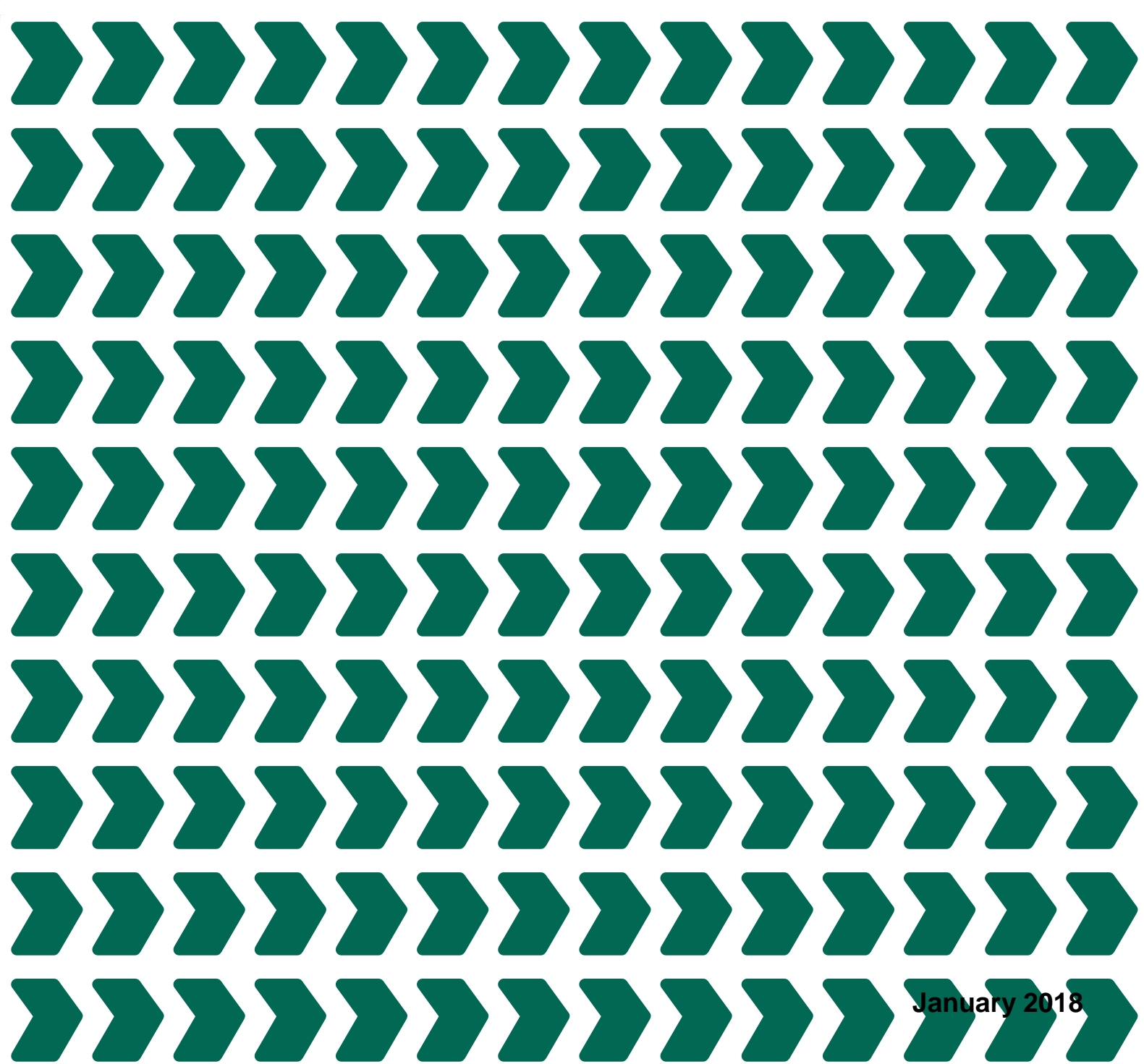




Department
for Transport

Maritime Growth Study Review

Moving Britain Ahead



January 2018

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Foreword by Maritime Minister Nusrat Ghani



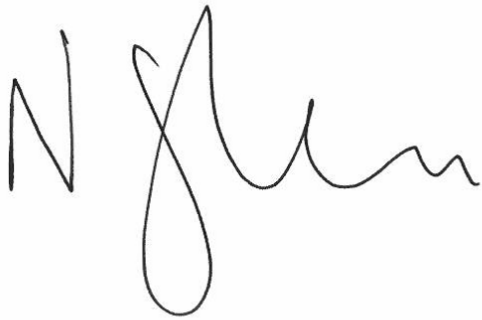
At the start of 2017 the Department launched a review of the Maritime Growth Study and its implementation. As we look to our future outside of the European Union, now, more than ever, we must seize the great opportunities that exist for our world-class maritime sector. To maintain and enhance our position, we have to be at the forefront of future innovation and change.

There has been widespread acknowledgement that collaboration between government and the maritime sector is now significantly enhanced. There is greater recognition now across government of the importance of the maritime sector in our trading activity, underpinning so many industries, as well as a vitally important contributor to the economy in its own right. Industry has also developed its own structures enabling increased co-operation and shared awareness and consolidating the advantages of a strong maritime sector.

The review also makes very clear that, whilst progress has been made, the pace of change in both government and industry has at times been slow. For some a lack of clarity exists about what we will deliver and this review defines a clear set of near-term commitments for industry and government.

This is an exciting time for our country. We need to define a long-term vision for our maritime sector. The Department is therefore using this review to trail 'Maritime 2050'. I want to see the Department working with others in Whitehall and across the maritime sector to develop a comprehensive strategy for the future of maritime. We need to identify the new ideas that will bring fundamental change and that will ensure that we retain our pre-eminent position as a world-leading maritime nation.

As the Minister for Maritime I will do all that I can to champion the sector and drive our shared activity forward.

A handwritten signature in black ink, appearing to read 'Nigel', is centered on the page. The signature is fluid and cursive, with a large loop under the 'i'.

Parliamentary under Secretary of State for Transport

Executive summary

Introduction

- 1 The Maritime Growth study: keeping the UK competitive in a global market was published in September 2015 during London International Shipping Week. The Study produced 18 recommendations which concentrated on four broad areas - government leadership, industry leadership, skills and marketing. These recommendations fell to either industry or government to address. Many though envisaged joint collaboration and activity.
- 2 The study was always envisaged as a 'living document' and undoubtedly served its purpose to kickstart both government and industry initiatives to encourage growth in the sector. It had nonetheless become clear that a number of areas could have been more fully engaged in the process that produced the original report. A review also offered a good opportunity to take account of changes in both the global maritime environment itself and an evolving political climate following the UK's decision to leave the EU. It would also be valuable as an exercise to evaluate progress, make decisions about which recommendations were still viable and establish new priorities in the light of this new situation while still supporting the original aim of the Study i.e. to grow the UK maritime sector.
- 3 These considerations led to the launching of this review in January 2017. It is not intended to replace the Growth Study but to be a naturally evolving development from it.

Progress on Growth Study recommendations

- 4 The Study report was welcomed at the time of its launch in 2015 and still has great support within the sector as it set maritime on a path to build growth, bringing long term benefits to the industry. Over the course of 2016 many of the recommendations were fully implemented and work begun on most of the others. Some of the necessary changes to working practices or new initiatives were and are complex so although work was underway early on, progress in those areas has been slower than hoped.
- 5 The review showed a strong improvement of collaboration between government and industry. The structures created within both, especially the rebadged and enhanced Maritime UK have contributed much to the building of this relationship. Industry have particularly welcomed the increased exposure to ministers and the accompanying

officials' forums. Maritime UK has become acknowledged as the lead organisation for the promotion of the sector as a whole.

- 6 One of the most important recommendations for government from the industry's point of view was the transformation of the Maritime and Coastguard Agency (MCA) and the commercialisation of the UK Ship Register (UKSR) which has recorded progress in a number of areas including the separation of the Ship Register from its regulatory functions. The 'skills' area has seen a considerable amount of activity most notably through the completion of two studies (<https://www.gov.uk/government/publications/maritime-growth-uk-seafarer-projections> and <https://www.gov.uk/government/publications/support-for-maritime-training-review>) investigating the possible need for UK maritime personnel in the future and analysing government training support. Work continues in other areas including apprenticeships.
- 7 There was progress too in other areas. March 2017 saw the first maritime sector-specific trade mission to China led by Maritime UK and supported by two government ministers. The need to make information readily available to foreign investors has led to increased awareness of what is already offered by the Department for International Trade. There remains an ambition for a One-Stop-Shop so that information about all maritime issues across government is more accessible for the potential customer.
- 8 There were nonetheless a number of issues that emerged during the evidence gathering for this report. Some of these fell outside the original recommendations from the study and included:
 - Concerns about the general pace of delivery.
 - Weak communication with those outside Maritime UK or London with a resulting lack of awareness about initiatives or progress.
 - A feeling that the maritime sector is taken for granted.
 - The implications of leaving the EU (though these were not all seen in a negative light).
 - Clarity about 'growth' and how to measure success.
 - Maritime as an exportable sector in its own right.
 - Technological innovation and its future implications.
- 9 The Maritime Growth Study captured what was needed to encourage growth in order

for the UK to flourish in what is a very competitive market. It will continue to influence the direction of the UK maritime sector for both government and industry and work on the outstanding recommendations is ongoing. This will create a useful and lasting legacy for the sector the effects of which will help build and support the UK economy.

Identified delivery targets

10 As a result of some of these concerns a top ten commitments have been identified as being priority areas to address the concerns over clarity of objectives and greater understanding of how we measure success. These commitments relate to the following areas of particular interest and significance and, although are not in any particular order, are intended to be addressed in the short to medium term.

- EU exit maritime planning
- Maritime Trade, Export Promotion and Inward Investment
- Championing the Ports contribution to Growth
- Increasing Maritime Growth Communication and Promotion
- Evolving Government and Industry Structures
- Evolution of the UK Ship register and MCA Commercialisation
- Maritime Skills, Employment and Education
- A Maritime Industrial Strategy Sector Deal
- Supporting and Encouraging Maritime Innovation
- Maritime 2050 – a long term strategy for the maritime sector.

Conclusions

11 The Maritime Growth Study achieved a major objective in raising the profile of the maritime sector, highlighting its importance to the UK economy. This review

acknowledges its successes while recognising the limitations that have since become apparent. However the most important legacy from the Growth Study is in the impact it has had in re-energising the maritime sector and prompting a much closer working relationship between industry and government.

- 12 The review has been shown to be timely, given the decision to leave the EU although this was only one of the determining factors behind the conducting of it. It was necessary in any event to take stock of what progress had been made in implementing the recommendations from the Study.
- 13 While the recommendations were largely addressed, the comments around the pace of delivery have in part contributed to the formation of 'commitments' that represent the short to medium objectives identified in this review. This recognises the need to press on with delivering real benefits to the sector. The work around the commitments will therefore fall within the 'business as usual' framework and be routinely monitored for progress.
- 14 The final commitment trails the need for a long term view of the maritime sector and to have in place ahead of time initiatives and a supporting framework to help maintain the UK's strong global position. This has been addressed by the proposal to produce 'Maritime 2050', essentially a strategy to take the UK maritime sector through to the middle of the century.

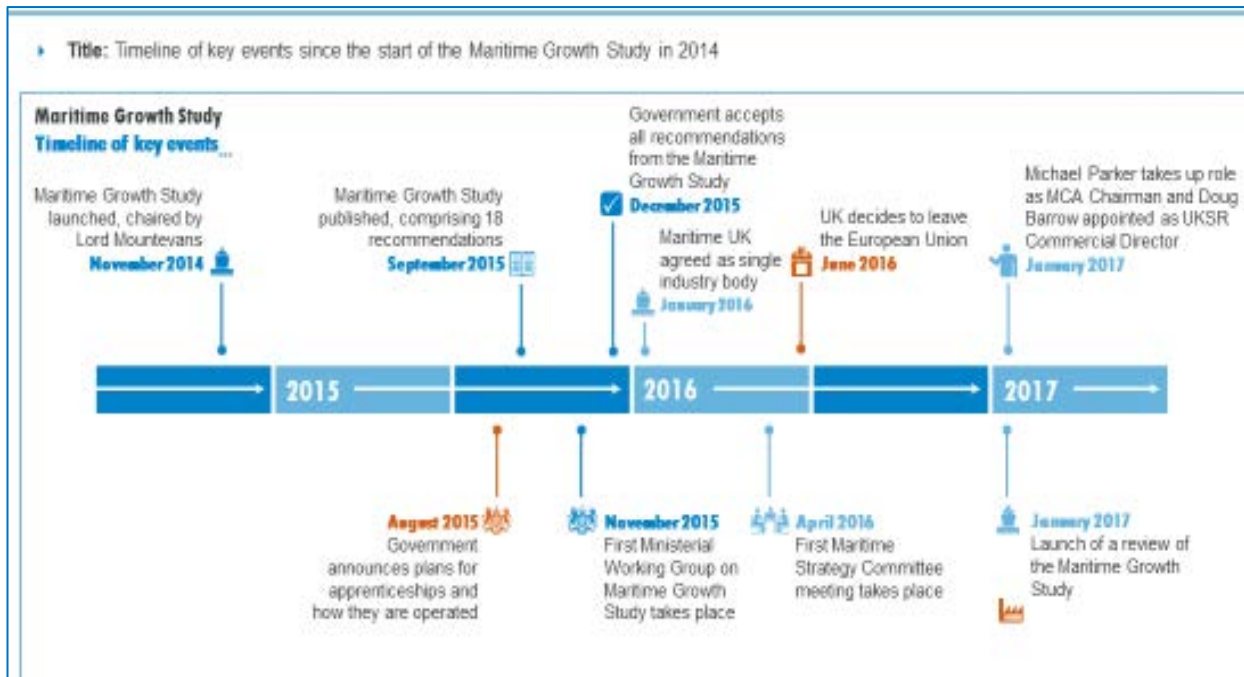
1. Introduction

Maritime Growth Study (Growth Study)

- 1.1 The Maritime Growth Study report was published in September 2015 coinciding with that year's London International Shipping Week (LISW). It produced 18 recommendations which concentrated on four broad areas - government leadership, industry leadership, skills and marketing. These recommendations fell to either industry or government to address, though many envisaged joint collaboration and activity. Nine of the 18 related to skills.
- 1.2 At the time the Growth Study was welcomed by both industry and government with the latter formally accepting the recommendations that were allocated to it for implementation in December 2015. As a result a high volume of activity was triggered in the months following, which also highlighted further ideas and opportunities for sector growth. It should be noted that some of the implementation measures were complex so have taken time to put in place.

Why a review was considered necessary

- 1.3 As implementation of the recommendations progressed it became clear that the Growth Study had achieved its purpose as a starting point to kick start a new direction for the sector. However, the Growth Study was also very much conceived as a 'living' document. As activity implementing the recommendations progressed a change in the main priorities emerged. The UK's decision to leave the EU also made a case for reviewing that activity, assessing the new challenges and identifying new opportunities.
- 1.4 Accordingly in January 2017 some 17 months after its publication, Ministers launched this review of the Growth Study to take into account the changing political and economic environment.



How was the MGRS carried out?

1.5 Evidence was collected in the following ways:

- A request was sent out to existing stakeholders inviting written views on progress and asking for the measures that were needed to address issues going forwards. Almost simultaneously the Transport Select Committee opened an inquiry into the progress of the Growth Study. This inquiry did not proceed in the end but the evidence originally submitted was used to help inform this review.
- Detailed discussions were had at relevant board meetings, particularly the new rebadged and enhanced industry body Maritime UK Board meetings and also at the Maritime and Coastguard Agency (MCA) both of which were heavily involved in implementing the recommendations from the Growth Study.
- Around 20 interviews were conducted with senior industry figures from across the maritime sector and other interested parties. A particular emphasis was placed on the views of those with interests that were not fully addressed within the Growth Study or who fell outside of the growing Maritime UK network. These interviews and the written submissions were summarised to identify those issues which were of particular concern to a number of contributors.
- Discussions were held with the embryonic Scottish maritime cluster.

- Two workshops were also run, one with the aim of understanding and refining the evidence from the written submissions and the interviews and the other focusing on regional maritime clusters which took place in Liverpool.
 - A peer review was conducted with the National Skills Academy for Rail to provide some degree of resilience as to the approach taken on skills.
- 1.6 Given the wide range of those offering evidence to the review it was not surprising to find areas of common interest as well as some very specific individual concerns. Additionally there was some challenge looking into the future considering how to ensure the UK would remain a globally significant maritime nation in the long term.
- 1.7 This report is the product of the review process. It is divided into three main parts. The first in chapter two provides an overview of progress against the recommendations set out in the Growth Study and includes the varying views that emerged in the review. It recognises the good progress that has been made in many areas and also identifies areas where more needs to be done. It also notes that the recommendations are still valid and the focus on them should not be lost.
- 1.8 Part Two (chapter 3) of this report then sets out ten headline commitments and the steps for achieving them. It also addresses a second common theme from the review which has been a lack of certainty about what is being delivered in the name of maritime growth. Based on the review process a set of key commitments to focus delivery have been produced. These have been discussed and agreed where they fall to Maritime UK or other stakeholders and parts of government to lead.
- 1.9 The final part of this report (chapter 4) expands on the proposal for “Maritime 2050”. This chapter notes that there has been some early development and that the Growth Study provided some helpful guiding principles. And there has been some useful activity elsewhere in government too, most notably through Government Office for Science (GO-Science). However, the sector lacks the national maritime strategy which was called for in the Growth Study and part three of this report outlines why this is needed and the steps that need to be taken to deliver it.

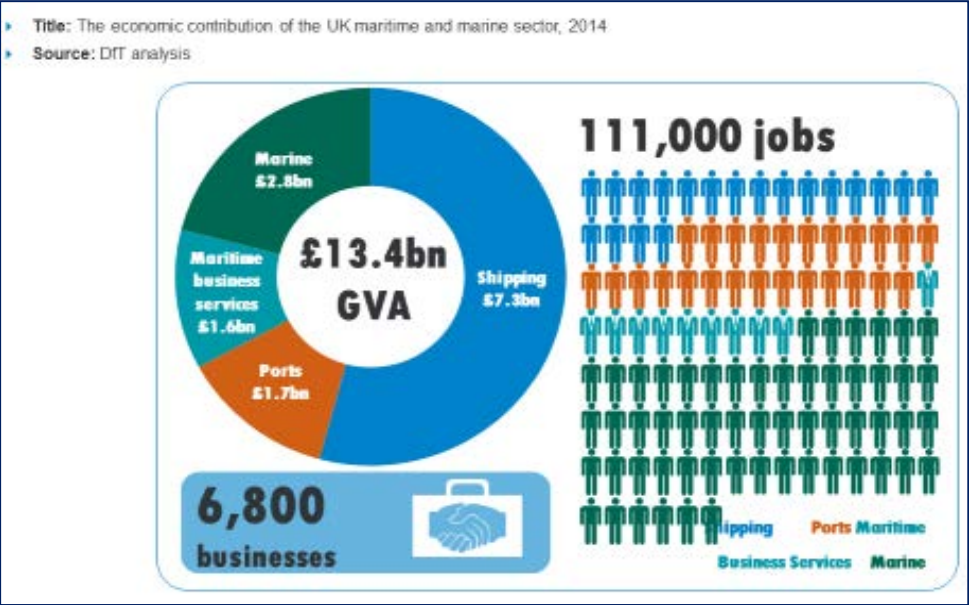
2. What progress has been made

Background

- 2.1 One of the main purposes of the review was to assess what has been achieved in response to the Growth Study recommendations. Broadly speaking almost half of the actions emerging from the recommendations (with some having several) can be classed as complete. Added to this almost a further half can be said to be ongoing, with some being quite complex so needing a longer period of time to complete. Some recommendations will continue to be monitored as they have an ongoing and continuous effect on the sector. There is one recommendation concerning a maritime skills investment fund that can be said to have seen no progress. This could be in some part due to the wider engagement around skills funding. A full summary of progress as it relates to each individual recommendation can be found in Annex A. This chapter draws out some of the overarching issues and views on the progress.
- 2.2 In general there was much support from those interviewed for the Growth Study, its timing and its intent, with most of the recommendations being perceived as pertinent and central to further growth. Overall there was a clear commitment by both government and industry to the growth agenda in the UK. There was also a reasonable degree of support for the strong structures that have been put in place. Many stakeholders commented on the much improved dialogue and collaboration between government and industry. The formation of Maritime UK as a single promotional voice was very largely supported as benefitting the sector.
- 2.3 The review captured some real concerns and issues which were not recommendation-specific but were seen as vital to maintaining and growing the UK's position within this global market. These included the general pace of implementation which was often perceived to be slow. Equally, it has been clear from the review that communication about progress has been mixed and in some places weak. Awareness of the Growth Study beyond those closest to the activity in government and industry is limited particularly outside of London. The sector is therefore currently missing out on having some powerful advocates and allies in driving progress. The aim should therefore be to invite wider participation in the UK maritime growth agenda from hitherto under-represented areas and thereby enhance its promotion nationally and globally.
- 2.4 Inevitably the review revealed some frustration over some issues. For example, the sector is still seemingly too often taken for granted though it was recognised that the

maritime growth work has gone some way to address this. There was also concern about the implications of the UK exit from the EU, though this was tempered to some degree by potential opportunities now emerging.

2.5 Other issues respondents raised reflected a need to have more clarity about what ‘growth’ really means and how to measure success. There was also an emphasis on capturing new and emerging priorities for example, on the role of maritime in driving trade and exports and as a significant exportable sector in its own right. It was also firmly asserted that the UK needs to keep abreast of technological innovation and its implications in order not to lose ground to international competitors. The UK landscape is changing with emerging priorities around future industrial, environmental and energy policies. Skills continue to underpin the UK strength in the maritime sector. Consequently there is a need to be more forward looking in approach and to understand the implications for the maritime agenda.

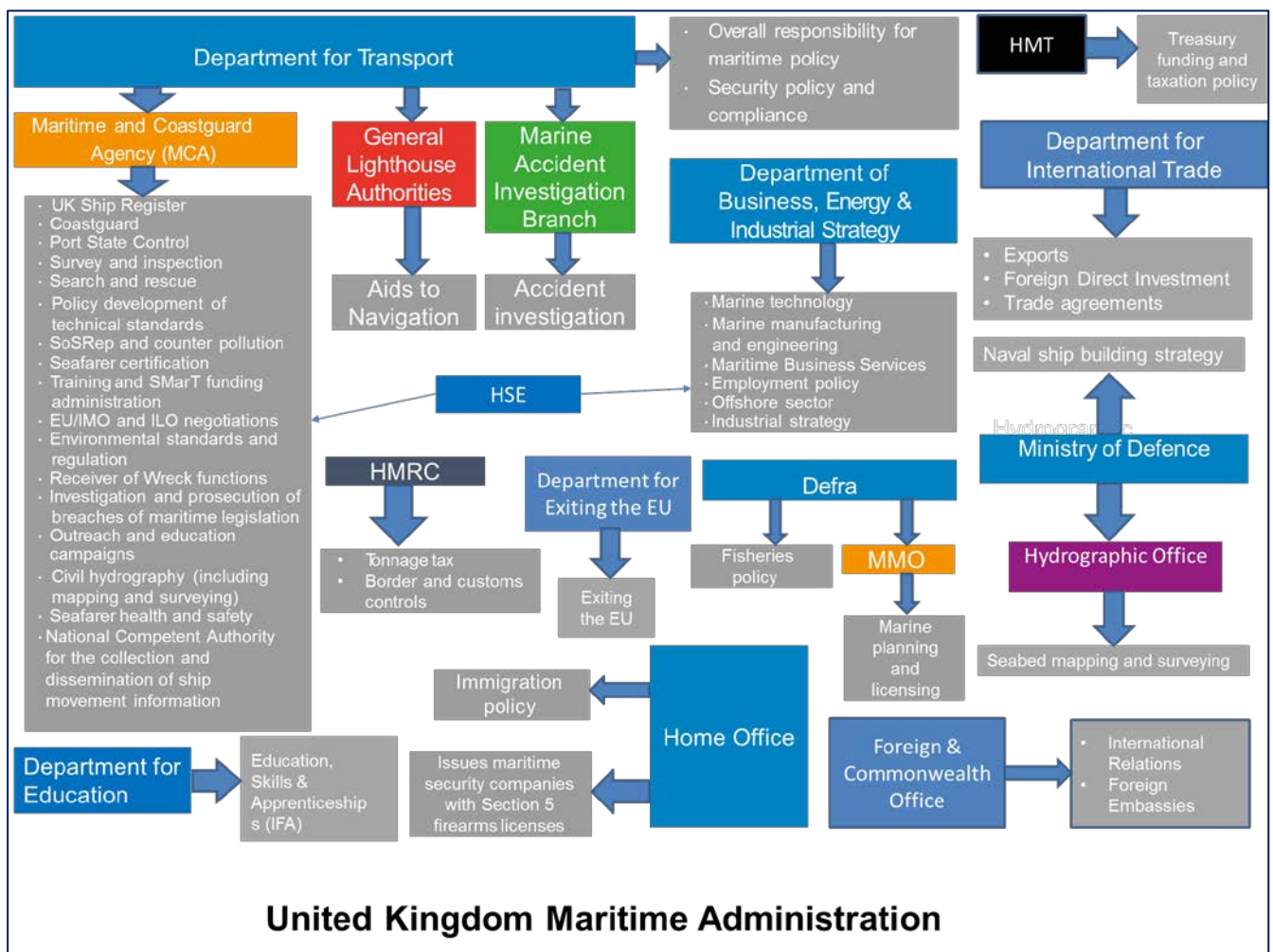


2.6 Some in the review thought the Growth Study remit did not pay full attention to the strengths of marine and ports activity. Maritime UK has therefore worked hard to be inclusive so that both are now well represented and have featured in the discussions at the Ministerial Working Group on Maritime Growth (MWG) and Maritime Strategy Committee (MSC) meetings. Marine has been important to the work around trade and exports with marine engineering in particular central to the Department for International Trade’s (DIT) high value campaigns. Ports are also considered vital to export success and the Government has recognised that securing good surface access to ports is critical to ensuring economic growth and improved productivity. It has therefore commissioned a separate study (The Port Connectivity Study) which aims to examine the sufficiency of port access and connectivity in England.

Specific progress areas

2.7 Implementation of the recommendations dealing with the setting up of a single promotional body for industry with the necessary remit and resource to represent the sector effectively was achieved through the rebadging of Maritime UK. It was relaunched with David Dingle as the Chair and has provided focus and work programmes for members to look at areas that the maritime sector needs to address in order to meet its objectives. The review found that this development has been a major contribution towards the enhanced collaboration between government and industry. A note of caution was raised in the MGSR over concerns over Maritime UK's ability to adequately represent the whole sector throughout the entirety of the UK with its existing resources. These concerns have been taken on board and work is in progress to address them.

2.8 Government also had its own recommendations to improve how it interacted with industry and also how it could better co-ordinate government maritime policy across a wide and complex spread of departments to provide the sector with a more efficient and joined-up approach. This remains a major challenge given the wide range of activity that government undertakes. An updated schematic of the responsibilities of government departments can be found below.



2.9 The review generally welcomed the measures taken by government in particular the setting up of a Ministerial Working Group (MWG) to deal specifically with maritime

growth as well as an officials' forum, the Maritime Strategy Committee (MSC). The MSC acts as both a conduit for the MWG but also pursues matters in its own right. The opportunity of discussion between government and industry was welcomed but the review revealed that the results of the discussions could be better communicated and that sometimes the level of individual department representation could be improved.

- 2.10 The provision of a one-stop-shop to process enquiries for the whole of government is still seen as having the potential to simplify online enquiries from the industry and the general public. The DIT has a mechanism already in place to deal with investment enquiries. The one-stop-shop would add an extra dimension to this so it is likely that the eventual preference will be for a purpose built framework and DfT is considering the options.
- 2.11 The appointments to the MCA of Michael Parker as Non-Executive Chair and Doug Barrow as Director of the UK Ship Register have been greeted positively in the review as demonstrating the move to a more commercially focused organisation.
- 2.12 The progress made by the MCA to improve its services was highlighted at London International Shipping Week. For example, it has separated the UK Ship Register (UKSR) from its regulatory functions leaving it as a standalone business unit within the MCA governance structure with Director level representation on the MCA board.
- 2.13 The Survey & Inspection (S&I) Transformation programme has also seen a combination of initiatives to improve the conditions of the surveyor workforce and to improve customer choice both in terms of surveys and fee packages. These measures are already delivering a better service to customers. The question of fees in general and the move towards a full cost recovery regime is underway with an aim of cost neutrality in the S&I activity by 2020.
- 2.14 Half the recommendations from the Growth Study related in some way to skills development. Some recommendations directed work to assess the future maritime skills need for the sector, the ways in which this might be funded and the development of a future skills strategy. Work has now been completed to improve the evidence base on which to base policy decisions. One project provides a projection on the numbers of UK seafarers needed. The other, a review of the Support for Maritime Training scheme demonstrated the importance of SMarT funding for training officer cadets in seafaring skills. As explained in the Annex, an industry proposal (SMarT Plus) was received too late for the research project but is now under consideration by government.
- 2.15 The recommendation to identify and prioritise future skills is being met through the Maritime UK People & Skills working group which is to produce a maritime skills strategy as part of its remit. A further recommendation to set up a Maritime Skills Investment fund has been paused due to the introduction of the apprenticeship levy.

- 2.16 At the same time as the Growth Study produced its recommendation on maritime apprenticeships, the Government announced its cross-sector apprenticeship initiative. The maritime industry has faced a number of issues over getting apprenticeships up and running, not least because of the wide range of skills and tasks that are required in the sector. However, they have now seen a number of newly approved and developing apprenticeship offers. The sector continues to work with the newly formed Institute for Apprenticeships concerning the accreditation of new apprenticeship proposals.
- 2.17 The remaining 'skills' related recommendations highlighted some important issues in respect of changing careers within the sector and the raising of interest in the maritime sector in schools. An industry related survey found that shore-based employers expected mariners to be better prepared after leaving a seafaring career. The channels that enable those leaving the Royal Navy for a career in the civilian sector were actually in place but there were still questions as to how this was communicated and whether everyone, who wanted to explore this option, had access to the necessary information to do so.
- 2.18 The question of how to include maritime specific content into the school curriculum was found to be down to individual schools and teachers. A more promising approach revolves around the raising of awareness amongst teachers and parents. The review highlighted a number of initiatives that were already up and running though there were some significant gaps that required specific targeting. There are very few women in the sector and engineering and technical skills are still at a premium. In these latter respects maritime is not alone among the UK's industrial sectors. There is also a concern that seafaring careers are not as attractive as those that are shore based.
- 2.19 The final group of recommendations falls under marketing opportunities. The review suggested that the original theme in the Growth Study around the difficulties for inward investors to do business in the UK might actually be more about a lack of awareness about the help that is available via the systems managed by the DIT and which formerly fell to UKTI. This enables companies to access DIT's overseas network i.e. over 100 markets or the investment services team based in the UK.
- 2.20 Ongoing work to combine the efforts of industry and government resulted in the first maritime trade mission to Shanghai in March 2017 which in addition to industry figures was supported by ministers from DfT and DIT. The review suggested that some businesses are managing well while others would like more support from consulates and embassies. There was also a feeling that the UK undersells its capability and that its reputation abroad is better than is thought here. The decision to leave the EU has focused minds on creating new trade opportunities but the review did highlight a need from some not to neglect the European market. Others were more concerned about developing new trade away from the EU. The original Study indicated a need for an industry produced marketing strategy which is potentially crucial in the changing political environment and is in its initial stages. DfT and Maritime UK combined to produce a brochure showcasing the UK maritime offer in January 2017. A final recommendation regarding the raising of awareness among

financial institutions has seen little progress due to others requiring more immediate attention.

2.21 The next chapter outlines a set of commitments emphasising in particular the crucial role the marine and ports subsectors play, and will play in the future, in driving the maritime growth agenda. These also include the recent publication of other government studies and the potentially positive implications for the sector as a whole and marine industries in particular.

3. Maritime Growth: Commitments for 2017-18

Introduction

- 3.1 Chapter Two of this review demonstrated that significant progress has been made since the publication of the Growth Study in September 2015 but also suggested that there is more to do. Driving change in the way the industry and government engage, in creating and delivering successful trade missions and reviewing and identifying ways to take forward maritime skills agenda all take time and effort. Throughout this review, it has been evident that there is a real strength of commitment to maritime growth ambitions. Nearly, if not, all of those who have engaged in the review have highlighted the impetus that the Growth Study provided and the importance of pressing ahead and delivering on its recommendations.
- 3.2 The review has also repeatedly highlighted the varying levels of awareness about the Growth Study and the activity across government and industry to take the recommendations forward. For many a lack of clarity exists about what government and industry are focused on delivering and how success will be determined. A strong framework of working groups, both government led and industry led, have now been created to drive growth. It is therefore vital, especially more than two years on from the Growth Study, that all these groups inject the necessary pace into setting themselves clear delivery targets and monitoring their progress against them.
- 3.3 In this chapter ten headline commitments and the key steps for delivering them are outlined.

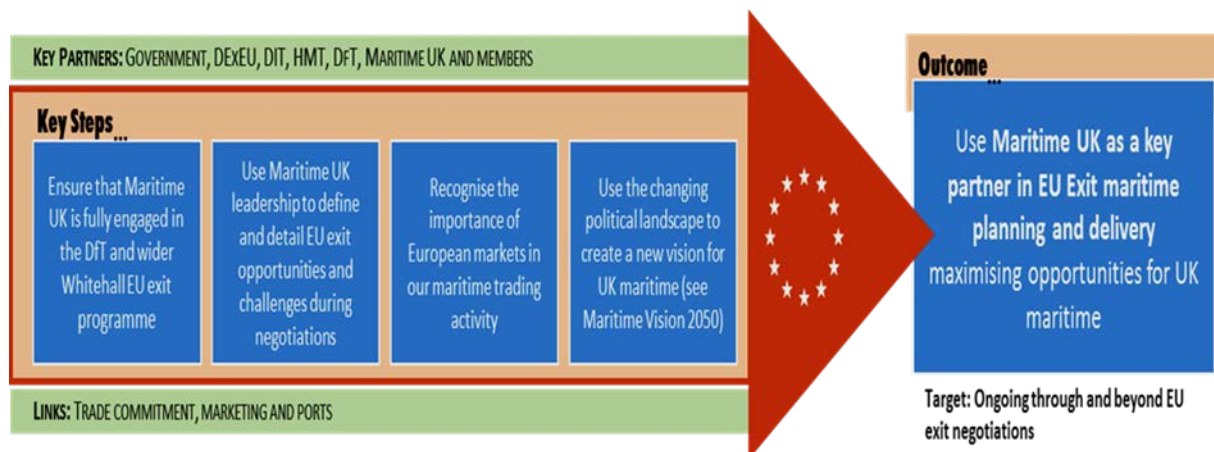
THE 10 COMMITMENTS

- EU exit maritime planning
- Maritime Trade, Export Promotion and Inward Investment
- Championing the Ports contribution to Growth
- Increasing Maritime Growth Communication and Promotion
- Evolving Government and Industry Structures
- Evolution of the UK Ship register and MCA Commercialisation
- Maritime Skills, Employment and Education
- A Maritime Industrial Strategy Sector Deal
- Supporting and Encouraging Maritime Innovation

— Maritime 2050 – a long term strategy for the maritime sector.

- 3.4 The commitments draw on the recommendations in the Growth Study and the evidence gathered during the review and are designed to bring greater clarity to the forward programme of activity. As indicated these delivery targets should be regularly reviewed in relevant working groups and in the MWG and the MSC. If the commitments prove to be inadequate or more pressing priorities emerge then they should be quickly addressed. Growth activity will need to be dynamic, responsive to change, with an emphasis on the pursuit of new opportunities.
- 3.5 Clear targets will provide a framework for all involved in maritime growth to deliver measurable outcomes. This will have the additional benefit of describing to those within the wider industry, or who are reliant upon it, what government and industry are seeking to achieve, to make it more meaningful and relevant and thereby secure their buy-in.

Commitment 1: Exiting the EU

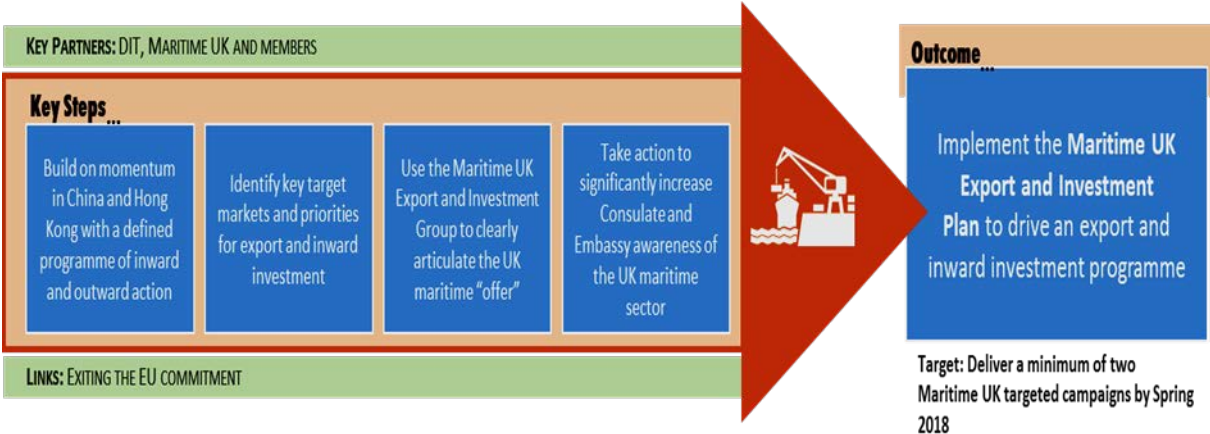


- 3.6 When Ministers launched the review in January 2017 particular attention was drawn to the changing political landscape. Emphasis was placed on the maritime sector being dynamic in its response and thinking radically about opportunities that the UK's exit from the EU will provide. However, there was also a recognition of the need to be alive to any emerging risks and ensure that steps were being taken to mitigate them. The importance of European markets and neighbours in this global industry was also recognised.
- 3.7 Throughout the review the potential impact of leaving the EU was frequently raised. Many noted that the Growth Study and its recommendations provided a head start on the action needed to continue to drive the UK maritime sector forward. The strong collaborative structures that have been put in place have enabled government and industry to discuss a wide range of EU exit issues. Some parts of the sector have

provided regular input into government most notably Maritime UK’s “Brexit” manifesto and the UK Chamber of Shipping’s Blueprint for Growth.

- 3.8 As negotiations progress, government will continue to collaborate with industry to determine how best to maximise opportunities for the maritime sector once the UK have left the EU. Maritime UK has the cross-sectoral reach across its members and partners to provide comprehensive intelligence to ensure that strong existing ties with important European trading and maritime partners are maintained.
- 3.9 While acknowledging the ongoing importance of Maritime UK it must also be recognised that, on specific issues, it will be important for individual parts of the sector to engage directly with government. DfT will need to ensure that Maritime UK and its subsidiary bodies are fully involved in EU exit maritime issues and incorporated into the wider Whitehall network particularly DEXEU.
- 3.10 While the UK is a member of the EU it will continue to meet its obligations and will seek to engage and collaborate with EU maritime partners. However, industry and government must work together to establish a vision for the UK as an attractive and outward looking global maritime nation. This means refreshing or adapting existing policies and identifying new opportunities and new ways of working.
- 3.11 Maritime UK, and a number of other sector organisations, and companies have provided material that focuses on what is needed through the negotiations. Alongside this government and industry will need to collaborate to establish the UK maritime offer outside of the EU and to plan for different scenarios. There is also a need to reach out to those sectors who rely and will continue to rely heavily on the maritime sector for their trading activity.

Commitment 2: Maritime Trade, Export Promotion and Inward Investment



- 3.12 The Growth Study acknowledged the importance of the trade and export agenda and its potential impact on growth. Since publication, though activity has significantly increased. There are two main strands to the maritime sector's role. Firstly, the sector is absolutely fundamental to the UK's success as a trading nation. Departure from the EU will only further amplify the need for a clear and strategic plan for UK trade and export activity. Secondly, in its own right the maritime sector is a significant exportable industry, with some world-leading capability, skills and expertise to win contracts in overseas markets.
- 3.13 It has also been notable in this review that some of the leading maritime companies and trade organisations such as British Marine, the Society of Maritime Industries, Maritime London and their members have substantial access to international markets and need little support from government. There would seem to be, subject to the restraints of competition, great benefit in utilising these skills, expertise and commercial acumen in Maritime UK trade missions.
- 3.14 As well as considering trade and export promotion during the review, much has been learned from discussions during the MWG and the trade activity that has taken place. The importance of a "Team UK" approach to helping UK companies win international contracts envisages close collaboration between government and industry in identifying, developing and securing trade deals. This is already prevalent in other sectors which means maritime will have some examples to learn and work from. More widely this approach could incorporate potential bilateral trade deals that are not restricted to a single sector. The UK can also learn from the experiences of many of its competitor countries.
- 3.15 The Maritime UK led trade mission to China in March 2017 demonstrated a first effort of a joint industry and government partnership. Ministers from the Department for Transport and the Department for International Trade led for Government at the flagship showcase event in Shanghai. The mission resulted in the initiation of relationships with new contacts along with lessons to be learned for future missions.



- 3.16 This mission, and discussions in Ministerial and official meetings and at the Maritime UK Export and Inward Investment Group have all highlighted the importance of the network of UK consulates and embassies in gathering intelligence via embassy personnel. That activity is driven in particular by High Value Campaigns with marine

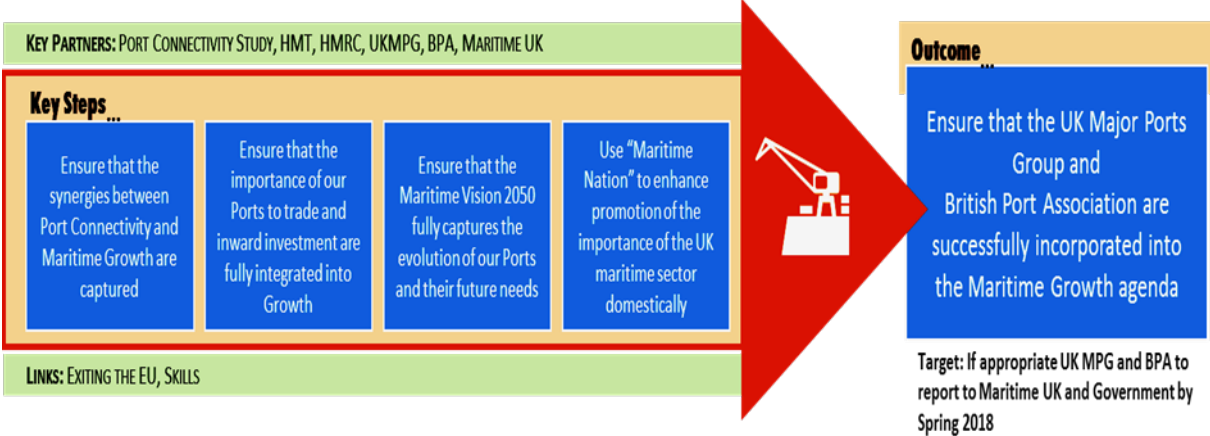
engineering campaigns and targets focussed on China, Brazil and South Korea and some marine elements in the India campaign.

- 3.17 However, interviewees during the review particularly highlighted the sense that UK embassies and consulates are not always aware of, or engaged in, the maritime sector so opportunities to gather intelligence or to identify deals are potentially missed. This is no reflection on the high quality staff within those consulates and embassies but rather an indication of the need for education and awareness raising by the sector and by Whitehall Departments active in maritime, working through the DIT and possibly the FCO. It is expected that through the Export Working Group and the campaign opportunities such as ‘Maritime Nation’ (explored in more detail later) this need will begin to be addressed.

- 3.18 The priority on trade and export activity will be to pick up on existing momentum generated by events such as the first maritime trade mission and LISW, which included the signing of an MOU with Hong Kong. Maritime UK, through its leading export members, will need to develop its engagement with counterparts in China and Hong Kong to encourage commercial activity. Maritime UK has also begun to explore the opportunity to partner with other sectors as part of a compelling UK “bid” and this warrants further exploration. The work of the Maritime UK Export and Inward Investment Group will be crucial in defining the maritime offer and forging ahead with the emerging Export Plan. The Plan and its implementation will also be vital to clarifying priority markets and how government can support and champion the maritime sector. Further potential opportunities could well arise as the implementation of the recently published National Shipbuilding Strategy matures especially given its emphasis on commercially based procurement.

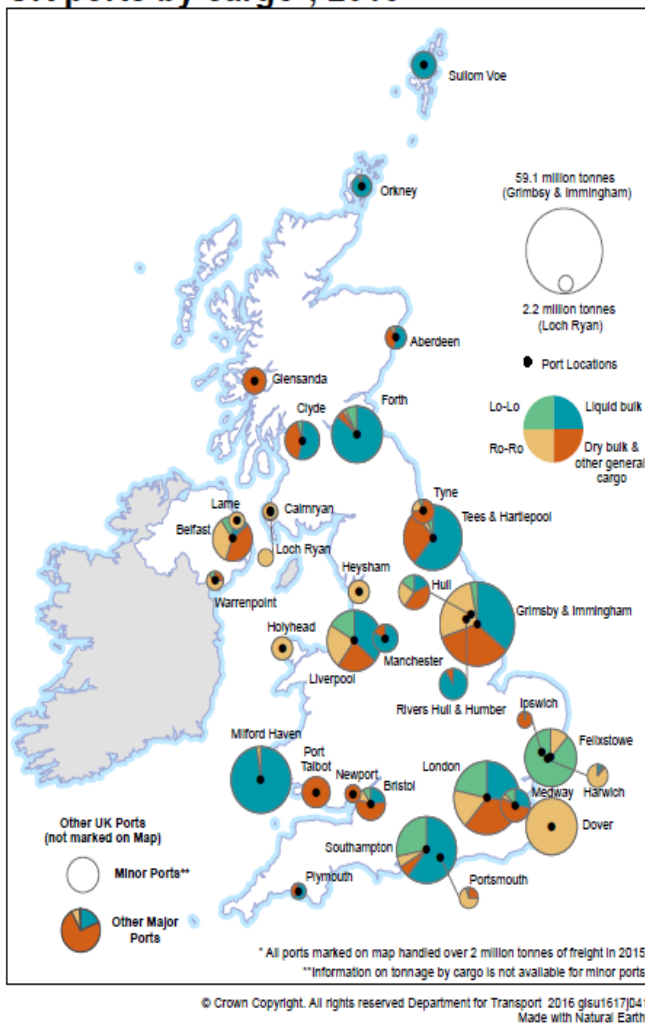
- 3.19 The more that the sector demonstrates its commitment to a significant overseas export campaign that, with government support, identifies and develops new opportunities, the more likely it is that additional resources will be made available to help deliver successful outcomes.

Commitment 3: Championing the Ports’ contribution for Growth



3.20 One of the key questions set as part of the Growth Review was how to incorporate the ports sector more effectively. The Growth Study was largely considered less successful in capturing the crucial role ports play, not just in the maritime sector, but in freight and logistics and ultimately in how the economy of the UK actually works in practice. Ports are relied upon for the seamless movement of UK trade. Since the publication of the Growth Study, both UK Major Ports Group and the British Ports Association have increasingly been active within Maritime UK. The strengthening of Maritime UK as a single representational body is in part a reflection of the ports' contribution.

UK ports by cargo*, 2015



3.21 Since the Growth Study the shift in focus of growth activity and the decision of the UK to leave the EU highlights the importance of ports particularly towards the trade and export agenda. Domestically, if the UK is to export successfully, access to ports from principal manufacturing hubs across the country is critical. The ongoing work around the Port Connectivity Study is vital in identifying the issues that ports face and proposing solutions. This review cannot preclude the outcomes of that work but the structures are in place within both government and industry to enable the cross-pollination of ideas between this and existing Growth activity.

Port Connectivity Study

The aim of the Port Connectivity Study is to examine the sufficiency of port access and connectivity in England and to identify where connectivity improvements could support economic growth, taking into account port and public road & rail infrastructure plans.

The study will seek to gain a greater understanding of the key transport and economic corridors which emanate from and pass through ports - from both the view of the port industry, their customer base, and supporting industries; to highlight any connectivity issues on those routes; to articulate the economic benefits of port connectivity for UK plc and to raise the profile of the vital underpinning role that the ports industry plays. This approach will provide maximum value and synergy with the wider government agenda (such as the BEIS Industrial Strategy and National Infrastructure Commission's National Needs Assessment) and provide a wide view of why port freight connectivity is an essential factor in future import and export investment considerations.

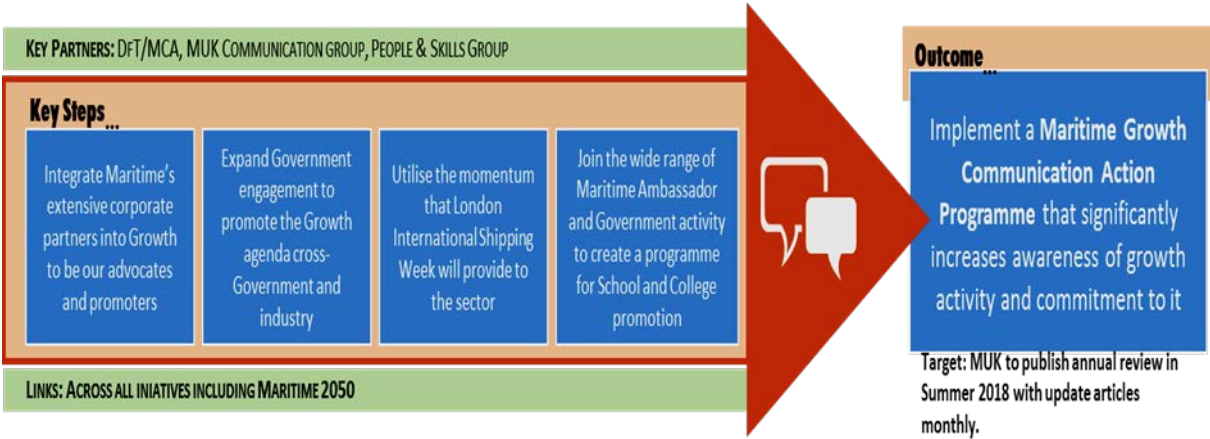
The final report will enhance understanding of port connectivity issues, significantly improving the data that the Department holds on port access matters as well as developing recognition of key economic corridors to/from UK ports.

- 3.22 The importance of the ports domestically is also reflected in their often vitally significant contribution to their local and regional economies. A later commitment covers the Industrial Strategy which takes, as one of its core themes, the regional economy. Therefore as well as needing appropriate investment and support for the regional infrastructure, the ports are looking to attract investment. LISW gave a great focus in showcasing the very best of the UK as a home for inward investment. This requires the port sector to work in collaboration with the DIT and the DfT, to identify potential investors.
- 3.23 Whilst inward investment is crucial there are also potential opportunities to export the UK's successful private sector ports expertise. As many other countries, such as China and India, seek to modernise and maximise their port sector, and improve links to their manufacturing and consumer hinterlands, then UK ports and maritime skills can potentially offer a valuable source of consultancy. Similarly the experience of UK ports in working with government at all levels to influence wider state infrastructure investment in road and rail networks, as well as linking into the wider logistics chain, can provide useful perspectives at a global level. Some of this experience is undoubtedly already being leveraged internally by the port multi-nationals who own some of the UK's key ports but there is likely to be further potential to export the skills learnt within the UK's unique port operating environment.
- 3.24 The maritime sector is good at talking amongst itself but needs to work more at promoting itself outwardly. Ports engagement with, and understanding of, their customers and their needs is vital. Increasing government and maritime industry engagement with the users of maritime services is critical to mutual understanding

and success. The more that the users can be brought into the growth activity where they recognise their dependency upon maritime, the more inclined they will be to be an advocate for sector and assist with its promotion.

- 3.25 This is the concept behind “Maritime Nation” where industry and government came together at an event that expanded engagement beyond the core parts of the maritime sector. Maritime Nation has now been aligned with Maritime UK as a campaign that can work alongside an overseas promotional model. The ‘Maritime Nation’ brand also provides a tool to increase awareness of the importance of the UK maritime sector to embassies and consulates situated in key overseas markets.
- 3.26 The ports’ involvement in ministerial and official working groups as well as the Maritime UK framework has been important to ensure that the sector as a whole is coming together. The UKMPG and BPA have a crucial role in ensuring that the ports are successfully incorporated into the maritime growth framework. In turn, momentum has clearly been toward an agenda which has a natural fit for ports, their vital role post EU-exit, their importance to both regional and national economy, their significant role in successful inward and outward trade activity and, explored in later sections, their importance to future skills, innovation and technology.

Commitment 4: Improving Communication to support Promotion of the Maritime Sector



- 3.27 It was often mentioned in interviews, and particularly during workshops in both London and Liverpool, that there was a lack of awareness in some quarters about progress with growth activity. This raises the question as to what extent this lack of awareness affects the promotion of the sector. It can be argued that if a company or trade body is unaware of what is currently going on they will be unable to contribute to further joint initiatives. However this is only a factor if contributing to those joint initiatives would actually help that company/trade body to achieve its objectives. As highlighted in the previous section the industry has improved its ability to talk to itself in the sense that the individual subsectors have come together to promote the sector to government through Maritime UK (MUK). As a result the ministerial and senior official working group structures have tended to meet with the same set of leading sector figures from the MUK network. Given that MUK is expanding and that

communication with government tends to be performed at a relatively high level this may not be thought an immediate problem. However in the medium to long term, especially when it comes to agreeing promotional initiatives which the government feels it can support e.g. trade missions, it will be essential to ensure that all those who can contribute have the opportunity to do so.

- 3.28 Following the publication of the Growth Study there has been an increase in promotional activity as evidenced by the previously mentioned Maritime Nation event at the FCO. The sector is aware of the need for regularly undertaking promotional events. The frequent opportunities for dialogue between government and the maritime sector were highlighted in the review of progress. The question really is whether opportunities to promote the sector are being missed because those who could support such promotion are not sufficiently well informed. The point has already been made about the industry being good at talking to itself. However it is not clear how much effort is being made to engage with those who rely on the sector to deliver what they need to conduct their business affairs profitably. If 'end users' can be motivated to buy in to a programme of activity that promotes the maritime sector then it obviously makes sense to tell them about it with emphasis on the potential benefits for their organisation. In that sense raising awareness of maritime promotions may well result in enhanced effectiveness of those promotions. The sector cannot operate in a vacuum but needs to constantly monitor and take into account the needs of its customers. Moreover that consideration should as a matter of course be directly built in to the development of future marketing strategies.
- 3.29 The Maritime UK Marketing and Promotion working group can be a useful tool to follow up on the success of LISW 2017 in promoting activity across government and globally. As set out in the previous section, the maritime sector has a wide set of users that could potentially be a powerful voice adding strength to engagement with government as well as the promotion of the maritime sector if brought more actively into the growth agenda. However perhaps the most important consideration for the group will be to determine to what extent they can provide the necessary expertise from within the group itself and when they might need additional specialist marketing input.
- 3.30 The lack of awareness amongst the general public is often mentioned and highlighted as a source of frustration. It is not clear however whether this is something that affects the promotion of the sector in trade terms although there may be a stronger argument that it could have an adverse effect on recruitment to the sector. A first step may therefore be to establish whether a degree of ignorance on the part of the public at large does have a debilitating effect on the performance of the sector as a whole or on some of its constituent parts and if so what can be done about it. It may be that there is no clear answer that fits the whole sector. Often the public's awareness of transport is linked to their use of it e.g., their car or the bus or train they use to get to school or work. Many will know about ferries, or increasingly the cruise industry, perhaps rather fewer are aware of the shipping or ports subsectors. How many users really think about where their car came from or the clothes they wear or the food they eat? Does this matter? Obtaining evidence one way or the other would seem to be a good starting point.

- 3.31 It is also for government to increase its promotion of the maritime sector. As the first part of this review noted progress has been made in exploring options for a 'One Stop Shop' as recommended by the Growth Study with a view to simplifying transactions with government. Increased clarity about the existing framework that the Department of Trade employs to enable potential investors to obtain information and guidance has meant that this is now less immediately urgent. Nonetheless the concept of a single point of entry from which all potential customer enquiries can be processed remains an attractive concept. It will however require more work especially on the part of DfT to ensure that it delivers what the sector needs. Therefore while not an immediate priority it is intended to return to and take forward this initiative when time permits.
- 3.32 As growth activity has developed, particularly trade and export promotion, the work of the Department for International Trade has been key. Maritime UK has become a partner for the "Exporting is GREAT" brand and, while by not necessarily seen as essential for all, this does provide opportunities for the parts of the sector that do want to use the brand. Promoting the sector successfully to attract new business globally will require a concerted effort by industry and government.
- 3.33 The development and more importantly the delivery of a Communication Plan offers the opportunity to promote growth which could include raising awareness of the importance of maritime sector where this supports the growth agenda. Increased activity with the sector's wider users and customers, be that through 'Maritime Nation' or through more direct corporate involvement, would significantly amplify the promotional activity. Government has its part to play in increasing ministerial activity not just directly with the sector but in supporting the promotional agenda as evidenced by the recent trade mission in China discussed in more detail earlier. Ministers may also want to engage with 'end users' to inform their involvement in promotional programmes. As the lead Department, the DfT should increase its activity to engage counterparts with maritime responsibilities in other Departments and increase their attachment as the sector's champions in government. LISW 2017 has provided a platform for successful communication across government and internationally that must be utilised going forwards.
- 3.34 The more that the sector and its wider partners feel part of the agenda and see its potential value the more likely they are to buy into it. There is much to learn from the success of maritime regional clusters here and the work of Mersey Maritime is particularly worth noting. They have developed into a strong and successful cluster that has managed to draw in a wide range of corporate partners as well as those directly involved in the sector. This has brought with it influence, resource and a powerful voice regionally, nationally and internationally.

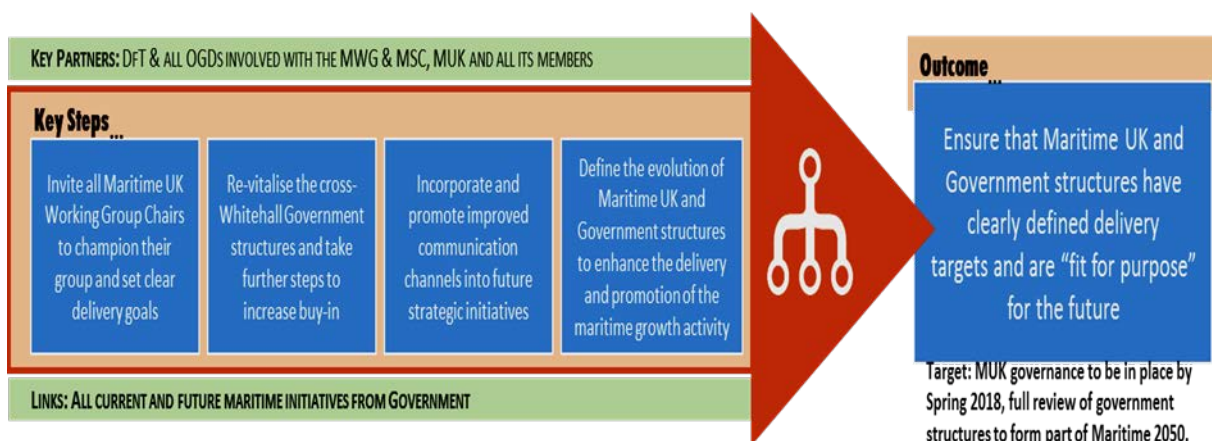
Spotlight on Mersey Maritime

Mersey Maritime has been flying the flag for the interests of the ports and maritime sector on Merseyside with the aim of creating the right conditions for business growth since 2003.

It is the representative body for the marine and maritime sector in the Liverpool City Region, working with large and small businesses across 33 different sub-sectors of activity to create conditions that will allow business to flourish. It has successfully worked with a wide variety of maritime SMEs to support their business, create and safeguard jobs and help improve their business performance. Since 2012, it has assisted 93 companies which has resulted in the creation of 324 jobs and the safeguarding of 155 more.

But it is since 2016, in collaboration with key partners, Mersey Maritime and Liverpool John Moores University that it has really pushed open the opportunities for maritime skills. Its first phase of the Maritime Knowledge Hub was opened in March that year. It is an ambitious new project to develop a global centre of excellence within the UK for marine and maritime innovation, knowledge and skills. This, linked to the colleges around the area, concentrate on delivering a highly skilled workforce for a vibrant and competitive maritime cluster.

Commitment 5: Evolving Government and Industry Structures



3.35 As the priorities for the Maritime Growth agenda have developed, and with the changing political landscape, it will of course be necessary to keep under review the government and industry structures that are in place to deliver the growth agenda. Maritime UK recently concluded a review of their own structures but, as with all growth activity these can be expected to be in a constant state of evolution.

3.36 For Government, the MWG is largely well regarded by those who attend. Ministerial representation across Whitehall has been strong in most cases and engagement levels high. As the meetings have become more embedded the exchanges have become more detailed and resulting actions clearer. However, as noted elsewhere in this review, knowledge of the MWG is limited to those ‘in the know’. It is not given wide recognition outside of the UK so it is not providing evidence to international partners of the strong government and industry collaboration in the UK. A natural evolution would be to examine how, extending involvement to a set of wider maritime corporate partners would change the dynamic and raise the profile of the Group. This would not be in place of Maritime UK but would be a result of their widening of scope to include more of their corporate customers.

Maritime UK membership



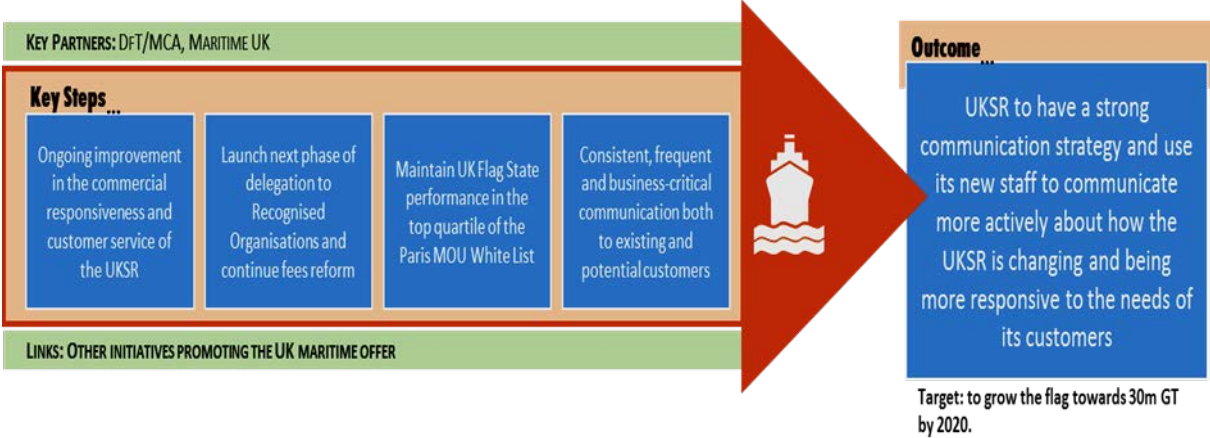
3.37 There has been a significant amount of support for how Maritime UK has already evolved. Many industry members consider the creation of a more powerful single promotional voice as the most successful outcome of the Growth activity so far. However, it has to some extent been a victim of its own success as its resources are stretched. Plans to address this further are welcomed. It has also been clear that, whilst it does speak authoritatively for the sector on over-arching issues, individual representative organisations still want and value their own direct activity and engagement with Ministers on specific matters. Some respondents felt that maritime was behind other sectors although it was noted the different make-up of those sectors perhaps encourages closer collaboration.

3.38 The cross-Whitehall representation at the MWG has generally been strong. The DfT will however be asking Ministers to encourage his Ministerial counterparts in other Departments with a maritime interest to renew their efforts to attend this twice yearly meeting. Typically the Department in consultation with other Departments has set the agenda for the MWG and shared this with Maritime UK in advance. This openness needs to continue to ensure transparency and government-wide involvement and

ownership. Where Ministers are unable to attend a Working Group a senior official only should be sent as a substitute recognising the importance of these meetings.

- 3.39 A similar outcome is sought for the senior official MSC meeting with Maritime UK. Again this has been well regarded by industry attendees. Securing appropriate attendance from Whitehall Departments has at times been a challenge. The Department will renew its efforts to ensure that all leading Departments are represented at the Strategy Committee meeting at a level that reflects the seniority of industry attendees. This is a forum in which it is intended that the principal strategic issues that the industry faces are discussed and action identified and taken. It should be the natural forum for reviewing growth activity and ensuring it evolves as well as preparing for Ministerial meetings. Awareness of the Strategy Committee has, at times, been limited. The DfT will work with Maritime UK to address this.
- 3.40 Maritime UK launched a review of its governance in Spring 2017 which should be completed and implemented during 2018. The outcomes will undoubtedly influence its further evolution. This was initiated by the Chair recognising that with an influx of new members and possible future expansion, there was a need to ensure that the structures were fit for their purpose. There was much support for the Board and Working Group arrangements but also that a review of them would be timely. This work will therefore encompass a review of the Board structure and the evolution of the working group matrix as described below.
- 3.41 Maritime UK has a number of working groups under its umbrella, some inherited from former industry groups. Currently, given the relatively limited resources at the disposal of Maritime UK and its industry partners, servicing a large number of working groups effectively is difficult. For government too, whilst it is extremely beneficial to have a strong presence on those working groups the resourcing of this is a challenge. Some of the groups are already addressing their set up to ensure maximum focus and delivery. It will therefore be crucial that all Chairs of the working groups define and agree very clear targets for their groups and champion their activity.
- 3.42 Seeing 15 representative organisations come together to unite on the common issues that affect the sector or in trade promotion activity has clearly been a significant step forwards. Government structures and engagement are also enhanced and delivering greater levels of collaboration than previously experienced.
- 3.43 Options clearly exist for further evolving structures and utilising them to greater effect. The potential engagement of a wider set of partners brings opportunities to increase awareness of, and engagement in, maritime growth activity.

Commitment 6: Evolution of the UK Ship Register and MCA Commercialisation



3.44 The UK Ship Register is at the centre of the MCA’s commercial activity. It provides vital services to international shipping companies that choose to register their ships with the UK, and may base some or all of their operations here. The Growth Study acknowledged the importance of the MCA in its regulatory and commercial functions. It also recognised the need for the MCA to provide a more customer based focus to its business in particular around the UK Ship Register. The strong progress that the MCA has made in this regard has been fully set out in Annex A under recommendation 6.

3.45 The importance of the UK Ship Register (UKSR) was continuously acknowledged throughout the review. It was widely recognised as a “shop window” for the UK maritime sector and as something of a barometer for the health of the UK maritime industry. In several interviews, and during both workshops, there was a perception that the pace of change in the commercialisation of the ship register has not been quick enough. The most visible sign of change in the first part of 2017, were the senior appointments of Michael Parker (Non- Executive Chair) & Doug Barrow (Director UKSR). They were both considered as appointments that would enhance delivery of the commercialisation agenda.

3.46 The importance of communicating change was again underlined. When the pace and scale of change was explained the response was often positive and supportive of the ambition and intent. This was particularly evident at the MSC where, during a discussion of the Review, the Chief Executive of the Agency provided a detailed update which was welcomed by all industry attendees.

3.47 There were mitigating circumstances which at least partially addressed the limited communication about the changes that had occurred around the time of the review. The purdah period around the election in June 2017 restricted promotional opportunities for the UKSR and at times sensitivities around negotiations have restricted how much could be said.

3.48 The most fundamental issue though was the question of structure. Both the UK Flag Panel Advisory Report and the Growth Study called for exploration of a separate commercial structure for the UKSR. The most common call was for the creation of a Government Company (GovCo) with one or two calling for even more significant privatisation. This became the subject of a significant piece of analysis undertaken by the Department in close collaboration with the MCA.

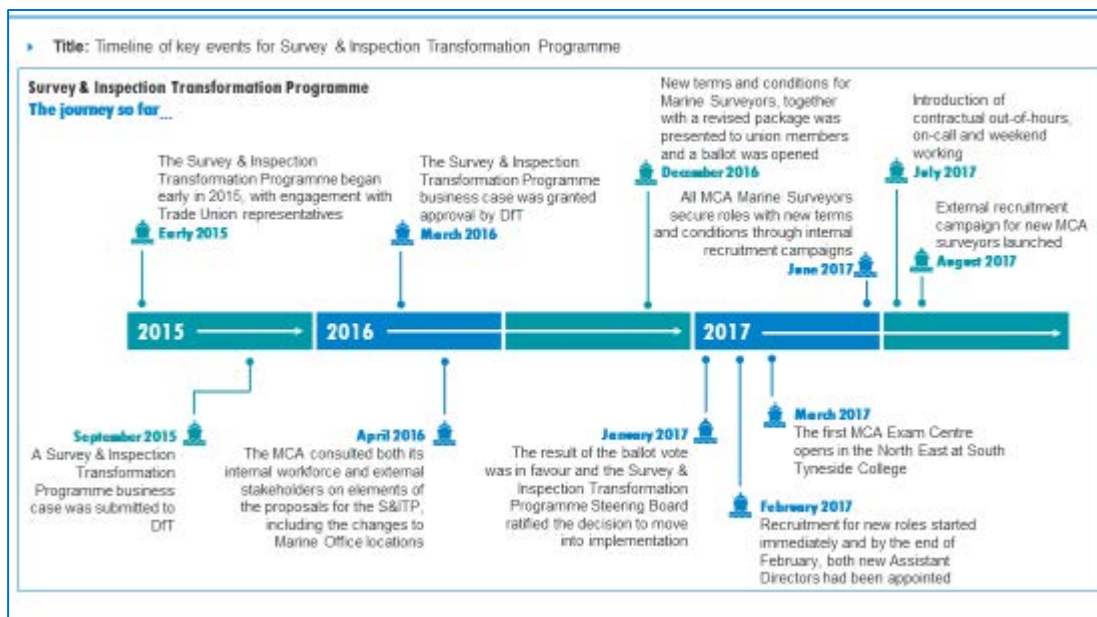
3.49 The conclusions of this analysis were discussed with the DfT Executive Committee which noted in particular the challenge to create a GovCo at a time when legislative space was at a premium. There was also a strong belief that much of the change envisaged could be delivered more quickly within existing structures.

3.50 The Department and UKSR team accordingly developed a business plan which set out the key changes needed to drive the further commercialisation of the register. The MCA then took on the ownership of the register and began work to implement the plan. The UKSR event at LISW 2017 provided the ideal platform to demonstrate the progress that has been made to the register and signal much more to come. The news was welcome as it indicated optimism for its future plans and direction.

3.51 The UKSR team recognised the need to build a strong communications strategy and LISW 2017 provided the perfect launch pad for future engagement with customers. The UKSR team have developed and are implementing a strategy that will provide consistent, frequent and business-critical communication both to existing customers and those that the Register wishes to attract.

3.52 Looking ahead the MCA is committed to further improvements to the UKSR to enable further growth through;

- Continuously improving the commercial responsiveness and customer service of the UKSR.
- Better communicating the UKSR's competitive offer to global shipowners and operators
- Digitisation of registration and other services to customers
- Continued reform of the fees package
- Further exploiting opportunities for the delegation of vessel surveys to Recognised Organisations
- Maintaining and improving the quality of the UK Ship Register, as evidenced by its positioning in the Paris MOU White list and the USCG's Qualship 21 categorisation
- Exploiting other commercial opportunities to satisfy customer need.

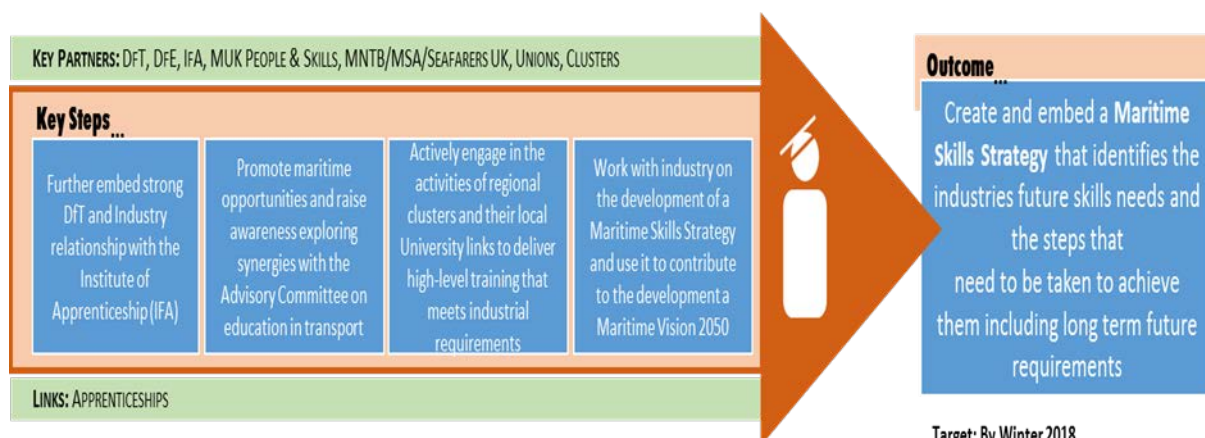


3.53 Through continuous improvements to the register the MCA aim to;

- increase the size of the register to 30 million GT;
- focus UKSR marketing on quality owners and quality vessels so that the average age of 85% of the internationally trading UK flag ships greater than 500 Gross Tonnage is 10 years or less;
- maintain the UK Flag State in the upper quartile of the Paris MOU White list and in the USCG Qualship 21 category.

3.54 In addition to the UKSR the MCA will continue to explore opportunities to bring a more commercial focus to its other activities.

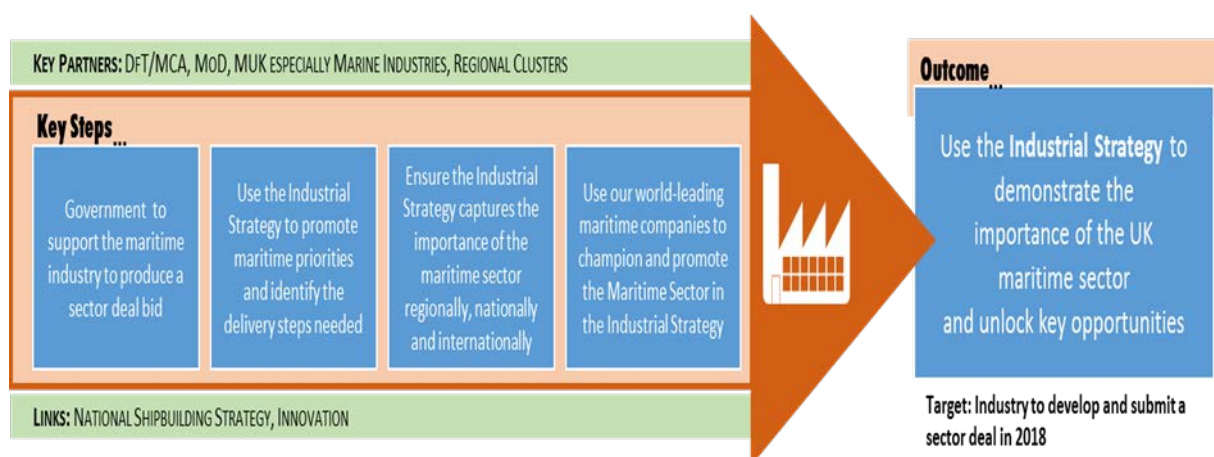
Commitment 7: Maritime Skills, Employment and Education



- 3.55 People and skills were understandably a key feature of the Growth Study with 9 out of the 18 recommendations relating to training, skills and career awareness. The UK prides itself in providing excellent maritime training and qualifications in world class training establishments. The recommendations were wide ranging and although much has been done, there are still some key strands that need following up.
- 3.56 There were two pieces of research that were commissioned from the Study recommendations which have been completed. The main finding from the research done in the Seafarer Projections Report showed that there may be a shortage of UK seafarers to meet demands in the future. The SMarT Review showed that there could be merit in making adjustments to the SMarT scheme. The proposal for SMarT Plus was not sufficiently mature at the time of the Review but the Department has continued to engage with industry and unions as discussions on the future of government funding explore options.
- 3.57 The introduction of the Apprenticeship Levy in April 2017 has stimulated employers to offer apprenticeships as an important training route into the sector. Take up has been inconsistent so an additional focus and emphasis was given at LISW 2017 with a first maritime apprenticeships booklet which sets out an aspiration to double maritime apprenticeship numbers. Some frustration was expressed about the way in which the levy had been introduced and the challenges the sector faced in agreeing suitable standards.
- 3.58 The establishment of the Institute for Apprenticeships (IFA) will ensure a smooth transition from the old framework to the new trailblazer standards. The sector will work closely with the IFA to ensure that this transition is as comprehensive as possible and that the programme of apprenticeships includes more roles to increase the intake into all the areas of the maritime sector. It is anticipated that the emphasis will move from frameworks to standards over the course of the current Parliament.
- 3.59 It is also important to recognise the strength of the regional activities and their role in bringing academia and industry together in addressing the needs of the sector. There are very good examples where these natural clusters have led to important initiatives to raise the profile of the sector with particular emphasis on the development of high level qualifications. The intent of the commitment is to maximise the uniqueness of these clusters, ensuring they are collaborating nationally on their ideas and initiatives to strengthen the quality and appropriateness of the training and thereby showcase the UK's reputation as a world leading supplier of training to the sector.
- 3.60 The lack of awareness of the importance of the maritime sector in the UK has perhaps led to difficulties with recruitment and retention of skills. The Maritime UK Awareness group has recognised the need for better co-ordination and collaboration of industry-led initiatives to raise awareness and so make it more attractive as a career option and open to a more diverse pool of people. An early outcome of the group is the launch of a maritime careers platform on the Maritime UK website with further activity underway.

- 3.61 The Department is driving a number of high profile programmes designed to address skills shortages and gaps including diversity challenges across the transport sector. An advisory committee on skills, focusing on education in transport has been created which will supervise and co-ordinate these programmes and will provide advice on best practice in promoting transport through education. The committee will involve maritime and industry programmes through the Chair of the Maritime UK People and Skills Steering Group.
- 3.62 Government will continue working with industry in the development of a Maritime Skills Strategy that not only looks at current challenges but that also addresses future requirements and opportunities to help shape the future of the UK maritime sector. A Maritime UK People and Skills working group has been formed together with a ‘task and finish’ group mandated to develop a future skills strategy and look at awareness issues. The Department is well engaged in these groups recognising the importance of close collaboration across the skills agenda.
- 3.63 The review has highlighted the importance and necessity of having a comprehensive skills strategy that successfully sets out the varying options available and articulates future ambitions. However there is still a need to ensure that there is a future supply of trained professionals to avoid a potential drainage in talent supply particularly in relation to seafarers and also that those coming into the sector are skilled in line with future technological advances. The importance of the people in the industry evokes much interest showing how important seafarers and shore-based personnel are to the success of UK maritime industries now and in the future.

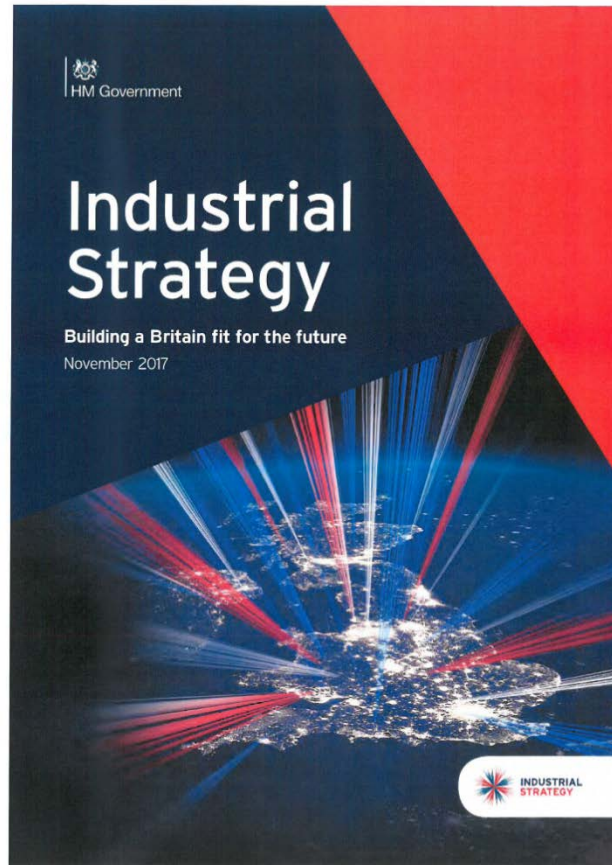
Commitment 8: Supporting a Maritime Industrial Strategy Sector Deal



- 3.64 The maritime industry, particularly through Maritime UK, has engaged in the development of the Industrial Strategy from an early stage before the initial Green Paper consultation document was first published. This is a sector that is reliant on its skilled workforce and is geographically spread across the country. It is forward looking, embracing new technologies and opportunities and so potentially has much to offer to an Industrial Strategy

3.65 In their response to that consultation, Maritime UK identified itself as a sector champion and has sought to corral potential “bids” for a sector deal into one place. Accepting the “open door” challenge laid down by government, they are now looking at what potential there is to deliver transformation in the maritime sector and to build on the UK maritime competitiveness in this global market. DfT has welcomed the hard work by industry and will continue to work very closely with them to produce proposals for a sector deal for the maritime sector. These proposals are likely to focus on new technologies (e.g. autonomous ships, sea mapping and innovative green technologies) including the establishment of a Maritime Research and Innovation Centre, where the sector (industry and academia) have formulated plans for an Industrial Strategy Challenge Fund bid. Maritime UK is also considering the synergies and opportunities offered by the National Shipbuilding Strategy in terms of a wider sector deal for maritime and a main vehicle to deliver the bid.

3.66 The Government is prepared to work with any sector which can offer a clear and compelling case for partnership with government and definitive proposals for boosting the productivity of the sector. From the industry side this needs commitment about what it is able to offer and a firm indication of what is needed from Government. The Government has now provided further guidance on the prioritisation of sector deal proposals, and how all submissions will be reviewed for potential advancement. However, sector deals are only one way for industry and government to work together. The Government demonstrated its commitment to develop a modern Industrial Strategy that sets out the conditions for all sectors of the economy to maximise their potential by publishing its White Paper in November 2017.



3.67 This White Paper not only provides the further guidance in respect of sector deals alluded to but sets out five 'foundations of productivity' which it sees as fundamental to success. These are ideas, people, infrastructure, business environment and places. These are fairly generic concepts and it is not difficult to identify areas of maritime that would easily slot into one or more of these. It is quite possible that when discussions are had around maritime 'clusters' there would be elements that would satisfy them all.

3.68 However the Paper also refers to four great challenges revolving around artificial intelligence, clean growth, an aging population and the future of mobility for both goods and people. These are rather more specific and satisfying most or all of them will need to be at the forefront of the thinking behind any sector deal. The next commitment which looks directly at innovation links in with at least the first two challenges and possibly the final one. The challenge relating to the aging population is in particular an interesting one for maritime to address. Earlier in this review it was noted that seafarers are themselves an aging population with the need to attract younger applicants into the sector. This challenge then potentially asks what happens to those older seafarers and whether the opportunities are there to enable them to build new careers once their seafaring days are done.

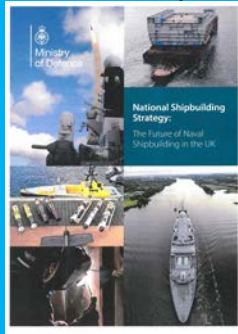
3.69 Through this review one recurring theme has been the extent to which leading companies are engaged in the debate about the future digital and technological agenda. As indicated, this now forms one of the 'great challenges' within the Industrial Strategy. Mixed views remain amongst some respondents over the pace

and level of progress. However the level of change that has been experienced over the last decade alone within ports and on board ships suggests a dynamic future for the sector. Different opinions were expressed concerning autonomy and whether it will be the pace of development or the regulatory environment that will be the determining factor. A number of the companies from the review are investing heavily in technological development and evaluating what the impact of the change means for their businesses and activity. This is expanded on both in the innovation commitment below and in the exploration of a need for a long term strategy.

3.70 This commitment reflects that the maritime sector has engaged in the Industrial Strategy from the beginning the need to reinforce that commitment following the publication of the White Paper and has been exploring how it best responds to the potential opportunities it creates.

3.71 The publication of the National Shipbuilding Strategy in September 2017 has considerable potential for the development of new commercial initiatives across the marine sector and the wider UK supply chain. A strong commercial agenda has been incorporated into this strategy from the outset reflecting the recommendations made in Sir John Parker's independent report. The proposed creation of a Marine Industries Working Group to explore these opportunities and which feeds in to the existing Ministerial Working Group will help to ensure that the links between the defence and merchant marine sectors are established and utilised. This could for example include the further development of a Maritime Sector Deal based on technology and/or innovation.

National Shipbuilding Strategy (NSS)



The National Shipbuilding Strategy will transform the way the MoD procures naval ships and will re-energise the UK's maritime industry making it efficient and effective in delivering the naval ships the nation needs.

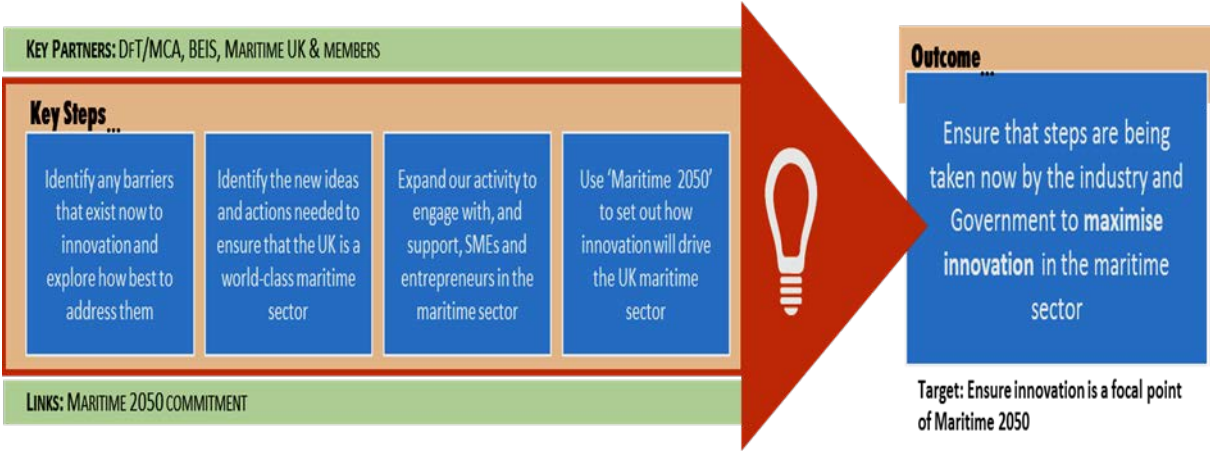
It sets out how Government will deliver a stronger, nationally coordinated effort on exports for ship sales, project management, design, equipment and sub-systems.

The NSS also explains how government and industry will work together to improve public procurement, increase trade and drive innovation in the maritime sector while paying close attention to the demands that this places on skills and the workforce.

This will ensure the development of a strong, vibrant and globally competitive UK shipbuilding and maritime engineering industry, capable of winning business in the military and commercial markets both at home and overseas.

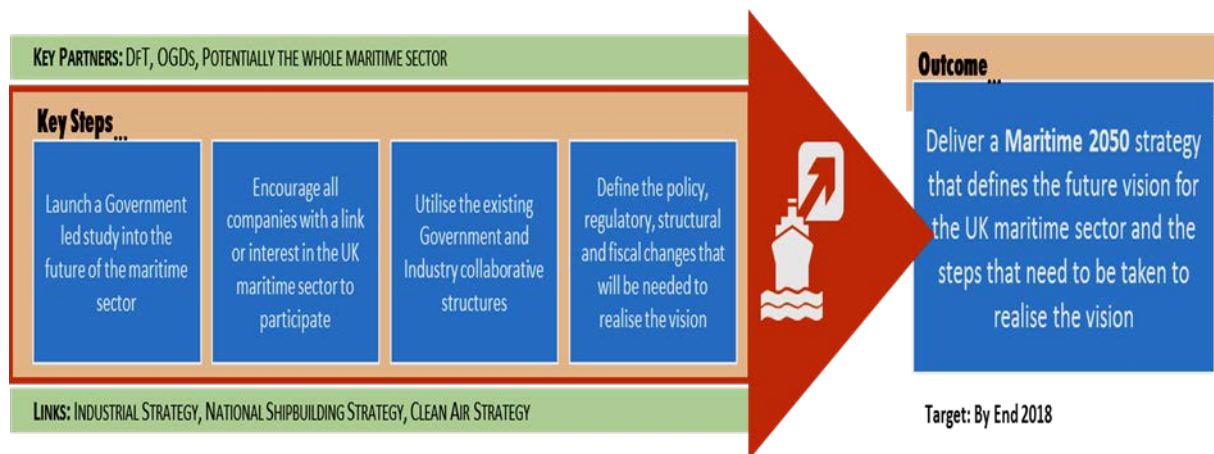
The NSS makes clear the plans for the new class of warship, the Type 31e general purpose frigate which will be designed with export in mind. UK industry will also be welcomed and encouraged to participate in the ongoing Fleet Solid Support (FSS) ship acquisition programme. This programme will be subject to open international competition in line with the shipbuilding policy at the heart of the strategy. This will provide an exciting opportunity for UK and international industry to propose innovative and cost effective solutions and to demonstrate world class competitiveness.

Commitment 9: Supporting and encouraging Maritime innovation



- 3.72 Many of those interviewed during the course of the review touched upon the way in which the maritime sector would change through new innovations. Examples highlighted included how digital changes will impact the freight and logistics travelling to the UK ports, how ports will respond dynamically to technological advancements on shore and at sea and how shipping itself will change not only affecting the industry but those who service it. In one or two interviews the potential impact of digitisation on the service sector was also noted.
- 3.73 The UK marine engineering sector, both industry and universities, is well regarded for its specialist skills and highly specialised equipment and technology. The UK maritime colleges, universities and organisations like Mersey Maritime are at the very forefront of training and skills development readily embracing technological options. And throughout the review engagement with companies highlighted both the short and long term activity to innovate and develop.
- 3.74 In developing a long term vision for the sector (which is expanded upon later), all those involved will have a better understanding of potential change, its impacts and what it means for the sector and for the UK’s growth ambitions. Working together, government and industry should make sure that the innovators and entrepreneurs have the opportunities and support they need to develop new initiatives. A further consideration revolves around what this future innovation in the sector means in delivering new skills for the tech savvy youngsters of today who may well be needed in tomorrow’s ports and shipping companies, or as marine engineers and maritime services personnel.
- 3.75 It is therefore imperative that government and industry collaborate to provide the conditions and support to foster and encourage innovation. For government this will be about providing a supportive regulatory environment, a sympathetic framework of policy development and financial incentives where appropriate. An Industrial Strategy sector deal is potentially also an important element here in helping to define this framework and incentives.

Commitment 10: Maritime 2050



- 3.76 The Growth Study undoubtedly identified that the sector would change and that there was a potentially significant trade opportunity if the UK responded effectively to competition. Its focus however was on a relatively narrow set of parameters which were fundamental to future growth. It did set some key themes for a vision and highlighted the need for a national maritime strategy but was not intended to present a wide-ranging vision for the future. This commitment seeks to establish a new approach to strategic thinking that engenders wide support and engagement and is broader in its approach and appeal. It is a significant commitment and will guide the sector in the longer term.
- 3.77 Interviewees highlighted the pace of change in the sector and potential changes through digitisation and autonomy. Others noted opportunities in new sectors such as the changing nature of UK energy policy including future decommissioning of the oil and gas infrastructure in the North Sea. Most acknowledged that while negotiations are just beginning, the sector should be scenario planning now for the UK future outside of the EU.
- 3.78 A general question that could be asked is - What is the unique selling point that will ensure that the UK remains a great global maritime nation in the long-term future? There were divergent views on what that future looked like in terms of the scale and pace of change. Those wide views are reflective of what is a very disparate sector with people of very different experience and knowledge.
- 3.79 There are many questions that could be asked. What does the UK expect of its maritime sector in 2050? Where specifically should the UK be looking to lead the world? Is it the aim to be the most innovative, environmentally sound, safe, secure or competitive maritime nation? Will it be possible to achieve them all? How will this determine the shape of the skills, finance, policy and regulatory activity. What are the implications for trade? Perhaps most critically what does the future of the maritime sector mean for those who rely upon its success for their own?

3.80 A long term strategy is a challenging objective in a very diverse industry that reaches far and wide. However, through this review, it is clear that there would be real value in developing a single “Maritime 2050” and with it identify the opportunities that will ensure that the UK remains a world class maritime centre. Government can provide leadership and structure. The challenge will be to produce a vision that encapsulates as far as possible the wide range of opinion that is needed if it is to be a worthwhile exercise. Aside from the input from the maritime sector itself, it will need to engage other areas of UK industry from whom lessons might be learnt. It will also need to appeal to those who will potentially make this vision a reality, the young entrepreneurs and future scientists to give just two examples. It will be necessary to look at what other countries are doing especially those who are or potentially will be competing with the UK in various areas of maritime business. Finally it is imperative that cross-government buy-in is sought from the first to incorporate the work already being done in government departments and associated bodies like the Government Office of Science.

The Future of the Sea – Government Office for Science

The Government Office for Science’s Foresight Future of the Sea project spent a year assessing the implications for the UK of long-term trends in marine and maritime. The project commissioned academics to review the best-available evidence on policy-relevant subjects. These include long-term changes to trade flows and the growing potential for Arctic shipping as sea ice melts. It also published a series of interviews with leading maritime businesses, such as Lloyd’s Register, about the implications of emerging technologies for their sectors. The project found that an ambitious and co-ordinated approach is required to capitalise on the significant opportunities for UK economic growth and global leadership. It is due to publish its full findings in late 2017. The Maritime Growth Study and Maritime 2050 will build on these findings to ensure that the UK’s diverse economic opportunities have the platform they need to succeed.

4. Conclusions

- 4.1 The conception and completion of the Maritime Growth Study heralded a great change in the way that the maritime sector is perceived in terms of its importance to the future prosperity of the UK as a whole. It also brought maritime to the heart of UK Government as it demonstrated its worth in its own right and in its role underpinning the bulk of trade to and from the UK. There is no doubt too that it has served its purpose in raising and highlighting the importance of the UK flag, the nation's ability to compete with the fast growing economies of the Far East, the skills required to enable the ships and ports on which the UK relies to remain operationally viable well into the 21st century and the challenges around having cohesive mechanisms within both government and industry to address these issues.
- 4.2 The review highlighted these positive outcomes as well as identifying the progress made against the recommendations and the gaps that remain. It was also able to initiate discussion on some further issues which have emerged since the Growth Study. It became clear early on in these discussions that neither ports nor the marine manufacturing and engineering subsectors had received sufficient attention. The reasons for this evolve around the nature of the maritime sector itself in its remarkable diversity. As a consequence it has not always been easy or straightforward to identify common objectives across the sector. Nevertheless the Growth Study has had a remarkable and lasting effect on the sector. This renewed energy has been sustained over the past two years and has resulted in a new co-ordinated approach to action. This carries the added bonus of providing a forceful impetus which increases the clarity of industry's messaging to government.
- 4.3 It is clear that much progress has been made especially in setting up structures within government and industry to facilitate a closer ongoing working relationship. As will be seen from the summary of progress against the study recommendations at Annex A, most of them have been addressed to some degree even if, as one of the major criticisms has been, real progress has not been as quick as some may have hoped.
- 4.4 In addition there have been impacts that have affected the direction of the maritime sector not least the public vote prompting the decision to leave the European Union. That decision has meant that new factors have been brought into play that affect the entire economic environment of which the maritime sector is a part. Fortunately this review was so timed as to be able to take into account those new factors. This has meant that the need to deliver concrete results has been highlighted if the UK is to meet the challenges and exploit the opportunities that are emerging and will continue to emerge as the process of exiting the EU progresses.

- 4.5 It is largely for these reasons that where the original Maritime Growth Study produced a set of recommendations, this review presents instead a set of commitments for action in the next year or so. These focus on some of the key areas that continue to be of great importance to the maritime sector such as the MCA change or skills. Or those that will impact on maritime in an unprecedented way in the few years and beyond and so consequently the UK needs to prepare its plans to mitigate against the threats and to take advantage of the new opportunities. These include the commitments on exiting the EU and maximising the UK innovation and new technology areas. Only by getting to grips with these areas will the UK continue to consolidate its leading position in this global sector.
- 4.6 The final commitment, that of a strategic vision, will seek to set out a long term view of the whole maritime sector. While the need for a longer term strategy was mentioned, by its nature it is very much a proactive commitment that will aim to establish what might be described as the 'ground rules' for making sure that the UK takes the necessary actions to maintain its position at the apex of the global maritime pyramid for future generations. That vision is very much in its embryonic stage but does itself have a challenging delivery target for the end of 2018 even if the work involved in making it a reality will obviously stretch over decades.
- 4.7 In summary therefore it should be apparent that in terms of understanding what needs to be considered for the UK's maritime sector to flourish, there has been solid, if at times, unspectacular progress. The original Maritime Growth Study was produced using what must now be seen as limited parameters. That said, it has clearly demonstrated its usefulness in raising the profile of the sector and was in any event never intended to be the last word on the subject. This review has taken that foundation and built upon it, broadening its scope and perhaps emerging with an enhanced appreciation of the multitude of individual entities that go to make up this complex and diverse sector and the equally complex and diverse nature of its needs. The steps that are set out here will, if implemented appropriately, go a long way towards ensuring the UK's maritime prosperity for the foreseeable future and perhaps beyond.

ANNEX A

PROGRESS ON MARITIME GROWTH STUDY (MGS) RECOMMENDATIONS

No.	Title <i>Italics indicate to whom the recommendation was directed</i>	Recommendation	Progress and findings from the review
1	Single Promotional Body <i>Industry</i>	<p>For the key industry bodies within the sector, including the Baltic Exchange, British Ports Association (BPA), Marine Industries Alliance (MIA), Maritime London, UK Chamber of Shipping and UK Major Ports Group (UKMPG) to take action to create a stronger unified industry voice by:</p> <ul style="list-style-type: none"> • Forming a single, industry-wide promotional body that can market the UK maritime sector as a whole and partner with government, while ensuring that individual industries can continue to engage with government on their specific concerns. • Developing a vision and set of strategic objectives that the sector can support by identifying and prioritising the major common concerns across the shipping, ports, business services, manufacturing, engineering and science industries. • Introducing quantifiable targets and goals to deliver the sector's vision and strategic objectives. 	<p>This recommendation has been implemented through the rebadging and expansion of Maritime UK. It is now made up of 15 representative bodies from across the whole of the sector and more continue to join.</p> <p>It has developed a strategic plan with quantifiable targets against which performance can be measured.</p> <p>There was much praise in the review for the way that the maritime sector has come together to create a single body and is now getting to grips with the immediate and major cross-cutting issues.</p> <p>A slight concern was raised that Maritime UK needs to reach out across the sector, particularly to those in the clusters outside of London. Maritime UK is already working on this to ensure the UK-wide focus encompasses all the different strengths and views.</p>
2	Capability of Promotional Body <i>Industry</i>	<p>For the promotional body to be designed to be self-sufficient and operate effectively by:</p> <ul style="list-style-type: none"> • Constructing a fee, subscription or other regime that enables the body to be self-funded and resourced. • Appointing a CEO to manage the day-to-day matters of the organisation and engage with inward investors, customers and government on a 'business as usual' basis. 	<p>To enable the organisation to coordinate and lead the industry response, Maritime UK has widened its membership, reviewed its structures and increased subscription and resourcing capabilities. There is now a full time manager in post to work alongside a part-time colleague from the UK Chamber of Shipping and an industry secondee.</p> <p>It has set up a number of working groups (and sub-groups where necessary) to tackle individual areas including skills, exports and sector marketing. All of these groups have met, with attendance from government where possible and as appropriate.</p> <p>The leadership of Maritime UK is aware of the need to bolster its resource with an ever increasing membership and widening of its interests.</p> <p>The review respondents very much welcomed Maritime UK actions as a huge step forward and there was much commendation for the way it has achieved a committee structure with limited resource and a sharing of responsibility on the work.</p> <p>There was some discussion about how effectively these many interests could constructively work together as well as a little concern about whether there is sufficient resource going into Maritime UK. Maritime UK is undertaking a review of its governance which includes consideration of greater engagement with, and making use of, a range of wider corporate partners.</p>

3	<p>Chair of Promotional Body</p> <p><i>Industry</i></p>	<p>For the promotional body recommended in this report to appoint a high profile Chair empowered to act as the industry champion for the sector and to work closely with both the chair of the Ministerial Working Group for Maritime Growth (see recommendation 4) and chair of the MCA (see recommendation 6) suggested in this report to raise the domestic profile of the UK maritime sector and sell what it has to offer abroad.</p>	<p>David Dingle CBE, Chairman of Carnival UK, was appointed as Chair of Maritime UK in 2015. His leadership to the body and encouragement to the members have been widely appreciated, presenting a forthright and informed viewpoint on sector wide issues which has helped government departments towards maritime-aware policy decisions.</p>
4	<p>Ministerial Working Group (MWG)</p> <p><i>Government</i></p>	<p>For the government to drive continuing success and growth across the maritime sector by:</p> <ul style="list-style-type: none"> Establishing a Ministerial Working Group for Maritime Growth that seeks to coordinate interest in maritime activities across government. Its initial work should be to drive forward the recommendations for government from this Study in parallel to the recommendations being taken forward by industry. The Group should initially operate for a twelve month period and then be subject to review. The group would be separate to the existing Ministerial Working Group for Maritime Security. Nominating a relevant transport minister as chair and 'ministerial sector champion' to take an overview of government activity affecting the sector and working with other departments to support maritime growth. The Ministerial Working Group should oversee the development of a national strategy for maritime growth developed in collaboration with industry. 	<p>The Ministerial Working Group (MWG) is now well established and scheduled to meet twice in each year. The Group includes Government Ministers from any department with interests in the maritime/marine sector (e.g. HMT, MOD, BEIS, DIT and DExEU). Key representatives from industry are invited to each meeting. The Group seeks to significantly enhance coordinated government action on issues such as skills, trade and exports.</p> <p>To date, DfT Ministers have taken the chair at these meetings. Maritime UK coordinates appropriate industry attendees for each meeting depending on the topics under discussion.</p> <p>The establishment of this Group was welcomed in the review as a structure that helps industry present its ideas and views across Government. It is also a means to getting a tighter, more joined up focus on policy issues.</p> <p>The leadership of the Maritime Minister was regularly commended. There was a view that industry would welcome some of the other Whitehall Departments deepening and strengthening their involvement with the suggestion that other departments might take the chair on occasion.</p> <p>Comments from the review indicated that outcomes from the meetings were not always well communicated.</p> <p>The Growth Study called for a national strategy for maritime suggesting that the MWG should oversee it. The need for this has been highlighted, given a perceived lack of cohesion within the sector.</p>
5	<p>Cross-Whitehall Delivery</p> <p><i>Government</i></p>	<p>For the government to provide the Ministerial Working Group with effective cross-government delivery mechanisms by:</p> <ul style="list-style-type: none"> Expanding the remit of the Department for Transport's Maritime Administration Board to act as the senior official body for the Ministerial Working Group, but with a wider standing membership that includes other government departments and industry attendees. Creating a cross-Whitehall maritime team that acts as the delivery arm of the Board and creates a single point of contact for industry, potential inward investors and international businesses interested in using UK-based maritime services. 	<p>A senior official-level Maritime Strategy Committee (MSC) has been established to work on cross-cutting policy issues to provide a testing ground for material to be submitted to the MWG and as a means of tackling issues in its own right. This meeting currently meets 3-4 times a year. The aim is to bring together all government departments with a maritime interest, together with leading industry representatives under the auspices of Maritime UK. It has recorded good attendance at an operational level but the review showed there is still work to be done in terms of engagement at more senior levels of government.</p> <p>The DfT acts as co-ordinator for the Committee and initiates meetings of cross-Whitehall meetings as necessary.</p>

			<p>The Growth Study also proposed the formation of a cross-Whitehall team and for a one-stop shop with the intention to make industry engagement with government more straightforward. Some progress has been made in this area with DfT enabling and facilitating maritime issues across Whitehall. During discussion it emerged that the DIT has appropriate mechanisms for responding to external enquiries about the opportunities for inward investment by overseas business. The MWG considered that this could be beneficial for the whole sector in the UK but that further work was necessary to determine how this might work in practice. This work is now underway.</p>
6	<p>Maritime & Coastguard Agency Reform</p> <p><i>Government</i></p>	<p>For the Department for Transport to reform the Maritime & Coastguard Agency (MCA) so it can operate more effectively, efficiently and commercially by:</p> <ul style="list-style-type: none"> • Initially separating the UK Ship Register from the MCA's regulatory functions and appointing a commercial director with industry experience to lead the Register, and the Agency's other commercial functions, as a new, more commercial internal directorate. • Implementing the MCA's conclusions from its Survey & Inspection (S&I) Transformation Programme to create a more highly skilled, flexible and better rewarded surveyor workforce and improve MCA systems in order to better support industry customers while driving high standards. • Taking timely action to fully recover the cost of the services being provided and facilitate continuous improvement in service delivery, while remaining competitive with other international shipping registries. 	<p>Significant progress has been made in this area. Since the publication of the Growth Study, the MCA has taken action to separate the UK Ship Register from its regulatory functions. The Register is now a standalone business unit within the MCA governance structure, and has Director representation on the MCA board, with sole responsibility for the management of the functions which fall within the remit of the UK Ship Register. Doug Barrow, formerly CEO of Maritime London, was appointed as the Director of the UK Ship Register in April 2017 and is providing leadership and commercial experience to drive the transformation of the register, into a more customer focused business.</p> <p>Since the Growth Study, the <u>Survey & Inspection Transformation programme</u> has implemented several changes to enhance its service to customers. These include:</p> <p>Substantially reforming the MCA's surveyor workforce to improve their skills, availability, flexibility and reward structure. This along with the introduction of an overseas MCA surveyor presence in the Far East has increased capacity and responsiveness to meet customers' needs.</p> <ul style="list-style-type: none"> • Increasing customer choice and matching international best practice with an option of delegating vessel surveys to Recognised Organisations through the Expanded Authorisation Scheme (EAS) • Offering shipping companies the option of annual fixed 'package' fees for services provided under the UK Flag. • Digitised services. • A commercially led UKSR directorate, with increased resource and with immediate reach-back into a uniquely capable and experienced MCA pool of maritime technical and regulatory policy experts. <p>These changes are already delivering a better service to customers while maintaining the high quality standards and reputation of the UK Ship Register.</p> <p>Based on an Oxford Economics report commissioned by the MCA in January 2013 and following consultation phased fees increase with the first round due</p>

		<ul style="list-style-type: none"> Appointing a Non-executive Chair for the MCA Board with relevant industry experience to drive change, champion the UK Ship Register and promote the government's wider maritime offer as the 'government sector champion', while working with the Ministerial Working Group to deliver reform and oversee the development of the business case for a change in status. Developing, in line with the recommendation of the UK Ship Register Advisory Panel, the business case for changing the status of the MCA (beyond its current status as an executive agency of the Department of Transport), or parts of it, to provide greater flexibility, boost customer service, increase commercial responsiveness and, where appropriate, generate a reasonable profit on discretionary commercial services, thereby reducing government costs and replicating the financial success of other international ship registers. The focus for change should be the operation of that part of the ship register covering larger internationally trading ships whose owners are free to choose where they register in a highly competitive market. 	<p>to be implemented in May 2018. Survey and Inspection fees will be increased over the following two years with the aim of achieving cost-neutrality.</p> <p>Michael Parker was appointed as Non-Executive Chair of the MCA in January 2017. He brings over 40 years of experience in the shipping industry to the role, most recently as the chairman of CMA CGM Holdings (UK) Ltd, part of the third largest container operator in the world. He sits on the MWG providing an oversight of the transformation of the MCA and wider maritime initiatives.</p> <p>Following the recommendation of the UKSR Advisory Panel, independent analysis was undertaken to assess options for reform of the UK Ship Register (UKSR), which included the potential Government Owned Company (GOC) option. Recognising the significant difficulties and time involved in creating any new body, particularly given the currently constrained legislative timetable, it was determined that the priority in the short term should be to focus initially on developing a business plan for the UKSR that supports greater commercialisation within the existing MCA Executive Agency framework. Implementation of the UKSR Business Plan remains ongoing and the UKSR is now seeing consecutive growth in gross tonnage. The UKSR remain cognisant of the need and importance to continually review and reassess customer needs and requirements, and developments in the market, particularly in light of the changes in the environment since the Maritime Growth Study was published, most notably, the UK's exit from the EU.</p> <p>Legislation is under review to ensure that where opportunities exist to further push the boundaries and commercialise the UKSR within existing powers, that they are fully exploited. Conversely, where barriers exist, analysis is underway to ascertain the changes required to enable the UKSR to operate more commercially and compete with leading ship registers.</p>
7	Seafarer Projections Review <i>Government/industry</i>	For government to work with industry to better understand the UK maritime sector's seafaring skills requirement with the aim of developing targets for growing the skills base by refreshing its assessment of the requirement for seafarers in the UK maritime sector to ensure industry and government have the most up-to-date picture of supply and demand.	The DfT commissioned Oxford Economics to carry out a review of seafarer projections in 2016. This was published in <i>The Seafarer Projections Report 2016-2026</i> in January 2017. It provided an assessment of the UK supply and demand for trained seafarers to fulfil roles at sea and onshore over the next 10 years and suggested there may be a shortfall of seafarers to meet demand in the future.
8	Future Skills <i>Industry</i>	For the promotional body to identify and prioritise the key skills issues facing the UK maritime sector by assessing the current and future need for wider skills and qualifications across the UK maritime sector as a whole and developing a 'skills strategy' with focused objectives for addressing these concerns.	<p>The Study identified the need for a wide range of maritime skills, experience and qualifications needed in the UK. The emphasis in the Study with nine recommendations highlights the importance of skills but also creates many strands of work. Maritime UK has therefore set up the People and Skills working group. This specific recommendation recognised that a skills strategy would greatly help to establish the direction and priorities needed in this area. The first meeting of a new Skills Strategy Task Group was held in July 2017. The development of a suitable strategy is part of the remit for this task group and is due to be published in 2018.</p> <p>There was recognition in the review that it would be helpful to take a more holistic approach to current and future maritime training and skills to improve coordination, prioritise more effectively and share best practice.</p>

9	SMarT Review <i>Government</i>	For government to initiate a review of its Support for Maritime Training (SMarT) scheme for sea-going trainees undertaking HNC, HND, Foundation or Honours Degrees to ensure it is fit for purpose – including how funding can best complement the industry's contribution into the Maritime Skills Investment Fund (for example through match funding).	This review, carried out by Frazer Nash and Oxford Economics, was completed and published in July 2017. Along with <i>The Seafarer Projections Review</i> referred to above, these findings provide crucial evidence to inform government policy and funding decisions regarding maritime skills in the future.
10	Maritime Skills Investment Fund <i>Industry</i>	For the promotional body to establish a ' Maritime Skills Investment Fund ' to address the decline in seafaring and other skills sector-wide by a) working with existing industry providers to coordinate, rebrand and act as the 'shop front' for the various funds that support maritime skills, training and qualifications; and b) design and establish a voluntary scheme to secure contributions into the Fund from those maritime businesses that are not already engaged in maritime training or apprenticeships.	Discussion and further work on this recommendation has been paused due to introduction of the apprenticeship levy. The Maritime UK Working Group on funding will consider next steps. One potential option to publish existing funding sources as a "shop front" has been proposed.
11	Maritime Apprenticeships <i>Government /industry</i>	For government to initiate work with industry on extending its programme of apprenticeships to include more roles in the maritime sector, including, for example, shore-based business service roles, in order to increase the intake into the sector.	<p>The Government's apprenticeship initiative announced in 2015 created a new impetus to the maritime sector to improve the skills environment particularly through activity in Trailblazer groups. A number of apprenticeships have already been approved, including one for ratings apprenticeship with more in development, including Port Operations and Marine Pilots. The sector continues to engage with the Department for Education (DfE), and more recently on the newly formed Institute for Apprenticeships (IFA), on how proposed apprenticeships can meet the requirements of the scheme while taking into account the special circumstances of working and training at sea. Apprenticeships are also a key element of the Maritime UK subgroup dealing with skills and future strategy.</p> <p>Progress in this area has been at times challenging at times and has required significant engagement by government and industry. Nevertheless the sector remains committed to securing apprenticeships and has been active in trailblazer groups.</p>
12	Ship to Shore Mentoring <i>Industry</i>	For the promotional body to develop an industry-wide ' ship to shore ' mentoring scheme that identifies career structures and develops the sector's future business leaders from the seafaring community. This scheme should identify or define career paths that ensure participants gain the relevant experience at sea before supporting a move into a relevant shore-based role in the UK.	A comprehensive survey of the ship-to-shore needs of the industry and candidates was undertaken by Trinity House, Merchant Navy Training Board, Maritime London and other partners and published in October 2016. It was based on qualitative and quantitative research of the views of maritime industry employers across the UK and carried out by maritime public relations agency Navigate PR and research consultancy Occam Insight. The study found that employers expected mariners to be better prepared for working ashore and that more needs to be done to help seafarers find out about shore-side opportunities. Industry is now using the findings as further insight into the best ways to reduce the skills gap and will be taking this work forward through the Maritime UK People and Skills working group.
13	Education <i>Government</i>	For government to explore the scope for introducing maritime examples into primary and secondary school teaching in order to raise youth awareness and, where possible, to support bodies seeking	The recommendation was specifically about introducing maritime examples into school teaching. DfT explored some possible routes of increasing awareness of the maritime sector in schools with the DfE and the newly formed

		the formal accreditation of maritime studies.	<p>Careers Enterprise Company. It was established that it is for each teacher to decide which materials best provide illustrations for their classes under the national curriculum. This information was then shared with industry for them to produce attractive material and to place it on the internet where it can be easily accessed and selected by teachers.</p> <p>A different approach to raising awareness more generally has seen ports hold open days to encourage schools to visit and see what is going on for themselves.</p> <p>Ultimately, the real issue is one of raising awareness within schools and specifically with teachers about the importance of the maritime sector and the ways it fundamentally affects the lives of all in the UK. It is also about the wide range of careers that are available in the maritime sector. There are concerns about whether there will be enough engineering and digital expertise to meet the future needs of the sector. The gender gap in the maritime sector was also highlighted as an area that needs to be addressed.</p> <p>What has been apparent during the review is the widespread activity that is already undertaken promoting maritime careers and opportunities in schools. Maritime UK is increasingly addressing this through its “Awareness Group” to bring more coordination to the wide-ranging and often highly positive ambassadorial activity that is undertaken and making use of initiatives as they arise such as Seafarers Awareness Week in June 2017. Another approach has been to broaden the concept to adults. One example of this was a port that runs courses with local supermarket staff to raise their awareness about the journey of the goods filling the supermarket shelves.</p>
14	Maritime Awareness <i>Industry</i>	For the promotional body recommended in this report to coordinate, including with the MNTB, Maritime Skills Alliance, Seavision and others, a year-round programme of awareness raising activities to encourage interest in, and entry into, maritime careers. This should include plans and publicity targeting school and university career fairs, as well as Sea Cadets and other youth groups.	<p>Under the umbrella of the Maritime UK People and Skills group, industry has formed the Maritime Careers Promotion forum. This will identify and collate a calendar of opportunities and promotional activities. An Awareness sub-group has also started work, bringing together the actors and their activity across the whole maritime sector. A Maritime UK careers “shopfront” was launched at Seafarers Awareness Week and a year-round series of promotional events will be delivered.</p> <p>The review still produced some concern about attracting young people into the maritime sector. The comment was made that going to sea was no longer attractive compared to shore jobs. This is again being considered under the vital work of the Maritime UK People and Skills Working Group.</p>
15	Royal Navy Links <i>Government</i>	For government to initiate work on creating better links between the Royal Navy and wider UK maritime sector in order to ensure that staff with relevant experience who are leaving the Royal Navy can more easily take-up service on commercial vessels and are made aware of jobs in the wider UK maritime sector.	The Royal Navy (RN) and the MCA have agreed the necessary adjustments needed for service personnel to transition into the wider commercial maritime sector at end of career resettlement. One example of this was the MOU signed in June 2017 between the MCA and Royal Marines to recognise the Royal Marine landing craft skills formally within the STCW regime. This provides direct equivalence between military and merchant navy shipping qualifications and eases transition from a military to a civilian career.

			<p>DfT continues to work with the RN to ensure that transfer opportunities are known to all who want them. As a result the RN runs a course at HMS Collingwood to highlight the wider maritime world to both Royal Navy and merchant navy personnel.</p>
16	<p>Marketing Opportunities <i>Government</i></p>	<p>For the government to take full advantage of new and existing opportunities and campaigns to support the maritime sector and market UK maritime abroad, including by:</p> <ul style="list-style-type: none"> • Incorporating the maritime sector in the GREAT Britain campaign; • Placing maritime on the agenda of UKTI foreign trade delegations and, where appropriate, including representatives from maritime industry on such delegations; • Making greater use of our foreign embassies to promote the UK maritime offer. 	<p>The Growth Study suggested that for inward investors seeking to do maritime business in the UK and indeed for some UK companies, the interface with government was too complex and confusing and a potential deterrent. However, DfT (of which UKTI is now part) do have systems in place and an initial conclusion following the Growth Study was that lack of awareness of this might be the main issue.</p> <p>DfT offers bespoke, confidential, professional advice on all aspects of setting up or growing a business in the UK - from access to finance, to identifying local partners, and potential locations. It also works with partners across government to assist investors across the maritime industries including ports and infrastructure, renewable energy, marine services and marine engineering. A useful link to DfT Invest in GREAT is: https://www.youtube.com/channel/UCVD1ZQZujsE09G6e0QDxK5Q/playlists</p> <p>Work to co-ordinate exports and promotion is covered by Maritime UK in their export working group made up of a mix of industry and government officials. They discuss where the UK could most usefully focus with the aim to increase the levels of exports and inward investment in the UK marine and maritime sectors as well as to deliver the recommendations on export and investment growth and expand upon the objectives of the UK Marine Export Strategy.</p> <p>DfT, DfT and Maritime UK have combined their efforts to deliver specific marketing / promotional opportunities. This resulted in a “first of its kind” joint DfT, DfT and Maritime UK trade mission to Shanghai which involved ministers from both government departments. At a more local level a co-branded Maritime Capability Brochure providing an overview of the whole UK maritime sector was produced for London International Shipping Week 2017.</p> <p>DfT also supported the study Chair, Lord Mountevans on his programme of visits in his former role as Lord Mayor. Further work on promotional activity continues on national and international events such as the Southampton Boat Show and throughout LISW 2017.</p> <p>Feedback from the review gave some mixed messages. There were some strong examples of UK maritime companies successfully maintaining their business in other countries and retaining an excellent international footprint. However others continue to report that government needs to provide more support overseas through embassies and consulates, through UK Departments and in promotional activity. Some respondents sensed that perhaps the UK should value itself more highly as the UK reputation abroad is high. It was also said that at home there is increasing awareness of maritime as both an enabler of trade and a significant sector in its own right. There remains a necessity to push or raise the image of the sector and further develop the exports and</p>

			<p>promotion activity so that more maritime companies can benefit.</p> <p>It was widely recognised that, even with the UK's future departure from the EU, focus on trade and export activity was significantly expanding. Some of those engaged in the review remained keen to ensure that the UK did not lose sight of the significant European market and its importance to business. Others saw the need for the UK maritime sector to seize new opportunities. Trade and export activity have therefore become fundamental to the growth agenda with regular debate about what is needed to support and deliver successful outcomes for the UK maritime sector.</p>
17	<p>Industry Marketing Strategy</p> <p><i>Industry</i></p>	<p>For the promotional body to include roles and funding dedicated to raising the profile of and promoting the UK maritime sector. A marketing strategy should be developed in collaboration with government, including advertising campaigns, and a single overarching maritime careers portal covering the many career paths in the sector.</p>	<p>Industry has made some progress towards the development of a single marketing strategy for the UK maritime sector as recommended in the Growth Study. The importance of this given the UK decision to leave the EU, cannot be overestimated. Maritime UK also became a partner with the 'Exporting is GREAT' campaign. DfT and maritime UK collaborated to produce a brochure launched in January 2017 focusing on UK maritime activity and highlighting the UK offer. This brochure was published at the launch of this review in January 2017. Maritime UK is leading and coordinating an initial marketing plan.</p>
18	<p>Investment Opportunities</p> <p><i>Government</i></p>	<p>For the government to initiate work with industry to raise the awareness of financial institutions about investment opportunities across the maritime sector and encourage schemes and other solutions that could improve the availability of UK finance and offer real support to the sector, including for ship ownership.</p>	<p>This recommendation has seen little progress, due to the greater interest in and the higher priority given to other recommendations. The industry does however include its share of financial experts. One interviewee from the review offered a number of insights into the workings of the financial sector as it relates to maritime and the kind of opportunities that can arise now and in the future. This is an area for potential exploration - as it could be of great value and enhance maritime growth.</p>