



2018 Annual Report

A new presidium

In late 2017 a new presidium was voted in. This presidium consists of a Dutch president and French, Italian and Spanish vice-presidents. In February of 2018, the first presidium meeting took place at the office of SeaEurope in Brussels. This meeting was focused at creating the principles on which the European Network of Maritime Cluster (ENMC) in the futures shall be based. To summarize; to provide a network of maritime cluster organizations of European member states to promote the exchange of information, to pursue mutual interests of the members in European maritime affairs, and to eventually develop into a key, and central cornerstone of European maritime affairs all together. To support this mission, a temporary Secretary-General – named quartermaster – has been appointed.

ENMC refreshment

Identity is everything. This is true in the European public affairs areas, as much as in any other. Hence, the ENMC was ready for a new look that suited the re-evaluated ambitions of the network today, and in the future. One of the first tasks of the quartermaster, was to create a new logo, new colors and re-develop the existing website to more fit future needs. This new identity has ready been developed and implemented in some ways; this annual report being an direct example.

Visits and Activities

In the course of the first half of 2018, the Presidium focused on three key visits; to the annual board meetings of the Italian Maritime Cluster in Rome and the French Cluster in Paris, and to the opening meeting of the Polish maritime and space cluster in Gdansk, Poland.

ENMC President Arjen Uytendaal and Secretary General Olivier van Paasschen visited the Federazione del Mare – Italian Maritime Cluster during their Board meeting on 11th April. On invitation of the Italian Vice Chairman and ambassador Vincenzo Petrone, ENMC could present and discuss the ENMC organisation, strategy and European priorities for the maritime cluster. During the board meeting a new chair for the Italian Maritime Cluster was chosen; Mario Mattioli, also President of the Confederazione Italiana Armatori, the Italian Shipowners' Association. The new chairman of Federazione del Mare and ENMC confirmed the mutual interest of a close cooperation in order to ensure the enforcement of the maritime cluster in Europe and showed their appreciation of being the first cluster visited by the President of ENMC.

The 19th June Arjen Uytendaal gave an intervention during the annual General Meeting of the French Maritime Cluster in the beautiful "Institute océanographique de Paris". For a large audience, all members of the French maritime cluster including observants of the government and overseas visitors, ENMC presented the strategy and objectives going forward. After the meeting there was an excellent networking occasion with the France members. ENMC was honored as the first foreign speaker during any of the annual General Meetings of the cluster. During lunch time ENMC had already a meeting and discussion with our honorable Chairman Francis Vallat and the president of the French Maritime cluster; Frédéric Moncany de Saint-Aignan.

On the occasion of the start of the new BALTIC SEA and SPACE CLUSTER a high level conference was organized in INSTITUTE OF OCEANOLOGY OF THE POLISH ACADEMY OF SCIENCES on 20 September in Gdansk. The Polish maritime and space cluster are merging into a new identity; BSSC and the President of ENMC was the key note

speaker. During a lunch with the board of the new cluster, with the new Chairman Mr. Marek Grzybowski, the European strategy was discussed and a close cooperation and support from the new Baltic cluster for ENMC was granted.

Current Political Affairs

Via the Dutch Maritime Cluster a potential European maritime cluster problem with seafarers and Schengen was addressed and the help of the whole network was requested. Various members responded actively and positive on the request to make urgent contact with their national authorities inviting them to consider intervening in the proceedings by the deadline. A white paper was prepared and an illustrative animation movie was published <https://www.kvnr.nl/schengen>

The case in short

In 2016 against the background of offshore vessels staying in port for a longer period when mobilized for a new project, a dispute arose between the border control authorities in the port of Rotterdam and the maritime industry about the moment an on-signing non-EU seafarer should receive an exit stamp in his/her travel document. The normal procedure so far has been that a travel document is provided with an exit stamp the moment the holder joins the ship as crew member (signing-on). However, it is now argued by the border control authorities, and subsequent the Dutch Ministry of Justice and Security, that in cases where a ship does not leave the port within a short time (not further defined) after the seafarer joins the ship, the exit stamp should be provided upon departure of the ship.

The dispute turned into a court case, in which the Court of Rotterdam ruled that the refusal to provide the exit stamp upon signing-on was in breach of the Schengen Borders Code and thus that the authorities acted unlawful. However, the Ministry of Justice and Security appealed to the Supreme Administrative Court of the Netherland. Since the interpretation of the Schengen Borders Code is key in the case, the SAC of the Netherlands has investigated preliminary ruling proceedings to clarify EU-law. The question whether a non-EU seafarer should receive an exit stamp upon signing-on as crew member or upon departure of the ship has been submitted to the European Court of Justice.

The application has now been published and is entitled 'J. and Others' and given the following reference number Case C-341/18.

It goes without saying that a ruling by the European Court of Justice how to apply article 11 of the Schengen Borders Code (the stamping of travel documents on entry and exit) in case of on-signing non-EU seafarers will affect all Schengen member states and as such also the global shipping industry. Not only effecting the seafarers involved and the ships, but it will also affect dry-docking operations, repair yard work etc and even super yachts staying longer in port. When the court will rule against the interest of the maritime industry all member states needs to change their common practice and disruption will be the case. A common lobby was initiated by the Dutch Cluster and supported by ENMC.

Relations with the European Commission

During the European Day in Burgas ENMC together with the MARINE CLUSTER BULGARIA hosted a workshop "Ports and Clusters as drivers for economic growth in European territories" together with Pôle Mer Méditerranée. The workshop showed how clusters can strengthen economic development in territories through innovation with clusters actions and success stories presentation. The EU projects presented demonstrated the need for creation of long networks and inter-clustering in order to boost maritime and ports activity at European level. The discussion

have ended with a roundtable in which best practices for strengthening innovative SMEs in Blue Growth and port activities have been identified and analysed with following outcome:

- To prosper maritime clusters need to be embedded in local, regional, national and sea-basin specific strategies and policies, i.e. they need enabling environment. In the core, successful clusters are usually a result of a local initiative aiming at stimulating traditional territorial specialisations in a given coastal area or port and boosting traditional maritime economic activities (shipbuilding, ship maintenance, reconversion, ship repair). Nurturing a strong relationship between private enterprises, government, research institutes and schools is an ingredient of success
- Clusters can help measure blue economies (via dedicated “Observatory”) and identify opportunities for SMEs and micro and small enterprises; EU funding can support this by awarding grants; Clusters can also (re-)distribute financial subsidies to SMEs and micro and small enterprises for the purchase of consultancy services for innovation of the companies operating in the port sector, granted pursuant to rules of “de minimis”;
- Clusters can help their members to innovate and increase their competitiveness, incl. by exchanging best practices between managers of clusters in the EU.

Common areas of support provided by clusters in the EU to their members are:

1. Reinforcing human capital/blue careers;
2. Embracing R&D, innovation (sustainability), contributing to social challenges;
3. Boosting internationalization/ trade, getting business, level playing field.

This workshop was followed by the workshop and discussion on “Maritime Policy and Blue Economy, measuring the blue economy” of DG MARE in which ENMC actively participated. A preview of the 2018 Blue Economy report was discussed and various other blue economy studies were presented like Portugal, Italy and Ireland. During the workshop ENMC was invited by DGMare in order to discuss the strategy around measuring the blue Economy.

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On 27th June DGMare actually published the first Blue Economy report with the following key facts:

- Turnover: EUR 566 billion;
- Gross value added Blue Economy: EUR 174.2 billion;
- Gross profit: EUR 95.1 billion;
- Gross profit margin: 16.8%;
- Employment: 3.48 million;
- 1.6% of EU’s total employment;
- Net investment: EUR 22.2 billion;
- Net investment to GVA: 29%;
- Average annual salaries: EUR 28.3 thousand
- Blue Economy represents 1.3% of total EU GDP (2016)

As ENMC we have distributed the report among members and collected the feedback for the commission. Main points of ENMC feedback;

- 1) The measuring of the size of the European Blue Economy remains based on EUROSTAT SBS data. However, ENMC wishes to point out that this would inherently leave out other, yet relevant data, as EUROSTAT SBS

Data is only available in 2-year lag. For example, figures on private investment. This affects the usability of the 2018 Annual Report for businesses. ENMC would therefore like to suggest using more actively estimates of current, and future investments as it would offer an indication, i.e. market intelligence.

- 2) The initial summary figure, illustrates the total turnover of the EU Blue Economy. The ENMC would like to suggest to adjust the figures as to avoid double counting along the same value chain as the figures represented in the summary figure reports the total turnover over the whole economy. Next to the turnover we should have an indication of the Added Value per sector.
- 3) The ENMC sees value in the Annual Report representing only direct impacts. However, leaving indirect impact out altogether would imply losing a large share of value and employment generated by the EU Blue Economy. In the Report view, this is probably avoided stating also the turnover of the Blue Economy. ENMC suggestion is to consider the turnover also in the analysis of the individual sectors, in order to have a more complete information.
- 4) Leisure boats and yachts building and repair must not be confused with vessels shipbuilding and repair, although they merge in statistics: an effort to identify each one of these activities in sectoral analyzes should be done.
- 5) Various other comments on the data itself

The commission appreciated the comments of ENMC very much and we were invited to discuss further improvements. So an ENMC delegation consisting of Arjen Uytendaal, Ambassador Vincenzo Petrone (ENMC Vice-President, as well as of the Italian Maritime Cluster) and Olivier van Paasschen had a very fruitful meeting with Frangiscos Nikolian (head of unit DGMARE, Economic Analysis, Markets, and Impact Assessment), Miguel Pena-Castellot and Yasmina Schinasi.

This meeting served as the first formal introduction of the new ENMC presidium with the EU Commission, and was aimed at discussing the ENMC response to their consultation on the draft of the annual economy report on the EU Blue economy. We discussed the participation of national maritime clusters in such an annual economy report, and the importance of it to the correct representation of data. For example; the importance of some maritime sector in their global context is ignored, illustrating them – at this time – as unimportant.

The EU Commission is very happy to work with us, and so it is their ambition to build strong and lasting ties to ENMC. Together we have agreed to work on;

- A Case study on one or two EU Member States (ENMC Member), that focusses on Maritime Innovation and on emerging blue economies in that EU member state. This case study should be based on trusted, freely available, and regularly updated statistical data.
- Discuss on how we, as national maritime clusters, can help the commission in their 2019 annual economy report, in offering regional analysis. So for example, on the North Sea Blue Economy, or the Mediterranean Blue Economy.
- Discuss on the use of their annual report, and provide them with a proposal of definitions, data and analysis we as national maritime clusters individually and as ENMC wish to be included into their annual report. That way, we can influence both EU and Member state maritime policy makers.