Increasing smart competitiveness in the Central Baltic region

SMARTCOMP
SMART COMPETITIVENESS FOR THE CENTRAL BALTIC REGION

Conclusions on the project's research findings

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INVESTING IN YOUR FUTURE

SmartComp project

- Aims to unite the maritime clusters of the Central Baltic region (Estonia, Finland, Latvia, Sweden), to strengthen existing networks as well as to create new ones
- To improve the competitiveness and to create sustainable growth possibilities for the maritime sector through triple helix cooperation
- **Nine partners from three countries:**
  - **Finland:** Union of the Baltic Cities, Commission on Environment Secretariat (Lead Partner); University of Turku/Centre for Maritime Studies; University of Turku/Turku School of Economics; Centrum Balticum Foundation; Åbo Akademi University
  - **Estonia**: Tallinn University of Technology; University of Tallinn
  - **Latvia**: Riga International School of Economics and Business Administration (RISEBA); Latvian Maritime Academy
- **Outputs and results:**
  - Analysis on the current situation and future of the maritime clusters in the Central Baltic region and an understanding of the opportunities and challenges faced by the clusters
  - Brand strategy for the Central Baltic maritime clusters
  - SmartComp triple helix database
  - Policy recommendations for supporting maritime clusters of the region

Key competences of the CBR clusters

ESTONIA

- Transport and logistics
  - Tourism
  - Russian transshipments
- Ship repair and maintenance
- Fishing industry

FINLAND

- Shipbuilding
- Offshore structures and vessels
- Niche know-how and technologies
- Shipping and ports
  - Russian transshipments

LATVIA

- Transport and logistics
  - Russian transshipments
  - Railway and road accessibility
- Ship repair and maintenance

SWEDEN

- Ship repair and maintenance
- Wide network of industrial, technology, engineering and design suppliers
- Building of pleasure boats

Common future challenges

- Increasingly fierce global competition
- Rising cost levels
- Lack of qualified workforce
- Tightening environmental regulations, e.g. sulphur directive
- Lack of cooperation within and between maritime clusters

Common opportunities

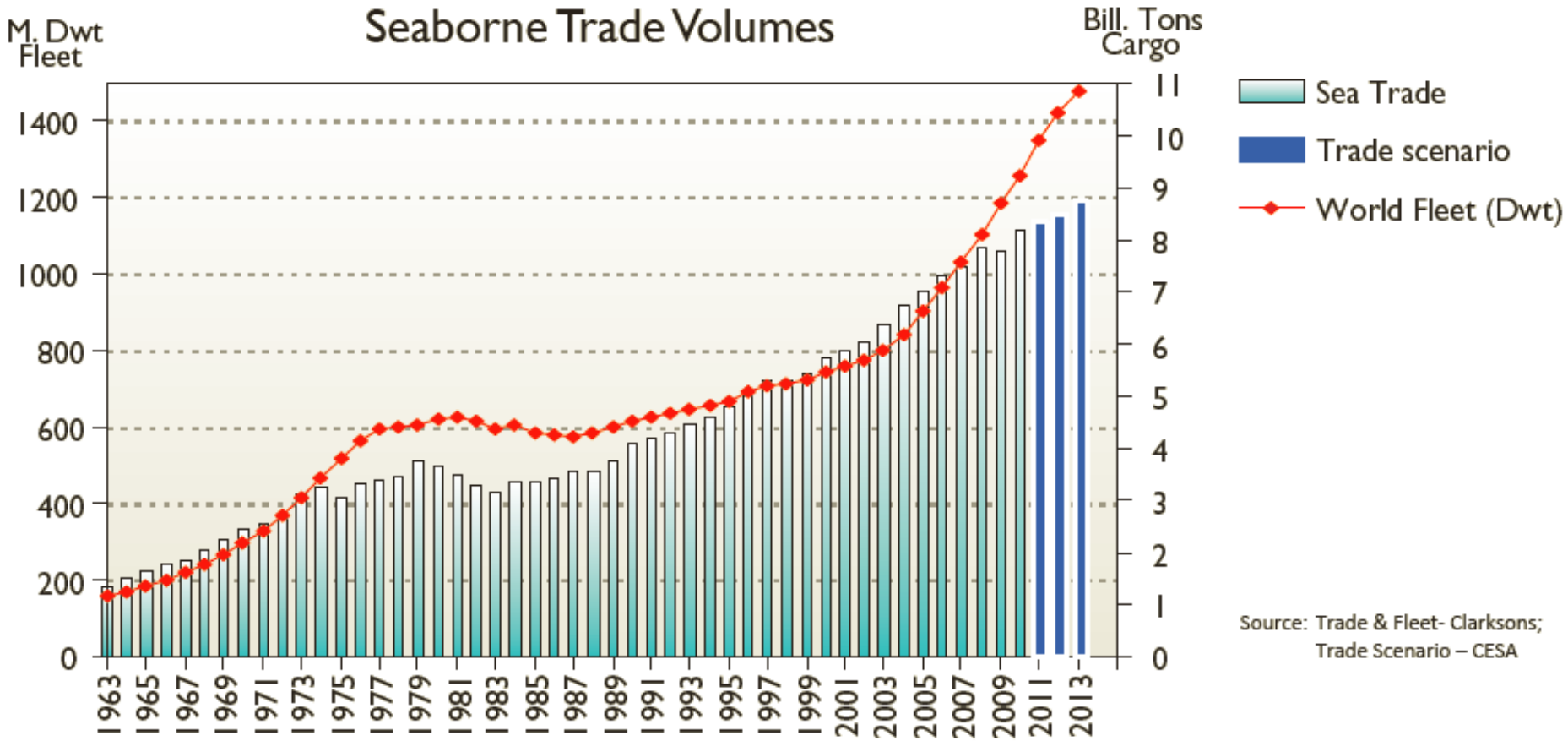
- Demand for new technologies, e.g. cleantech
- “Emerging” sectors, e.g. Arctic & offshore
- Development of Russia’s maritime sector

Potential for increased inter-cluster cooperation

- Cooperation potential is viewed differently from the perspective of each country

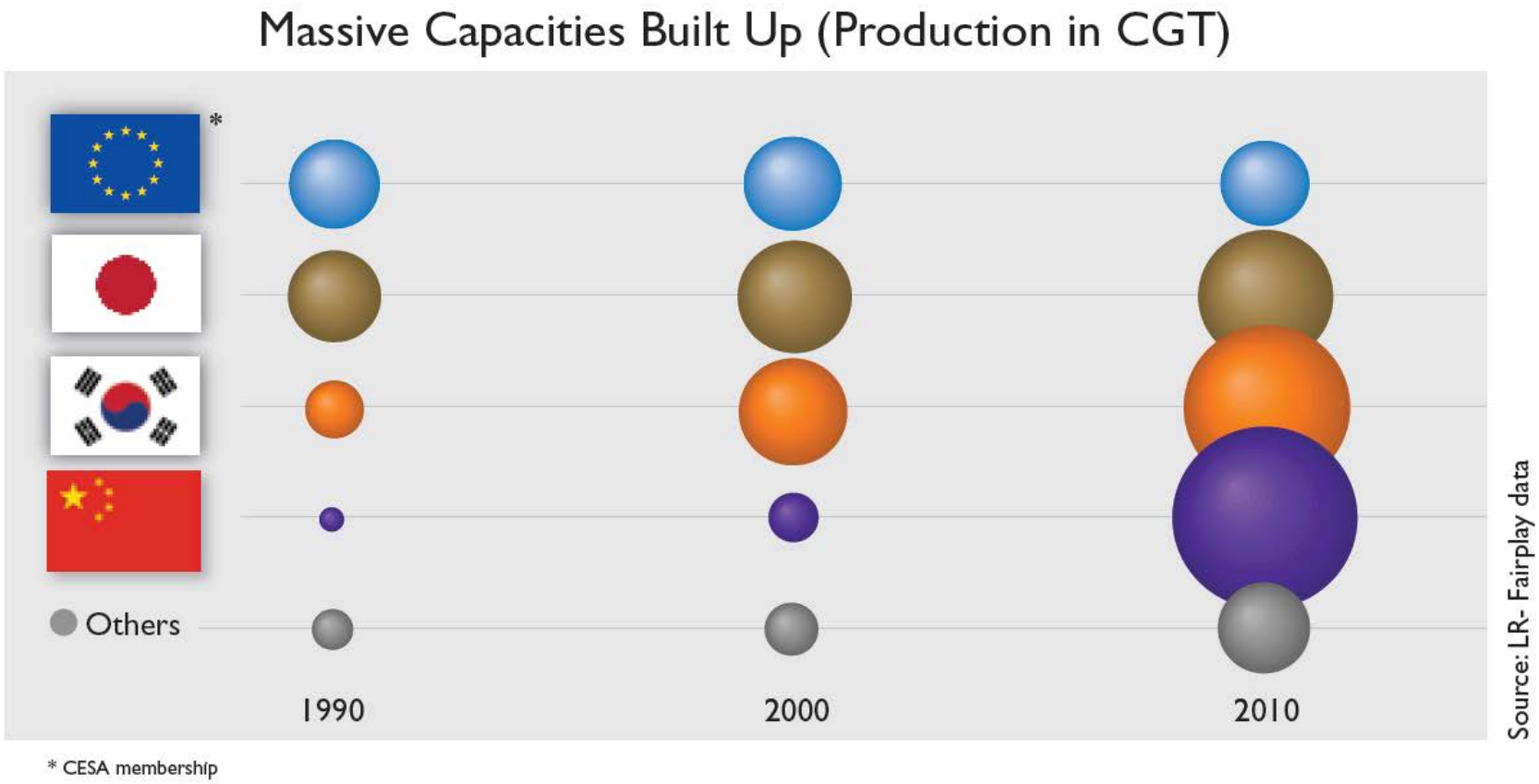
- In general, potential exists in
  - continuing shared shipbuilding operations
  - joint educational arrangements and political lobbying
  - the creation of LNG infrastructure and the development of cleantech solutions
  - promoting the region for cargo transshipments while providing various service packages
  - cooperation regarding the North-South axis (Rail Baltica combined with the Finnish corridor to the Arctic)

Global developments in the maritime sector



Source: CESA Annual Report 2011

Global developments in the maritime sector



Source: CESA Annual Report 2011

Examples of business opportunities in global markets

China

- Great potential in engineering and designing specialized vessels that are starting to get built in China
- Increasing interest in the Arctic knowhow
- Room for various shipbuilding industry suppliers as well, Chinese shipyards need foreign technologies and expertise

South Korea

- Demand for eco-friendly shipping solutions
- Room for high-tech industry suppliers
- Increasing interest in the Arctic knowhow

Japan

- Joint development of energy saving and environmental technologies
- Cooperation in supplying ship equipment and design

Examples of business opportunities in global markets

Brazil
- Profitable future for large engineering companies and offshore operators
- Opportunities also for engineers and suppliers regarding general infrastructure development

Norway
- Offshore projects need workforce
- Arctic & cleantech expertise

Russia
- Cooperation within yards through shared vessel production processes
- Opportunities for ship designers, software and device providers, and ship repair and conversion service providers
- Increasing needs regarding Arctic shipping services and technologies (icebreakers, navigational systems, etc.), further vessels orders expected
- High potential for joint development projects, for instance regarding port operations or environmental concerns in the Baltic Sea

Singapore
- Demand for expertise in LNG, port construction, energy efficiency improvements and biofuels
- Serves as a living lab for new technologies and as a hub for global networking
- Demand for educational best practices

CBR maritime companies in international networks

- Internationally operating companies actively cooperate with foreign partners and have rather wide international networks around the world

- However,
  - Also small companies should more actively engage in international markets and business networks
  - Companies should operate abroad not only as suppliers but as involved actors, their presence near customers is extremely important
  - Companies often look further than needed, for instance Norway and Russia next door provide considerable business opportunities for CBR companies

Benchmarking opportunities from other maritime clusters

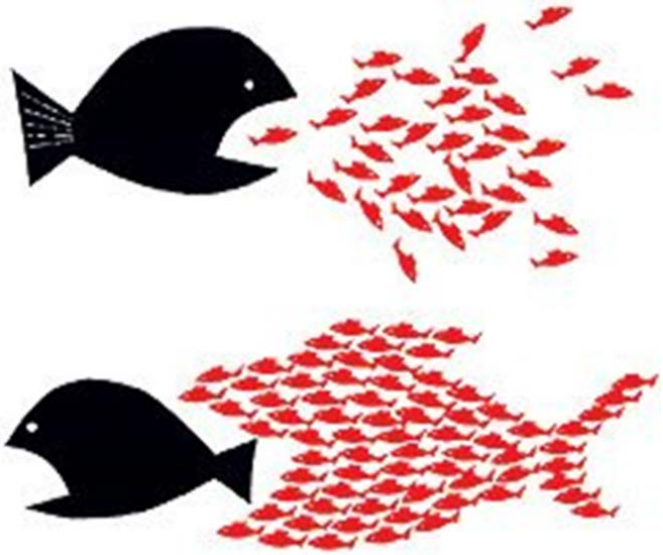
- Clearly defined future vision for the sector's development
- The state providing the political, infrastructural, educational and financial surroundings for the industry to flourish
- Committed cooperation within the relevant stakeholders
- Strong efforts in attracting foreign investors and developing the status as an international hub of maritime networks and expertise

The CBR clusters seem to lack a clear vision and strategy for developing the sector – full speed ahead towards the shared vision with various support actions, or just providing basic support with unclear future?

The maritime expertise in the CBR largely lies on a group of individual companies – for the whole sector to prosper, wider and more efficient international marketing networks need to be created.

Some managerial recommendations

- Look for new market niches and project tenders also in international markets, even if your business was currently successful at the domestic market.
- Seek for opportunities to pool resources with other companies, creating a strong network for joint project offers as well as knowledge exchange.
- Continuously review your offerings to meet your customers' current as well as emerging needs in order to maintain superiority to your competitors. Invest in R&D and develop the life-cycle and ecological aspects of your products and services.
- Bravely approach universities and other research institutions with your problems – they are eager to solve concrete issues and are also experts in applying funding for joint research projects.
- Invest in motivating personnel. In the region of high cost levels, each employee should know one's importance and responsibility for a company's success.



Thank you for your attention.

For more information about SmartComp project results, please check www.cb-smartcomp.eu or contact

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