

## **The Norwegian maritime cluster Value creation (latest figures 2007)**

Our latest study of the value creation in the Norwegian maritime cluster is based on official figures from 2007. (We define value creation as companies "gross profit" plus "wage costs", and we include companies that delivers 50 percent or more to the maritime sector.)

The figures shows that the value creation is almost doubled from 54 billion NOK back in 2002 to exceed 100 billion NOK for the first time in 2007. That is approximately 12 billion Euros. The Shipowners is the biggest contributor within the cluster with 36 percent, the shipyards with 13 percent, equipment producers 27 and maritime services with 24 percent of the total. This makes the maritime cluster the second biggest industrial sector in Norway, behind the oil and gas-sector. I should also emphasize that a large proportion of the maritime cluster in Norway is closely linked with the offshore oil and gas in some way or another.

The total number of employees in the cluster was close to 100.000 in 2007.

### **Not for all – maritime education and recruitment**

I would also like to mention the work Maritime Forum Norway have done establishing an information and recruiting campaign.

We started up in January 2007. Our main target was to reach the youth 15 – 19 year olds and our aim has been to inform and getting them to consider a maritime education and life at sea. We called our campaign "Ikke for alle - en utdanning du kommer langt med" which means something like: "Not for all – an education that can take you a long way". A very up to date and functional internet-site has been the centre of our campaign.

It has been a success. With this campaign a negative trend has been broken. Now after nearly three years we experience an increase in applications for a maritime education by 40 percent. This makes us behind the campaign proud and it should be good news for the future of the Norwegian knowledge-based maritime industry.

### **Political framework – Maritime strategy "Steady as she goes"**

Industrial policies and political framework is as you all know very important to our sector. The Norwegian government, a majority coalition dominated by the social

democrats, presented their maritime strategy in late 2007, with a vision that “Norway will be a world leading maritime nation and that the industry will supply the most innovative and environmentally friendly solutions for the future”.

This coalition kept their majority in the election this autumn. They stated in their new governing platform last week that the maritime strategy stays put. This means a tonnage tax-system and grant arrangements for employment of seafarers in accordance with the state aid guidelines for maritime transportation. And a competitive state-supported export financing arrangement in accordance with the OECD regulations. That's good news.

### **Financial crises – outlook for the Norwegian maritime cluster**

Not so good news is of course the big impact the financial crises have on our industry. I am afraid the Norwegian cluster, which is so heavily dependent on the oil and gas activity offshore, has still the worse to come.

Building orders of ships for Norwegian account was the fourth quarter of 2008 344 ships. So far in 2009 between 40 and 50 ships has been cancelled. 10 of them form Norwegian yards. 80 percent of the Norwegian based yards order book is offshore related. There are some 60 ships in order for delivery from now and to mid 2011. 40 percent of these orders, I might ad, is not yet financed. From 2011 on the Norwegian shipbuilding industry has a big challenge, to say the least.

It is a strong belief both in the Norwegian Maritime Forum and, I will ad, the Norwegian government, that there is NOT a nationalistic or a protectionist solution to this challenge.

### **Europe**

I would like to end my presentation by recognizing The **European Maritime Transport Strategy**, issued in January 2009. We are very pleased that the Commission has recognized that European shipping is a world leader and that this position should be maintained and reinforced through the framework of the present state aid guidelines that should be maintained longer in term and improved where appropriate.

In Norway, the existing measures for shipping companies and seafarers (the tonnage tax system and grant arrangements for the employment of seafarers), have had a significant impact not only on the shipping industry itself but on the maritime cluster as

a whole. We like to underline that specialized offshore activities are a central part of the European shipping industry. These activities represent high-tech, high paying jobs and value creation, and face the same global competitive challenges as more traditional shipping. Thus this segment makes a valuable contribution to the maritime cluster matches the **objectives** of the Community Guidelines.

We urge the EU to keep that in mind when the guidelines shall be revised in a couple of years.