
“Think different: new horizons for the maritime industries”

2 February 2012

Minutes

At the end of the debate, the Memorandum “Maritime industries for Blue Growth”¹ was handed to **Corinne LEPAGE** (Member of the European Parliament, President of the Seas and Coastal Areas Intergroup) and **Valentina SUPERTI** (Member of the Cabinet of Antonio TAJANI, Vice-President of the European Commission) by **Christophe CLERGEAU** (1st Vice-President of the Region of Pays de la Loire), **Wiesław BYCZKOWSKI** (Vice-President of Pomorskie Region), **Sara GIANNINI** (Minister for Industry, Innovation and Research of Region Marche), **Talvikki KOSKINEN** (Member of the Board of the Regional Council of Southwest Finland, Member of the CPMR Political Bureau), **Marta MARIN** (Delegate of the Government of the Basque Country to the EU) and **Eleni MARIANO** (Secretary General of the CPMR).

Christophe CLERGEAU (1st Vice-President, Regional Council of Pays de la Loire) opened the meeting and welcomed participants on behalf of the 15 German, Italian, Spanish, Polish, Finnish and French Regions involved in the “Maritime Industries for Blue Growth” initiative, and thanked Corinne LEPAGE for her support. To talk about ambition and the future of maritime industries, rather than simply applying for funding, summarises the reasons for the initiative.

40 Regions from 12 countries are present today focusing on some key messages. The Sea is an essential outlook for the European Union that must once again discover an industrial ambition. This requires substantial public support to invest, innovate and develop skills, promote knowledge of maritime industries, as well as shipyards, equipment, manufacturers, engineering and logistic companies, the world of fishing and other sectors. Shipyards are the hub around which the maritime industrial sectors structure themselves. The diversification of European maritime industries is possible, especially in renewable marine energies. Maritime engineering has a bright future ahead of it for the development of marine resources, development of the coasts and ports. Above all, maritime industries have competent and active employees, and enthusiastic entrepreneurs.

Pays de la Loire has a large shipyard, STX, and another large industry DCNS. Together, they represent over 3,000 jobs. The maritime industries represent ten times more, with 32,000 jobs and numerous SMEs, including 200 that are grouped together within Neopolia. Differentiation and diversification are ongoing in the Pays de la Loire as throughout Europe. It is for these enterprises and employees that the Regions are taking action. This is to help once again make Europe proud to be a great maritime power and to convince it that its naval and maritime industries need to be returned to the heart of European policies.

Talvikki KOSKINEN (Member of the Board of the Regional Council of Southwest Finland, Member of the CPMR Political Bureau) stresses that shipbuilding and maritime industries, and their workers, are an asset for Europe. In the context of the current crisis, Europe must learn again to talk about its industries. As Commissioner **Michel BARNIER** stressed at the occasion of the CPMR General Assembly last October, “The European Commission has to regain the audacity it showed in the industrial sector in the 1950s and 1960s with the European Coal and Steel Community”.

¹ Link : http://www.crpm.org/pub/agenda/1884_120202_mou_en.pdf

We must clearly set the political objective to maintain and develop a strong shipbuilding and maritime industry in Europe. New ways must be found in addressing the issue of shipbuilding and maritime industries. The CPMR endorses the approach put forward in the memorandum presented today. Initiatives concerning the shipbuilding and maritime industries relate to a broad range of issues, covered by different European sectoral policies. The CPMR is heavily working on a large number of these issues, such as marine and maritime research, transport, energies, maritime safety, training, fisheries or social issues. The CPMR calls on the European Commission, Commissioner **Antonio TAJANI** and stakeholders involved for the next steps of the Leadership initiative to be ambitious in addressing this broad range of issues, in synergy with the Regions. The CPMR also calls on the European Commission and Commissioner **Maria DAMANAKI** to specifically include the issue of shipbuilding and maritime industries within a renewed and ambitious new vision of the Integrated Maritime Policy. In the perspective of the Cyprus Presidency, the CPMR will itself specifically include the issue of shipbuilding and maritime industries at heart of its vision of the European Maritime Agenda. The CPMR Geographical Commissions are also involved in these issues, and can bring them to the heart of European sea-basin strategies. Recently, the launch of the European Strategy for the Atlantic Arc was a great success, which followed months of efforts by the CPMR Atlantic Arc Commission.

Finally, the CPMR is proud to have contributed to the establishment of the Seas and Coastal Areas Intergroup. A strong political commitment of the European Parliament in support of the shipbuilding and maritime industries is crucial. The CPMR will be keen to maintain close collaboration with all MEPs who are involved in it, and beyond, with all MEPs involved in the issues concerning shipbuilding and maritime industries.

TOWARDS NEW HORIZONS FOR MARITIME INDUSTRIES

Theme 1: "European Leadership: Which industrial policy for the maritime sector?"

Borja VERA FRAIZ (Secretary General for Economy and Industry of Galicia) underlines the strategic role of the Galician shipbuilding sector, in Galicia and at international level. The shipbuilding sector is one of the key elements of the Galician economy and the crisis is having a strong impact on it. The impact was accentuated by the fiscal regime used for the shipyards.

The sector represents 14,000 jobs, among which 1,000 are direct and 5% of the regional GDP. The Galician shipbuilding sector represents 70% of the Spanish capacity. In 2009 and 2010, a relatively high level of activity could be maintained. The crisis had a strong impact, consisting at first in difficulties to access to funding, including for projects that had been approved. The crisis also affected shipowners, which cancelled some contracts. In 2009, 2010 and 2011, orders diminished strongly. The industry is now in crisis, which led the Galician government to develop concrete policies. The difficulties that Galicia are facing are common to other Regions, and common solutions must be found. The European Union must consider the shipbuilding sector as a specific sector, on which support policies must be concentrated. A common solution is diversification.

In Galicia, shipbuilding activities are concentrated in the two main areas of Ferrol and Vigo, specialised in high-level technology. Ships built are adapted to the specific needs of the offshore industry for instance. In terms of political decisions, there is a need for a general system to enable Europe to face competition with other countries. Spain must bet on the differentiation of technological products, provide companies with relevant financial tools and develop capacities. State aids are also a specific issue with precise difficulties, for which the Spanish Government put forward new proposals.

Wiesław BYCZKOWSKI (Vice-President of Pomorskie Region) indicates that shipbuilding and ship repair sectors still play a significant role in Pomorskie. Polish Regions need to be active in this field. The shipbuilding sector experienced a painful restructuring process, which resulted in unemployment. Over the last two years however, the sector entered into a new momentum. Several companies have grown. The industry has changed and is obtaining a more important role in the context of new economic conditions, finding new niches in the international market, and adjusting to global demands. As stressed in the memorandum, the future development of the sector has to be related to new technologies, energy efficiency, environmental issues and diversification of activities. In Pomorskie, companies are active in the fields of highly specialised vessels, ship repair, maritime equipment and manufacturing. Companies also produce elements for the production of wind energy, as well as facilities for offshore oil and gas extraction and for the construction of hydraulic engineering. R&D is also crucial for the industry. A new phenomenon is observed where, with the support of skilled graduates from the technical Universities of Gdansk, Gdynia and

Szczecin, a network of design offices was established. Finally, a good example of the transformation of shipyards is the Gdynia shipyard, covered by the status of the Pomerania special economic zone. An industrial park was created and provides support services for the future. Another approach for revitalisation is realised in Gdansk, have combined residential and cultural services on the site of the shipyard.

The European Union ought to recognise that the shipbuilding industry, although in modified forms, is beginning to recover in Europe and can actively use instruments of support. This does not mean economic intervention but tools linked to Europe 2020 on the model of the knowledge-based economy. Instruments should enable industries to remain open to innovation, technologies and to develop strategic alliances. Financial instruments should be available to companies providing training, R&D, activities aiming at facing the international market. It is also important to implement maritime policies in line with cohesion and the use of tools of the European Regional Policy.

Eleni MARIANO (Secretary General of the CPMR) underlined the link made by **Wiesław BYCZKOWSKI** between the shipbuilding sector, the Europe 2020 Strategy and the maritime Regions.

Isabelle THOMAS (Vice-President, Regional Council of Brittany), raised the paradoxical situation of maritime industries. The prospects for maritime activities are enormous and numerous, particularly through maritime transport activities, fish and seafood processing industry, maritime extractions, marine biotechnologies. 7/10ths of resources, space and volume are in the Sea. However, maritime industries are subject to risks that make them more fragile. The major problem is that the order books are irregular, which has consequences for long-term investments as well as the skills and knowledge of the workers. Regions can develop comprehensive and systemic policies. The key word is that of legibility, for the territories and the industries. The conditions for establishing industries are another element. Renewable marine energies require large spaces and infrastructures. Legibility is also important for the employees, especially young people. Otherwise, the employees leave, particularly to work in aeronautics, in order to have reassuring stability. The issue of research and technologies is also essential. Removing the barriers between activities and professions should also be considered. In Brittany, three examples illustrate these elements. Since 2006, actions have been developed in favour of production sites to foster social acceptance, such as at St Brieuc or at Paimpol-Bréhat. The Region of Brittany participated in the Ipanema research platform and worked through the *Pole Mer* to promote maritime security and sustainable development. Finally, the cluster *Bretagne pole naval* has helped strengthen the general diversification dimension of the industry. Diversification should be associated with a comprehensive and systemic approach.

Eleni MARIANO thanked **Isabelle THOMAS** for having highlighted the issues of legibility in the shipbuilding sector.

Sara GIANNINI (Minister for industry, innovation and research of Region Marche) indicated that the situation has been extremely difficult for shipyards and shipbuilding industry over the very last few years. Different variables are not favourable, such as the lack of infrastructures, space, and port facilities. Region Marche launched projects, consisting notably in the creation of a sea-district in order to identify links between new types of production and methods for manufacturing, and promoting shipbuilding, shipyards, and leisure crafts, as well as local production.

The aim is to give a new structure to this district and to start cooperation with other partners. There is an important public shipyard in Region Marche, which represents an important share of production in the Region. There are also private shipyards that have an important influence on international markets. Many specialised SMEs are present, but in these difficult economic times orders tend to be concentrated on the same operator. In this context it is important to diversify orders to safeguard the future of the sector. The production has a very high quality level, which enables the development of partnerships with other sectors, such as the automotive and mechanical sectors. It is important to develop new activities, to develop new skills. On 1st January, a new legislation was introduced in order to reinforce the sector. It is very important to highlight innovation. The new framework includes specifics and elements concerning aids for the shipbuilding industry.

Partnerships with other Regions are also an objective. The approach retained must be broad and cover other maritime elements and sectors than the strict sector of shipbuilding. There is for instance a need to ensure that that employers can work with universities, promote technological innovation, disseminate quality of projects, develop communication capacities, and develop funding opportunities for the companies. In this context, the macro-regional approach and territorial cooperation is also important. There is a need for resources from Structural Funds. European Funds can have an influence on the maritime sector, and build

synergies for better cohesion at the same time. Many SMEs are scattered in the territories, and must get guaranties concerning their involvement in the future of the sector.

Eleni MARIANO thanked **Sara GIANNINI** for having stressed the need for global approaches at all levels, including from the perspective of the macro-regional dimension, and the need to orientate Structural Funds towards activities enabling maritime Regions to be more competitive.

Reinhard LÜKEN (Secretary General of CESA - Community of European Shipyards Associations) stresses the need of support from the Regions and the European Parliament. The current crisis is the worst of the past 50 years. Oceans represent great opportunities, but very little without ships. One should be cautious with the idea that it is not important to have a strong shipbuilding industry as ships can be purchased elsewhere, for instance in Asia. This might not change in some areas, but Europe needs maritime industries to take a leading role in addressing major challenges such as climate change, energy and food security, employment, which are not possible without maritime industries and the maritime Regions know this. Over the last few years the real economy has been frustrated by the fact that so much energy was spent to save the financial world while forgetting about real lives and jobs. It is necessary to underline the core role that manufacturing has for any type of growth activities on the oceans in the future.

Opportunities are there and we are at the edge of a new era, even if we need to get through the current problems. CESA is grateful to **Vice-President TAJANI** for having announced the intention to renew the Leadership 2015 initiative, which has been a great success in pulling all policy initiatives together and which needs to be adapted to the new context. In parallel, the industry needs to develop its own strategy. Since all national budgets are burdened, the solution is not to ask for a pass regime such as in the 1980's, but to focus the action of the Regions, of EU institutions and of National governments for the real economy.

Eleni MARIANO stressed the need to involve Regions in Leadership 2015, for instance under the angle of the use of Structural Funds.

Theme 2: "Which drivers for an innovative diversification in the shipbuilding sector: the example of marine renewable energies"

Marta MARIN (Delegate of the Government of the Basque Country to the EU) indicated that the industrial sector, within which the maritime sector is important, represents 25% of GDP of the Basque Country. The strong recession in the 90s led to a restructuring. In 1997, the Basque maritime forum was created with 320 enterprises including shipyards. In 1999, this Basque maritime forum was officially recognised by the Basque Government as a Priority Cluster. The maritime sector represents 2.2% of Basque GDP, with a turnover of 1,147 million Euros. The sector accounts for 17,000 jobs in the Basque Country including over 7,000 direct jobs. In 2011, the sector suffered a decrease of 16% in its turnover, and employment reduced by 19%. This crisis helped boost the sector, and diversification. For example, the Basque Eolic Offshore Group was created, with a core of six companies, four of which are shipyards, and which have established lots of cooperation in the area of offshore energy.

The Basque Country has a long tradition of activity in the field of maritime energies. There is a group of lead enterprises that have been able to encourage others. A network of organisations also exists, that has fostered the development of several projects such as:

- BIMEP (Biscay Marine Energy Platform), infrastructure for research, demonstration and operation of systems for obtaining energy from waves in open water. Producers use this installation to test some of their products, and supported by a major research centre
- MUTRIKU wave energy facility, the first commercial installation in the world using Oscillating Water Column technology to create electricity from waves (capacity of 480 kw)
- OCEANTEC wave energy converter. This is a company owned by Iberdrola (Spanish leader in renewable energies) and Tecnalia (private technology corporation) that aims to develop a device to generate electricity from waves.

The convergence of these initiatives helps to better consider the naval sector in the framework of the EU 2020 Strategy. The Basque Country benefits from a strong maritime sector, that is also open to collaboration. Convergence is a great opportunity for the maritime sector of the Basque Country.

Eleni MARIANO emphasized the link made by **Marta MARIN** with the issues of wave energy and of collaboration with research centres.

Tomas CASQUERO CIMADEVILA (Director of the “Aclunaga” maritime cluster of Galicia) indicates that the shipbuilding industry generate strong volumes, in a context in which the funding of projects is difficult and risky and in which the activity can strongly fluctuate. The sector is very much concentrated and its impact on territories and on the industrial tissue is huge. In all places where the shipbuilding sector is located, it is considered as strategic from the perspective of employment, social issues and environment. The demand strongly evolved over the last decade. The European maritime industry reacted well in the fields of offshore energies and transport of passengers. The sector has a future, despite the on-going crisis. The challenge will be to know how to maintain the activity while adapting to new demands. A study performed by the Spanish maritime cluster shows that in 2010, Europe reached a record in terms of installation of wind turbines.

In 2030, the capacity of this sector should be the same as the one of land-based wind energy. This will require more engineering as well as more ships for the setting up and the maintaining of wind parks. It will also be necessary to produce wind towers, turbines, generators and electric facilities. Offshore wind energy will be decisive in order to meet the objectives of the Europe 2020 Strategy in the field of energy. There are opportunities for the future, which will require relevant policies to be implemented.

Eleni MARIANO highlighted the inspirational nature of the link between offshore wind turbines and the objectives of Europe 2020.

Theme 3: “New skills and jobs for blue growth”

Fabrizia BENINI (Head of Unit, DG MARE, European Commission) referred to the Integrated Maritime Policy (IMP). The objective of the European Commission and of Europe 2020 is growth and employment. Maritime industries and the activities that can be carried out at sea are an element that contributes to it. The IMP can contribute to exploit this potential. Areas of growth and bottlenecks have been analysed in sectors such as tourism, sailing, shipbuilding, or renewable energies. It is very important to consider the maritime industry as a whole. The European Commission is developing the Blue Growth initiative in order to identify the drivers and the barriers, to give a general overview of the economy, of employment for the maritime sectors in Europe. This could result in a communication in the second half of 2012. The task is to take stock of the potential of the maritime industry and what could be achieved in the future. The initiatives come from the private sector, but the public authorities from all levels will have an important role to play. Steps must be taken to ensure that research and innovation are supported. As **Sara GIANNINI** stated, the Structural Funds represent a huge opportunity for maritime industry. These investments will only be possible if the Member States and the Regions decide that it is a priority. The European Commission may propose strategies for the Seas and Oceans, as around the Atlantic and the Adriatic, and also provide guidance for better synergies between policies. It will then be necessary to take steps to ensure that the efforts of the Member States and the Regions are in line with each other and are able to allocate funds to the right projects. Funds for research are also important. The Partnership for Research and Innovation and Horizon 2020 partly concern the maritime industry. The IMP must be integrated in all European policies and turn to blue growth as well as to other initiatives. In particular, marine and maritime activities need legal certainty, and it will be necessary to encourage initiatives to organise the marine environment in order to take on board the interests of the various sectors. The development of knowledge and monitoring networks are also essential. It will be necessary to work with the Regions, Member States and the private sector.

Eleni MARIANO thanked **Fabrizia BENINI** for her call for synergies and indicated that the CPMR is working on this in various ways.

Lorenzo FORCIERI (President of Liguria Marine Cluster) indicated the support of the Cluster and of the Regional Council of Liguria to the initiative and the memorandum presented. The current financial crisis has put the maritime industry into a deep crisis for several reasons, including unfair competition and dumping. In addition, the European industry has been quite slow in implementing innovative processes. The shipbuilding and maritime industry is strategic for the European Union. It is therefore necessary to further develop it and to equip it with the necessary tools and instruments to overcome the current crisis.

The Liguria marine cluster has identified three aspects as a leverage to re-launch the economic activities of the shipyards: competitiveness of the high-tech sector, environmental sustainability, and security and safety. It is crucial to avoid fragmentation and isolation of organisations in terms of training and skills development. Shipyards and large passenger ships are smart cities of their own. There are 3 regional marine clusters in Liguria. One is a leader in R&D with 300 million Euros of investment. A large scale R&D initiative

is launched with 600 million Euros, and another in support of SMEs is launched with 300 million Euros. A post-University training scheme for Masters in industrial research was developed.

Regions can be instrumental in dealing with the crisis, because they can come up with a holistic approach. Regions can identify research projects that can become directly operational.

Training possibilities are quite limited. There is for instance a need to create High Schools on maritime affairs. Another important aspect is the training of small entrepreneurs. This requires financial engineering. It would be good if the Structural Funds could be reviewed in order to be able to support that holistic approach. Liguria is creating a national cluster of clusters. We should have a waterborne platform at European level that could act as a coordinating body.

Corine LEPAGE (Member of the European Parliament, President of the Seas and Coastal Areas Intergroup) opened the debate.

Jean-Remy VILLAGEOIS (Director, STX), shared the idea that rational exploitation of the Oceans a global issue, and that marine industries are a major asset for Europe. So far, employment and activity have been maintained at the correct level, focusing on technological niches and mainly on passenger ships. One of the current perspectives is that of safer and cleaner ships. New markets, mainly renewable marine energies, are a very important growth driver on which the shipyards work. STX works primarily on the process of industrialisation, as it is their skills that will ensure a sustainable future. These are concrete actions, giving rise to new jobs and programmes, and requiring the support of the European Parliament.

Jean-Claude PELLETEUR (Director, NEOPOLIA) thanked the CESA for having raising support for real life. Shipbuilding in Europe should be considered as an industry of the future. The shipyards, especially in pays de la Loire, are likely to produce high added value activities. Maintenance vessels need to be invented for the offshore wind farms. Renewable marine energies are a unique and fantastic opportunity for diversification of the shipyards. It should also support the SMEs to improve their competitiveness by improving the industrial process, which requires direct aid.

Anne-Bénédicte GENACHTE (EWEA, Regulatory Affairs Advisor Offshore) indicated that offshore renewable energy represents great opportunities for shipyards, for building ships, foundations and electrical installations. The European Commission and European Parliament should help the offshore wind sector to grow and provide employment.

Mario DOGLIANI (Head of Corporate R&D and Project Financing, RINA S.p.a) emphasised the important role for shipbuilding in the innovation sector, which is even more important than that of research. It should create instruments that will be directed towards the shipyards to respond to their needs. Experience has been acquired in this field in Italy.

Corinne LEPAGE indicated that employment will not be reduced without creating new sustainable economic activity for the future, which should link local production and networks of excellence in global markets. The whole manner of how to produce and consume should be reviewed. The Sea plays a major role, which has been ignored for years. New activities are found in the transformation of traditional activities, such as the boiler making industry that can be adapted to wind energy, like in Denver, or the car industry is adapted to the production of onshore wind turbines. Steps should also be taken towards ecotechnologies. The risk is to miss the third industrial revolution. The technologies and processes exist and the European Union must have a head start. After having led the fight against climate change, Europe must not let the economic development that goes with it pass by. It must be based on existing sectors, on the knowledge, on the skills of its workers and put them to good use for everything connected to maritime energies.

Valentina SUPERTI (Cabinet staff, **Vice-President TAJANI**) indicates that the shipbuilding industry is of a key interest for **Vice-President TAJANI**, who is developing new actions for the near future. **Vice-President TAJANI** appreciates the work reflected in the Memorandum of Understanding, which comes just after the Competitiveness Council of 5 December, during which first ideas for a strategy for the sector were discussed, and received support from many Member States. The current Leadership 2015 strategy is composed of three strands: innovation, access to credit and internationalisation. Concerning innovation, extensive contacts were developed with the EIB which is revising its policy concerning the shipbuilding sector. New guidelines were adopted by the EIB on 30th December, focusing on European added value and growth. On 7th December, new guidelines for State Aids to the shipbuilding sector were adopted, with an increase of aid

intensity for aids to innovation and aids with environmental impact. The European Commission is working on a new strategy, including shipbuilding in a broader environment. Innovation and research are key in this context. DG Enterprise, which is leader on these issues, will organise a hearing of industries on 27 February 2012. At the end of March 2012, a Steering Group which will involve Member States and the Regions will meet.

Christophe CLERGEAU thanked the Regions involved, Corinne Lepage and the CPMR. Following the memorandum submitted today, lobbying actions will be undertaken in the next three months with the Regions and industrial actors. Another meeting was proposed within the scope of the European Maritime Days, and a new political meeting will take place early in July to take stock of this first phase and to prepare for the future.