



# **Development in the Norwegian maritime cluster**

**1st European Maritime Cluster  
Organisation Roundtable**

**Wassenaar, Netherlands 26 - 27 April 04**

**By clicking the graphs the data-sheets will appear**

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# Themes to be elaborated

- The cluster organisation Maritim Forum
- The sectors making up the cluster
- Trends in development of cluster
- International position
- Some of the unique mechanism in the cluster
- The lack of cluster policy

**Erik Jakobsen:**

- Cluster research - definition of cluster, size, development



# Maritimt Forum

- Open to all Norwegian companies and organisations involved in the maritime industry
- Its members comprise both employers and employees of maritime companies and organisations
- Established 1990



**MARITIMT FORUM**



# Maritimt Forum - members

## Organisations

- Norwegian Shipowners' Association
- Federation of Norwegian Engineering Industries
- Metal workers association
- Norwegian Maritime Officers' Association
- etc.

## Companies

- Shipowners
- Ship Yards, Ship Equipment Industries,
- Brokers, finance, insurance, class, consultants etc.

In total more than 600 members, included members in 8 regional organisations. At the local level, local government is typically represented.



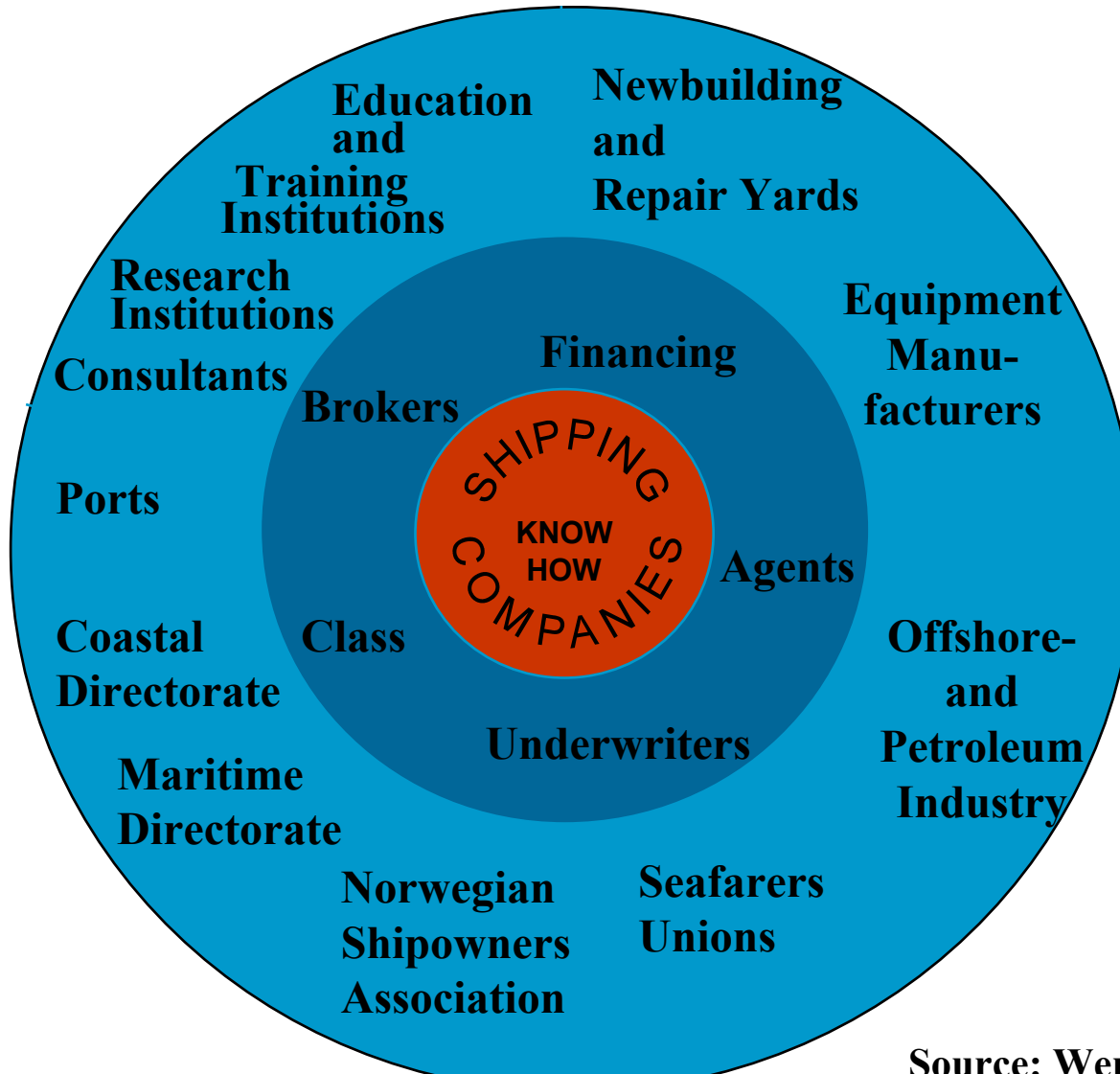
## Maritimt Forum - main objectives

- To positively influence the conditions of Norway's industrial policies on behalf of its members
- To strengthen cooperation and activity between the different sectors and players within the maritime industry
- To forward, on an international basis, the best interests of Norway's maritime industry

# Maritime sectors



Employs 75.000

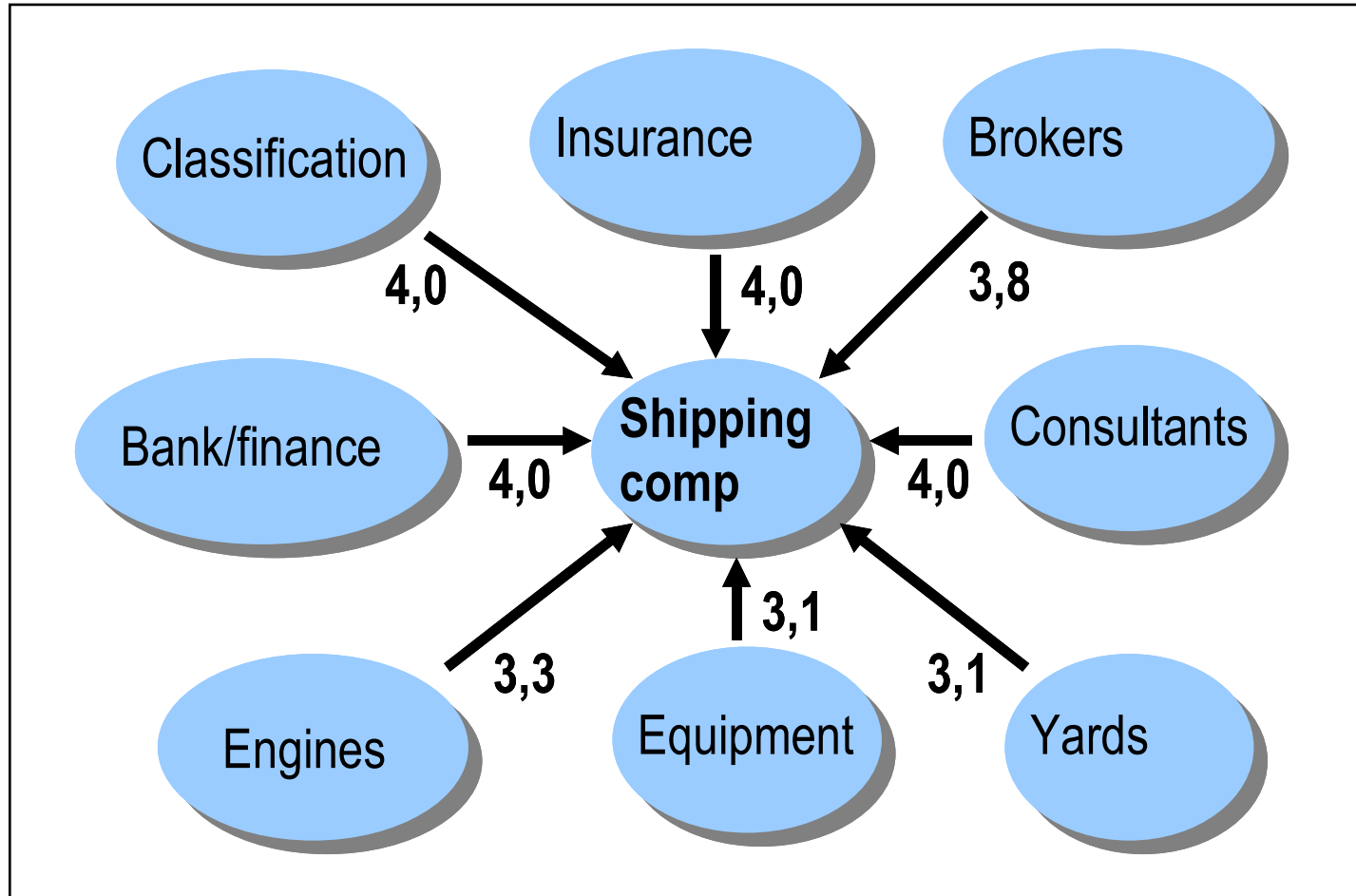


Not included:  
Navy  
Leisure

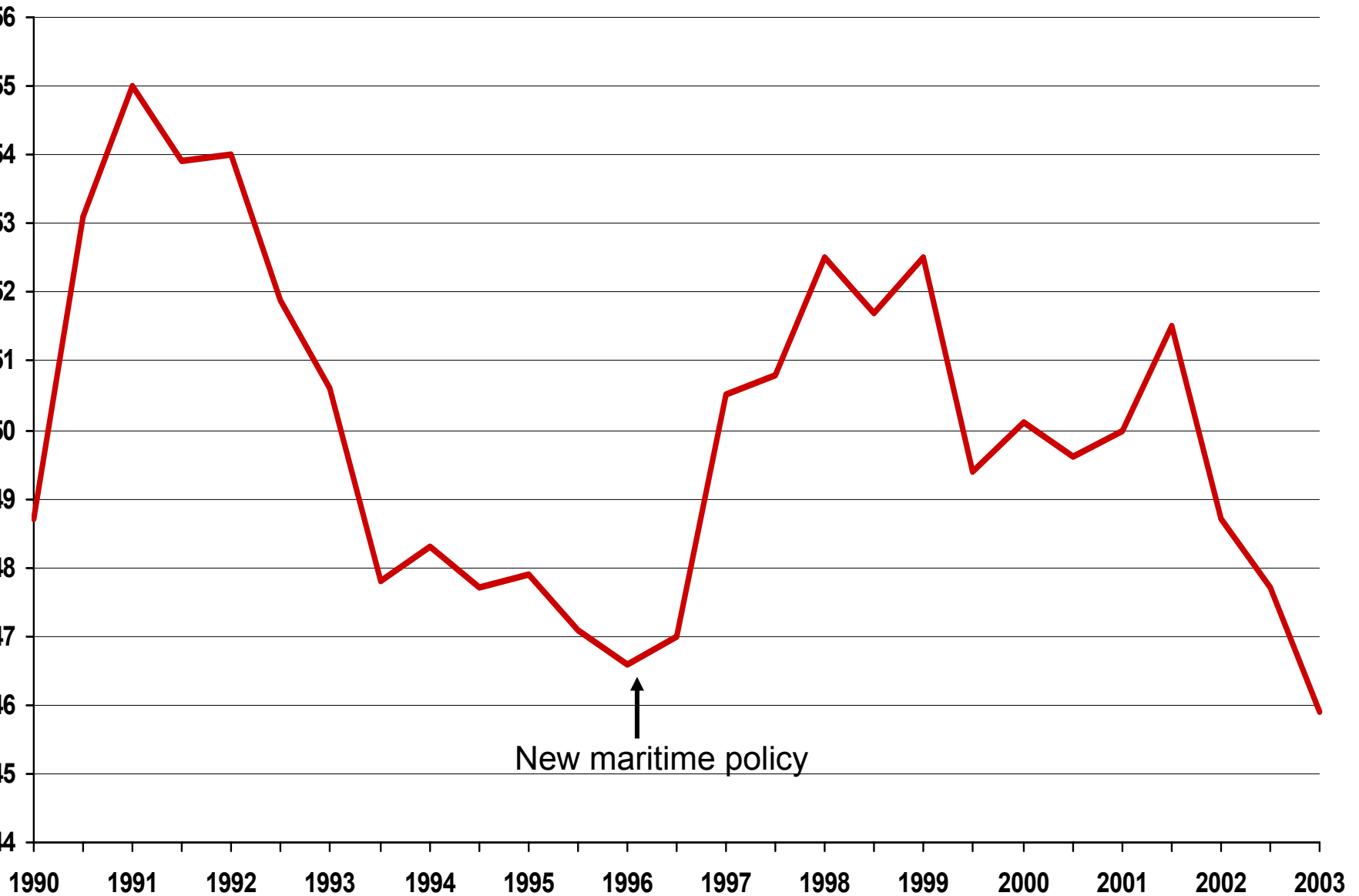
Source: Wergeland (1992)



# Shipping at the centre

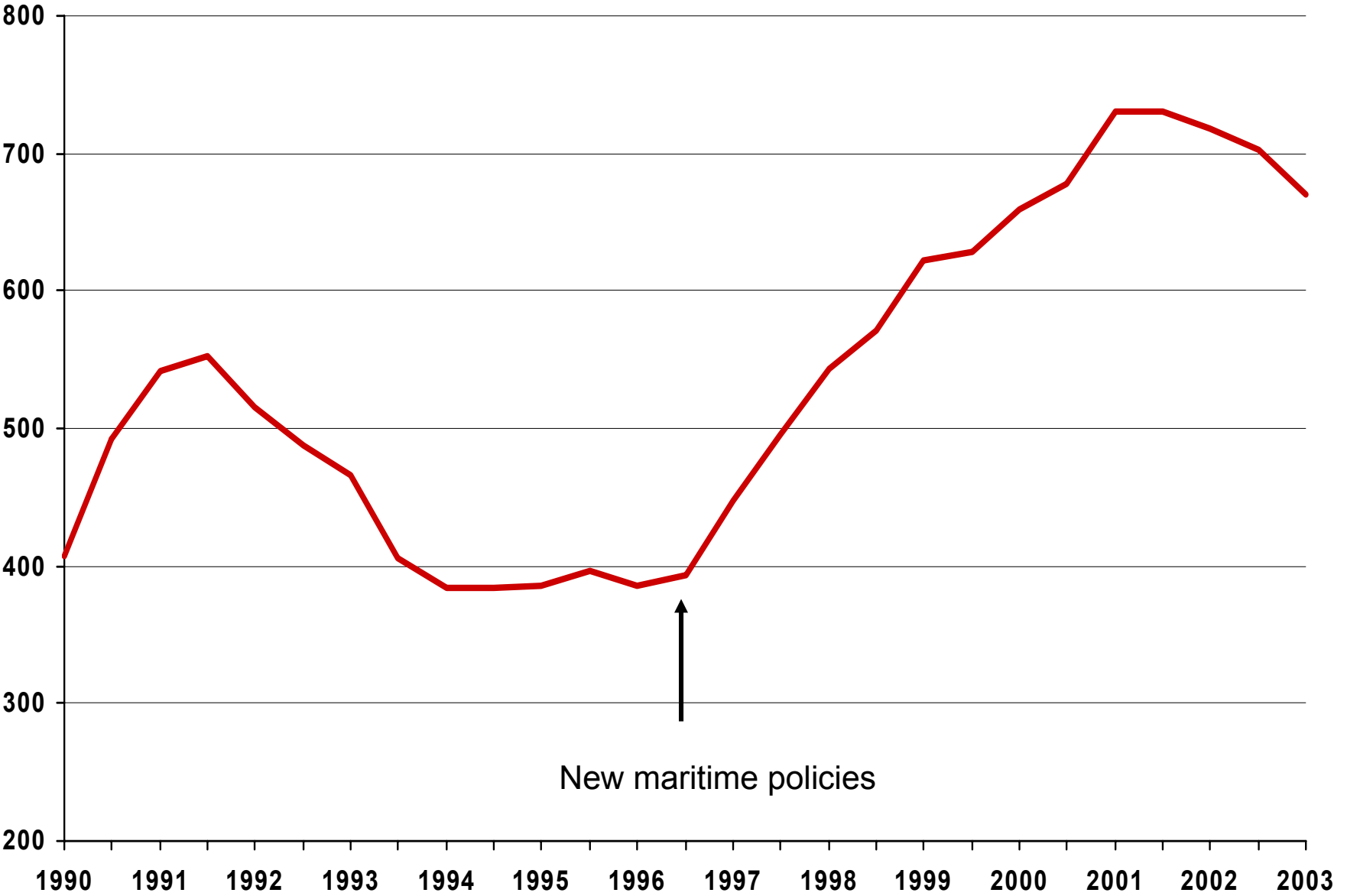


# Norwegian foreign going fleet mill. dwt.

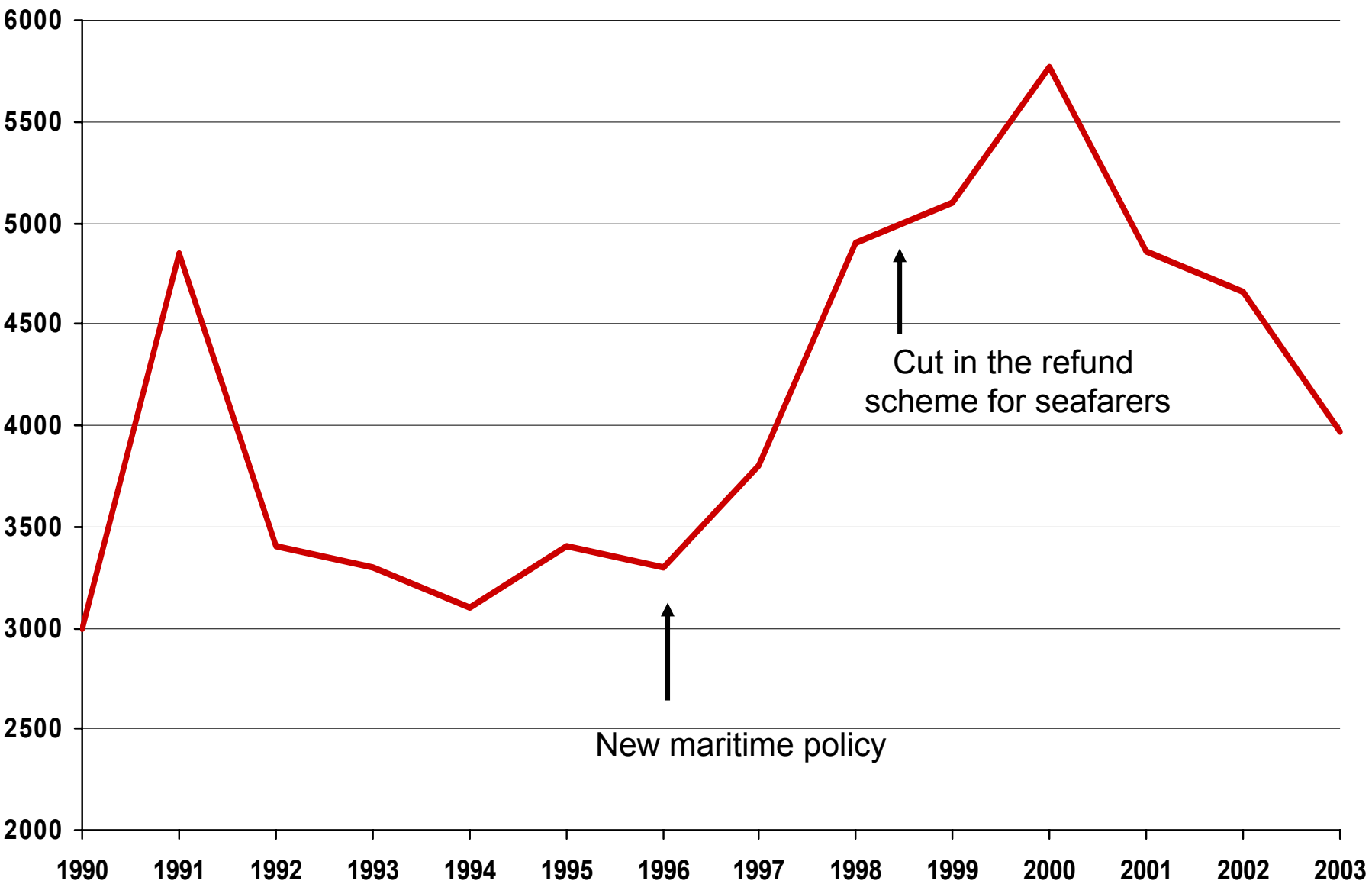




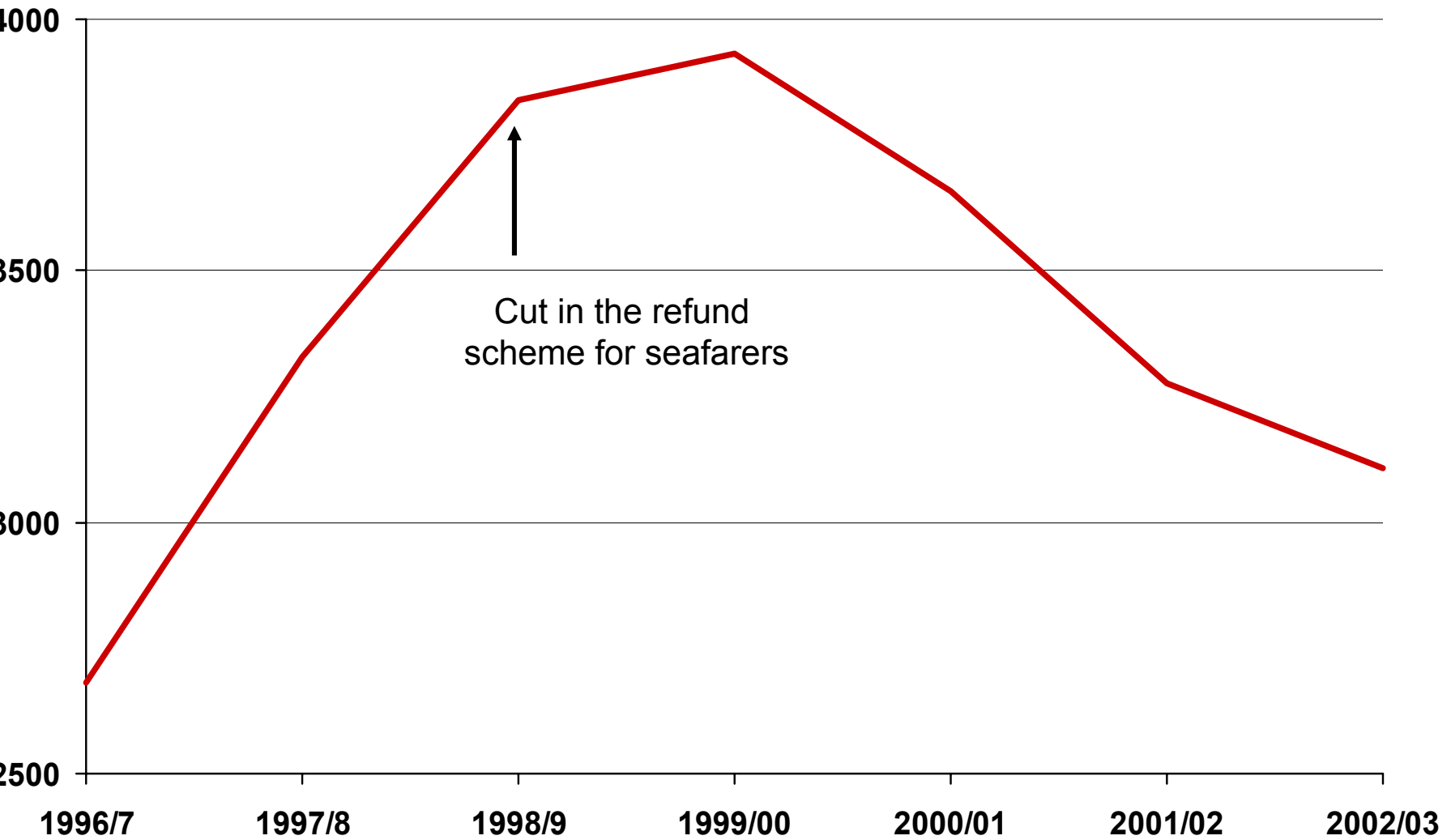
# Number of ships in the Norwegian foreign going fleet



# Norwegians on foreign going ships



# Number of young people in maritime education and training



# From growth...



- From the introduction of the new maritime polices in 1996 until 2001 the number of ships in the Norwegian foreign going fleet grew by 24 percent.
- From 1996 to 2000 there where a 19 percent increase in the number of Norwegians on board foreign going ships.
- The number of young people in maritime education and training rose 32 percent from 1996/1997 till 1999/2000.

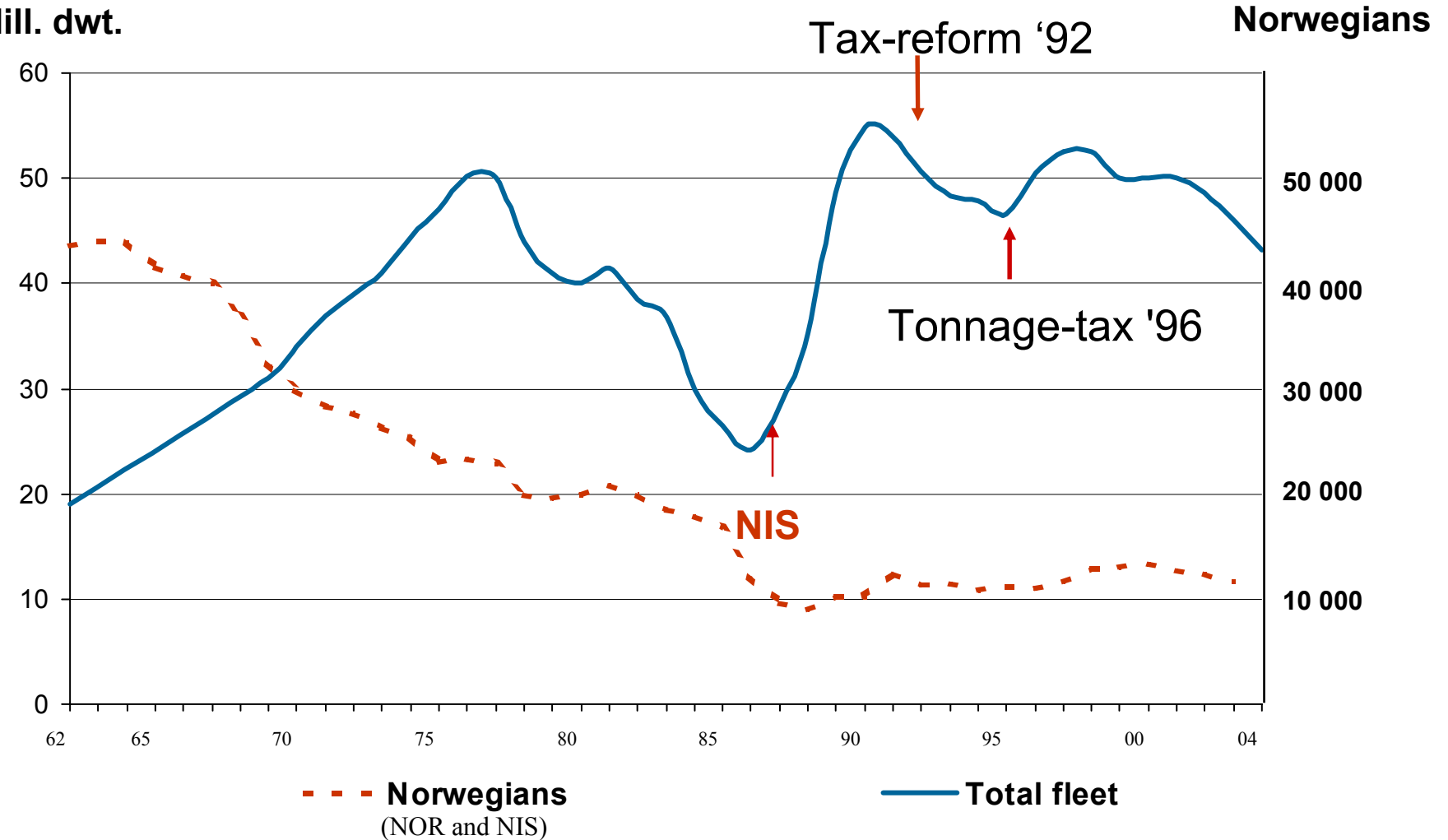
## ... to decline

- From 2001 till 2003 the Norwegian foreign going fleet is reduced by 6 percent measured by number of ships, and by 16 percent in tonnage.
- From 2000 till 2003 the number of Norwegian seafarers on foreign going ships have declined by 11 percent.
- The number of young people in maritime education and training declined 21 percent from 1999/2000 till 2002/2003.



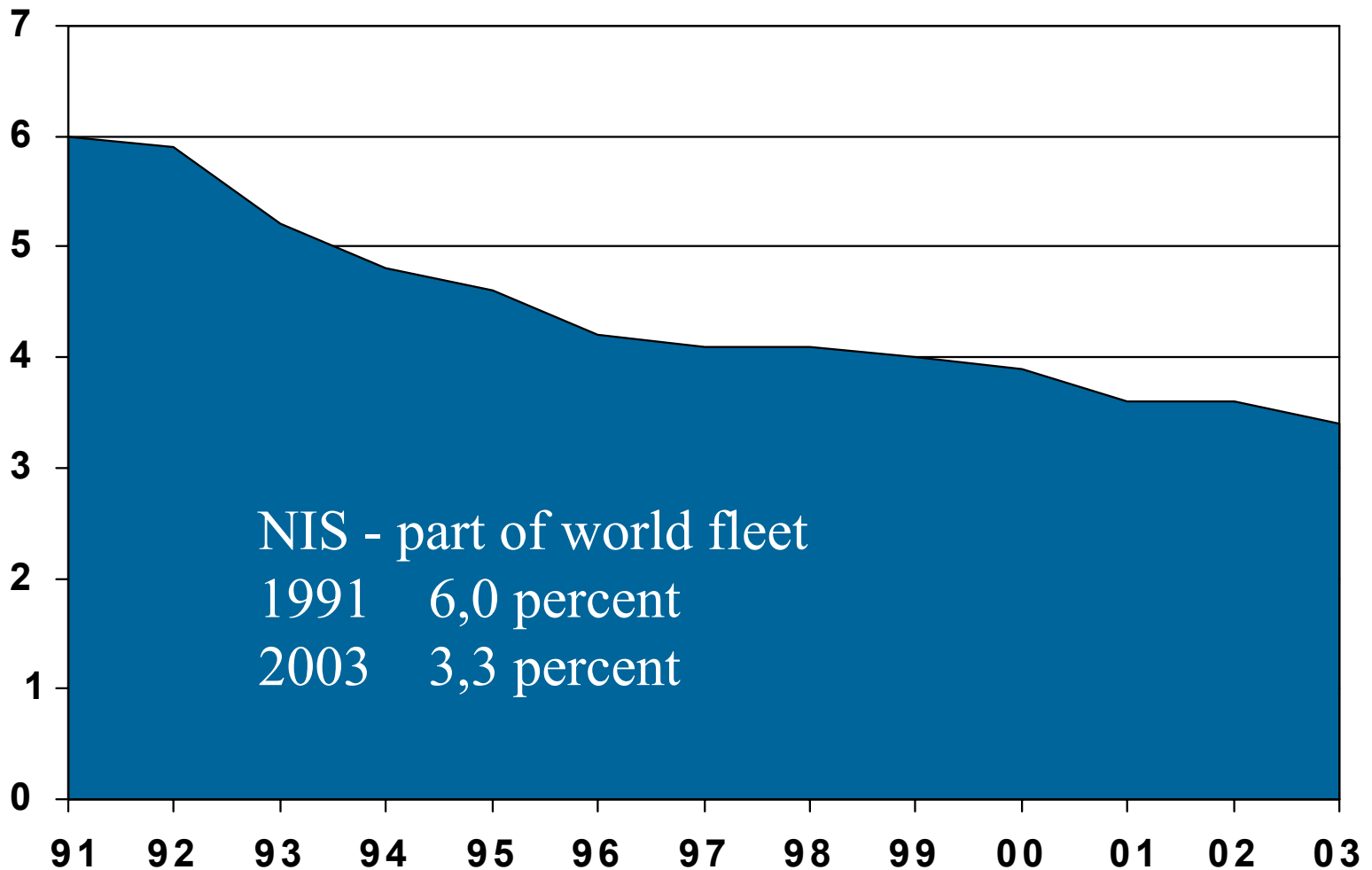
# Policy matters!

## Tonnage and people employed





# NIS register





# 2003 at a glance

- **Norwegian controlled fleet down by 47 vessels**
  - **Internationally contracting of vessels grew by 83 percent compared to 2002**
    - Reduction in contracting by Norwegian companies
  - **Large companies sold out of Norway**
  - **Several companies de-listed**
  - **Owners of large Norwegian shipping companies based abroad**
- **Bonanza in international shipping, Norwegian shipping is decreasing in size - critical times**

# Norway as a maritime nation



- **Controls 3rd largest merchant fleet in the world (ISL Bremen)**
- **2nd largest maritime offshore industry, after the USA**
- **Employs 65.000 seafarers, of which 1/4 are Norwegians**
- **20% of ship insurance market**
- **Classifies 17% of the world fleet**
- **Several leading ship-broker firms and leading shipping banks**
- **Leading manufacturers of ship equipment**





# Key figures

## Shipping services:

- **11 per cent of total exports, 20 percent excluding oil and gas) (1997, part is falling as oil grows)**
- **50 per cent of service exports**
- **In addition: all export from yards, equipment makers, brokers, banks etc.**
  
- **The maritime sector accounts for 6 - 9 per cent of total turnover of Norwegian companies. 2002: more than 50 bn NOK in value creation**
- **70 per cent is made up of the shipping companies (1998)**



# Paradox...

- **Norway - the country where shipping is of vital importance to the economy**
- **we have the least competitive taxation system for shipping companies and seafarers, and**
- **the lowest degree of political predictability**

# St.meld. nr. 31

(2003–2004)

Vilje til vekst

– for norsk skipsfart og de maritime næringer



SVENSKS UNDSNES AF TØNSBERG. AFDER CUSTAV CONRAD HANSEN

## White paper 2. April 2004

Improvement of tonnage tax system - but still not in line with EU standard

Net wage scheme focused on competence



## Key facts

- **Important source of employment i coastal areas**
- **One of the few sectors in which Norway plays a global role**



# Many small co-operating companies

- **Outsourcing**
- **Specialisation**
- **Flexibility**
- **Competition**
- **Many linkages**



# Important challenges

- **Keep and develop the almost complete existing cluster diamond**
- **Strengthen the connections between the different parts of the cluster**
- **Strengthen recruitment**
- **Increase the research and innovation effort**
- **Attract foreign capital and competence**



# The most important measures in the maritime policy

- Tonnage tax system
- Tax-refund for seamen
- Contract subsidies to the yards

**There is no true cluster policy!**



# The role of the government

- **General terms for industrial activity**
- **Industry specific measures**
- **Basic physical and human infrastructure**
- **R&D**
- **Standards, regulatory measures**
- **Demanding customer**
- **Information and norms**





# New possibilities - examples

- **Electronic charts**
- **Distant learning**
- **Tele medicine**
  
- **Early introduction of measures facilitating the development of new techniques for seaways transport.**



# New policies

From neo-classical inspired economic theories and factor price subsidising



To broad based policy stimulating innovation, knowledge creation and upgrading





# EU policy has given results

Source: Sjøfartens Analytisk Institut

- **Holland (1996-2001)**
  - 40 % growth in number of ships, 37 % growth in tonnage
  - 69 % more seafarers, 34 % more national seafarers
- **GB (2000-2002)**
  - 13 % growth in number of ships, 57 % growth in tonnage
  - 35 % more trainee positions onboard
- **Denmark (1988-2003)**
  - more than doubled the tonnage
  - the world's youngest fleet
- **Sweden (2001-2003)**
  - largest increase in the fleet in 7 years
  - 20 % growth in number of seafarers