

The Economic Value of the EU Shipping Industry, 2020



ECSA

European Community Shipowners' Associations



Introduction

This report presents updated estimates of the economic contribution of the EU shipping industry, as previously presented in Oxford Economics' 2014, 2015 and 2018 studies on "The economic value of the EU shipping industry". All these reports were prepared on behalf of the European Community Shipowners' Associations (ECSA).

This 2020 update focuses on two measures of the industry's economic contribution:

- the gross value-added contribution to GDP (referred to as the 'contribution to GDP' on the following pages).
- employment, on a head count basis.

Results are reported for the 'EU shipping industry' in 2018, which is defined as the industry within the 28 EU member states including the United Kingdom, plus Norway.

Defining the shipping industry

Consistent with the earlier studies, the shipping industry has been defined by ECSA as:

- the transport of goods by sea (both containerised and non-containerised);
- the transport of persons by sea (both on ferries and on cruise ships);
- service and offshore support vessels, such as ships laying or repairing undersea cables or pipelines; prospecting for oil; conducting oceanographic research; diving assistance; undertaking undersea work and servicing offshore wind farms, oil and gas platforms; and
- towage and dredging activities at sea.

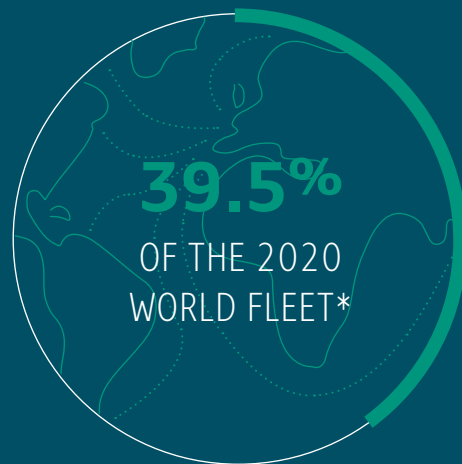
The economic value of the EU shipping industry

THE EU CONTROLLED SHIPPING FLEET IN NUMBERS



51.7% GROWTH
IN EU FLEET* 2010-2020
VERSUS **57.6%**
FOR THE WORLD FLEET

* BY GROSS TONNAGE

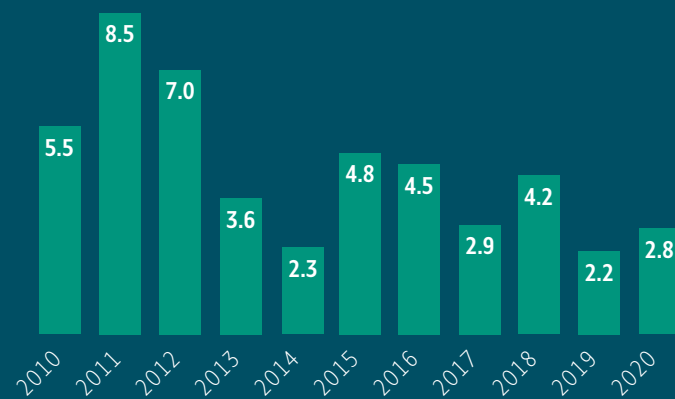


810 MILLION
DEADWEIGHT
TONNES

550 MILLION
GROSS TONNES

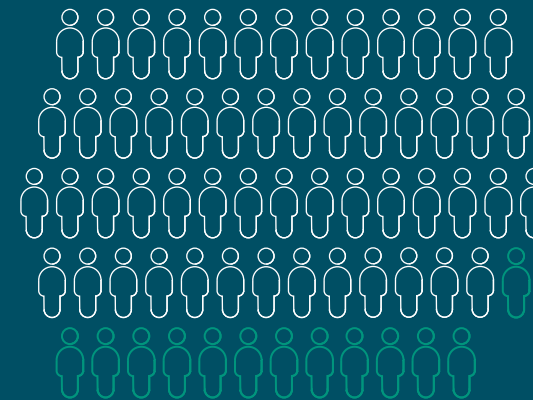
23,400
VESSELS

ANNUAL GROWTH IN FLEET SIZE (%)



DIRECT ECONOMIC IMPACT

685,000
PEOPLE EMPLOYED



LAND-BASED JOBS
SEA-BASED JOBS



€54 BILLION
CONTRIBUTION TO EU GDP

€63,000
EU AVERAGE

€78,000
SHIPPING

GDP PER WORKER

INDIRECT IMPACTS

€57 BILLION
CONTRIBUTION TO GDP

780,000 JOBS

INDUCED IMPACTS

€38 BILLION
CONTRIBUTION TO GDP

540,000 JOBS

TOTAL ECONOMIC IMPACT



€149 BILLION
CONTRIBUTION TO EU GDP

2 MILLION JOBS

FOR EVERY **€1 MILLION**
OF GDP THE SHIPPING INDUSTRY CREATES,
ANOTHER **€1.8 MILLION** IS CREATED
ELSEWHERE IN THE EU ECONOMY



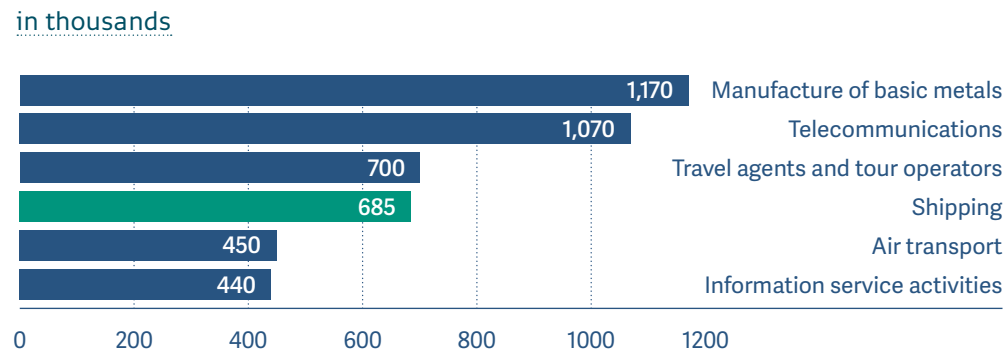
Key Findings

- The EU shipping industry directly employed 685,000 people and supported a contribution to GDP of nearly €54 billion during 2018
- Once supply chain and worker spending multiplier impacts are taken into account, the shipping industry's employment contribution rises to over 2.0 million jobs
- The total GDP contribution of the industry, including supply chain and worker spending impacts, is estimated to have been €149 billion in 2018
- At €78,000 per worker in 2018, productivity in the EU shipping industry remains above the EU average, as well as that of sectors such as business services and manufacturing

The direct economic contribution of the EU shipping industry

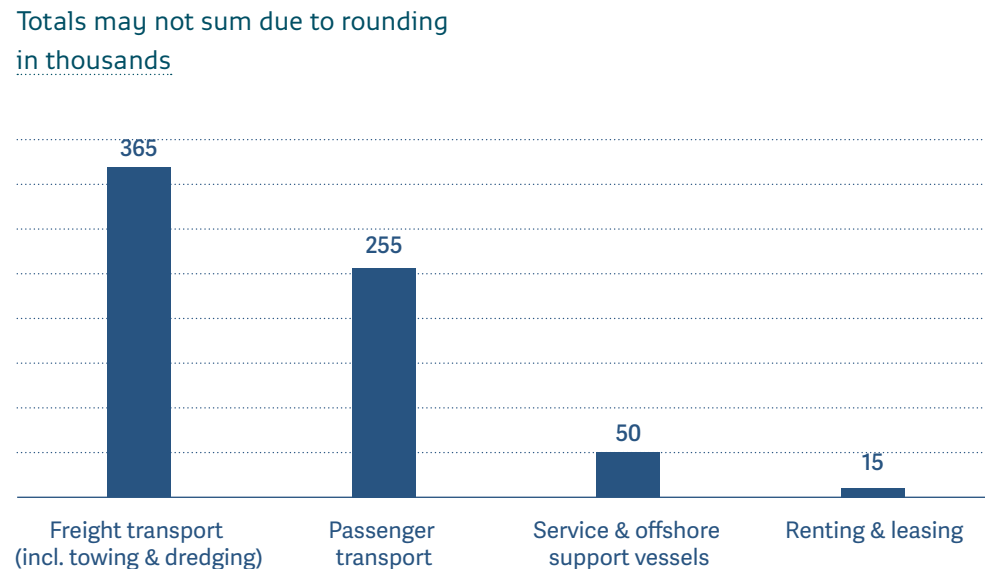
↘ The EU shipping industry directly employed 685,000 people in 2018, more than air transport or information service activities

DIRECT EMPLOYMENT IN THE EU: SHIPPING AND COMPARATOR INDUSTRIES, 2018 AVERAGE



↘ The majority (53 percent) of workers in the EU shipping industry are employed in freight transport

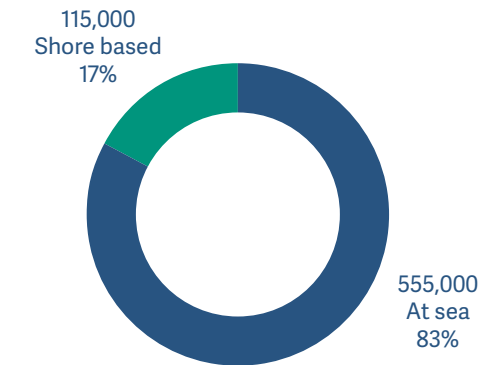
DIRECT EMPLOYMENT IN THE EU SHIPPING INDUSTRY BY SUB SECTOR, 2018 AVERAGE



↘ Around four fifths of European shipping industry employment comprises positions at sea

TOTAL EMPLOYMENT IN THE EU SHIPPING INDUSTRY* BY PLACE OF WORK, 2018 AVERAGE

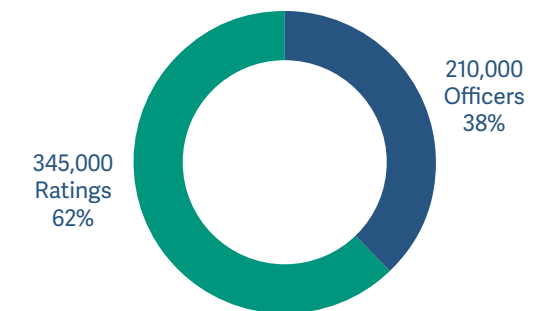
* Sea and coastal passenger and freight shipping plus offshore support. Rental & leasing of water transport equipment employment is excluded here



↘ Officers account for an estimated 38 per cent of positions at sea, and ratings 62 per cent

EMPLOYMENT AT SEA SPLIT BY OFFICERS AND RATINGS, 2018 AVERAGE

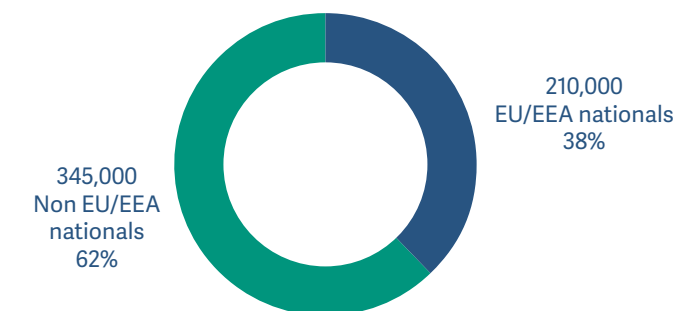
Totals may not sum due to rounding



↘ Around 210,000 of the estimated 555,000 seafarers on ships operating in the EU would have been EU/EEA nationals in 2018

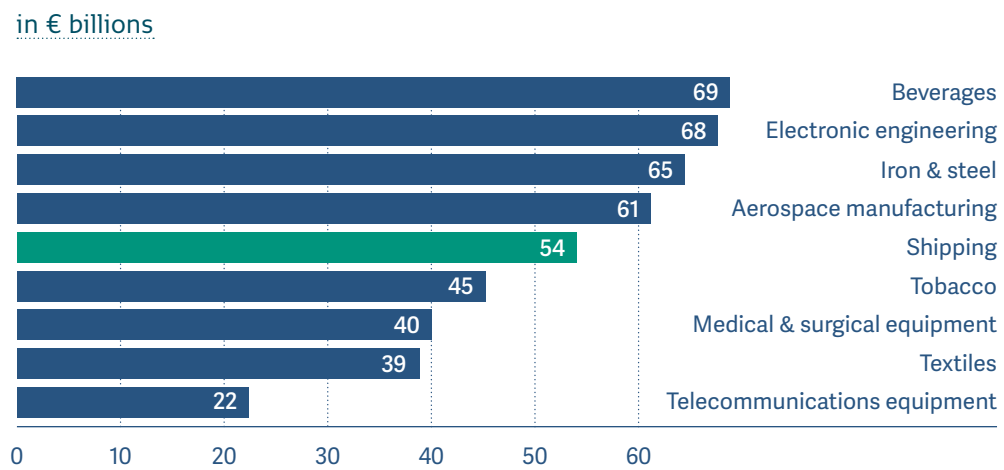
EMPLOYMENT AT SEA SPLIT BY EU AND NON-EU NATIONALS, 2018 AVERAGE

Totals may not sum due to rounding



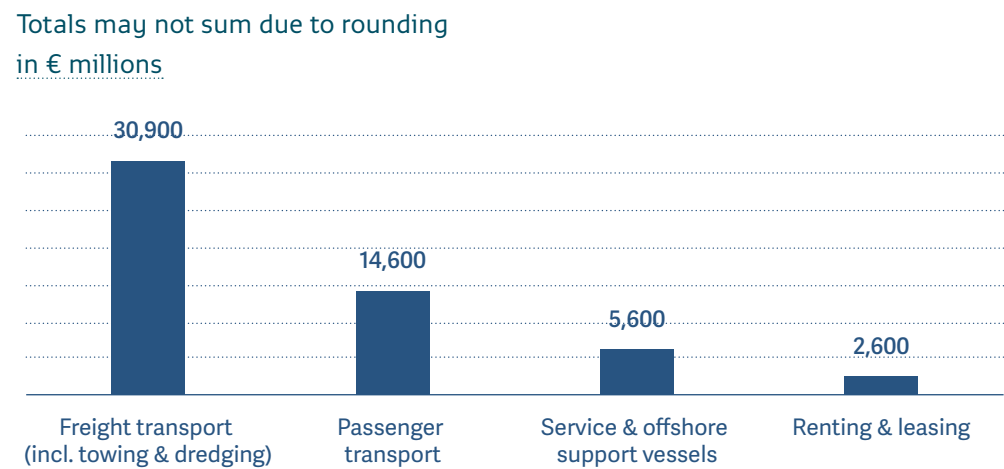
↙ The EU shipping industry directly supported €54 billion to GDP in 2018, more than medical & surgical equipment, textiles or telecommunications equipment

DIRECT GVA IN THE EU: SHIPPING AND COMPARATOR INDUSTRIES, 2018 AVERAGE



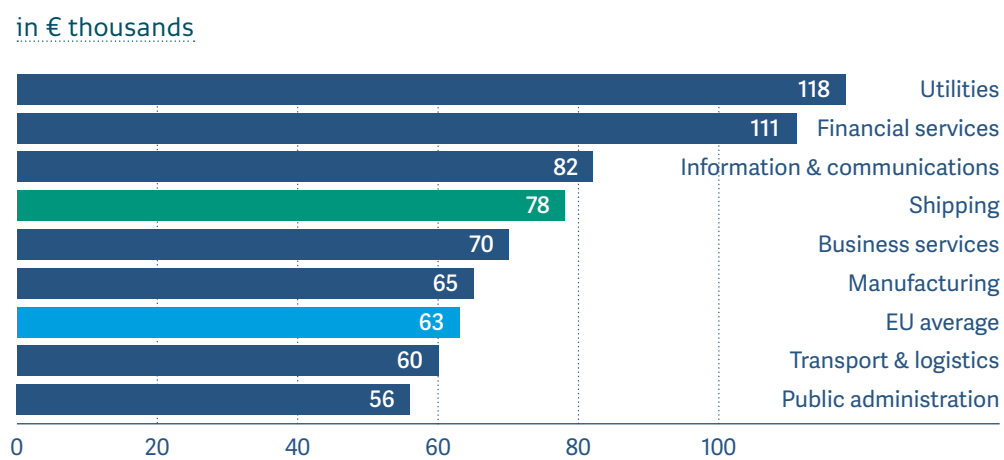
↙ Freight transport accounted for 57 percent (€31 billion) of the EU shipping industry's total contribution to GDP

DIRECT GVA CONTRIBUTION TO GDP OF THE EU SHIPPING INDUSTRY BY SUB-SECTOR, 2018 AVERAGE



↙ The EU shipping industry's productivity is greater than the business services industry, manufacturing and the EU average

DIRECT PRODUCTIVITY IN THE EU: SHIPPING AND COMPARATOR INDUSTRIES, 2018 AVERAGE



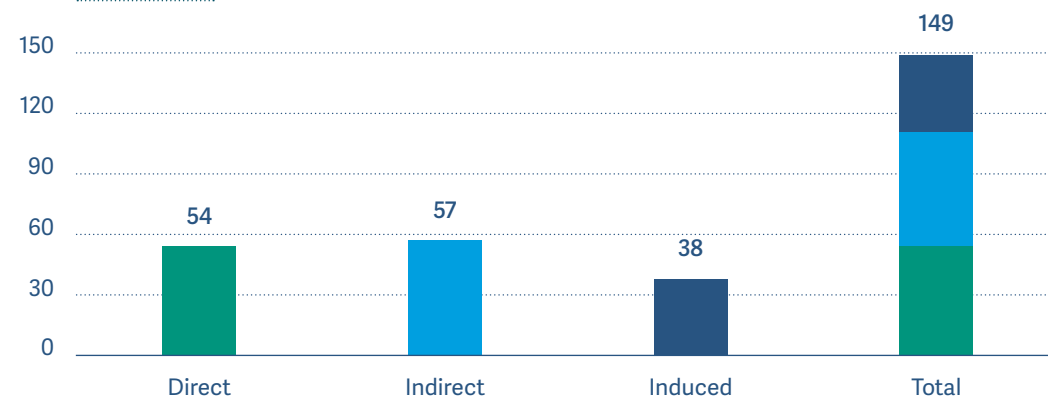
The total economic contributions of the EU shipping industry

Adding direct, indirect and induced impacts suggests that the EU shipping supported a total gdp contribution of €149 billion in 2018

THE TOTAL GVA IMPACT OF THE EU SHIPPING INDUSTRY, 2018

For every €1 the EU shipping industry itself contributes to GDP, a further €1.8 is supported elsewhere in the European economy

in € billions

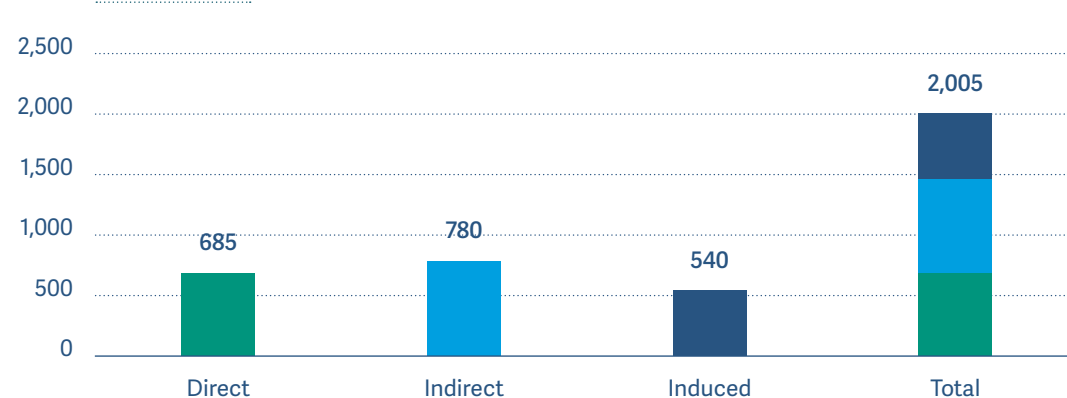


The EU shipping industry is estimated to have supported a total of 2 million jobs in 2018, either directly, through its supply chain, or through workers' spending

THE TOTAL EMPLOYMENT IMPACT OF THE EU SHIPPING INDUSTRY, 2018

For every job employed directly by the shipping industry, a further 1.9 jobs are supported elsewhere in the European economy

in thousands



Methodology and data sources

To analyse the economic contribution of the EU shipping industry it is necessary to identify the best possible fit between our preferred definition of the industry, and the categories for which economic data are available. Eurostat categorises economic activity according to its NACE system. This identifies a number of sectors which include activities that predominantly fall within our definition of the shipping industry. Using these definitions it has been possible to gather information from the Eurostat national accounts and Structural Business Statistics datasets on gross value added and employment in passenger water transport, freight water transport, and the renting and leasing of water transport equipment.

Wherever possible, the Eurostat data have been complemented with information provided by ECSA members drawn from previous economic impact studies and national sources.

Some elements of the preferred definition of the shipping industry cannot easily be identified within the Eurostat classification. This is a particular issue for service and offshore support vessels, for which output and employment are often incorporated within the categories for the type of activity they support (most notably in the energy sector). A similar issue arises in the case of dredging, which is included within Eurostat data for the mining and quarrying sector. For these sub-sectors it has not been possible to obtain information across all EU countries. Nonetheless, a number of national shipowners' associations hold information for their own country on offshore support vessels and dredging. This has been included in the estimates of employment and GVA wherever it is available.

Further details of the methodology and data sources used for this work are set out in Oxford Economics' 2014 study.

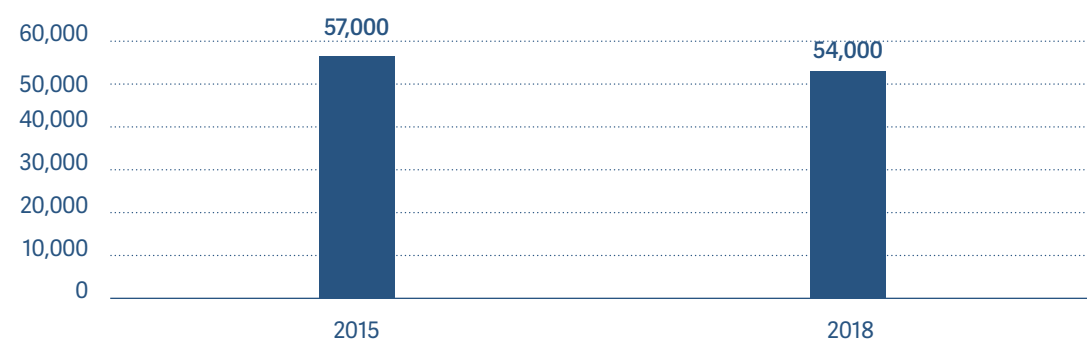
Please note, our methodology for calculating the indirect and induced impacts has been incrementally improved since the last iteration of this report and as such, the total impacts should not be directly compared for calculating growth.

Comparison with previous publications

In this update of our study on the economic value of the EU shipping industry, some sources of information used by some of the national shipping associations had changed. As such, the 2018 and the 2015 results are not directly comparable. However, it is still possible to highlight the general trends in GVA and employment over the period. For reference, we found an average annual decrease in GVA of 1.8% between 2015 and 2018, and an average annual employment increase of 2.5 % over the same period.

DIRECT GVA ESTIMATES FOR THE EU SHIPPING INDUSTRY, 2015 AND 2018*

*Influenced by changes in data sources



DIRECT EMPLOYMENT ESTIMATES FOR THE EU SHIPPING INDUSTRY, 2015 AND 2018*

*Influenced by changes in data sources



Acknowledgements

This report was formatted by the European Community Shipowners' Associations, based on the presentation prepared by Oxford Economics.

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The modelling and results presented here are based on information provided by third parties, upon which Oxford Economics has relied in producing its report and forecasts in good faith. Any subsequent revision or update of those data will affect the assessments and projections shown.

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ECSA

The European shipping industry

The European Community Shipowners' Associations (ECSA) is the voice of the European shipping industry. Founded in 1965, ECSA promotes the interests of 20 member associations of the EU, the UK and Norway. ECSA strives for a regulatory environment that fosters the international competitiveness of European shipping.

For more information, visit www.ecsa.eu