



A Brief Review of Activity
2005/6



Welcome to Mersey Maritime, the organisation representing over 800 maritime businesses on Merseyside.

In early 2005 we produced a review document outlining what we had achieved since our launch in 2003. This was well received by maritime companies, our public sector partners on Merseyside and policy makers, both regionally and nationally. This brief report is intended to provide an update on our current position and what we achieved in 2005 and 2006.

Mersey Maritime exists to champion the work of Merseyside's dynamic and diverse maritime industry, promote its standing around the globe and build relationships that make it more competitive nationally and internationally.

Our small, specialist team provides practical support to a wide range of companies within the sector. At the same time, our Board, which includes some of Merseyside's leading maritime companies and public bodies, is championing a lobbying programme that is giving our maritime industry the influence and profile it deserves on a national and international stage.

This brief report is intended to provide an insight into our current work and our plans between now and 2008, all aimed at reinforcing the position of Merseyside's maritime community as a world class collective of businesses.

Jim Teasdale

Chief Executive

A POWERFUL FORCE

The first organisation of its kind, Mersey Maritime represents over 800 companies, ranging from port and shipping operations, ship repair and freight forwarders to hi-tech systems suppliers and specialist professional services. The industry is one of nine growth sectors identified and supported by The Mersey Partnership, Government Office North West, the Northwest Regional Development Agency, City Focus and Mersey Waterfront Regional Park as vital for the future economic growth of the Liverpool City Region.

One of the most comprehensive maritime communities in Europe, Merseyside's maritime businesses employ 19,000 people and contribute around £1.8 billion to the local economy. The sector supports 50,000 other jobs within the wider UK economy and the Department for Trade and Industry has recognised Liverpool as having "the highest value-added contribution" of any port in the United Kingdom.

Our industry continues to thrive. The Port of Liverpool achieved another record year in 2005, with cargo traffic reaching 33.7 million tones, up 3.4 per cent on the previous year. Meanwhile, Liverpool is the fifth largest container port in the UK, handling over 600,000 TEUs (20 ft equivalent units) per year – some 7.5 per cent of the UK's container traffic.

The good news is that Mersey Maritime is working. Our activity in 2006 alone has created and protected business worth £14 million, created over 60 jobs and safeguarded 50 more, and given substantial assistance to 22 local companies.

CREATING JOBS AND INVESTMENT

GROWTH

In the last 24 months, the maritime sector has benefited from over £65 million in private sector investment. This has ranged from investment into value-added processing operations, such as the ABP-Maxit terminal at Garston and the commissioning of two new tugs (Svitzer Bidston and Svitzer Bootle), to the consolidation of shipping company CMA-CGM UK Group's various Liverpool operations, into new office space at Princes Dock. In addition, there has been investment in two new freight-passenger ferries deployed by Norfolkline (formerly NorseMerchant), which operate on the Liverpool-Belfast, Liverpool-Dublin routes; the introduction of three new North Atlantic container services; two new freight-only ro-ro services to Dublin run by new arrival Celtic Link and a weekly Portuguese service into Brocklebank Dock.

Mersey Maritime has worked with over 240 companies and local delivery agencies over this period to ensure that the sector as whole has been able to take advantage of this growth and that it provides further economic and social benefit to the region.

We continue to work with all of the local authority and agency teams in Greater Merseyside so that the industry is made aware of their services and can make full use of them.

A particular success has been Mersey Maritime's work in bringing two companies together in the Marine Engineering Sector, the result being the full refit of a dive support vessel by Northwestern Shiprepairers in Birkenhead on behalf of Bibby Line. This has both safeguarded and created a significant number of jobs.

We are also working with the local authorities of Liverpool and Sefton to develop Local Enterprise Growth Initiative (LEGI) projects, as maritime is recognised as a key to growth within both boroughs.

INWARD INVESTMENT

Positioning Merseyside as a sound location for investment from outside the area is one of Mersey Maritime's key objectives. We are working with The Mersey Partnership and Mersey Maritime member Hill Dickinson to develop a strategy to identify target companies that are considering either consolidation of their offices to one site, or relocation to a more cost-effective region, with a relevant skills base. The aim is to ensure they are aware of the opportunities offered by Merseyside.

Following the purchase of P&O Nedlloyd, Maersk Sealand has now become the Maersk Company and has consolidated its UK export operation in Liverpool. This has safeguarded in excess of a hundred jobs and created many more.

DEVELOPING INFRASTRUCTURE

Mersey Maritime has produced a 'Mersey Ports Growth Strategy' outlining a 20 year vision, which will be further developed throughout 2007. Plans for the next 15 months include investment in a £80 million river container terminal to handle 'post panamax' container ships, and a £19 million cruise passenger facility, due for completion in Spring 2007.

The strategy is the only one of its kind in the UK and is based on best practice from British Columbia and the Port of Melbourne in Australia. It not only details the major infrastructure developments planned within the industry, but identifies what public sector support will be needed by local businesses to ensure that the region realises substantial economic and social benefits from them.

Mersey Maritime is now seeking to develop a Superport strategy that links both the port and the airport, based on best practice from Dubai and Hong Kong

In the meantime, the sector continues to work towards enhancing the position of the Mersey Ports as a major sustainable distribution hub, delivering world-class service from quayside to customer. This includes working towards a common policy approach across all levels of sub regional and regional government, which positions the ports as a key strategic asset and economic driver for the region.

We are currently involved in the development of the Olive Mount Chord project, which is seen as vital for the expansion both of the rail freight capacity to the port but also for the development of West Coast Main Line passenger traffic.

The Mersey Maritime team has been working closely with Peel Ports, Network Rail, NWDA and MerseyTravel, as well as the Northern Way, in the development of this project which looks likely to move into execution phase in 2007. Work is also underway with Halton Borough Council and other key partners in support of the Mersey Multi Modal (3MG) Gateway project.

The sector is also collaborating with Halton and Westbury Developments on the development of Port of Weston as part of the wider Ports Growth Strategy for the region. This has included the creation of links with the MerseyTravel Rail Freight Group to ensure that the associated railhead project can be fully understood and supported, and also the Ports Growth Strategy Group, in order that the benefits of the project are seen in the wider context of the local economy.

LEADING INNOVATION, SHARING INTELLIGENCE

A key role within Mersey Maritime's business development activity is providing access to best practice for its members.

Recent projects have included the use of RFID (Radio Frequency Identification) tags for tracking containers from the customer to the quayside.

CROSS-SECTOR COLLABORATION

Close collaboration with other business sectors as a catalyst for business growth is a key role for Mersey Maritime, and a strong relationship with the ICT sector has generated a number of clear benefits, including the potential development of the maritime sector as a virtual business community. The aim is to develop an overall ICT strategy to underpin the Ports Growth Strategy, a programme which has harnessed the support and involvement of IBM and Ericsson.

Work is underway with the AIMES (Advanced Internet and Emergent Systems) Centre at the University of Liverpool to develop efficient supply and transport solutions for the shipping and haulage industry on Merseyside. Potential ICT applications include enabling companies to work with their clients through Electronic Data Interchange, and product showcasing in order to allow companies to promote their services, and the provision of guidance and direction on working with local agencies.

Working with Atlantic Container Line and JMD Haulage, a tracking system has been developed that allows all business transactions to take place electronically instead of via paper systems. This reduces delays in invoicing and also removes any paperwork enquiries. The system also improves security, as key information is not released until the vehicle is confirmed via GPS, to be at its destination. A pilot trial has proved very successful and the next stage is to move it to other shipping lines and develop a portal called 'ContainerPort' where shippers and hauliers will not only be able to track their cargo but also ensure the most efficient use of their vehicles.

Following the success of the cruise conference in January 2005 and the International Controlling Council meeting of the Institute of Chartered Shipbrokers in November 2005, Mersey Maritime is now collaborating with the tourism sector on a bid for a 1000-delegate conference for the new Kings Dock Arena in 2009 and a national Sea and Water Conference for 2007.

IMPROVING SKILLS

During the last year, Mersey Maritime has led on skills training through its work with the Learning and Skills Council Greater Merseyside (LSCGM) and by chairing the Maritime Northwest Skills and Productivity Alliance. It has also contributed to national initiatives through involvement in 'Sea Vision', the national body responsible for promoting the industry, and work with the Department for Transport.

In conjunction with the LSCGM and dedicated training partners, the sector has been involved in training more than 700 people across 100 companies. 2005 saw the second year of Mersey Maritime's International Trade and Services Apprenticeship, with a total of 22 students and eight companies participating in the programme. Mersey Maritime has also worked with Peel Ports and ITS Training Services to develop a new Port Operations Apprenticeship Programme.

LOCAL MARITIME SKILLS AGREEMENT

Mersey Maritime is working with a number of agencies including the Learning and Skills Council Greater Merseyside, the Northwest Regional Development Agency (NWDA) and Business Link in the development and delivery of this agreement. This demand-led programme also brings together a number of public and private sector providers to ensure that the required training can be developed and delivered.

WORKFORCE DEVELOPMENT PROGRAMMES

The Mersey Maritime team has worked with Laird Foundation, a Centre of Vocational Excellence (CoVE) based on Wirral, to deliver workforce development programmes specifically developed for the industry. To date over 700 individuals from over 100 companies have benefited from such training.

During 2006, Mersey Maritime has been developing a number of bespoke programmes for the commercial shipping industry based in the city centre. This has been managed in conjunction with training officers from each of the companies to ensure that the training is demand led and relevant. To date over 40 students have taken part in these pilot programmes and the plan is to roll this out into 2007.

BUILDING INFLUENCE AND IMAGE

LOBBYING

One of Mersey Maritime's major successes has been in establishing itself as a major lobbying force for the industry. As well as working with key interest groups its team communicates regularly with key political stakeholders in the region, including MPs and MEPs.

The 2006 economic impact study for the industry, commissioned by Mersey Maritime, has proved a significant lobbying tool and has been well received by both the public and private sector. It has identified that the local maritime sector contains 820 companies, generates over £1.8 billion of output and supports over 19000 jobs. If we include maritime companies from outside the Greater Merseyside region, the sector has a wider positive impact, supporting over 1000 companies, generating £2 billion and supporting 26,000 jobs.

In 2006, the organisation has acted as the co-ordinating body for the regional response to the Department for Transport (DfT) Ports Policy Review paper, which included developing and delivering a presentation to the Northern Region Workshop held by the DfT in Leeds in June. In October 2006 Mersey Maritime accepted an invitation from the DfT to present the 'UK Case', at a national conference in London, on skills, employment and cluster development as part of an extensive consultation exercise on the EU Maritime Policy Green Paper.

Mersey Maritime is the lead body for the development of the Mersey Ports Growth Strategy, working with key private and public partners, and has lobbied on behalf of new port developments especially the need for the expansion of the Port of Liverpool. Our Ports Growth Strategy paper was endorsed by the board of Peel Holdings in June 2006.

As well as chairing the Education and Careers Group at Sea Vision, Mersey Maritime works with other key organisations. It chairs the Regional Sector Skills and Productivity Alliance for Maritime and Logistics, taking the lead on developing programmes for the wider industry to close the skills gap, alter the age profile and image of the industry, and impact on productivity.

Mersey Maritime also jointly leads an 'Irish Way' project with the Irish Maritime Development Organisation, developing cross border programmes around short sea shipping and the skills agenda.

IMAGE AND PROFILE

Mersey Maritime has managed a successful communications programme since its beginning in 2003, securing extensive coverage in local, national, international and trade media.

In September 2006, Mersey Maritime contributed to and featured in Lloyd's List Liverpool Special Report, a paper with a worldwide readership.

The organisation's website receives over 7,000 visits per month with 40 percent coming from overseas. It has generated both membership and business enquiries.

Every month Mersey Maritime publishes an e-zine, which is distributed to over 1100 senior management level clients, with a list that is growing. This has become a proactive document with companies asking for their news and events to be carried. It has reached the stage where we feel we may be able to extract value out of this through sponsorship of the document.

Our team organises a regular informal network meeting called Maritime Thursday, held at the Cornmarket in Liverpool, which attracts between 20 and 40 people and has proved a good vehicle for members from disparate parts of the industry to gain a wider industry view.

Mersey Maritime has also received a number of invitations to present at regional and national conferences, eg Sea Vision Forum, November 2006.

LOOKING FORWARD TO 2007

Mersey Maritime will continue to review and develop its business strategy in 2007 to meet the needs of the maritime sector and help it to flourish. This will include the provision of:

- *Advocacy, intervention and training.*
- *Practical assistance through partnership working.*
- *Provision of strong business to business networks.*
- *Lobbying and profile-building.*

We aim to build a cluster of world class maritime businesses on Merseyside by developing specific projects and programmes that increase productivity, through technology and service innovation, along with research and development

PORTS GROWTH STRATEGY

The overall framework for development of the industry over the next few years will be the Ports Growth Strategy. This defines the infrastructure projects that will stimulate business growth for the region and we will work with the public sector to ensure that this growth can be delivered and maintained.

Activity will include core activities such as business engagement and development, marketing and communications, lobbying and the provision of education, training and skills. Specific project activity will include the delivery of the Olive Mount Chord and the development of the ContainerPort portal. In addition to this, Mersey Maritime also aims to develop the concept of a 'Superport' in which the linkages between the airport and the Port of Liverpool will be researched and reviewed strategically.

MERSEY MARITIME INSTITUTE

Plans for a Maritime Institute are due to come to fruition in early 2007, with product development commencing in spring 2007. 2008 will see the development, delivery and sale of a number of simulators and training programmes through the institute which will have direct benefits for the different business communities within the region

DEVELOPMENT OF CONTAINERPORT PORTAL

This involves the development of the portal described earlier. The development of a strong customer base is key to this, as well as delivery of a finance model for haulage companies, to ensure that both large and small hauliers working at the port have access to the system and thereby have the potential to work for any client on the river.

DEVELOPMENT OF TRAINING PILOTS

The development of training pilots will continue into 2007/08. Using the same framework, these will subsequently become part of the mainstream programmes, generating revenue for Mersey Maritime, which can be reinvested in the sector, while new pilots are developed in conjunction with industry demand.

SEA AND WATER ANNUAL CONFERENCE

The water freight industry group, Sea and Water, is currently seeking a host city for its 2007 annual conference. Mersey Maritime is lobbying hard for Liverpool to be chosen as its location in both 2007 and 2008.

THE IRISH WAY

Mersey Maritime has been working with the Irish Maritime Development Organisation and the Welsh Development Agency, to review the Irish Sea trade and consider how it can be further developed.

The IMDO is collaborating with Mersey Maritime on both skills and business development agendas. One of the first pieces of work planned for 2007 is an economic impact study of Irish Sea business on the two regions. This will build on the concordat signed between Merseyside and Dublin two years ago.

THE MERSEY MARITIME TEAM

| | |
|-----------------|---|
| Ian Higby | Chairman of Mersey Maritime and MD of Atlantic Container Line (ACL) |
| Jim Teasdale | Chief Executive |
| David Pendleton | Business Development Director |
| Annette Parker | Market Development Manager |
| Martha Francis | Finance Manager |

MERSEY MARITIME LIMITED - BOARD MEMBERS

| MEMBER | POSITION | CONTACT DETAILS | AREA OF INTEREST/ RESPONSIBILITY |
|--|---|---|--|
| Pat Bacon | Principal - St Helens College | pbacon@sthelens.ac.uk | Further & higher education |
| Jim Barclay | Director of Resources MerseyTravel | jim.barclay@merseytravel.gov.uk lin.barber@merseytravel.gov.uk | Transport, Infrastructure |
| Sir Michael Bibby (or Cy Green as nominee) | Managing Director Bibby Line Group | michael.bibby@bibbyline.co.uk cy.green@bibbyline.co.uk | Shipping, distribution, finance and logistics |
| Peter Copland | Managing Director Cotebrook Services | pcopland@bahragencies.co.uk pohkcopland@hotmail.com | Shipping & liner agents |
| Paul Blundell | Director JMD Haulage | paul.blundell@jmdhaulage.co.uk | Logistics/ SMEs |
| Ian Higby (Chairman) | Managing Director Atlantic Container Line (ACL) | ihigby@aclcargo.com | Shipping, communications |
| John Hulmes | Equity Partner Hill Dickinson | john.hulmes@hilldickinson.com | Legal/ professional services |
| Prof. Diane Meehan | Dean of Faculty Liverpool John Moores University | d.meehan@ljmu.ac.uk | Higher education |
| David Pendleton | Business Development Director Mersey Maritime | david.pendleton@merseymaritime.co.uk | Business development, infrastructure |
| Frank Robotham | Group Marketing Director Peel Ports | frank.robotham@merseydocks.co.uk | Ports |
| John Syvret | Managing Director Northwestern Shiprepairers | nsl@btconnect.com | Marine engineering |
| Jim Teasdale (Secretary) | Chief Executive Mersey Maritime | jim.teasdale@merseymaritime.co.uk | Strategy, partnerships, education, training & skills |
| Andy Wallis (Sefton Council) | Director of Planning Sefton MBC | andy.wallis@planning.sefton.gov.uk | Merseyside local authority representative, regeneration |

Observers

| | | | |
|---|-------------------------------------|---|-------------------------------|
| Mark Basnett (or Suzanne Jameson) | Director The Mersey Partnership | mark.basnett@merseyside.org.uk suzanne.jameson@merseyside.org.uk | Partnerships, public agencies |
| Damian Waters (CBI) | Regional Director CBI North West | damian.waters@cbi.org.uk | Business |

supported by:





Mersey Maritime Ltd • Suite 28 • Ground Floor • Port of Liverpool Building • Liverpool • L3 1BY
Tel: 0151 231 6160 • Fax: 0151 255 1234 • Email: info@merseymaritime.co.uk
www.merseymaritime.co.uk