



HM Government

Maritime UK

One voice for shipping, ports and maritime business

**A WORLD-CLASS
MARITIME CENTRE**



MARITIME UK CHAIRMAN

The Lord Mountevans

The sea is the lifeblood of modern world trade. More than 85% of goods bought and sold across the globe are transported by sea, the equivalent of one and a half tons for every man, woman and child on the planet each and every year. The UK as an island, and thus a maritime nation, has a long and proud position at the forefront of this global trade.

As a result of this tradition, the UK is the natural home for maritime businesses – from the world-renowned lawyers, insurers and brokers of the City of London through to high-tech ports operators and innovative companies designing cutting-edge technologies.

The maritime sector is able to take advantage of some of the most efficient tax regimes and skilled workforces in the world, alongside the assurance of fiscal and political stability and the ease of doing business for which the UK is renowned.

Industry and government are united in the conviction that the UK is a destination of choice for maritime businesses and are committed to supporting a competitive, attractive and stable environment for businesses to invest and base themselves in the UK.

There is no doubt that the UK is a world-leading business destination and that the maritime offering in the UK is world class. We are ambitious for growth and innovation in the maritime sector in the future, and the UK will continue to provide world-class leadership as that future creates new challenges and opportunities.



THE UK: THE NATURAL HOME OF MARITIME BUSINESS



MINISTER FOR SHIPPING AND PORTS

Robert Goodwill MP

From Glasgow to Penzance, Britain's maritime industry is thriving. Whether it's for trade, maritime services, financing or training, international shipping firms are turning to Britain.

It's not hard to see why. First, we keep taxes low, and they're getting lower. Over the next five years, we will progressively cut corporation tax until it is the very lowest in the G20. And because our tonnage tax is also low, the UK is a very attractive place with which to do business.

Second, our ports are highly competitive. With 95% of UK trade moved by sea, keeping our ports cost effective and cutting edge is vital to our national economy. Billions of pounds have been invested to ensure our ports are among the most efficient in the world. The UK plays a growing role as a significant trading hub in European and global supply chains.

Third, we offer a respected, quality flag with our registration survey and statutory certification costs among the lowest available and with no annual renewal fees. A flag that is intent on listening to the industry to ensure responsive and customer-focused service.

Fourth, Britain has a skilled maritime workforce, supported by the highest number of maritime training providers of any country – nearly 100, with marine courses taught at around 25 universities and colleges. Government support for seafarer training and apprenticeships has never been better - new business and jobs are key to economic growth.

Over the next 20 years, world sea trade is set to double. This booklet shows why Britain is set to lead that growth.



WORLD-CLASS AMBITION

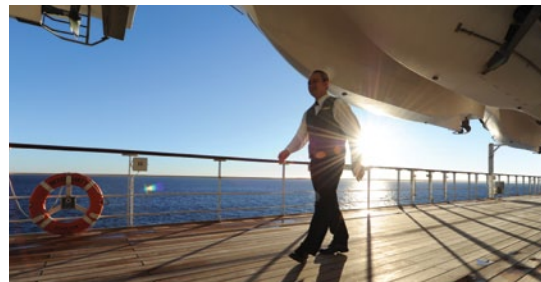
For centuries the UK has been the home of all forms of maritime business. The secret of the UK's longevity as a maritime centre is not just its expertise and experience, but its refusal to rest on its laurels.

The UK is an ambitious country. It is ambitious for economic growth and for the growth of the maritime sector, which is why we know that we can be better still.

Through this booklet, you are invited to be part of the journey. The global businesses already based here take advantage of world-class education and training, competitive and stable tax regimes, a trusted and respected flag, unparalleled expertise in every field, and of every market in the world. And with world-leading maritime technology, manufacturing and engineering, research, insurance, finance, law and shipbroking companies, you can be assured that the UK is a one-stop shop for the global industry's needs.

The breadth and diversity throughout the UK maritime sector is one of its greatest strengths; with established maritime centres in London, Liverpool, Southampton, Aberdeen and beyond, our whole island is playing its part.

This strength is underpinned by the partnership that exists between government and industry. Our collaborative approach creates the structures which enable senior industry leaders to engage with ministers from across government. Whether it is through the



Joint Strategic Partnership Plans for Shipping, Ports and Business Services or through bodies such as the Marine Industries Leadership Council, the result is a collective understanding of key issues, drivers and priority actions for the maritime sector – industry and government – in the UK.

The Maritime Growth Study: keeping the UK competitive in a global market is a manifestation of this strategic partnership. Led by its industry chair Lord Mountevans, with support from a government secretariat, this root and branch review brings together independent research and evidence from all parts of the sector. It enables better understanding of the key factors to ensuring the success and growth of the many interdependent businesses in the maritime domain.

The UK is proud to stand tall as an ambitious country driving economic growth. The Maritime Growth Study demonstrates our willingness to examine the challenges we face, our commitment to listen to partners and our ambition to act.

This ambition presents numerous opportunities for international maritime businesses to exploit and be part of the natural home of maritime business.



The Maritime Growth Study looks at strategic areas for growth and increased cooperation, and sets out the UK's ambition to remain a world-class maritime nation;

THE UK HAS WORLD-CLASS:

- VISION
- EXPERTISE
- BUSINESS ENVIRONMENT
- WORKFORCE
- INNOVATION
- MARITIME CLUSTER
- STABILITY



“The message that Britain is ‘open for business’ is getting across loud and clear to many existing and potential investors worldwide, but new strategies will need to be developed to stay ahead in such a competitive market”

Mark Gregory, Chief Economist – UK&I, EY

WORLD-CLASS BUSINESS DESTINATION

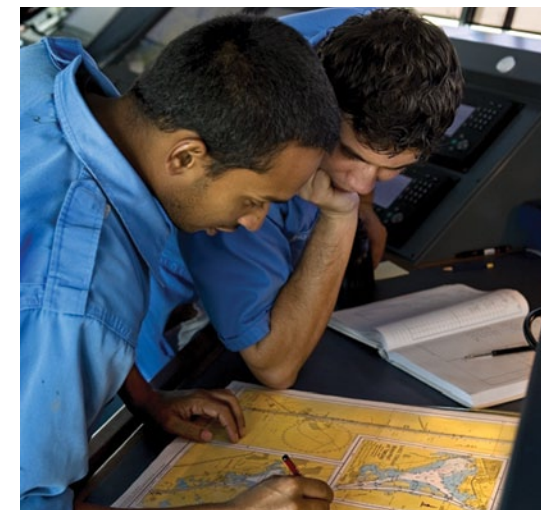
The World Bank has consistently ranked the UK as one of the easiest countries in which to do business. The World Economic Forum also rates the UK as a global top-performer in areas such as technological readiness, market size and business sophistication.

This reputation is reflected in investor confidence, with survey findings from EY in 2015 showing that investors appreciate the continual improvements being made to labour legislation, labour costs and real estate availability. Underpinned by a flexible labour market, strong skills base and a renowned pro-business culture, the UK is undoubtedly an attractive destination for inward investment and continues to be Europe’s top destination for foreign direct investment (FDI).

Successive reductions in corporation tax have made the UK tax system globally competitive, and with further planned reductions – from 20% to 19% in 2017, and to 18% in 2020 – the UK will expect to have the lowest rate in the G20.

In addition, the UK’s Annual Investment Allowance is being set at its highest ever permanent level while the UK Tonnage Tax continues to offer a highly competitive preferential treatment of shipping profits.

The UK Tonnage Tax regime, in operation since 2000, is responsible for creating more than 80,000 UK jobs,



providing a highly skilled pool of employees and doubling the number of officer cadets in training. It is proof positive that the UK’s strong, stable and competitive tax regime works – not only for the industry and businesses that are able to take advantage of it, but also for the economy as a whole.

The competitive tax environment is underpinned by an open economy, a stable regulatory framework, political stability, a world-renowned judicial system and world-class infrastructure – attributes that make the UK an unparalleled place to do business.

For the global shipping industry, such stability is invaluable. Businesses invest in the UK because they value this steadiness, respect the country’s history, trust its knowledge and rely on the expertise based here.

UK tonnage tax payable per ship, per day *

Each 100 tons, up to 1,000	£0.60
Each 100 tons, between 1,000 and 10,000	£0.45
Each 100 tons, between 10,000 and 25,000	£0.30
Each 100 tons thereafter	£0.15

* On net tonnage, for ships under strategic management of a UK office



WORLD-CLASS MARITIME SERVICES

The unparalleled tradition of excellence in legal, arbitration, insurance, P&I, shipbroking and finance makes the UK the first choice for those in the international shipping community seeking maritime business services of the highest quality.

The UK is able to offer businesses a 'one-stop shop' for maritime services because the City of London is home to a wealth of companies providing expertise across all sectors:

- In insurance, the UK writes the largest share of all international marine insurance risks
- In broking, the UK has more than half the global share of tanker charter business and up to 40% of dry-bulk charters
- English law is the global industry standard and the UK boasts unrivalled legal and judicial expertise on shipping, insurance and international trade matters
- London is home to the leading source of market information on the trading and settlement of physical and financial shipping derivatives in the Baltic Exchange, with the majority of the Exchange's members based in London
- UK P&I clubs account for approximately 60% of the global market

It is testament to this thriving maritime business services

and financial sector that a recent survey by Norton Rose Fulbright found that nearly half of industry respondents said London was the financial centre most able to meet their financing needs.

The UK cluster is supported by a highly skilled pool of expertise available in the form of shipping professionals and former seafarers, not to mention the vast wealth of knowledge available across the financial sector – in which the City of London leads the world.

The interaction between the various professions is a key advantage, enabling quick and expert solutions to shipping-related challenges. This cross fertilisation of expertise underpins continual improvement in a competitive market and the creation of a culture of excellence.

This experience and knowledge is unmatched by any other maritime centre.

“The UK sets the benchmark for maritime business services. The legal, insurance, broking and technical expertise found in the City of London is unparalleled and is the obvious destination for anyone seeking such services”

Marcus Bowman, Managing Partner, Holman Fenwick Willan





“UK training and education is rightly regarded as the gold standard for the shipping industry throughout the world and the UK supplies global companies with the most highly-trained, qualified and professional personnel – both aboard their vessels and in their boardrooms.”

Paul Little, Principal, City of Glasgow College



WORLD-CLASS MARITIME WORKFORCE

With sea trade expected to double in the next 20 years, the need for a highly skilled workforce has never been greater.

The UK's maritime education and training infrastructure is second to none, with educational provision and professional skills development in prestigious universities and colleges. These institutions benefit from significant input from, and collaboration with, the world's most successful maritime businesses.

Government and industry are committed to investing in the next generation of maritime professionals, and capitalising on every opportunity the market provides, by building capacity and taking an innovative approach to training, for roles at sea and ashore. The UK recognises the importance of transferable skills and the essential role seafarers play when they return from sea to shore-based careers.

That is why the UK continues to invest in the training of officers and ratings through the £15m Support for Maritime Training (SMarT) fund, which contributes towards the cost of training Merchant Navy ratings and officer cadets. The commitment to training is enshrined in the Tonnage Tax scheme, enabling businesses to train and develop talent from within the UK and meet their future staffing needs. From October 2015, the UK will pilot an extension to the Tonnage Tax training commitment. This will allow three able seafarer ratings to be trained in place of one trainee officer.

In addition, the Maritime and Coastguard Agency

provides respected and valued seafarer certification, prized by seafarers and the shipping companies they work for.

Apart from seafarer training investment, government fully supports apprenticeships and training across a range of skills, bringing today's youth into this exciting sector. Maritime industries, including the port businesses, take full advantage of these opportunities. These rigorous apprenticeship schemes are continually evolving across a number of UK Government departments, with employers at the heart of their design. This collaborative approach provides companies with the most skilled workforce possible, both at sea and in our ports.

These highly regarded schemes and training certifications, coupled with a productive workforce, ensure that businesses based in the UK have access to highly skilled employees, the range and calibre of which cannot be matched elsewhere.





WORLD-CLASS INFRASTRUCTURE

As an island nation, ports and freight are vital to the UK economy – with 95% of our goods arriving via our ports, handling more than 500m tonnes of freight each year, the UK ports sector is one of the largest in Europe. The sector also plays a significant role in our travel patterns, transporting more than 22m international passengers.

As the UK economy grows, the maritime sector is ideally placed to utilise this growth, benefiting from and responding to regional, national and international infrastructure development. The UK ports sector provides direct access to burgeoning markets in the UK and Europe; it is an efficient and pivotal hub in evolving global supply chains.

Our ports are equipped with state-of-the-art modern facilities and equipment, and there are significant further investment plans. Their ambition will ensure that UK ports are equipped to handle the world's largest vessels, now and well into the future. UK port development and operational expertise also provides valued consultancy to developing ports around the world.

The UK's ambition and commitment to growth in the ports sector can be seen in the significant investments made in major ports such as Felixstowe, Southampton, London and Liverpool. Investment in the UK ports sector totals billions of pounds and means that the UK can welcome the world's largest vessels and handle increasing volumes of freight and passengers. The scale

of investment illustrates the confidence and opportunity in the UK port industry.

Investment, however, doesn't stop at the port gates, as Government is committed to enhancing inland transport networks, with £15bn dedicated to strategic road upgrades by 2020 and a significant investment plan for rail freight. This will ensure swift and efficient access to market for goods, and greater integration with the wider logistics chain.

These investments are equipping the country with the infrastructure necessary for the future. By enhancing our ports and investing in wider transport networks, the UK is ensuring that our infrastructure is better connected and more technologically advanced. As a result, the sector will continue to thrive and match the expectations of the global shipping industry into the future.



“The investments being made today will help prepare our country for tomorrow. The maritime sector is vital to the UK and we aim to play a leading role in its future”

Robert Goodwill MP, Minister for Shipping and Ports



“From small, family run firms, to the cutting edge research institutions developing products and technologies that will make ships more efficient - the dynamism, innovation and technical expertise of the marine sector in the UK is astounding.”

Gregory Darling, Chairman, Gardline Group Ltd

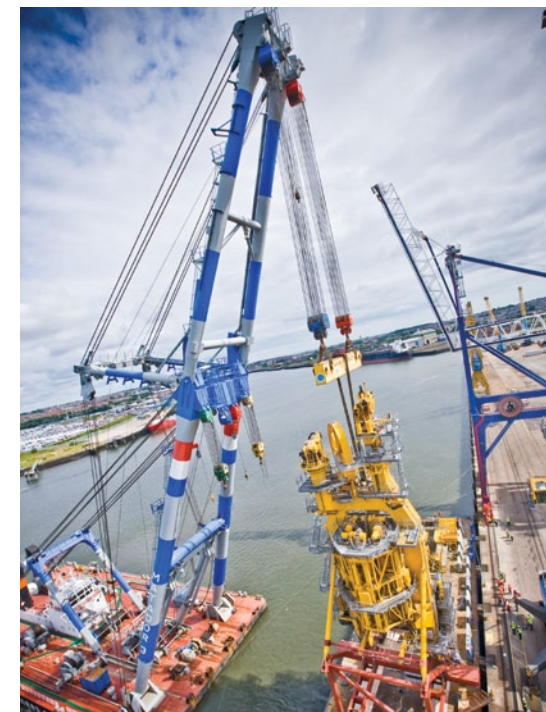
WORLD-CLASS INNOVATION

Many of the world's leading maritime industry research and training institutions, manufacturers and service providers are located in the UK. The sector features globally recognised and industry-leading brands that drive forward key developments in equipment, product design and technical innovation.

Research and Development in the maritime sector is extensive, supported by the world-class capabilities of UK universities and research institutes. The UK's maritime research landscape is further enriched as a result of the large numbers of small and medium-size enterprises (SMEs) at the forefront of R&D and innovation.

The UK's maritime equipment designers and manufacturers are behind some of the world's most advanced and ambitious global maritime projects, delivering cutting-edge products – from classic ship and boat mechanical systems to electronic, optical and IT equipment. Underpinned by a highly advanced product-research base and innovative designers, UK companies supply the tools, plants and equipment for boat manufacturing and shipbuilding, plus the essential equipment needed for maintenance and repairs.

The UK's maritime manufacturing sector exports to all of the world's major markets for maritime products. From complex merchant and naval shipbuilding to ship's chandlery and nanotechnology, the sector produces high-quality products used at every stage of the supply chain.



It is a sector that is thriving, with a clear course to deliver growth in the years ahead by building on competitive strengths that have been developed over many years. Businesses are able to tap into the innovations of the sector and benefit from the cutting-edge design and technological advances made here in the UK.



WORLD-CLASS FLAG

The UK Ship Register operates a globally recognised Flag with a long-standing reputation for high international standards. It is committed to delivering a responsive and customer-focused service to a worldwide market.

UK Flag customers can contact experts 24 hours a day, seven days a week. Those experts know and understand the shipping industry and make sure that UK ships can trade internationally and competitively in the knowledge that they have the right certification and support.

The UK Ship Register provides ship-owners with a 'one-stop shop' service; it can audit ships and companies against the Safety Management, Ship Security and MLC requirements plus all the relevant ISO standards.

The availability of this comprehensive and high-quality range of services from a single provider keeps costs competitive and makes life easier for the customer.

Working in a dynamic global market the MCA recognises the need to evolve and continually improve in order to meet the changing demands of industry. To that end, government and industry are working together to find innovative, new ways of improving and enhancing the offering of the UK Flag.

The UK Ship Register works in partnership with owners and operators. It is committed to a collaborative approach and to providing the best possible service and standards for both nationally and internationally trading businesses.





WORLD-CLASS LEADERSHIP

The UK has always been an outward-looking, trading nation and we depend on the sea for our security and our prosperity.

The Royal Navy protects our nation's interests 365 days a year, at home and throughout the world. The presence of our ships, submarines and naval aircraft, together with our Royal Marines, provides security and reassurance, encouraging trade and the responsible use of maritime resources.

The UK has a proven track record of leadership in maritime issues. For example, in EU efforts to counter piracy off Somalia, the Royal Navy provided headquarters

for the operation, at Northwood, London, as well as thought leadership and expertise in tackling the situation.

Furthermore, the Royal Navy's hydrographic survey ships supply world-renowned products to ensure the safe passage of civilian and military vessels, forging links with almost all of the 147 coastal nations worldwide.

With a highly respected global reputation the UK and the Royal Navy engages worldwide to promote peace and stability, and maintain trusted relationships and partnerships with other navies – thereby providing an essential element to the international defence engagement strategy and broader UK influence.





WORLD-CLASS INFLUENCE

The IMO is the focal point for international maritime regulation. The UK is resolutely committed to promoting the IMO as the primary place for developing international maritime regulation, and proactively engages at all levels of the IMO's work.

The UK is proud and honoured to host the IMO, and its location in London enables access to key decision-makers and experts at an international level, through embassies and non-governmental organisations.

The United Kingdom's vision is for maritime transport

that is an engine for economic growth, that is greener and safer for passengers and seafarers. The work of the IMO is integral to achieving this vision, producing standards to ensure the safety of seafarers and passengers, and cleaner seas.

The UK continues to seek the right balance between safe secure ships and clean seas while freeing business from unnecessary regulation. It is the goal of the UK to ensure regulations approved by the IMO are both proportionate and effective.



MORE INFORMATION:



Government contacts

Department for Transport

The Department for Transport (DfT) works with its agencies and partners to support the transport network that helps the UK's businesses, and that gets people and goods travelling around the country.

The DfT plans and invests in transport infrastructure to keep the UK on the move.

Call: + 44 (0)300 330 3000

Email: Maritime (including tonnage tax):

maritime@dft.gsi.gov.uk

Maritime Security:

maritimesecurity@dft.gsi.gov.uk

Maritime and Coastguard Agency

The Maritime and Coastguard Agency (MCA) provides 24-hour maritime search and rescue services, enforcing ship safety, seafarer health, safety and welfare standards by survey inspection, and helping to prevent pollution. The MCA also processes the registration and certification of ships and seafarers, and is responsible for the implementation of maritime conventions and codes.

Call: +44 (0)2380 329100

Email: infoline@mcga.gov.uk

www.dft.gov.uk/mca

UK Ship Register:

For further information or to join:

Call: +44 (0)2380 329197

Email: ukshipregister@mcga.gov.uk

Department for Business Innovation & Skills

The Department for Business Innovation & Skills (BIS) is responsible for economic growth. It invests in science, technology and skills, and promotes trade.

Call: +44 (0)20 7215 1165

Email: enquiries@bis.gsi.gov.uk

UK Trade & Investment

UK Trade & Investment (UKTI) works with UK-based businesses to ensure their success in international markets, and encourages the best overseas companies to look to the UK as their global partner of choice.

Call: 0845 539 0419 or +44 (0)20 7333 5442

Email: enquiries@ukti.gsi.gov.uk

www.ukti.gov.uk/invest

Acknowledgements:

P&O Cruises

HMG

Lloyd's Register Marine

Industry contacts

Maritime UK

Maritime UK is a coalition of eight major shipping, ports and business services organisations in the UK.

For more information on its work, visit:

www.maritimeuk.org

Maritime London

Maritime London is the promotional body for UK-based companies that provide professional services to the international shipping industry. It exists to help ensure that the UK remains a world-beating location in which to base a maritime-related business.

www.maritimelondon.com

Ports

The UK Major Ports Group and the British Ports Association are trade associations representing UK ports. They provide in-depth knowledge and expertise in support of the UK's vibrant and diverse ports sector.

www.britishports.org.uk

www.ukmajorports.org.uk

UK Chamber of Shipping

The UK Chamber of Shipping is the trade association and voice for the UK shipping industry. It works with Government, Parliament, international organisations, and others to champion and protect the UK shipping industry on behalf of its members.

www.ukchamberofshipping.com

Marine Industries Alliance

The Marine Industries Alliance brings together all aspects of the UK's diverse marine sector – including manufacturing, engineering and technology – with the goal of securing the maximum opportunity for the industry to flourish.

www.ukmarinealliance.co.uk

Institute of Chartered Shipbrokers

As a major provider of education and training, the Institute of Chartered Shipbrokers (ICS) provides the shipping industry with highly qualified professionals, and represents shipbrokers, ship managers and agents throughout the world.

www.ics.org.uk

CLIA UK & Ireland

CLIA UK & Ireland is the leading cruise training body in Europe, delivering award-winning training, seminars and events to the UK and Irish travel trade.

www.cruiseexperts.org

Baltic Exchange

The Baltic Exchange is a membership organisation at the heart of the global maritime marketplace. It provides independent, daily shipping-market information, maintains professional shipbroking standards and resolves disputes.

www.balticexchange.com