

# **Maritime Clusters in Europe**

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**Bloem Doze Nienhuis**



# Introduction Martin Bloem MA

M.W. (Martin) Bloem MA, *CEO and Managing Partner*

- Degree in Public Administration Leiden/Indiana
- 1993-1997: policy advisor Shipbuilding and Export Finance at the Ministry of Economic Affairs
- 1997-2008 Director Holland Marine Equipment Association. Growth from 35 to 275 members, rapid expansion of activities
- 2008-2011 Founder and general director of Holland Shipbuilding Association, 400 shipyards and suppliers
- 2011 CEO and Managing partner at Bloem Doze Nienhuis and interim director of cluster organisation Dutch Maritime Network, representing the maritime cluster in Holland





## Some theory: what is a cluster?

- Michael Porter: The Competitive Advantage of Nations (1990)
- Cluster = a group of interconnected firms, related industries, and specialized institutions in particular fields, that are present in particular locations
- Four success factors (diamond):
  - Factor conditions: a.o. skilled labor and infrastructure
  - Demand conditions: home demand
  - Related and supporting industries: internationally competitive supply industries
  - Firm strategy, structure, rivalry: organization and competition
- Examples of government involvement: (fiscal) R&D incentives, education and training, government procurement, trade policy.
- Cluster policy can be stimulated by the setup of a cluster organisation



# Examples of European clusters

Competitive industries:

- Switzerland: chemical industry
- UK/London: financial services
- Norway: petroleum industry
- Germany: automobile industry
- Holland: flowers
- Greece: transport
- Italy/France: fashion etc.

Essential features for maintaining competitive power are constant Improvement, Innovation, and Change throughout the entire value system. It is a dynamic, constantly changing process.



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# The maritime cluster





# How does this translate to the maritime cluster?

The maritime cluster is by nature a regional setup, normally clustered around port areas and river deltas.

- Shipowners and operators
- Sea ports and hinterland connections
- Shipbuilding and/or offshore (supply) industries
- Supporting parties and knowledge institutions

Starting early 90's, cluster organisations came up

Example 1: Norway – Maritimt Forum (1990)

Example 2: Italy - Federazione del Mare (1994)

Example 3: Netherlands – Dutch Maritime Network (1996)

Example 4: France – Cluster Maritime Francais (2006)

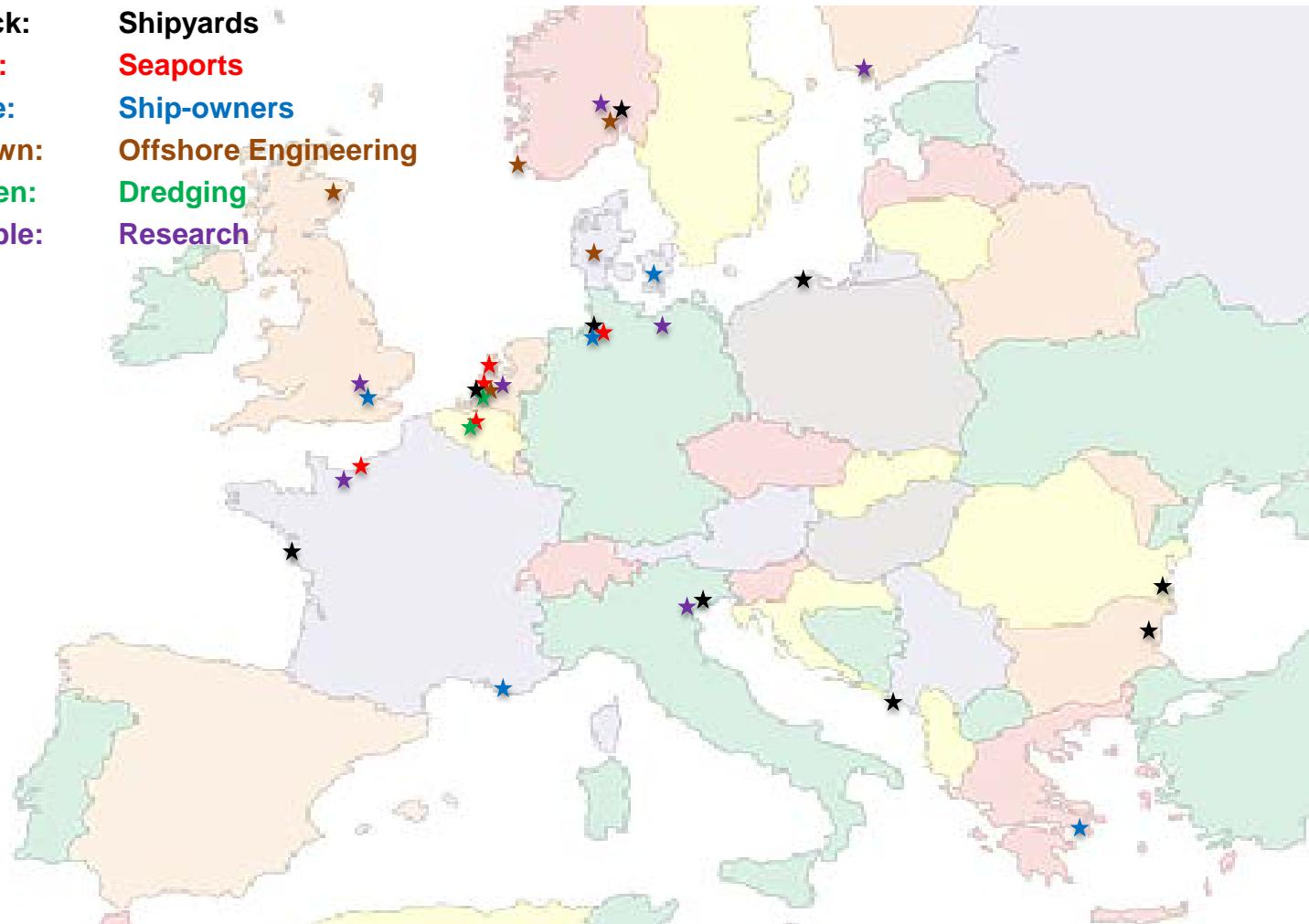
Example 5: Europe – Eur. Network of Maritime Clusters (2006)

Common characteristics: maritime know how, (political) awareness, international co-operation and networking activities



# Maritime Clusters in Europe

- Black: Shipyards
- Red: Seaports
- Blue: Ship-owners
- Brown: Offshore Engineering
- Green: Dredging
- Purple: Research





# European cluster policy

- Several DG's aim to play a central role: DG Enterprise, but also DG TREN, DG MARE, DG COM
- 2005/06: several initiatives, aiming to:
  - increase competitiveness of European industries
  - Integrate policy areas
  - bring together stakeholders
- Policy instruments: Strategic Research Agendas (e.g. Aeronautics), Leadership 2015, Waterborne Technology Platform, cluster mapping, regional aid
- Question: who has the lead?
  - Local - Regional – National – European?
  - Companies – Trade Associations – Cluster organisations?
  - Government services – politics or bureaucrats?
- My experience (1): 'Create power where the action is'



# Maritime Clusters: the Dutch case





# Facts and figures

## Экономические показатели Голландского морского кластера:

- 11.000 компаний в радиусе 200 км
- Занятость: 185.000 чел.
- Оборот: 46 млд евро
- Экспортная доля: 27 млд евро (60%)
- 12-ая судостроительная страна мира
- Роттердамский порт самый большой в Европе



# Towards a cluster organisation

Step 1: define

Step 2: design

Step 3: organize

Step 4: influence

Step 5: communicate





# Step 1. Define the cluster

Reason: without a good definition it is impossible to make clear what the sector stands for, to interest parties and to influence government

Action: sort out the variables of the sector

1. Which sectors
2. Which leaderfirms
3. Which trade associations
4. Interrelations and dynamics
5. Basic economic figures: turnover, production value, employment (direct and indirect), export
6. Trends and needs of industry

My experience (2): take time and budget for this first step, you will benefit later



## Step 2. Make an organisation design

Reason: it is essential to balance the different interests in a good model, including organisation finance

Action: define the role of:

- Large firms
- Medium sized enterprises
- Government
- Trade Associations

Specify costs and create budget.

My experience (3): In the first ten years of the cluster, government support is essential.



## Step 3: Organize

Reason: without good leadership the system fails

Action:

- Write a comprehensive action plan
- Find a respected chairman
- Create a board with CEO's from the sector
- Make sure all parties are on board

My experience (4): there is a tendency to downgrade after the first successful period. Don't let that happen.





## Step 4: Activate and influence

Reason: you need a sense of urgency to get things done

Action:

- Analyse the needs of the cluster in international perspective
- Define priorities in areas like:
  - Research, Development and Innovation
  - Launching customership
  - Fiscal measures
  - Stimulation of talents



## Step 5: Communicate

Reason: you can never have all interested parties within the cluster organisation. You will have to bind them and external stakeholders with intensive communication.

Action:

- House style
- Communication plan
- Target groups
- Set up a system for the good news.

My experience (5): probably the most underestimated success factor

Movie Maritime by Holland (Russian version)





# Problems and Gains of investing in a cluster organisation?

## Problems:

- Low ambitions, often caused by existing interests or the hunt for subsidies
- Lack of resources
- Inability to influence government
- Low representation
- Tension between the partners

## Gains:

- Efficiency increases
- One voice of the industry
- Insight in regional and national dynamics
- Competitiveness





# Budgets

- Central organisation, studies and cluster activities: start up €3 mln annually, decreasing budget over the years

Depending on industry size and definition (€ 10-30+ mln annually):

- RD&I stimulation package and investments
- Launching Customers
- SME policy
- Universities, PhD's, schools
- International co-operation programs





# Conclusions

- Setting up a cluster organisation is not done in one day
- It is essential to have government support
- Representation has to be at the highest level from industry
- Remember Porter: it is about international excellence and constant change and innovation



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# Thanks for your attention



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