



MARITIME
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MARITIME PARLIAMMENTARY BULLETIN

W/C 14 December 2020

The purpose of this bulletin is to update MPs and Peers on the latest developments in the UK maritime sector, and to provide a forward look to opportunities within parliamentary business for positive advocacy.

Recent developments and events

- Over the coming months, Maritime UK will be undertaking a series of 'Roadshow' events across the regions and nations of the UK, to showcase what's happening already to get to net-zero, what support is required to accelerate this and how those attending can help. The first of these Roadshow events was hosted by Maritime UK South West, and took place on 14 December. Maritime UK South West and national trade association members drew together a range of industry presentations to brief key stakeholders on projects relating to maritime decarbonisation in the South West of England. The event showcased the world class marine technology on offer, and offered a powerful demonstration of existing innovation and future opportunities across the region. A video of the full event can be seen [here](#).
 - The Energy White Paper has been [published](#) and includes an ambition "to make the UK the home of green ships and planes." A section on 'Aviation and Maritime' sets out further detail of the Government's plans in this area, including the £20 million committed to the development of clean maritime technology as part of the Prime Minister's 10-Point Plan for a Green Industrial Revolution.
 - The cruise industry has met with a range of backbench MPs to discuss issues around cruise restart. The sector is also engaging with the Covid Recovery Group. A letter has been sent to the Chancellor outlining the economic contribution the cruise industry makes to the UK and the impact the shutdown is having on the sector.
 - The UK Major Ports Group ("UKMPG"), the voice for the UK's largest port operators including all deep sea container ports, has surveyed its members to find out how they are
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currently coping with the world-wide surge in shipping container movements. In short – ports are very busy but coping as they adapt to conditions. Surveying its members on the current position, UKMPG can reveal:

- The impact of Covid-19 has put unprecedented pressures on global supply chains. Imbalances have built up over time and there is strong demand globally for many goods sourced from Asia.
- Deep sea container activities of UK ports are certainly very busy, seeing 15-25% more activity than they did last November. This is the case across Europe, North America and Asia as well as in the UK.
- UK ports are responding and improving the situation by hiring more staff, redeploying resources and working closely with shipping lines and supply chain partners.
- Backlogs are reducing, including stocks of PPE and empty containers awaiting return.
- Container facilities all around Great Britain which handle container services over shorter distances are working hard and effectively to keep container trade flowing as local factors such as pre-Brexit stock build play a role along with the global situation. They too are busy but still have capacity.
- The expectation is the global dynamics will remain strong in the near term.
- This strong global demand is reflected inevitably in shipping costs and very busy ports in Asia, both of which are outside the control of UK ports.

Commenting on the current position Tim Morris, CEO of UKMPG, said: “There’s no doubt that the pandemic-driven events of 2020 have put huge strain on global supply chains. The situation we’re seeing at ports around the world has symptoms here in the UK too. However, the situation on the ground is improving with container terminals having increased resources, ports around the UK playing their part and through intensive work with supply chain partners. But just as container congestion didn’t occur overnight there are no instant, magic wand solutions. Ports and their supply chain partners will need to continue

to work constructively together, demonstrating again the resilience of the logistics sector, to keep up improvement.”

UK maritime news

- BPA statement on global container congestion – [British Ports Association](#)
 - UK Major Ports Group responds to demands for an inquiry about port congestion - [UKMPG](#)
 - Ports concerned infrastructure funding won't be sufficient and warning that timescales are becoming extremely challenging – [British Ports Association](#)
 - Climate Change Committee publishes Sixth Carbon Budget – [Maritime UK](#)
 - Seafarers must be a priority for Covid vaccine – [Nautilus International](#)
 - Diversity in Maritime Interview Pool launched – [Maritime UK](#)
 - MarRI-UK announces funding call for smart maritime land operations – [MarRI-UK](#)
 - Shipping companies aim to cut single-use plastics with new Charter – [UK Chamber of Shipping](#)
 - 2021 dates announced for Southampton International Boat Show – [British Marine](#)
 - Ethnicity in Maritime bookclub introduced – [The Baltic Exchange](#)
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Decarbonisation: Current political context

- Maritime UK welcomes the £20 million Government investment for clean maritime provided through the Prime Minister's new 10-point plan for a Green Industrial Revolution as a very positive first step. This initial investment will allow the maritime industry to demonstrate the feasibility of maritime decarbonisation solutions. However, much more public and private investment will be required if we are to reach our net-zero commitments.
 - Equally, the maritime industry is delighted to see an ambition to make the UK the 'home of green ships' included in the recent Energy White Paper.
 - Maritime UK is seeking the support of parliamentarians to secure further public and private investment in maritime decarbonisation, as we look towards the COP26 Climate Conference.
 - The maritime sector has made a significant contribution to the UK's COVID response. We have kept supply chains open, ensuring access to vital resources across the country including food, fuel, and medicines.
 - We are looking to develop greater resilience, create jobs, and boost economic growth across the UK's coastal communities.
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The maritime industry - key messages

- Maritime contributes **£46.1bn to the UK economy and supports 1 million jobs** (more than air and rail combined).
- Maritime is **responsible for keeping the country supplied** (resilience): 95 percent of British imports and exports in goods are moved by sea, including 25 percent of the UK's energy supply and 48 percent of food supplies. Investment is essential for maintaining these resilient supply chains that every constituent relies upon.
- Ports **invest over £600m of private capital each year**, benefiting coastal economies through job creation and infrastructure investment.
- Maritime workers are **43% more productive** than UK average.
- Maritime is a source of **well-paid highly skilled roles**, which pay an average of £38,000 per year - £9,000 more than the national average.
- Globally, the maritime **sector will double to \$3trn by 2030**, with the market for maritime emission reduction technologies reaching \$15 billion per year by 2050, resulting in economic benefits to the UK of \$690 million per year.
- Maritime makes a significant contribution to **all nations and regions of the United Kingdom**.
- **\$1.4-1.9tn will be needed to decarbonise** the global maritime industry.



We are aiming to kick-start a world-leading programme to decarbonise the UK's maritime sector. This will:

- **Sustain and create high-skilled, well-paid, green jobs:** 1.1 m jobs are generated by the UK maritime sector, and investment will unlock a wave of green jobs to help the sector decarbonise.
- **Get us to net-zero:** Achieving a net-zero maritime sector requires significant investment now, with the life cycle of a ship being around 25-30 years.
- **Rejuvenate our shipbuilding industry:** No country has yet pulled ahead in the zero-emission maritime race. The UK has the skills and manufacturing potential to become a global leader - let's act fast to secure maximum jobs and economic growth potential.
- **Drive economic development in coastal communities:** Growth in the UK maritime sector will unlock significant growth in areas that are essential for the Government's 'levelling-up' agenda.

Whilst we welcome the Government's commitment of £20 million investment for clean maritime as part of the 10-point plan for a Green Industrial Revolution, we seeking **additional government investment** to further progress the UK's maritime decarbonisation programme. This will unlock further private investment, and will:

- Create jobs in all four nations of the United Kingdom, particularly in coastal communities with a tradition of maritime economic activity, including shipbuilding.
 - Set the UK **on a course to meet its legal net-zero maritime obligations**.
 - Position the UK as the **world-leader in maritime decarbonisation** and help transform the UK into a **scientific superpower**, by taking advantage of the fast-growing market for clean maritime technologies and fuels.
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- Fund a programme of **plug-in grants for vessels** and support the roll-out of **electric charging in ports**.
- Fund a **demonstrator programme** to prove the commercial case for low and zero-emission technologies like **hydrogen**.
- Fund low TRL technologies to identify innovative **new and radical solutions** to deliver net-zero.
- **Result in carbon savings of up to 82 MtCO_{2e} by 2050** as well as significant associated reductions in air pollutant emissions, generating benefits valued at billions of pounds.
- Maritime decarbonisation is an untapped opportunity. **The marginal cost of decarbonising maritime is lower than decarbonising other modes** because of the greater amount of carbon savings immediately available due to lack of intervention. This means that one pound spent in maritime decarbonisation would deliver greater marginal carbon savings compared to other modes.

Investment is needed because:

- Maritime decarbonisation is **essential to meet the legislative target** of net zero emissions by 2050. In 2018 domestic **shipping alone produced more GHG emission than rail and buses combined**, whilst representing only 1% of transport emissions in 2009. **Further investment is needed** to support the deployment of low emission vessels and infrastructure.
- Regulation and smaller levels of investment to provide feasibility studies will not be sufficient: **building on the automotive experience, large-scale capital investment in maritime decarbonisation is needed to unlock the industry's potential** and kick-start the transition to zero emission shipping. Further investment will demonstrate **UK climate leadership ahead of the COP26 summit**, to be hosted in the UK in November 2021.

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