

••• Nederland Maritiem Land

••• High Tech, Hands On

The Dutch Maritime Cluster

Monitor 2018

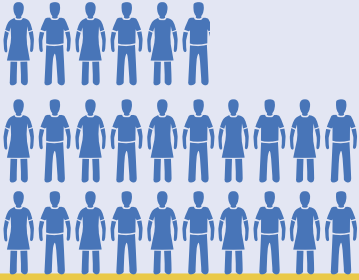
Summary



**Maritime
by Holland.**
High Tech, Hands On



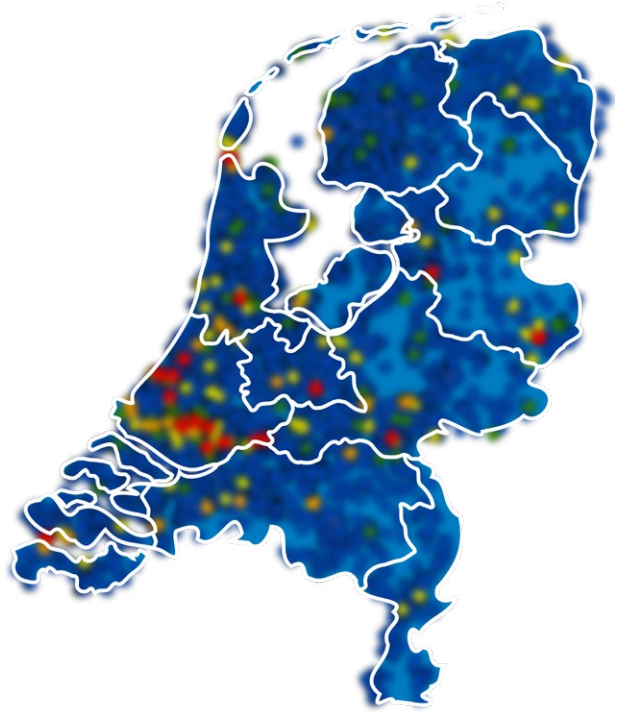
FACTS & FIGURES HUMAN CAPITAL



259,000 employees
in the maritime sector



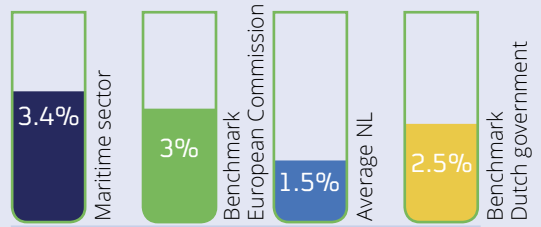
Total
employment



Regional spread of establishments
of Dutch maritime enterprises



FACTS & FIGURES INNOVATION

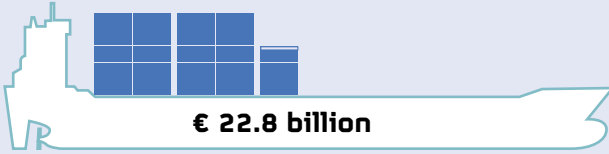


R&D expenses
in percentage GDP

Global leader in innovative solutions



FACTS & FIGURES TRADE



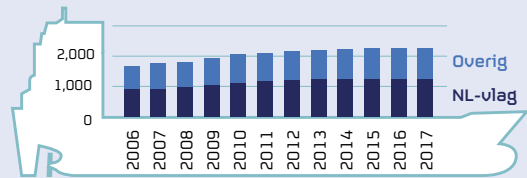
Total value added 2017



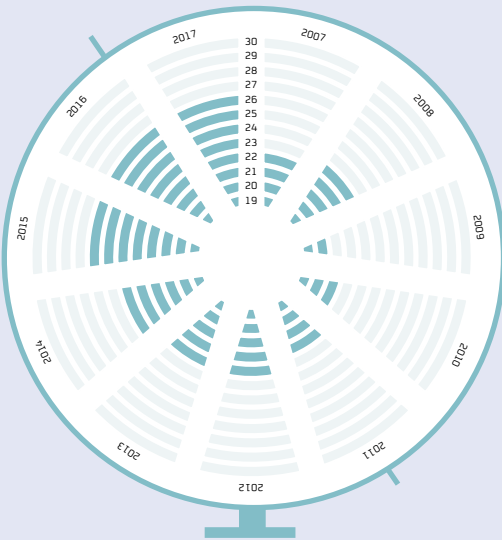
Production value 2017



Percentage GDP



Vessels under Dutch flag



Development export value
(in € billion)



The maritime cluster
and coherence

Maritime sector: High Tech, Hands On

For centuries, the maritime sector has been one of the most iconic, and significant elements of the Dutch economy. With the principles of innovation, cooperation, and dynamic entrepreneurship at its core, the Dutch maritime ecosystem is a frontrunner in offering innovative solutions to global challenges. Together, this €55.1 billion industry, employs more than 259,000 people, comprising to 3.1 percent of the Dutch GDP. A true cornerstone of global markets.

Working in this maritime ecosystem requires a special combination of a “can do” attitude, combined with state of the art skills, cutting edge knowledge, and solution-oriented professionalism. A sustainable career at the forefront of industry awaiting ambitious, adventurous, and no-nonsense professionals. The Dutch look at the future, from centuries of experience.

The Dutch maritime sector is highly consumer oriented; a one-stop-shop for today's, and tomorrow's challenges. The Dutch offer quality, craftsmanship, experience, and are strongly focused on building reliable relationships with their customers. Together with their customers, the Dutch find solutions; a deal is a deal.

Stichting Nederland Maritiem Land (NML) is at the base of the maritime ecosystem, connecting the twelve iconic maritime sectors; ports, offshore, maritime suppliers, shipbuilding, ship operating, dredging, maritime services and knowledge institutes, inland shipping, Royal Navy, yacht building / watersports industry and fisheries.

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The Dutch maritime cluster

In 2017, the direct and indirect production value was almost € 55.1 billion. The total value added amounted to around € 18.5 billion, including € 4.3 billion indirect value added; a total of € 22,8 billion. This means the maritime cluster generates 3.1% of the total GDP of the Netherlands (2016: 3.3%). The sector provided employment for around 260,000 people, which is 2.85% of total employment in the Netherlands (2016: 2.9%). Of these jobs, 166,763 were direct employment (2016: 166,600), equal to 2.85% of total Dutch employment (2016: 2,9%).

Evolution of the Dutch maritime cluster until 2018

The sector is showing recovery for some time. Total exports amounted to nearly €26 billion in 2017, decreasing little less than €0,35 billion in comparison to the previous year. This decrease is mainly attributable to shipbuilding, where the export figures of CBS show a substantial peak in 2016 compared to 2015 and 2017. In 2017, the cluster has a share of 3.9% in total Dutch exports of goods and services. Robust economic development does not yet reflect in employment rates. The sector seems to lag a little behind general business cycles. Direct employment declined slightly compared to 2016; -0.5% in 2017. The strongest increases in absolute direct employment in 2017 occurred in the port sector (+1,750 people); the strongest decline took place in offshore employment (approximately -1,200 people). However, indirect employment only decreased marginally by -0.2%; partly due to lower direct employment.

Employment seems to be under pressure of increasing demand for general, yet highly skilled, technical staff; skills also required in other economic sectors. The sustainable influx of new personnel, at a variety of skills, backgrounds, and levels of education is essential for the future of the sector. Rapid economic, and technological development – such as the rise of digitalization, the internet of things, and robotization – calls for advanced training of students, and existing personnel. The maritime sector grows more and more into an overall future-oriented labour market.

The sectors most prominently contributing to the overall added value of the sector are dredging, maritime equipment supply, offshore, maritime services, and the port sector. Most noticeable is the increase in added value by the maritime services sector; a total increase of 56%. The navy, and inland shipping too show positive trends over this period. Lagging behind are shipping, fishing, and shipbuilding. The latter not yet recovered from the global economic crisis.

Labour Market

The Maritime Learning, and Development Center (MLO) is proven to be a successful formula in stabilizing the Dutch maritime labour market. In early 2018, the first get togethers of maritime Human Resource professionals met with enthusiasm of the MLO-concept. However, the direct exchange of the labour force amongst maritime businesses turns out to be a step ahead.

The sector is focused on curbing the effects of an ageing population in the maritime sector. Many sectors in The Netherlands have been affected, although the degree may vary by region. For the maritime sector, this means that they should be open to attract new (technical) employees and offer competitive jobs in relation to other economic sectors. In addition, 2019 will see the launch of the new strategy on promoting a career in the maritime ecosystem will be worked out and implemented.



Contact

Labour Market:
Leon Maas,
secretary
Human Capital
Council

Labour market

The maritime labour market shows considerable development in the period between 2006, and 2017. Sectors like the maritime services sector, offshore, dredging, and most prominently at thirty percent increase, the port sector. However, the shortage of highly skilled personnel in the Netherlands is also still felt in the maritime sector. Vacancies for mechanical engineers, or electrical engineering remain not easily filled; demand exceeds supply. Even the slight increase in popularity in technical, and engineering studies can be perceived, in previous years also reflected in an increase in first-year students, seems to be insufficient to meet future demand.

The demographic change much of the western world is now experiencing, also reflects strongly in the maritime sector. Various part of the sector have to deal with the aging of employees, and owners. There are for example concerns about the continuity of the family companies in the fisheries and the yacht building/ water sports industry. This is because of the fact that second generations are increasingly more unlikely to take over family businesses. Other sectors such as inland shipping, offshore, as well as the ports also express their concerns about aging associated replacement demand. These demographic changes put increasing pressure on the labour market's demand for new, ambitious, and skilled personnel.

From 2017 onwards: future developments

Even though the maritime sector shows modest recovery in 2017 compared to the previous year, it still lags behind in speed to other economic sectors; with turnover increasing, and a relatively stable employment rate, the increase of overall added value is only marginal. Within its trajectory of recovery, a sense of urgency to become increasingly more sustainable creates a new dynamic of business opportunities for new and existing businesses. The lack of finance options in context of the cost-inventiveness of the sector in recovery of the crises, constrains businesses in taking much needed risks in their ambitions in dealing with this much needed energy transition, for example in switching to alternative sources of energy, and biofuels. The shipping industry is mainly dependent on two elements; global economic development relating to the demand in transport volume, and the supply of shipping space. Sharp, global, competition in freight rates will remain to put extra pressure on the recovery of the Dutch sector. This difficult market situation will be expected to continue in the coming period for many ship-owners, with the exception of both the inland, and the ocean cruise business.

In 2017 the shipbuilding sector had a rough year. Although there is a small improvement of the number of orders, competition has increased because of the world wide over capacity. The extra work at low prices poses higher risks for both the yards and ship-owners. A specific niche market in shipbuilding, that most likely will grow into adulthood from 2017 onwards, is on the large yacht construction (up to 160 meters), and the promotion of superyacht ports of call.

Export

The maritime sector has yet to fully recover from the economic crisis, but is doing to modestly. Total exports of the maritime cluster amounted to nearly €26 billion in 2017; a slight decrease of €0,35 billion compared to 2016, and €0,65 billion compared to 2015. The modest decrease in 2017 compared to the previous year can mainly be contributed to shipbuilding. The largest share of exports is generated by the port sector (31%), shipping (21%), and offshore (12%).

The sector however remains to have a share of 4% in total Dutch exports of goods and services in 2017.



Contact

Export:

Erik Salverda,
secretary
Trade Council

Traditional Offshore service providers in the offshore oil and gas industry too experienced rough markets in 2017, as the result of low oil and gas prices since 2009. Exploitation projects are often postponed, canceled, or down-sized. Recent increase of the oil prices will most likely result in a small increase in orders but not yet to probability. The more new offshore wind sector will thrive from 2017 onwards, but is not capable to compensate for the total losses of the offshore sector as a whole. The focus for the sector is still on cost savings and looking for work in other sectors of the economy.

The sector, together with the government, is focusing increasingly more on the promotion of the Dutch flag, after a small decline in number of ships under the Dutch flag in late 2016, early 2017. A first prominent two-year step in globally promoting the benefits of the Dutch flag will likely take place in early 2019. The sector is confident this will turn the negative trend of 2016. During 2017, inland shipping transported more goods with slightly higher tariffs compared to previous years, modestly restored overall profitability of that sector. Although increasing fuel costs will continue to have an impact. The number of inland ships is still declining, but due to the increasing economy of scale, the capacity will remain at a constant.

The Dutch port infrastructure has been ranked first in 2017 for the fifth consecutive time in a row on the global comparative ranking of the World Economic Forum. Total freight turnover increased by 1 percent mainly because of container traffic. An important merchant flow for the ports constitutes the shipment of containers. This means that high-efficiency ports and or terminals that have an unobstructed nautical access to the largest ships and are able to bind large container flows to the port in the future due to their strategic location. Rotterdam is likely to remain ahead of its two competitors, Hamburg and Antwerp, in the following years.

Europe

Stichting Nederland Maritiem Land currently holds the presidency of the European Network of Maritime Clusters (ENMC). A network of maritime clusters of European member states, focused on connecting maritime clusters to each other, and stressing their interests in the European field.

From 2018 onwards, the ENMC, with NML in the lead, will launch two major projects in the promotion of maritime skills throughout Europe, connecting the supply of maritime students, to the demand for skilled professionals in the sector. Next to that, the individual clusters will contribute to the European Commission's equivalent of this maritime monitor on the European Blue Economy. This study will be published annually interval. It's NML's and the ENMC's ambition to include the comparativeness of the individual clusters, relative to the success of the EU Blue Economy in these studies.

Innovation

The Dutch maritime cluster thanks its strong global position to the entrepreneurial and innovativeness abilities of its businesses. From 2015 onwards, R&D efforts increased by 3.4% of benefits; almost double the Dutch national average of R&D spendings of about 1.5% of GDP. The national ambition is that R&D spending in 2020 will be 2.5% of gross domestic product (in accordance with the Lisbon agreements). The European Commission, under the Europe 2020 strategy, aims at an R&D value of 3% of GDP. Both standards continue to be met by the maritime cluster.



Contacts Innovation:

Michaël Steenhoff, secretary Innovation Council	Marnix Krikke, secretary TKI Maritiem
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Learn more about the Dutch maritime cluster www.maritimebyholland.com

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The maritime sector has been a significant part of the Dutch business community for centuries

A global leader with an unbeatable combination of expertise and experience



Thriving on the core principles of cooperation, innovation and entrepreneurship

An eye for social developments and open for business

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