

MARITIME
UK

MARITIME SECTOR **RECOVERY** PLAN

Version 1.0

June 2020



The UK is one of the world's leading maritime nations, and maritime is one of the driving forces of the British economy. That the sector bears unique responsibility for enabling imports and exports to our island nation has been clear as our key workers have kept this country supplied with food, energy, and medical supplies during the Coronavirus pandemic.

The maritime sector contributes £46.1bn in GVA and supports over 1.1 million jobs. Serving the rest of the British economy by enabling 95% of all UK trade, this sector is particularly exposed to macroeconomic shocks and responsive to the performance of the wider economy. With reduced imports and exports, the maritime supply chain has been severely hit.

Some of the most crippling effects on the sector have been seen in the passenger transport industries (such as ferries and cruises), as well as those involved in participatory leisure activities like boating, where current government regulations have made business as usual impossible.

Manufacturers have seen their orders dry up and supply chains disrupted. The UK's world-class education and training establishments too have been unable to function properly.

Taken together, therefore, all parts of the maritime sector have faced significant difficulty.

With maritime making a foremost contribution to the socio-economic wellbeing of coastal communities - given the location of many maritime businesses - these impacts have contributed to our coastal towns and cities being hit hardest during the pandemic.

It is vital that government and industry work together to get all parts of the sector back on their feet and operating as soon as possible. Doing so will not only benefit one of Britain's largest industrial sectors but particularly the coastal communities in which maritime supports significant economic activity.

Whilst some parts of the sector are getting back to business, others will be unable to do so for a substantial period of time, either due to compliance with government policy or due to the seasonality of the trade. Indeed, some parts of the sector are only now entering their most depressed period.

We are committed to working with government to ensure the viability and profitability of our businesses as we move through the crisis. Such a significant economic shock to the economy will, however, require deep thinking about what has changed, how we adapt, and respond. It is also a moment to think about the kind of country and economy that we want to build, rather than simply rebuilding what we had before. That, coupled with the major grand challenges our sector faces, presents us with choices.

The maritime sector is well-placed to drive a green, regionally balanced, export-led recovery, and this Sector Recovery Plan sets out actions for both industry and government to get us there.

With every challenge comes opportunity, and it is the intention of the maritime sector to grasp that opportunity.

Harry Theochari
Chair, Maritime UK

Introduction and key priorities

Maritime UK is the umbrella body for the maritime sector, bringing together the shipping, ports, services, science, engineering and leisure marine industries. Our purpose is to champion and enable a thriving maritime sector.

Supporting over 1 million jobs and adding £46.1bn to our economy, maritime is responsible for facilitating 95% of UK global trade, worth over £500bn per year. The UK maritime workforce is 42% more productive than the average UK worker. Maritime makes a greater contribution to the UK economy than both rail and air combined.

The maritime industries come together through Maritime UK to make progress on shared priorities. Throughout the Coronavirus crisis, industry has been working proactively to mitigate the immediate consequences of the COVID-19 pandemic across all the maritime sector.

As early crisis management and cashflow focus has lessened following effective partnership between industry and government to identify gaps in provision of financial support and unintended consequences from various schemes, industry's thoughts turn to the necessary actions for the sector to recover and renew.

This stage includes both business activity resuming or increasing, and consideration of the steps required to maintain and ensure the UK's competitiveness as a global maritime nation.

In recent years industry and government have been working closer than ever, something which resulted in Maritime 2050: the first long-term strategy for the sector in a generation. This Maritime Sector Recovery Plan identifies relevant recommendations from that strategy; in so doing reappraising where collective priorities lie within the thirty-year route map in light of the Coronavirus crisis.

Industry's priorities are focused across: environment, people, regional growth, innovation and competitiveness.

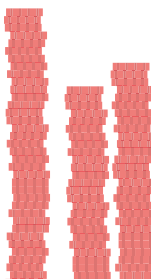
The plan will be updated on an ongoing basis.



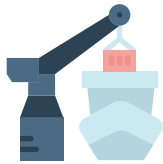
95%
of all UK global trade



42% more
productive than the
average UK worker



£500bn
per year of global trade



Priorities

The following recommendations are based upon significant industrial engagement through Maritime UK's trade associations, regional clusters and other partners. This included extensive surveying and the development of an industry 'Risk Register' established by the Maritime Business Continuity Taskforce, at which industry representatives were joined by various government departments.

It is important to note that whilst the sector is proposing specific action to support its own development, as the fundamental enabler of UK imports and exports, the maritime industries are acutely vulnerable to shocks from the rest of the economy. Therefore, the sector is supportive of economic initiatives to stimulate demand and build confidence.



Competitiveness

Boost exports and maximise the attractiveness of the UK's business environment.



Regional growth

Ensure a regionally balanced recovery that stimulates economic development and investment in coastal communities.



Action

Each section of the Plan is followed by a table with actions for industry and government. Government primarily refers to national, but also devolved and local government. Industry refers to Maritime UK and its member trade associations and regional clusters. Where a recommended action is reasonably reflected by an existing recommendation within Maritime 2050, it is identified with the corresponding number. Future iterations of the document will report on the progress against these recommendations.



Innovation

Foster increased levels of research and innovation to respond to the significant challenges and opportunities the global maritime sector faces.



Environment

Drive green growth to meet the UK's net-zero commitments.



People

Enrich our workforce, invest in future talent and recognise how Coronavirus has changed both working practices and projected labour market forecasts.





The stages of recovery

This Sector Recovery Plan reflects government's own recovery planning across three primary stages: Restart, Recover and Renew.

1

Restart



The initial stage of economic recovery is concerned with restarting activity after lockdown, as phased reopening begins. Coronavirus has had a significant impact on maritime businesses across the UK; 66% of maritime businesses surveyed expected their turnover to decrease as a result of the pandemic, 11% of respondents were 'not very confident' their business would survive the next 12 months, and for those involved in people-focused business activity such as education and training, the number was 39%. In the restart phase, it is critical to ensure comprehensive planning, consistency, and a consideration of those areas of activity that will not be able to restart. It will be necessary to continue to provide support to ensure that companies are able to progress from this to latter recovery stages, particularly true for those that will not be able to return to viable activity for some time.

2

Recover



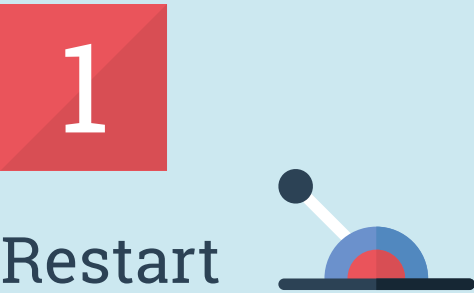
As lockdown measures are eased and the economy returns to a relative state of normality, the impacts of Coronavirus will continue to be felt across all sectors. The second phase of recovery will be about building further resilience for companies across the sector and to ensure that they recover a level of viability that creates sustainability for businesses, their employees, and those parts of the wider economy dependent on their performance. This will be delivered by provision of new support initiatives, by sharing best practice and signposting support.

3

Renew



In the longer term, serious effects from the pandemic and associated economic crisis will continue to be felt and will need long-term action to respond and monitor unidentified issues as they arise. However, the third phase will challenge industry and government to deliver action to revive and transform the sector to ensure its competitiveness amongst global competitor nations. The issues on which this sector can support transformational change are many and include driving economic growth in coastal communities and through green growth. In this section the Plan identifies existing relevant strategies such as Maritime 2050 and the Five-Year Plan for maritime exports and investment.



Restart

Recognise staggered restart

As restart is discussed it is important to recognise that not all parts of the sector will be able to restart at the same time. This will either be due to government policy and guidance on social distancing or due to cyclical factors such as the seasonality of some business models. Key examples of those businesses that will not be able to restart immediately include, but are not limited to, passenger services (such as ferry and cruise), participatory activity (such as boating) and some training programmes. These factors mean that those businesses impacted will require a form of government support scheme to be extended beyond the timeframes currently available. A large part of the work towards recovery for these parts of the industry will be about restoring consumer confidence in maritime goods and services affected by the outbreak of COVID-19.

Clear guidance developed with industry

As government continues to publish guidance on social distancing and safer working through the loosening of the lockdown, clarity will be needed on how these apply to different parts of the sector – large commercial ships and small passenger boats will likely be able to return to operations at different times. Although well-meaning, recently announced quarantining measures could stifle passenger travel and tourism. The maritime sector is perhaps safer and more able to introduce social distancing measures than other modes of transport. Government has worked closely with industry in developing guidance and some policies, and it is important that this continues. Industry will produce template recovery plans so that individual companies can plot their own journey from the lockdown.

Ensure continued cashflow for maritime businesses

The phased restart of the economy, uncertainties around renewed spikes in the outbreak, fluctuations in global trade patterns and the seasonality of the consumer-driven leisure industries mean that it will take time for maritime businesses to return to normal levels of production and profitability. This will impact upon their ability to retain staff, with certain parts of the sector undoubtedly requiring government support beyond the current timeframes.

Manufacturers are experiencing delays in contract payments, service providers delayed commissions and fees, passenger ferry and cruise companies reductions of revenue due to lockdown restrictions and ports a lack of income as revenue streams from renting property have been significantly reduced. As source of large-scale infrastructure projects and customer for different parts of the sector, government should reaffirm its commitment to existing and planned projects and encourage payments to be made on time.

Whilst welcoming the existing government support schemes, there are certain enhancements that could be made to ensure effectiveness and value for money to the exchequer. It could achieve greater value as well as supporting future private sector investment potential through limiting ‘liquidity contagion’, i.e. the spread of cashflow issues. For example, in the case of over-interpretation of support measures for commercial tenants, we urge the Government to use the announced Code of Conduct to provide clarity on expectations and increase transparency and dialogue to focus support to those in genuine need. A temporary deferral of business rates could free up capital for cash flow. For ferry and cruise operators, a government ratified use of refund credit notes in lieu of instant refunds would go a long way to alleviating the current cash flow crisis in the sector.

Local authorities should offer clear direction and guidance on how discretionary funds should operate, and what maritime businesses may be eligible for support throughout the regions of the UK.

31% of maritime businesses reported that they were planning to furlough staff at the beginning of the lockdown period, and 16% were reducing levels of employment. Whilst the extension of the Job Retention Scheme was welcome, there are some parts of the sector that will need an extension or some other form of JRS support. This is particularly true for leisure marine businesses who generally earn their income during the summer season and survive on this through the winter.

Support for the workforce

Trade union estimates have found that up to 11,000 UK seafarers may still be unable to access the Job Retention Scheme.

Maritime workers have been significantly impacted by restrictions on international travel, and problems remain as seafarers are subject to different national travel restrictions. Some British seafarers who would normally have benefitted from the Seafarer’s Earnings Deductions this year were unexpectedly unable to qualify. They should nevertheless be granted the concession. Advice from all sources should be made available to seafarers and passengers alike and incorporated into company and ship plans. As quarantine arrangements develop, there will be an ongoing need to ensure clarity in guidance on operations and compliance.

Assisting business development restart

A significant effect of the global pandemic has been the interruption of supply chains, both domestically and internationally, due to restrictions imposed at borders and the slow-down of economic activity. Government should support companies in getting out to markets where respective lockdown measures are being eased. It should consider prioritisation of business travel whilst social distancing measures remain in place. During the crisis, industry has worked to diversify supply chains and has stockpiled supplies where necessary. Best practice should be shared and where possible opportunities to partner on new supply chain development should be explored. Industry will deliver a programme of activity to inform companies on market conditions in key markets to aid their business development restart.

Issue	Industry Action (Maritime UK and members)	Government Action
Staggered restart	<p>Provide government with intelligence on when different parts of the sector are likely to be able to restart and the viability of those businesses without further government support.</p> <p>Work with government to restore consumer confidence.</p>	<p>Support for those businesses whose restart is delayed owing to the seasonal nature of their activity or whose compliance with government policies and guidance prevents operations.</p> <p>Work with industry to restore consumer confidence.</p>
Guidance	<p>Provide input and feedback on government guidance.</p> <p>Disseminate guidance across the sector.</p> <p>Develop industry-specific guidance and template recovery materials.</p> <p>Work with government through the Joint Cruise Recovery Action Group and industry initiatives such as the UK Chamber of Shipping's Ferry Recovery Group to develop practices to enable a return to operations as soon as possible.</p>	<p>Consult with industry when developing new guidance.</p> <p>Seek feedback from industry on new guidance.</p> <p>Work with industry to develop guidance that allows resumption of all activity as soon as possible.</p> <p>Work with industry through the Joint Cruise Recovery Action Group and industry initiatives such as the UK Chamber of Shipping's Ferry Recovery Group to develop practices to enable a return to operations as soon as possible.</p>
Cashflow	<p>Continue to signpost information on available financial support and collate details of case studies to support enhancements to provision.</p> <p>Provide proposals to government to maximise value in support provision through limiting 'liquidity contagion'.</p> <p>Provide intelligence on gaps or inconsistencies in the operation of and access to discretionary funds from local authorities.</p>	<p>Extend and/or replicate form of support for companies unable to return to activity in the near term.</p> <p>Reaffirm commitment to existing and planned major projects.</p> <p>Ensure and encourage timely payment of invoices for projects in which government is the client or key partner, and as far as possible, contractual payments between companies, both for operational and property activities.</p> <p>Consider reforms to existing support provision.</p> <p>Local government to ensure consistency in the disbursement of discretionary funds to support company cash-flow.</p>
Maritime workforce	<p>Develop and make available guidance to seafarers and passengers alike including incorporating into company and ship plans.</p>	<p>Provide access to government support schemes for seafarers.</p> <p>Ensure workers essential to maritime operations such as service engineers are exempt from quarantine measures.</p>
Business development restart	<p>Continue to diversity supply chains and stockpile where appropriate.</p> <p>Deliver activity to inform companies on market developments and economic forecasts.</p> <p>Facilitate the sharing of best practice and intelligence on new supply chain for manufacturers.</p>	<p>Ensure cross-government support to get exporting businesses back out to markets overseas as they reopen, including the potential prioritisation of business travel should social distancing remain in place.</p>



Image credits: maritimeuk.org



The following challenges associated with the stage following restart are set out with recommended mitigation activity from both industry and government.

Unlocking investment

Under normal circumstances, UK ports invest around £600 million every year and should be supported in restarting this investment engine after they have spent cash reserves and drawn down financial facilities to independently mitigate the immediate consequences of the pandemic. Sensible regulatory reforms to the planning system would provide opportunities at low cost to support the restart of business investment. Improving the scope of Permitted Development Rights and better implementation of a strengthened presumption in favour of development are processes that should now be accelerated. Accompanying these reforms with targeted non-cash investment incentives, such as regeneration focused allowances would make a powerful and cost-effective package.

Government should reaffirm its commitment to previously announced projects which leverage private investment from across the sector. It should develop the practice of co-investment in industry projects, such as on research and development. Government should consider investment guarantees and capital allowances to encourage investment by companies.

Creating demand through domestic procurement

Dampened demand for the sector’s products and services will likely persist. Where possible, in instances where the state is the customer, government should commit to placing its orders with British companies. Where appropriate, industry should build consortia to ensure the viability of domestic procurement.

Given the geographical spread of marine manufacturers, such domestic procurement will have a substantive positive impact upon employment and prosperity in coastal communities across the country.

Reappraising labour needs and working practices

Through the Maritime Skills Commission, work should be done to understand how the pandemic has impacted upon the future labour market requirements for the sector.

Both industry and government should rethink the necessary provision of training given apparent flexibility and success through virtual solutions during the lockdown. As training requirements have been made more flexible as a result of the current situation, this flexibility should be retained as the backlog of postponed activity is resumed.

High unemployment will be a challenge in the recovery of the sector. Support therefore needs to be provided to help employers employ those who may need re-training, promote the maritime sector as a workplace for experiences workers and incentivise career-level recruitment where possible.

Ensure continued cashflow for maritime businesses

As covered within the restart phase above, there will remain parts of the sector that will require continued financial support whilst other parts of the sector will be returning to profitability and viability. Parts of the sector likely to experience challenges for longer are ferries, cruise, leisure, and education/training. If it is thought likely that ferry and

cruise business picks up during the Autumn, these businesses will need similar support to that being utilised today through until then, and through any second outbreak of the virus necessitating social distancing being reintroduced.

It is likely that one of the final parts of the sector to return to some degree of normality will be leisure marine activities based on tourist business. The industry has lost substantial forecast revenue for 2020, as lockdown measures and social distancing has meant loss of tourism business. The winter months will therefore present a further challenge to the industry and bespoke support may be required; this could include assistance with the costs of moorings and licenses. Grants should include those businesses that do not pay business rates. It will be important that discretionary funds managed by local authorities continue to be made available for companies that are yet to return to viable business activity.

Trade to recovery

The international and highly interconnected nature of the maritime sector makes it vulnerable to external economic factors. While fluctuation in international markets is a permanent risk, the unprecedented outbreak of the pandemic makes maritime businesses across the board vulnerable to factors beyond their control. This is especially true for those parts of the sector involved in imports and exports. Support and practical guidance from government will be needed to help those businesses re-entering the international export market following lockdown. With government support, maritime has the opportunity to lead recovery through exports and through delivering against recommendations set out in the DIT’s Five-Year Plan. Industry has prioritised the following aspects of the plan to support recovery:

- Development of a campaign plan for each target market identified with targets for agreed industry-government ‘wins’.
- Establishment of a Maritime Trade Fund to support SMEs engage in international business development activities such as key trade shows.
- Creation of a GREAT maritime marketing campaign.

It should be remembered that a key UK export is education and training, and that the loss of international students, for universities, colleges and other specialised providers could prove damaging. Student access to the UK should be prioritised as travel restrictions are eased.

The UK is a global maritime hub and must be open to international commercial visitors as travel restrictions are eased.

The UK is an import-driven economy and we need to ensure our international gateways and trade policies are not left behind our competitor nations as we move out of the initial recovery.

Issue	Industry Action (Maritime UK and members)	Government Action
Investment	<p>Multimillion pound investment in port development and surrounding communities.</p> <p>Co-investment with government in research and development projects.</p>	<p>Work with industry to implement proposed regulatory reforms such as improving the scope of Permitted Development Rights, and explore other opportunities, including targeted non-cash financial incentives that encourage investment.</p> <p>Co-investment with industry in research and development projects.</p> <p>Consider investment guarantees and capital allowances to encourage investment by companies.</p>
Procurement	<p>Build consortia and partnerships to ensure viable UK bid for government contracts.</p>	<p>Prioritise UK contracts for vessel and other procurement.</p>
Skills	<p>Work through the Maritime Skills Commission to map labour market and future skills needs.</p> <p>Support employment and recruitment of career-level talent.</p> <p>Deliver futures work programme on skills.</p>	<p>Flexibility in training and training requirements to be maintained as postponed activity is resumed.</p>
Cashflow	<p>Continue to signpost information on available financial support and collate details of case studies to support enhancements to provision.</p>	<p>Consider bespoke support for parts of the sector that cannot return to operations.</p>
Trade	<p>Develop guidance for companies re-entering global markets.</p> <p>Deliver industry recommendations from five-year plan for maritime exports and investment.</p>	<p>Creation of campaign plans for each market identified within the five-year plan for maritime exports and investment.</p> <p>Establishment of a Maritime Trade Fund to support SMEs in their international business development activities.</p> <p>GREAT marketing plan to support British companies re-engaging in overseas markets.</p> <p>Ensure Trade Policy reflects relevant competitor trade strategy reform.</p> <p>Prioritise international travel for maritime workers and students to study in the UK.</p>



3

Renew

First and foremost, it is important to recognise that some issues outlined above will pose difficulties for considerable time, with some parts of the sector undeniably facing existential challenges. However, there are opportunities too, as the sector looks to the future. On a fundamental level there is a need to ensure that the economy has greater resilience to withstand a similar threat in the future.

In 2019, government and industry jointly launched Maritime 2050, the first long-term strategy for the sector in a generation. Across seven key themes, the strategy set out actions for both industry and government, which taken together, would ensure the UK’s position as a competitive global maritime nation over the next thirty years.

Given the long-term nature of the strategy, many of the recommendations will still be relevant. However, Coronavirus represents a unique event has had profound impact upon all parts of the economy, including the maritime industries. It is therefore appropriate to review Maritime 2050’s recommendations within the prism of renewal from this pandemic.

This section identifies actions against the sector’s collective priorities and maps these against existing Maritime 2050 recommendations; providing a reappraisal of those actions that industry had prioritised for delivery before the outbreak of COVID-19.

Whilst major fixtures on the road to responding to the challenges of our age, such as COP26, have been cancelled or postponed, the sector is committed to net zero and is resolved to accelerate its work on decarbonisation.

In thinking about renewal, industry has had an opportunity to consider rebuilding from this crisis in a different way, rather than simply recreating what existed before.

Environment

Drive green growth to meet the UK’s net-zero commitments.

Green growth will be key to the economic recovery of both the maritime sector and broader economy which it serves. Achieving net zero by 2050 requires decisive action across the economy from both government and industry, and there are opportunities for the UK to be at the forefront of important developments in green technologies. COP 26 in 2021 will provide an unrivalled opportunity for the UK to showcase the steps it is taking and the leadership it wishes to show on the road to decarbonisation of the maritime sector. Following recent government-backed funding calls for clean maritime technologies through Maritime Research and Innovation UK (MarRI-UK), it has become clear that UK industry has a lot to offer in this space. Whilst government should provide further investment in MarRI-UK, industry should be proactively encouraged to join what is now the national collaborative body to identify technological solutions to maritime decarbonisation.

Developing new fuels or propulsion technologies are just one part of the decarbonisation story. During the development and then operation of these new solutions, our ports will require the ability to receive ships. That will require reception facilities including new bunkering and significant new power supplies. Many of these investments will require upfront cost, which might not necessarily be attractive in the short-term. Therefore, government support to overcome barriers to investment in green maritime infrastructure is needed. This includes support for those parts of the sector involved in the UK offshore and gas supply chains to reach the net zero target and considering the environmental and economic case for coastal shipping.

Delivering power generated from clean sources to ports will require a national strategy based on regulation as well as financial support. No port in the world has successfully introduced the provision of shore power without government support, whether that be national or regional. It has been estimated that it would require around £185m (before network reinforcement costs) of government funding to replicate a Norway-style co-investment scheme for installing onshore power facilities in the UK at a reasonable scale.

- Accelerate funding for sector research and development, building upon the co-investment by government and industry to establish MarRI-UK.
- Introduce financial incentives and investment initiatives (such as loan guarantees, reduced interest rates for installation of environmentally friendly equipment and export credits) would encourage investment in green technologies by making environmental efforts sustainable.
- Establish a fund to drive investment in green maritime infrastructure across the country.

Regional Growth

Ensure a regionally balanced recovery that stimulates economic development in coastal communities.

Large parts of the country have felt that globalisation has not benefitted them, and many coastal communities have lost traditional industries that have not been replaced. Hardwired into the economic and emotional fabric of these coastal communities, maritime has a unique opportunity to drive new growth and encourage investment, bringing jobs and prosperity to all parts of the UK. The Government has outlined its aspirations and commitment to ‘levelling

up’ coastal communities, but as evidence suggest that these communities are the hardest hit by the impacts of the COVID-19 pandemic, these communities cannot be forgotten in the recovery process. Through a combination of investment in infrastructure, manufacturing, innovation and a focus on maritime participation, the sector has an agenda to transform and renew our coastal communities. With the maritime sector making a substantial macroeconomic contribution to all nations and regions of the UK, support for the sector will benefit the entire country, and as the sector grows, this growth will be driven by coastal communities. The response to the COVID-19 pandemic has already showcased the effective work of regional cluster organisations in offering support to their local business communities and with government support, industry remains committed to expanding this work.

- Maritime plays a vital role in coastal communities, in terms of investment and job creation. It is important to recognise the interdependency of the maritime ecosystem and how prosperity across the maritime sector equals prosperity for these local economies. Maritime industries such as ports are great economic contributors in their local areas, and government support to regional infrastructure projects will have significant effects on the communities surrounding such activity. The Government should further be instrumental in the development of ‘innovation hubs in coastal communities’ and industry should coordinate their interaction and collaboration in pursuit of Maritime 2050 innovation objectives.

- The maritime sector welcomes the Government’s Freeports programme which recognises the role of ports and other parts of the maritime sector such as manufacturing as engines for growth. Environmental and planning restrictions have prevented development and investment and this initiative should be a way to overcome such challenges

whilst retaining high levels of sustainability and supporting responsible investment. As important mechanisms to drive trade and investments in their regions, the cap on the number of Freeports should be removed to ensure that no region is left behind in this process. Importantly, however, Freeports should be seen as only one element of a wider ‘levelling up’ strategy to address the deprivation of UK coastal communities. Measures discussed in the context of Freeports such as planning reform and connectivity may have broader applicability.

- Both government and businesses must recognise the vital role of regional cluster organisations in offering support through their local maritime business communities. This support has been helpful in ensuring the survival of many SMEs during the current crisis. Continued support for clusters helps to develop capacity to deliver substantive programmes of activity in support of Maritime 2050 objectives. Having provided year-one co-investment for industry’s Regional Cluster Development Programme, this should be extended.

People
Enrich our workforce and recognise how Coronavirus has changed both working practices and projected labour market forecasts.

The outbreak of the COVID-19 pandemic has highlighted the key role that maritime workers play in keeping Britain supplied with essential goods and ensuring that supply and logistics chains are running smoothly. The maritime workforce is 42% more productive than the average UK worker, and government and industry must stay committed to ensuring that the maritime sector is able to develop, attract and retain the talent needed to drive it forward.

- Disruptions to scheduled training, apprenticeship schemes and reductions in planned 2020 recruitment processes

means targeted efforts should be made by government and industry to ensure employment and training opportunities are created within the maritime sector in the long term. A major challenge will be to restore employer confidence to the level where they are able and willing to recruit for career programmes as before. Efforts need to be made to ensure that these programmes have the resilience and flexibility required in a contemporary context. This may mean reviewing the content and methods of delivery of maritime careers programmes. Ensuring all training meets international demand and expectations increases UK competitiveness in maritime education and training and will encourage the retention and development of home-grown talent.

- The newly established Maritime Skills Commission will be tasked with mapping the skills gaps that currently exist in the maritime sector, including any emerging as a result of COVID-19, such as increased unemployment. The data provided on the current and future labour market will form the basis for sector-wide recruitment and careers outreach activity which will include advancing the use of online learning and sharing best practice. Funding will need to be secured for the MSC beyond the initial year.
- In order to attract the best talent, the maritime sector must have diversity of thought and be an inclusive place to work. Through the Diversity in Maritime Taskforce, recently launched by Maritime UK, work will be done to ensure diverse recruitment for the future and future-proofing the sector with a workforce in possession of diverse experiences. The Diversity in Maritime programme is built upon the foundations laid by the Women in Maritime programme and recommendations set out on the Maritime 2050 People Route Map. Beyond its focus on gender diversity, the programme is widening its scope to look at areas including, but not limited to, LGBT+ and

mental health. Funding will need to be secured for the Diversity in Maritime programme beyond the initial year.

- In order to remain competitive in all areas, the UK maritime sector must be able to employ the best qualified talent from the global talent pool, complementing its investment in home-grown talent. This should be possible also following the UK’s departure from the European Union.

Innovation
Foster increased levels of research and innovation to respond to the significant challenges and opportunities the global maritime sector faces.

To realise ambitions for the future of the UK maritime sector, industry and government must commit to supporting and investing in innovation, research and development. Through the UK-wide research and innovation vehicle MarRI-UK, based at the University of Strathclyde, collaborative efforts are made to realise the total value of expertise and capacity across the entire sector. There will also be other mechanisms to drive maritime innovation, such as the network of Maritime Innovation Hubs, and these should be coordinated through the Maritime UK Technology and Innovation Group, to ensure greatest output.

- Government and industry must ensure future-oriented investments in infrastructure and technology and recognise the wider benefits of green growth. There needs to be a concerted effort by government to protect innovative intellectual property by equity co-investment in technology companies.
- In addition to radical innovation, through collaborative efforts within industry, business development and support should be provided for companies to help realise incremental innovation in terms of processes or product development. With a depressed economy, such incremental

innovation will be critical to delivering growth. Industry will develop a programme of incremental innovation support, to be delivered through regional cluster organisations.

- As the national body to identify technological solutions to maritime decarbonisation, the government should provide funding and co-invest with industry to ensure further progress in the work of MarRI-UK. Recent competitions have shown both appetite, ambition, and ability in the maritime sector for innovation. Funds specifically for maritime should be made available from the government’s increased £22bn R&D fund, to maintain the UK’s competitive position across the maritime industries – these funds could be redirected from other innovation projects from across the economy that have been put on hold as a result of the pandemic. Government funding and fast-tracking ‘flagship projects’ as set out in Maritime 2050 would give the sector a boost and speed up the technology drive.

Competitiveness
Boost exports and maximise the attractiveness of the UK’s business environment.

As a global maritime hub, the UK’s success is based upon its ability to attract businesses and individuals from across the world. Competitor jurisdictions aggressively promote their interests in an attempt to attract UK-based firms. As we seek to renew the sector following Coronavirus, we should fundamentally review business environment measures to both maintain international companies located here and attract others to either return or move to the UK.

The maritime sector is responsible for enabling 95% of all UK trade, totalling over £500bn every year and government’s ambition to increase UK trade will be delivered by this sector. Moreover, the maritime sector exports its own products and

services with global pre-eminence in several areas. Building on the Department for International Trade's five-year-plan for maritime exports and investment, government and industry should accelerate delivery of the recommendations set out in the strategy.

- Government and industry should accelerate delivery of respective recommendations within the five-year plan for maritime exports and investment, with a particular focus on:
 - Development of a campaign plan for each target market identified with targets for agreed industry-government 'wins'
 - Establishment of a Maritime Trade Fund to support SMEs engage in international business development activities such as key trade shows by de-risking their export development.
 - Creation of a GREAT maritime marketing campaign.
 - Government must commit to creating a competitive business environment for maritime in the UK by reviewing non-fiscal and regulatory measures, as well as fiscal measures to attract more maritime businesses to the UK to further support the recovery of the economy. There is an opportunity here to work with industry to create a more competitive Tonnage Tax scheme for the shipping industry.
- The increasing influence of Environmental, Social & Governance regimes in shipping and the fast-changing legislative environment driven by the changes in the OECD's Base Erosion and Profit Shifting (BEPS) rules have created a generational opportunity for the UK to enhance and grow our maritime cluster. It is vital that there is more proactive government marketing and engagement with shipowners, asset managers and charterers to encourage them to invest in the UK.
- The UK should be a global centre for financing, which besides investment creates demand for other professional

services. The UK should take a leading position in defining standards for maritime finance and develop specialist green finance products which address the growing demand for sustainable solutions, in order to capture this business and become a hub for marine asset managers wanting to invest in transition and ultimately green technology.

- As the UK prepares for life outside the EU, there could be a number of challenges UK maritime businesses need to overcome and a red tape review would provide the Government with a simple process to identify the environmental and regulatory priorities for Britain post EU-exit.

Issue	Industry Action	Government Action	Maritime 2050 Recommendation(s)
Environment	Co-investment in MarRI-UK.	Accelerate investment in green R&D, building upon MarRI-UK funding.	S54 / S55
	Encourage businesses to join MarRI-UK.	Introduce financial incentives and investment to encourage investment in green technologies.	S54 / S60
	Develop strategies and investment proposals to progress Clean Maritime agenda.	Establishment of a fund to drive investment in green maritime infrastructure.	S56 / S57 / S60 / S61
		Establish work programme to drive modal shifts to coastal and inland shipping.	
Regional Growth	Develop Freeports bids.	Deliver Freeports programme, with ten-port cap removed.	S77
	Coordinate network of 'Maritime Innovation Hubs'.	Establish new Maritime Innovation Hubs.	S29
	Continue to deliver Regional Cluster Development Programme with new regional clusters created as well as existing clusters supported and coordinated through Regional Council.	Provide funding for industry's Regional Cluster Development Programme, following delivery of agreed year-one objectives.	S4 / S5 / S6
		Work with industry to explore and implement proposed regulatory reforms such as improving the scope of Permitted Development Rights.	S86 / S87
People	Delivery of regional activity through clusters in support of national Maritime 2050 objectives.		S4 / S5 / S6
	Ensuring all training is updated and meets international demand.	Deliver funding for the Maritime Skills Commission and Diversity in Maritime programme following year-one grants.	S37 / S38 / S41/ S42 / S45
	Map skills gaps including any emerging as a result of COVID-19.	Ensure the sector is able to attract the best global talent to study, work and live in the UK.	
	Deliver national Maritime Careers campaign and Diversity in Maritime programme.		S33 / S34 / S35 / S36

Issue	Industry Action	Government Action	Maritime 2050 Recommendation(s)
Innovation	Develop of a programme of incremental innovation support, to be delivered through regional cluster organisations.	Protect innovative intellectual property by equity co-investment in technology companies.	S5 /S30 / S93
	Co-invest with government in MarRI-UK.	Provide funding and co-invest with industry to ensure further progress in the work of MarRI-UK.	S30 / S55
	Coordinate sector innovation initiatives through the Maritime UK Technology and Innovation Group.	Government funding and fast-tracking ‘flagship projects’ as set out in Maritime 2050 to give the sector a boost and speed up the technology drive.	S27 / S30
Competi- tiveness	Accelerate delivery of recommendations within the five-year plan for maritime exports and investment.		S74 / S95
	Make proposals to government on reforms to Tonnage Tax and other measures.	Review non-fiscal and regulatory measures, as well as fiscal measures to attract more maritime businesses to the UK.	S1 / S2 / S33
		Increased engagement with shipowners, asset managers and charterers to encourage them to invest in the UK following changes to BEPS rules.	S1 / S2
	Develop specialist green finance products.		S54 / S57 / S60
	Define standards for green maritime finance.		S54 / S60
	Identify ‘red tape’ measures to demonstrate need for review.	Conduct a ‘red tape review’ to enhance efficiency.	S4





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