/ocean economy and requirement for bespoke, technical vessels

7) What do you think are the current and potential weaknesses in the UK maritime sector?

- Relative competitiveness against Scandinavian, Gulf and Far East maritime centres
- Decline in ship financing activity in London
- Decline in London-based shipowners
- Relatively small number of maritime start-ups against significant number of companies being established and supported in the world's 'start-up capital'
- Relative lack of government support compared to competitors like Singapore
- Fragmentation in government support across multiple government departments and even within departments
- A lack of transparency and opportunity to engage with government procurement
- Poor connectivity in certain parts of the country
- A lack of diversity within the sector's workforce

8) What will our strategy need to contain to enable us to identify and address potential and existing market failures effectively?

The sector strongly supported the creation of an industrial strategy whereby government would take a more collaborative and strategic role in the development of sectors. It is here that any discussion about market intervention should be focused.

It is important to learn from competitor maritime centres. Actions that others have taken to support the growth of the sector should be employed when considering the strategy.

Some challenges that the UK sector wishes to tackle, such as how the shipping industry responds to the challenge to decarbonise, requires market intervention. A partnership between industry and government, as called for in an industrial strategy challenge fund bid, would position the UK well to capitalise upon the significant opportunity created by the IMO's regulatory target.

Specific themes

- 9) **Are these the right priorities to concentrate on as we develop the strategy? Are there any specific aspects of these themes that you wish to see developed? If you were devising a routemap to 2050 what steps would you take?**

The identified priorities are broadly the right ones. For Maritime 2050 to be as valuable and efficacious as possible, it must explore each priority in great detail. For instance,

Within trade, the strategy should consider:

- Food
- Waste
- Demographics
- Poverty
- Urbanisation
- Convergence

Within environment, the strategy should consider:

- Climate change
- The future of oceans

- 10) **Are there any other themes that should be included?**

- Innovation
- Business environment
- Place and regional growth
- Domestic demand
- Geopolitical trends

- 11) **Do you have any evidence or analysis you wish to offer us in relation to the questions at the end of each theme in Chapter 3 of the Call for Evidence. Please reference the question for us, enter any views and provide additional evidence and comments in supplementary documents if necessary.**

The economic contribution of the maritime sector, a report for Maritime UK, CEBR

<http://www.maritimeuk.org/value>

EU Shipping Competitiveness Study, Deloitte

https://www2.deloitte.com/content/dam/Deloitte/pl/Documents/Reports/pl_Monitor_%20Deloitte_ECSA%20_Benchmark_FINAL.PDF

Initial IMO Strategy on reduction of GHG emissions from ships, IMO

https://unfccc.int/sites/default/files/resource/250_IMO%20submission_Talanoa%20Dialogue_April%202018.pdf

MOD's Strategic Trends Programme Global Strategic Trends – Out to 2045 – Fifth Edition, Ministry of Defence

<https://www.gov.uk/government/publications/global-strategic-trends-out-to-2045>

UK National Seabed Mapping Programme – Scoping Study, Eunomia Research and Consulting and CEFAS

https://www.maritimeuk.org/documents/106/Seabed_Mapping_Final_Report.pdf

Future of the Sea, Government Office for Science

<https://www.gov.uk/government/publications/future-of-the-sea-2>

The leading maritime capitals of the world, Menon Economics

<https://www.menon.no/wp-content/uploads/2017-28-LMC-report.pdf>

Review of Maritime Transport (Series), UNCTAD [http://unctad.org/en/Pages/Publications/Review-of-Maritime-Transport-\(Series\).aspx](http://unctad.org/en/Pages/Publications/Review-of-Maritime-Transport-(Series).aspx)

The Strategy in Practice

12) What top three (if any) additional practical factors should be taken into account when developing the strategy?

- The amount and type of support government is prepared to provide to the sector beyond that which it provides today
- The need for a tangible delivery plan with any actions for industry agreed in advance of publication
- The need for existing strategies and studies already in place or being developed to be considered and reflected within either the delivery plan or elsewhere in the strategy

13) What top three suggestions do you have to help us ensure that we have the widest range of evidence upon which to base the strategy given the overall timeframe?

- Engagement and workshops through Maritime UK, its regional clusters and international partners. Analysis of competitor activity will help provide insight into relative competitive position.
- That Maritime 2050 is properly communicated and its value demonstrated. Make clear what impact the strategy is likely to have. Ensure its relevance to the breadth of the maritime sector. This call for evidence does not, for instance, mention leisure marine. To engender engagement from that industry, companies will need to see their interests reflected in the process.
- Jointly commission evidence with industry where gaps in knowledge exist – and leverage of existing activity including the maritime sector deal proposal

14) What top three (if any) additional issues that we have not covered would you like to see included as part of the development/ input to the strategy?

N/a covered elsewhere