MARITIME 2050

CALL FOR EVIDENCE QUESTIONS: RESPONSE FORM

	Q1. Please tell us in what context you are responding:	
a	As an individual	
b	As a representative of a business or firm	
c	As a representative of a trade body	✓
d	As a representative of an academic or research organisation	
e	Other (please specify)	

In addition to this response, a number of our members are making their own responses: we commend them all to you.

	Q2. Please tell us about your area(s) of particular expertise: *Mark all that apply in order of priority, with 1 being the highest/most important*	
a	Shipping (including shipbroking)	✓
b	Ports and their hinterland	✓
c	Maritime law, insurance or finance	
d	Marine engineering and manufacturing	
e	Technological development and innovation	
f	Maritime education, training and employment	✓
g	Passenger and other customer services	✓
h	Maritime supply chain and connectivity	
i	Other (please specify): specialist sectors, such as superyachts, inland waterways, the leisure sector, and small commercial vessels	✓

Q3. If you are responding on behalf of an organisation, please give us an indication of the following:

1. The size of the organisation or, if more applicable, the number of people or companies you are responding on behalf of.

We have 18 members, covering the full breadth of the maritime sector, as follows:

- Border Force
- British Marine
- British Tugowners Association
- Company of Watermen and Lightermen
- International Jack Up Barge Operators' Association
- International Association of Maritime Institutions
- Maritime and Coastguard Agency
- Marine Society and Sea Cadets

- Merchant Navy Training Board
- MYBA The Worldwide Yachting Association
- National Workboat Association
- Port Skills and Safety
- Royal National Lifeboat Institution
- Royal Navy
- Royal Yachting Association
- Seafarers UK
- Sea Fish Industry Authority
- Thames Skills Academy

2. The main business or activity of the organisation

We:
- develop qualifications and apprenticeships which suit the needs of the sector

- maintain a suite of National Occupational Standards

- work to secure a good range of high quality training provision across the country

- champion skills matters for the maritime sector

- work with a wide range of other bodies across the UK, especially national governments and their agencies, to further our aims

Our particular interest is therefore in the Skills aspects of the strategy.

3. The region(s) of the UK in which your activity is predominately based (if you are active across the whole country then please answer 'National', if not based in the UK please let us know in which country you are based)

National (ie UK) - plus an interest in the overseas operations of UK companies and UK seafarers, including the superyacht sector.

Section 2 – Building a strategy that works for the UK

The first step towards building a strategy that works is to have a clear understanding of what the overall aim should be. We suggest the following:

"The UK enhances its areas of strength as a great maritime nation by meeting the challenges of the long term future and exploiting the opportunities that arise."

Q4. What are your views on this aim?

It has the merit of realism, focusing on "areas of strength" rather than implying that we can be "world class" in every aspect of maritime activity. But it is not inspiring, neither ambitious nor bold, nor specific enough to focus action. It reads as "keep on keeping on", and it will therefore not change what anyone does – surely a key test for any strategy.

We should take this opportunity both to aim higher than that and to be much more specific about what success looks like.

We might perhaps take our inspiration from a rather apt quote from Mo Farah which the British Olympics Association used in posters for the 2012 Games:

"I don't dream of winning; I train for it"

Farah both aimed high (an Olympic gold medal) and had a clear goal in mind (an Olympic gold medal). In defining our "aim" we should try to incorporate both features.

We should define the markets in which we aim to be the world leader (whether judged by reputation or earnings) and where that is not the right ambition (eg parts of the shipbuilding sector) spell out what our ambition is (eg 'in the top three in Europe for fitting-out top end fishing boats').

To support this aim we have identified three aspirations for the sector as follows:

- To continue to act as the main enabler and facilitator for trade in and out of the UK;
- To continue to significantly contribute in real terms to the UK economy; and
- To be a world leader in contributing to the continued maintenance and further development of a safe secure global maritime environment.

Q5. What are your views on these aspirations? Are there others that the UK needs to take into account?

The same "keep on keeping on" point applies to the first two ("continue to … "). The third is too vague.

For the skills theme (which is our area of expertise) more detailed objectives could include the following:

- To be consistently rated by companies the best in the world for the quality of our training for Merchant Navy cadets, officers, and professional development.

- To be consistently rated by owners and managers, worldwide, as providing the best-trained superyacht crew

- To be the leading provider in the internationally-mobile training market (as evidenced by both reputation and earnings)

The maritime sector is driven by consumer demand and consumption which allows it to adapt its flows and capacity accordingly. The sector is rightly proud of its ability to meet those needs and we must ensure that our future strategy allows this to continue. This short section looks at the sector and its relation to its customers in general terms.

Q6. What developments (for example technological) in other sectors of the UK economy could influence user demand for maritime services in the future?

The offshore energy sector deserves some attention, both for the multi-decade, multi-billion pound, programme of de-commissioning in the oil and gas industry, and for the fast-growing offshore renewables industry: both construction projects and the supply of services require seafarers, and the skills of the related sub-sea sector. UK excellence in DP (dynamic positioning) technology is highly relevant, and an important opportunity.

This is a sector where automation has (past tense: this is fact) made a great difference to how projects are managed, and the skills required. For example, one of the major wind developers has reported that whereas it used over 30,000 'dives' in a previous project in the Irish Sea, its latest (larger) project required fewer than 30 – because of extensive use of ROVs (remotely-operated vessels). As RE (renewable energy) projects move further from land, that use is likely to increase – with many benefits including to diver safety. This is an international market.

Above the waves, there are similar opportunities in use of drones, for example in search and rescue, and in remote inspection of offshore turbines, changing the skills and employment mix – and, again, creating export opportunities.

We think this part of the analysis should also consider what is happening outside the UK – because so much of the maritime sector operates in international markets. (For example, whereas all of the UK's international trade was once carried in British-owned and operated ships, only a very small proportion now is. Changes there would matter a great deal to the shipping sector and for shipping jobs – though probably very little to the UK's ports). See our general point below about including some competitor analysis in preparing the strategy.

Q7. What do you think are the current and potential weaknesses in the UK maritime sector?

In the context of a long-term strategy, we need a strong sense both of change over time, and of how well the UK compares with other countries; horizons are limited sometimes by current constraints. The longer-term time horizon of this initiative provides the chance to look past those current constraints to see what else might be possible – but it is not how we normally work; securing a good outcome may require those involved to have several chances to discuss options, and expand their thinking.

Q8. What will our strategy need to contain to enable us to identify and address potential and existing market failures effectively?

"Market failures" is too limited a focus. In many parts of the maritime sector we need to take full account of what other countries – competitors – do, so our benchmarks must be international, and not simply the status quo. If we are making worthy incremental changes and they are investing billions, they will eat our dinner. Hence our interest in a competitor analysis.

That competitor analysis is likely to show that our major competitors are actively _investing_ in their future; they are training to win gold, not just dreaming about it. We should do likewise.

"Market failure" also suggests a rather passive approach; waiting for a problem to emerge, then stepping-in to do something about it (probably as little as is necessary). That's not how they're doing things in China, or Singapore, or Dubai: they invest actively, with real scale and ambition.

Specifically on the training of sea-going officers, we should be training many more than the UK fleet can employ, with the explicit intention of a good number of them working abroad for a period. There is an 'export' market there which we are not currently tapping (ie good jobs for British seafarers). There is an opportunity for 'soft power' as British seafarers promote, directly and indirectly by their presence, what the wider UK maritime sector has to offer. And we would have a broader base of officers from which to draw the senior managers of the future.

We should be investing in our specialist maritime colleges and universities, both physical infrastructure and staff, to enable the UK to win substantially more of the international training and research markets than we have now. The reward will be both immediate, in financial terms, and longer-term, in terms of building and sustaining the UK's reputation as one of the world's leading maritime nations. Such an ambition also requires the right visa regime, so that overseas students see that they are welcome, and experience that welcome in practice while they are in the UK.

Section 3 - Specific themes

In this call for evidence we identified the six themes of trade, technology, environment, infrastructure, skills and security. We see these as key drivers for a long term strategy for the maritime sector and build on its existing strengths.

Q9. Are these the right priorities to concentrate on as we develop the strategy? Are there any specific aspects of these themes that you wish to see developed? If you were devising a routemap to 2050 what steps would you take?
Yes (so long as they are used as a framework, rather than a straitjacket). Technology and People come together in the skills and employment implications of autonomous vessels (what DfT calls, rather too narrowly, "smart shipping"). The Maritime 2050 strategy should include a discussion of what we know now about the people implications of this technology, our best shot at what is likely to happen next, and consequent plans which enable the UK to embrace automation positively. We want to see the Government (DfT) taking a lead in promoting adoption of new technologies, encouraging everyone to see the potential and to embrace it. Creating the right infrastructure is crucial, to develop and implement the technologies of tomorrow so the UK can take advantage of our current strength in global maritime connections and reach.
Q10. Are there any other themes that should be included?
No
Q11. Do you have any evidence or analysis you wish to offer us in relation to the questions at the end of each theme in Chapter 3 of the Call for Evidence. Please reference the question for us, enter any views and provide additional evidence and comments in supplementary documents if necessary.
What evidence we have relates to the present and immediately visible future; it sheds no light on what might happen over the next three decades.

Section 4 - The Strategy in Practice

These questions are necessarily open ended to allow you to add further thoughts or pick up on anything you think we may have missed or not fully addressed.

Q12. What top three (if any) additional practical factors should be taken into account when developing the strategy?
1   Competitor analysis   2   Brexit   3   Future requirements for Brits – v – foreigners   We elaborate each point below.
1. **We thought the Strategy should include a competitor analysis**.   A century ago Britain dominated almost every aspect of world maritime markets. Since the First World War and with increasing speed since then, we have seen competitor nations in the West take more and more of that business to themselves. More recently we have seen the strongest competition from the Far East, and now also from the Middle East. That shows most clearly in ship-building and in the growth of huge shipping lines, now also in control of ports, but the next 30 years will surely see the end of post-colonial era models of seafarer training, and the emergence of major competitors as players in their own right.   We can expect the Philippines, for example, to shift its focus from training ratings to training officers. Singapore is already there, and has committed major investment to its training programme. The vast archipelago of Indonesia will become a top ten world economy, and as a Top 5 trainer of both officers and ratings, will surely at some point start exporting trained crew. Chinese investment dwarves everyone else's from the $900bn 'One Belt One Road' policy (which you reference) on. Nations in the Middle East are flexing their muscles in the training field. And so on.   What will all that activity mean for the UK? And what can we learn from these newer competitors about the scope for investment to bring about the results we seek?   A related thought applies to innovation. The consultation paper refers (para 3.12) to the UK's "culture of innovation" without considering whether our competitors are *more* innovative, or *more* enterprising. (The discussion on automation, for example, is very cautiously presented: "innovation can be empowering, but … ".) It would be worth including relative approaches to innovation in any competitor analysis.   (Note, too, that the latest draft of the Maritime Sector Deal includes this sentence: "Commission independent economic studies to monitor sector relative strength against other maritime nations".)

2. **We thought there should be some analysis of the implications of Brexit.**

   It is a very political subject, of course, but also a major source of uncertainty – and therefore ought to feature along with other major sources of uncertainty, like the impact of future technological change.

   Even the most ardent advocates for Brexit assume that the prizes they see will take some effort to secure; no one assumes that they will simply fall into our lap. The Strategy ought therefore to identify what needs to be done. A number of advocates for Brexit also accept that there may be some dip in international trade for a period while the UK adjusts to the new environment in which it is operating, and a 30-year strategy ought to include some consideration of that possibility, and its implications.

3. **We thought there should be an explicit discussion about future requirements for Brits - v - foreigners: to what extent do we want to see <u>UK</u> employees in maritime jobs?**

   At the moment there is a vague presumption that it would be 'a good thing' if a higher proportion of maritime jobs – particularly seafaring jobs – were held by UK nationals rather than foreigners (whether from the EU27 or beyond; both groups play a significant role in the British merchant fleet today) – a vague presumption, but no agreed aim, much less a strategy or a plan. More than that, there is some divergence between the business priorities of many companies (for whom such factors are usually irrelevant) and the views of others who want to see more 'British' people employed, not least for defence and security reasons. (With the complicating, and quite complex, question of defining terms: millions of UK residents are not UK citizens).

   This ambivalence occurs most obviously in discussion about "skills shortages". Many shipping companies (and others) address their short-term employment needs by employing foreigners. "Skills shortage" does not mean that British merchant ships do not sail: they always do. What it often means is that they sail with a proportion of foreign crew which is higher than some wish to see for the long-term health, and security, of the country – and that is a very different thought.

   The largely-unspoken assumptions which underpin the status quo may be shaken by the eventual outcome of the Brexit negotiations, depending on what is agreed about the position of foreigners currently working in the UK (both citizens of EU27 countries, and those from further afield), and the scope for others like them to come to the UK to work in future. There may also be changes to the position of British seafarers (and others) working overseas, and the terms on which they do so – for example in the strongly Anglophone superyacht sector.

   Many will argue that an international sector such as maritime *ought to* employ a good proportion of foreigners; is there, perhaps, a minimum proportion below which the UK should not fall?

   And some actions apply in any event, such as promotion of apprenticeships, which are overwhelmingly likely to result in drawing-in more UK residents to the maritime workforce.

We suggest that these questions and others related to them are too important to leave out of the Maritime 2050 strategy.

Q13. What top three suggestions do you have to help us ensure that we have the widest range of evidence upon which to base the strategy given the overall timeframe?

Evidence about the future is necessarily limited: the strategy should acknowledge that none of us knows what the future holds, and say how we propose to manage that.

More practically - do a competitor analysis, as proposed above.

And cover the whole of the maritime sector.

Q14. What top three (if any) additional issues that we have not covered would you like to see included as part of the development/ input to the strategy?

1. **We were disappointed that the Consultation document referred almost entirely to the ports and shipping sectors only, and not the wider maritime sector**.

The Maritime 2050 Strategy should cover the whole sector.

If we look back over the last 30 years we see huge growth in the <u>leisure sector</u>, including the <u>superyacht</u> sector, with its distinctive skills and employment needs. We see parts of the <u>small commercial vessel</u> sector, such as <u>workboats</u> and <u>jack up barges</u>, emerging as distinctive sectors in their own right, again with their own distinctive skills and employment needs. We see, too, a separate national regulatory regime being created for <u>inland waterways</u> as it, too, has developed its own approach to skills and training to fit its particular requirements. And each of them offers different business opportunities, some of them international – different from each other, and different from ports and shipping.

All those trends are likely to continue in the *next* 30 years, between now and 2050.

The Strategy should also cover explicitly our <u>education sector</u>, both teaching and research, and the linked opportunities in commercial application of innovation, a good part of which occurs inside companies.

And it should include <u>fishing</u>.

2. **We thought there could be more 'blue-sky' thinking about the future.**

The difficulties of writing a multi-decade strategy which does more than extrapolate the recent past are well-understood, but we thought the eventual strategy ought to include something more speculative.

For example, what if the assumption in the document that world trade continues to expand does not hold? What if environmental concerns take precedence, and a wave of opposition similar to what we have recently seen on single-use plastic goes on to wash over deep sea shipping, on environmental grounds?

In a different example, there is a discussion in the section on technology about the Fourth Industrial Revolution as though it is still in the future. The gap between the Third and the Fourth is smaller than the gap between now and 2050: what are the *next* industrial revolutions – the fifth? the sixth? the seventh? – and how will they affect the maritime sector? They are being talked about now, and though much of that talk may be nonsense, and is certainly speculative, a strategy of this nature ought to give at least some attention to the even-harder-to-know future 10, 20 and 30 years from now.