

# MARITIME PARLIAMENTARY BULLETIN

## W/C 19 October 2020

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.

### **Recent developments**

- Local leaders from coastal communities across the UK <u>wrote</u> to the Chancellor urging him to support the maritime industry's £1 billion bid to kick-start maritime decarbonisation.
- <u>Reports</u> suggest the Prime Minister wants to boost British shipbuilding we welcome this ambition, and we would also encourage supportive Parliamentarians to highlight how this links in to the wider agenda of maritime decarbonisation and green shipping.
- The Treasury has recently <u>announced</u> that the Spending Review will be a one-year plan for 2021-2022.
- Maritime UK Week took place last week and featured events across the whole country. You can see various activity by searching #MaritimeUKWeek.

# Upcoming Parliamentary opportunities to promote maritime

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

#### Commons

We would be delighted if MPs would be willing to use any opportunities at PMQs and Business of the House Questions to promote the UK maritime industry (these questions are drafted to be suitable as either oral or written parliamentary questions):

- **PMQs Wednesdays**: We would be delighted if MPs would be willing to raise maritime at PMQs if they are selected in the ballot, and happy to support in drafting a question
- **2 Nov Defence questions:** To ask the Secretary of State for Defence, what discussions his department has had about decarbonising the UK's naval shipbuilding capacity
- 4 Nov Northern Ireland questions: To ask the Secretary of State for Northern Ireland, what discussions his department is having about supporting the decarbonisation of the Northern Ireland maritime sector
- **10 Nov BEIS questions:** To ask the Secretary of State for Business, Energy and Industrial Strategy, what discussions his department is having regarding maritime decarbonisation
- **11 Nov Scotland questions:** To ask the Secretary of State for Scotland, what discussions his department is having about supporting decarbonisation of the Scottish maritime sector
- 16 Nov MHCLG questions To ask the Secretary of State for Housing, Communities and Local Government, what discussions his department has had about the benefits decarbonising the maritime sector would bring to coastal communities

- **18 Nov Wales questions** To ask the Secretary of State for Wales, what discussions his department is having about supporting decarbonisation of the Welsh maritime sector
- 19 Nov International Trade questions To ask the Secretary of State for International Trade, what support her department is providing to boost the exports of UK green maritime technology
- 26 Nov DEFRA questions To ask the Secretary of State for the Environment, Food and Rural Affairs, what support his department is providing to the decarbonisation of the maritime industry
- 1 Dec Treasury questions To ask the Chancellor of the Exchequer, what discussions the Treasury has had abour supporting maritime decarbonisation as part of the one-year Spending Review
- 2 Dec Northern Ireland questions To ask the Secretary of State for Northern Ireland, what discussions his department is having about supporting decarbonisation of the Northern Ireland maritime sector
- **3 Dec Transport questions –** To ask the Secretary of State for Transport, what support his department is providing to decarbonise the maritime sector

#### Lords

The following oral questions in the House of Lords represent opportunities for maritime decarbonisation to be raised:

- 26 Oct Oral question: Addressing social and economic inequalities in the economic recovery from the impact of the COVID-19 pandemic
- 29 Oct Oral question: Supporting small businesses during the Covid-19 pandemic
- 4 Nov Oral question: Strengthening the union between Scotland and the rest of the UK

- **5 Nov Oral question:** Jobs saved in Northern Ireland as a result of the measures to deal with the economic consequences of the COVID-19 pandemic
- 9 Nov Oral question: Aligning skills strategy with the target for net zero carbon emissions by 2050
- 12 Nov Oral question: Consequences of government policies in relation to the COVID-19 pandemic on their levelling up agenda in England

We would be delighted if parliamentarians would be willing to table requests for parliamentary debates on the UK maritime industry, and we can support with suggestions for these.

#### Written Questions

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

#### UK maritime news

- Coastal areas demand £1bn 'kick-start'
- London company market premium grows by 10%
- Breakthrough announcement set for £23m Maritime Knowledge Hub
- Industry launches LISW21 with 'driving growth and recovery in a disrupted world' as the central theme
- <u>Scotland to trial world's first hydrogen-powered ferry in Orkney</u>
- Maritime Minister highlights Maritime UK Week
- UK's first electric ferry launches in Plymouth and will take passengers to Cornwall
- New Maritime Careers videos sline light on Solent, South West and Merseyside
- British shipbuilding gets boost as new support ships to be built by UK-led teams
- <u>Maritime UK responds to the Government's offshore wind announcement</u>
- Blog: Getting on the right side of seismic change ports and fundamental changes to the planning system

## Maritime sector comes together to develop new COVID-19 Framework for cruise operators

In October, the cruise industry published new Framework documents for cruise ship operators to implement new measures with enhanced public health protection. The Framework, produced by the UK Chamber of Shipping and Cruise Lines International Association (CLIA), is the culmination of months of collaboration between cruise operators, industry partners, health experts and UK Government.

The cruise industry was one of the first sectors to voluntarily suspend operations and the economic impact is taking its toll on the sector and its extensive supply chain. The sector is worth £10 billion to the UK economy and supports more than 88,000 jobs.

This new Framework will help inform the restart of the cruise industry when the time is right and public health conditions allow. There is currently no restart date for cruise in the UK, but the Framework is a vital first step in the process to get cruises sailing again when government guidance changes.

The safety of passengers and crew has always been the top priority for the cruise industry, which already implements some of most stringent safety and hygiene standards compared to other sectors. The rigour and detailed planning that has gone into these Framework documents demonstrates the commitment of the cruise industry to caring for public health and upholding robust and uniform safety measures.

#### Updating cruise-specific travel advice and agreeing the next phases

We recognise that the cruise sector will not fully restart in the short term, which is why we want to resume operations at the right time and in a safe way, based on the latest scientific advice. As an industry, we want to continue the collaborative approach which led to the Framework guidance. The next steps in this partnership between industry and government should be for the progress made in the Framework to be reflected by an update to FCDO travel advice to remove specific advice against cruises. We feel that this is no longer appropriate, as the industry now has a Framework in place to manage risks around Covid-19, reflecting our collaboration with health experts. With this safety Framework in place, we feel that it is right that the Government focus should now shift to the question of where cruises might safely go, and when – subject to the usual FCDO geographic travel advice.

This would bring cruises into line with the rest of the transport industry.

We want to collaborate with government to set out the timing of future phases which would see cruises resume in coming months and gradually expand their range, in line with FCDO travel advice. This would allow us to begin to plan what a resumption of operations will look like in detail, and to plan early, efficiently, and effectively.

### Current political context

- The maritime sector has made a significant contribution to the UK's COVID response. We have kept supply chains open, ensuring access to vital resource across the country including food, fuel and medicines.
- We are now looking to develop greater resilience, create jobs and boost economic growth across the UK's coastal communities.
- To achieve this, Maritime UK has been working collaboratively and successfully with the Department for Transport to shape a Spending Review bid in terms of maritime.
- Maritime UK is now seeking the support of parliamentarians to help 'seal the deal' with the Chancellor and his Treasury colleagues through the use of parliamentary questions, debates, press activity and private advocacy.

#### Key messages

- Maritime contributes **£46.1bn to the UK economy and supports 1 million jobs** (more than air and rail combined).
- Maritime is responsible for keeping the country supplied (resilience): 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.
- 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, with the market for maritime emission reduction technologies reaching \$15 billion per year by 2050, resulting in economic benefits to the UK of \$690 million per year.
- Maritime makes a significant contribution to **all nations and regions of the United Kingdom**.
- \$1.4-1.9tn will be needed to decarbonise the global maritime industry.



## Our Autumn Spending Review bid is designed to kickstart a world-leading programme to decarbonise the maritime sector

- Sustain and create high-skilled, well-paid, green jobs: 1.1m jobs are generated by the UK maritime sector, and investment at the Spending Review will unlock a wave of green jobs to help the sector decarbonise.
- **Get us to net-zero**: Achieving a net zero maritime sector requires investment now, with the life cycle of a ship being around 25-30 years.
- Rejuvenate our shipbuilding industry: No country has yet pulled ahead in the zero-emission maritime race. The UK has the skills and manufacturing potential to become a global leader - let's act fast to secure maximum jobs and economic growth potential.
- Drive economic development in coastal communities: Growth in the UK maritime sector will unlock significant growth in areas that are essential for the Government's 'levelling-up' agenda.

The bid is centred on plans to **replicate the success of the UK's automotive industry** in driving its decarbonisation journey. It therefore replicates the Office for Low Emission Vehicles for the maritime sector, with a **government investment of £1bn** to kick-start the UK's maritime decarbonisation programme. This investment, unlocking further private investment, will:

- Directly create **15,200 jobs** and a further **58,400 jobs** throughout the supply chain (73,300 total), according to the Centre for Economics and Business Research.
- Create jobs in all four nations of the United Kingdom, particuarly in coastal communities with a tradition of maritime econmic activity, including shipbuilding.
- Set the UK on a course to meet its legal net-zero maritime obligations.

- Position the UK as the world-leader in maritime decarbonisation and help transform the UK into a scientific superpower, by taking advantage of the fast-growing market for clean maritime technologies and fuels.
- Fund a programme of **plug-in grants for vessels** and support the roll-out of **electric charging in ports**.
- Fund a **demonstrator programme** to prove the commercial case for low and zero-emission technologies like **hydrogen**.
- Fund low TRL technologies to identify innovative new and radical solutions to deliver netzero.
- **Result in carbon savings of up to 82 MtCO**<sub>2</sub>**e by 2050** as well as significant associated reductions in air pollutant emissions, generating benefits valued at billions of pounds.
- Maritime decarbonisation is an untapped opportunity. The marginal cost of decarbonising maritime is lower than decarbonising other modes because of the greater amount of carbon savings immediately available due to lack of intervention. This means that one pound spent in maritime decarbonisation would deliver greater marginal carbon savings compared to other modes.

## Action is needed now because:

- Maritime decarbonisation is essential to meet the legislative target of net zero emissions by 2050. In 2018 domestic shipping alone produced more GHG emission than rail and buses combined, whilst representing only 1% of transport emissions in 2009. Action is needed now to support the deployment of low emission vessels and infrastructure.
- Regulation alone is not going to be sufficient: building on the automotive experience, capital investment in maritime decarbonisation is needed to unlock the industry's potential and kick-start the transition to zero emission shipping. Intervention will demonstrate the UK climate leadership ahead of the COP26 summit, to be hosted in the UK in November 2021.

Please email **<u>bmurray@maritimeuk.org</u>** for further information.