

# The Dutch Maritime Cluster

Monitor 2017

Summary



Maritime  
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High Tech, Hands On

# Maritime sector: High Tech, Hands On

For centuries the maritime sector has been a significant part of the Dutch business community. Thriving on the core principles of cooperation, innovation and entrepreneurship, the sector has become a global leader in delivering innovative solutions to the international markets.

Working in the maritime sector requires a special combination of a "can do" attitude and professionalism. Adventurous, independent, no-nonsense but above all; guts. Any man or woman willing to take on the challenge awaits a sustainable career. One that is internationally oriented and based on centuries of experience.

The Dutch maritime sector is customer oriented and complete. Empathetic, daring, a global leader and a frontrunner in finding solutions others do not see or dare to see. Customised solutions based on quality, craftsmanship, experience, and innovation. The Dutch maritime sector is reliable. A deal is a deal.

Stichting Nederland Maritiem Land (NML) is a foundation that connects twelve maritime sectors: ports, offshore, maritime suppliers, shipbuilding, ship operating, dredging, maritime services and knowledge institutes, inland shipping, Royal Navy, yacht building / watersports industry and fisheries. Together, this 54,5 billion euro industry comprises 17,200 companies employing more than 271,500 people.

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## Contacts NML office:

Arjen Uytendaal, Managing director  
Ilse Jonkman, officemanager  
Roegzana Hoesenie, event coordination/project support  
Michiel Spitzer, manager communications  
Bianca Visser, financial-administrative employee  
Vincent Verweij, webmaster

## The Dutch maritime cluster in 2016

In 2016, the direct and indirect production value was almost € 55 billion. The total value added amounted to around € 23,3 billion, including € 5 billion indirect value added. This means the maritime cluster generates 3.3% of the total GDP of the Netherlands (2015: 3.5%). The sector provided employment for around 271,500 people, which is 3.0% of total employment in the Netherlands (2015: 3.0%). Of these jobs, 166,600 were direct employment.

## Evolution of the Dutch maritime cluster until 2016

Total employment (direct plus indirect) in the Dutch maritime cluster increased in 2016 by 1.1% (3,000 persons) compared to 2015 employment figures. This increase was only due to an increase in indirect employment, direct employment decreased by 0.2%. Total value added (direct plus indirect) of the maritime cluster decreased by 2.2%, resulting in the fact that more people earned less money. In 2016, with regard to employment, the maritime cluster performed in the same way as the Dutch economy as a whole where employment increased with 1.1%. With regard to Dutch GDP however, that increased with 2.8% in 2016, the maritime cluster performed worse with a decrease of 2.2% (direct plus indirect value added). Total exports of the maritime cluster amounted to around € 25 billion in 2016. This means the cluster has a share of 4.4% in total Dutch exports of goods and services.

The graphs present the index figures of the developments in direct value added and direct employment per maritime sector, for the period 2006-2016 (2006 is the base year and set at 100). Shipping, fishing and shipbuilding generated a (direct) value added in 2016, which was below the level of 2006. For the shipping sector this is due to low tariffs resulting from overcapacity in the sector. In the fishing sector and the shipbuilding industry the lower value added results from a lower employment number. The benefit of the navy has declined due to a cutback in expenses.

The number of (direct) employees is more stable in 2016 compared to 2006 than the value added. In the sector ports, the number of employees increased relatively the most during this period, followed by the sectors dredging, offshore, maritime services and shipping. Employment in the sectors navy, fishing, shipbuilding and yacht building/ water sports industry declined. In inland shipping, marine equipment supply and yacht building/ water sports industry (direct) employment remained stable.

## Labour Market

In 2006-2016, employment increased strongest in the ports, followed by dredging, offshore, maritime services and shipping. Employment in the navy, fisheries and shipbuilding fell. Inland shipping, maritime suppliers and the yacht building/water sports industry remained virtually stable.

In The Netherlands there is a shortage of highly trained technicians, that is also noted in the maritime sector. Jobs for mechanical engineers or electrical engineering are not easy to fulfil. Both inside and outside the maritime sector, this type of staff is scarce. Although there is a slight increase in the inflow of students at technical universities and other university studies. This will not be sufficient to meet future demand Inflow into technical MBA courses also decreased slightly again in 2016.

Different maritime sectors signal the effects of an ageing population. In the fisheries and yacht building/water sports industry, there are many concerns about the continuity of the family owned companies. Children nowadays do not always follow in their parent's footsteps. Other sectors such as inland shipping, offshore and ports also express this concern.



**Contact**  
**Labour Market:**  
Leon Maas,  
secretary  
Human Capital  
Council

## Labour market

There is a shortage of highly trained technicians in the Netherlands, that is felt in the maritime sector as well. For example, vacancies for mechanical engineers or electrical engineering are not easy to fill. Both inside and outside the maritime sector, this type of staff is scarce. Although there is a slight increase in first-year students in technical and engineering studies in tertiary education, this appears to be insufficient to meet future demand. There is also a slight drop in the amount of first-year student in engineering programs in (secondary school) vocational training in 2016.

Some maritime sectors mention the trend of the aging of employees and owners in the sector as an issue. There are for example concerns about the continuity of the family companies in the fisheries and the yacht building/ water sports industry. This is because of the fact that the second generation is less likely nowadays to take over the family business. Other sectors such as inland shipping, offshore, as well as the ports also express their concerns about aging associated replacement demand. Aging of the workforce does not only concern the maritime sector. The whole of the Netherlands will be affected by aging, although the degree of aging may vary by region. For the maritime sector, this means that employers need to be more attractive for new (technical) employees relative to other economic sectors.

## Important future developments

The shipping industry is mainly dependent on two factors; at first, we have the (global) economic developments and the related volume of transport flows and second we have the supply of shipping space. This means that 2016 showed (once again) no recovery due to the sharp competition and the freight rates that were already under pressure. This difficult market situation will be expected to continue in the coming period for many ship-owners.

In 2016 the shipbuilding sector had a declining market. The number of new orders decreased for the fourth consecutive year, both in terms of quantity and value. Netherlands Maritime Technology therefore assesses the Dutch order book as "worrisome low". Due to the low number of orders, competition has increased and prices continue to be under pressure. Due to the overcapacity in shipping, low oil prices and the overall gloomy mood in the oil and gas offshore sector, no expectations in improvement will be there in the near future.

The effects of an ageing population do not only reflect in the maritime sector. Many sectors in The Netherlands have been affected, although the degree may vary by region. For the maritime sector, this means that they should be open to attract new (technical) employees and offer competitive jobs in relation to other economic sectors.

The need for a Maritime Learning and Development Center (MLO) is to be investigated. Labour incineration and monitoring labour market is highly needed.

## Export

In 2016, the total export of the maritime cluster amounted to more than € 25 billion, an increase of € 0.3 billion compared to 2015. This increase is mainly caused by the shipbuilding sector. The cluster has a share of 4.4% in total Dutch exports of goods and services in 2016. The largest share of exports is generated by the sector ports (30%), followed by shipping (20%) and shipbuilding (17%).

Over the period 2006-2016, the maritime cluster exports increased by 39%. The strongest increase occurred in the shipbuilding and offshore sectors, with an increase of respectively 182% and 69%.



### Contact

#### Export:

Arne Heutink,  
secretary  
Trade Council

Offshore service providers had to deal with poor market conditions in the offshore oil and gas industry in 2016 due to low oil prices. Because of this, new exploration projects have been postponed, giving offshore service providers fewer orders. Turnover in the offshore wind industry could not compensate for the losses. Therefore the focus for the sector in 2016 was, as in 2015, on cost savings and looking for work in other sectors of the economy.

During 2016, inland shipping transported more goods, but sales decreased compared with the year before. This decline in sales is due to lower transport prices. In addition, inland shipping has to do with overcapacity, partly due to the sharp rise in new (and larger) ships that came to market in 2009. As expected, overcapacity will disappear in 2020. Overcapacity in the inland shipping sector is partly dependent on the water level for its profitability, as assumed.

The Dutch port infrastructure has been ranked first in 2016 for the fifth consecutive time in a row on the global comparative ranking of the World Economic Forum. Total freight turnover decreased by 1 percent. This was the first drop since the crisis in 2009 and following the record breakdown in 2015. An important merchant flow for the ports constitutes the shipment of containers. This means that high-efficiency ports and or terminals that have an unobstructed nautical access to the largest ships and are able to bind large container flows to the port in the future due to their strategic location. Rotterdam seems to be better off than the two closest competitors; Hamburg and Antwerp.

A specific niche market in shipbuilding is the large yacht construction. The average size of the ordered yachts has increased. Today more and more yachts of over 100 meters long will be built on Dutch soil. The sector signals that the price will be more important in building a super yacht. Consumers still want to own a super yacht but no longer at all costs.

## Innovation

It is widely recognized that the Dutch maritime cluster has its strong position in the world due to the strong entrepreneurial and innovative ability of the companies. The R&D efforts have increased by 3.4% of benefit in 2015. This is slightly higher than in 2014 when this was 3.3%. This percentage is lower than the average of all top sectors (4.6% in both 2014 and 2015) but significantly higher than the average for the Netherlands, ie 1.5% of GDP. The national ambition is that R&D spending in 2020 will be 2.5% of gross domestic product (in accordance with the Lisbon agreements). The European Commission, under the Europe 2020 strategy, aims at an R&D value of 3% of GDP. Both standards are still met by the maritime cluster.



### Contacts

#### Innovation:

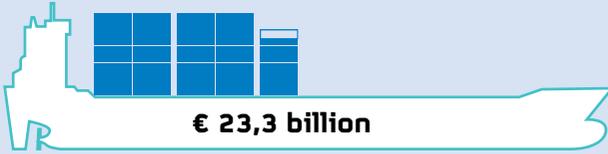
Michael Steenhoff,  
secretary  
Innovation  
Council

Marnix Krikke,  
secretary  
TKI Maritime

Learn more about the Dutch maritime  
cluster [www.maritimebyholland.com](http://www.maritimebyholland.com)



## FACTS & FIGURES TRADE



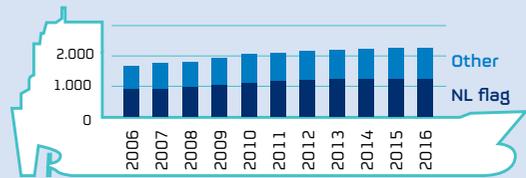
Total value added 2016



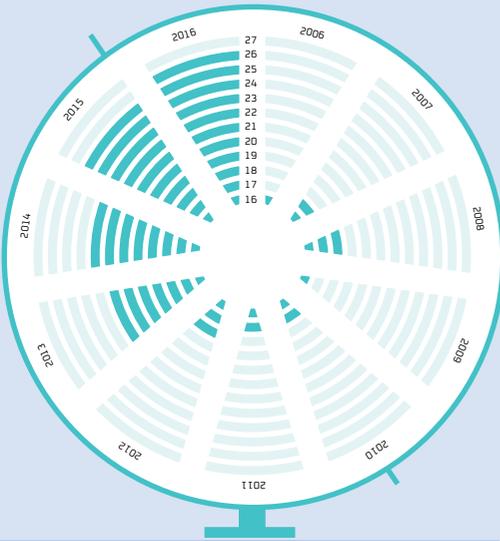
Percentage GDP



Production value 2016



Vessels under Dutch flag



Development export value  
(in € billion)

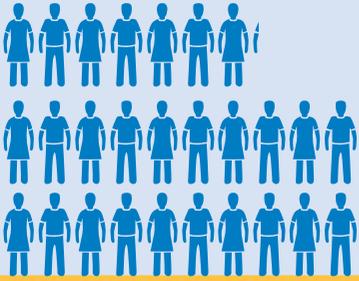


The maritime cluster  
and coherence

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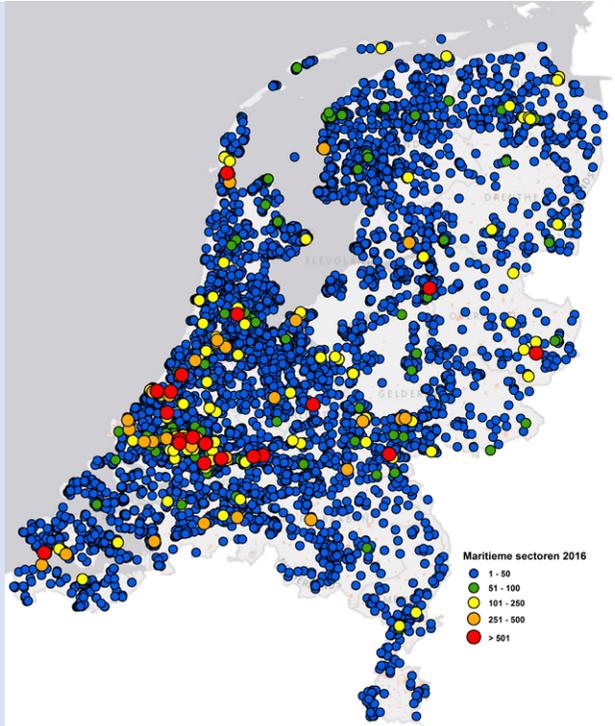
## FACTS & FIGURES HUMAN CAPITAL



271.500 employees  
in the maritime sector



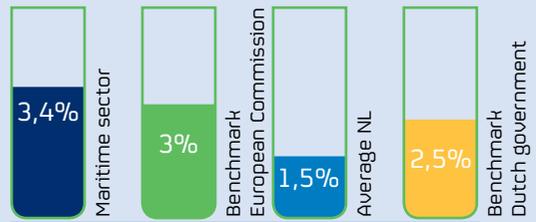
Total employment



Regional spread of establishments  
of Dutch maritime enterprises



## FACTS & FIGURES INNOVATION



R&D expenses  
in percentage GDP

**Global leader in innovative solutions**

••• Nederland Maritiem Land

••• High Tech, Hands On

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

A global leader with an unbeatable combination of expertise and experience



Thriving on the core principles of cooperation, innovation and entrepreneurship

An eye for social developments and open for business

Boompjes 40  
3011 XB Rotterdam  
The Netherlands

+31 10 747 00 76  
info@maritiemland.nl  
www.maritiemland.nl



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High Tech, Hands On