

MARITIME PARLIAMENTARY BULLETIN

W/C 2 November 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

- The new COVID regulations enter force from this week as previously, the maritime industry will work tirelessly to keep supply chains open and goods including food and vital medicines flowing.
- Over the coming months, Maritime UK will be undertaking a series of 'Roadshow' events across the regions and nations of the UK, to promote the importance of supporting the maritime industry, as well as to showcase maritime decarbonisation projects in development in coastal communities. We will provide more information about specific events in due course.
- Maritime UK's Maritime Skills Commission (MSC) has published its first annual report, which highlights the work done since its establishment in July 2020 and sets out future steps. The report can be read in full <u>here</u>.

Upcoming Parliamentary opportunities to promote maritime

Suggested questions, statements and briefing material can be provided on request.

Commons

We would be delighted if MPs would be willing to use any opportunities at PMQs and Business of the House Questions to promote the UK maritime industry (these questions are drafted to be suitable as either oral or written parliamentary questions):

- **PMQs Wednesdays**: We would be delighted if MPs would be willing to raise maritime at PMQs if they are selected in the ballot, and happy to support in drafting a question
- **10 Nov BEIS questions:** To ask the Secretary of State for Business, Energy and Industrial Strategy, what steps his department is taking to support maritime decarbonisation
- **11 Nov Scotland questions:** To ask the Secretary of State for Scotland, what steps his department is taking to support decarbonisation of the Scottish maritime sector
- 16 Nov MHCLG questions To ask the Secretary of State for Housing, Communities and Local Government, what steps his department is taking to support coastal communities in decarbonising the maritime sector
- **18 Nov Wales questions -** To ask the Secretary of State for Wales, what steps his department is taking support decarbonisation of the Welsh maritime sector
- 19 Nov International Trade questions To ask the Secretary of State for International Trade, what steps her department is taking to boost the exports of UK green maritime technology

- 26 Nov DEFRA questions To ask the Secretary of State for the Environment, Food and Rural Affairs, what steps his department is taking to support the decarbonisation of the maritime industry
- 1 Dec Treasury questions To ask the Chancellor of the Exchequer, what steps the Treasury is taking to support maritime decarbonisation as part of the one-year Spending Review
- 2 Dec Northern Ireland questions To ask the Secretary of State for Northern Ireland, what steps his department is taking to support decarbonisation of the Northern Ireland maritime sector
- 3 Dec Transport questions To ask the Secretary of State for Transport, what steps his department is taking to decarbonise the maritime sector

Lords

The following oral questions in the House of Lords represent opportunities for maritime decarbonisation to be raised:

- 4 Nov Oral question: Strengthening the union between Scotland and the rest of the UK
- **5 Nov Oral question:** Jobs saved in Northern Ireland as a result of the measures to deal with the economic consequences of the COVID-19 pandemic
- 9 Nov Oral question: Aligning skills strategy with the target for net zero carbon emissions by 2050
- 12 Nov Oral question: Consequences of government policies in relation to the COVID-19 pandemic on their levelling up agenda in England
- **30 Nov Oral question:** Supporting private investment in the hydrogen sector in the UK

We would be delighted if parliamentarians would be willing to table requests for parliamentary debates on the UK maritime industry, and we can support with suggestions for these.

Written Questions

We are also happy to support parliamentarians with ideas and production of additional written questions.

Current political context

- 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 now looking to develop greater resilience, create jobs and boost economic growth across the UK's coastal communities.
- To achieve this, Maritime UK has been working collaboratively and successfully with the Department for Transport to shape a Spending Review bid in terms of maritime.
- Maritime UK is now seeking the support of parliamentarians to help 'seal the deal' with the Chancellor and his Treasury colleagues through the use of parliamentary questions, debates, press activity and private advocacy.

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.



Our Autumn Spending Review bid is designed to kickstart a world-leading programme to decarbonise the maritime sector

- Sustain and create high-skilled, well-paid, green jobs: 1.1m jobs are generated by the UK maritime sector, and investment at the Spending Review will unlock a wave of green jobs to help the sector decarbonise.
- **Get us to net-zero:** Achieving a net zero maritime sector requires 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.

The bid is centred on plans to **replicate the success of the UK's automotive industry** in driving its decarbonisation journey. It therefore replicates the Office for Low Emission Vehicles for the maritime sector, with a **government investment of £1bn** to kick-start the UK's maritime decarbonisation programme. This investment, unlocking further private investment, will:

- Directly create **15,200 jobs** and a further **58,400 jobs** throughout the supply chain (73,300 total), according to the Centre for Economics and Business Research.
- Create jobs in all four nations of the United Kingdom, particuarly in coastal communities with a tradition of maritime econmic 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.
- 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 netzero.
- **Result in carbon savings of up to 82 MtCO**₂**e 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.

Action is needed now 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. Action is needed now to support the deployment of low emission vessels and infrastructure.
- Regulation alone is not going to be sufficient: building on the automotive experience, capital investment in maritime decarbonisation is needed to unlock the industry's potential and kick-start the transition to zero emission shipping. Intervention will demonstrate the UK climate leadership ahead of the COP26 summit, to be hosted in the UK in November 2021.

Please email <u>bmurray@maritimeuk.org</u> for further information.