



UK CHAMBER
of SHIPPING



THE VALUE OF SHIPPING:

DELIVERING A PROSPEROUS SCOTLAND

An overview of the Scottish shipping industry and the important part it plays in supporting jobs, trade, tourism and energy



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▶ INTRODUCTION FROM OUR CEO



Welcome to the first Value of Shipping for Scotland report.

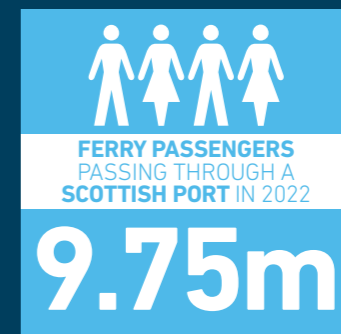
With almost 12,000 miles of coastline and a proud maritime heritage, Scotland's connection with the shipping industry is arguably the strongest in UK. Shipping not only ensures Scotland has the energy, food, medicines and transport infrastructure the nation needs but supports over 85,000 Scottish jobs – with every direct job in shipping supporting 10 more. The complex supply chains for fuel, materials, food and drinks all depend on a vibrant and robust Scottish shipping industry. Our everyday lives would be very different and much more challenging without shipping.

There are exciting opportunities for new jobs in shipping - in particular those created by the transition to greener alternative fuels and new technology. Scotland has a leading role to play in the planned expansion of the UK's offshore renewables sector and stands to benefit from significant growth and regeneration.

As we forge new trading relationships across the world, shipping is crucial in facilitating the smooth movement of goods. Shipping routes ensure that Scotland's world-famous exports reach international markets – from Scotch whisky to Aberdeen Angus beef. Equally, they help keep supermarket shelves stocked and power stations running, and allow residents and visitors alike to travel to every corner of Scotland.

Shipping is at the very heart of life in Scotland, in ways that many people may not appreciate. This report aims to shine a light on how shipping is helping deliver a green and prosperous Scotland. I hope you enjoy reading it.

Sarah Treseder, CEO, UK Chamber of Shipping



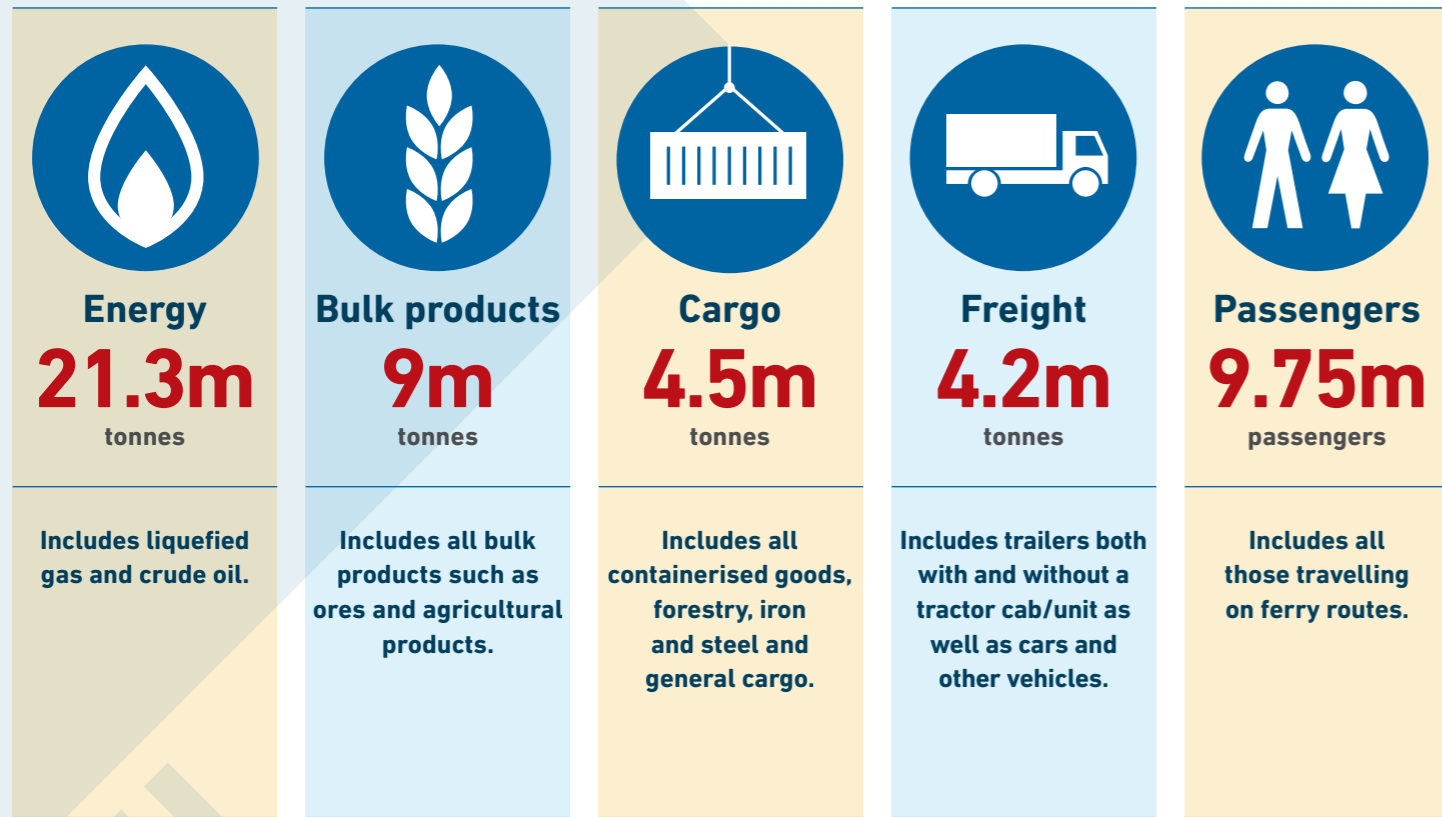
OVERVIEW

An overview of shipping in Scotland

Shipping is essential for moving materials, goods and people between different parts of Scotland and the wider UK, from neighbouring countries in Europe, and deep sea routes to Africa, the Middle East, Asia, and the Americas. Shipping ensures vital components and products arrive on our shores and enables our exports to be distributed across the world.

With 15,000 passenger and cargo vessels calling at Scottish ports annually, their safe and efficient operation is vital to the Scottish economy. The shipping industry includes diverse sectors with considerable variation across Scotland. For example, Cairnryan acting as a crucial freight and passenger hub to Northern Ireland, Aberdeen as a centre for the offshore sector and the Forth and Clyde as major gateways for international shipping and energy.

In 2022 shipping in Scotland moved:



* All measurements are based on 2022 data. Data includes both domestic and international movements.

On average there are **15,000** passenger and cargo vessel calls in Scotland annually



ECONOMY AND JOBS



As a nation with an extensive coastline shipping provides jobs and employment across Scotland. Many of these jobs are in coastal communities providing vital opportunities where jobs can be limited. The impact of shipping cannot be measured solely by the jobs within the sector, of which there are 1,000s in Scotland, but by its wider reach.

Across the economy shipping is supporting 85,000 jobs with over 75,000 jobs in supply chains and the wider economy. Jobs in shipping also pay significantly more than the national average and there are opportunities both on shore and at sea.



Employment multiplier impacts of the shipping industry (2019)

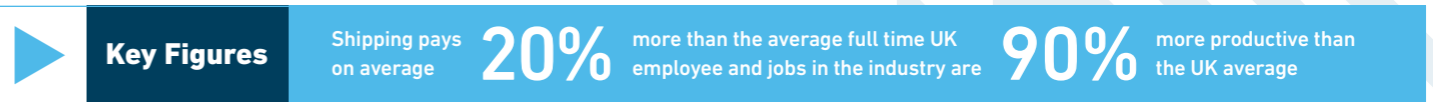


in the Scottish shipping industry for Scottish employees at sea or on shore.

jobs that are in the wider supply chain that are dependent on shipping such as fuel suppliers, manufacturers, equipment providers, insurers or those working in and around ports or supported in the wider economy.



=
TOTAL IMPACT 85,250 JOBS



* Gross Value Added: the measure of the value of goods and services produced in an area, industry or sector of an economy.

Roles in shipping

There are a range of jobs involved in Scottish shipping. Below is a short description of some of the main roles.



Seafarer

Someone who is employed to serve aboard any type of marine vessel. This could include those trained in bridge operations, engineers, chefs and medical professionals.



Logistics

Manages the material flows, services and information involved in shipping. This will include port/terminal operations, freight forwarding and the movement of vessels.



Customer facing

On ferries and cruise ships many seafaring roles are focused on interacting with travellers and holidaymakers, such as working in hospitality, off ship excursions or entertainment.



Data analyst

Covers a wide range of areas including operational efficiencies such as vessel speeds and routes as well as innovative ship design.



Superintendents

A shore-based role in charge of the safe and economic operation of one or more vessels. Duties include conducting dockside inspections, arranging repair and maintenance, compliance with safety regulations, and handling budgets.



Professional services

The UK is at the forefront of the global shipping services industry. Lawyers, accountants, ship charterers, marine insurers and consultants are just some examples of roles that are at the centre of shipping services.

Jobs of the future

As technology develops the roles in shipping will change with a greater focus on data and green jobs. It is important that as an industry we are ensuring that both new entrants and existing workers have the skills they need to be able to take advantage of these new opportunities.



Land based control centre

As the ability to control some ship's functions remotely increases shore based roles that focus on managing a ship's operations will increase. This could include making use of smart screens, voice recognition systems and drones to monitor what is happening on board and around the ship.



Green skilled engineers

Engines powered by new and alternative fuels will need new methods of maintenance and monitoring. This transition provides an opportunity for existing engineers to re-skill ensuring that their experience remains in the industry.



Technology and AI specialists

With the increased use of data to help manage voyage planning and route forecasting, as well as the use of AI to optimise container position on vessels, individuals with the skills to programme these systems will be essential.



Cyber security

As cyber threats from countries, groups and individuals increases shipping companies will need to take further precautions to protect their assets from attack.

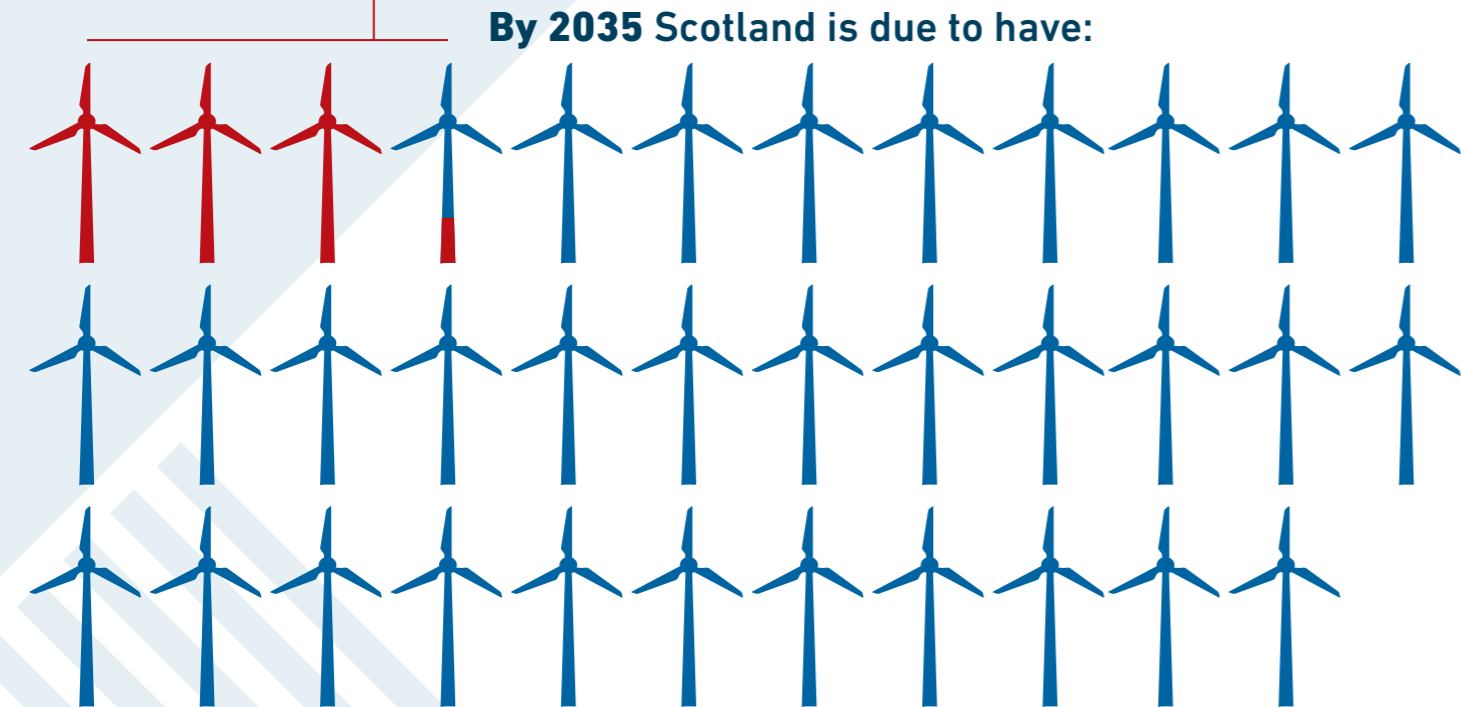
▶ OFFSHORE ENERGY

The UK's offshore energy market is significant on a global scale.

In 2021, the United Kingdom was the second largest producer of natural gas, petroleum and its products in OECD Europe and our offshore renewables sector is the second largest in the world. The vast majority of this industry is based in waters around the Scottish coast. This industry, which supports 10,000s of jobs, is underpinned by shipping to provide a range of services to install, maintain and decommission platforms and installations all around the Scottish coastline as well as safely transport fuels to and from the UK.

Growth in offshore wind

Key Figure The UK has more than **50%** of the global fleet of wind farm crew transfer vessels



3,500* turbines this is more than half what is planned across the UK

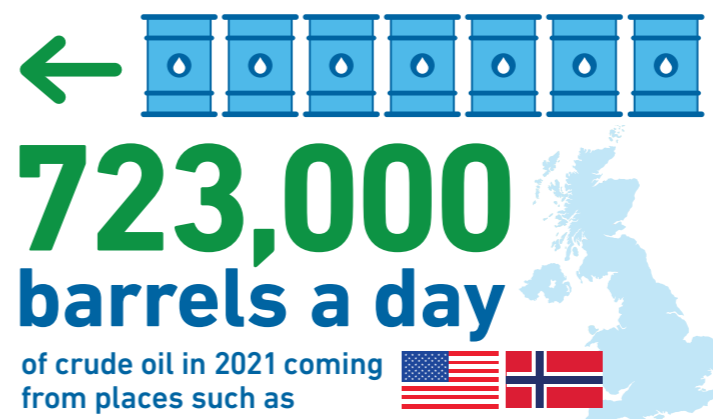
Key Figure This growth in offshore wind will mean the need for a **250% increase** in vessels used to service offshore wind farms

8 * Figures assume each turbine is 10MW.

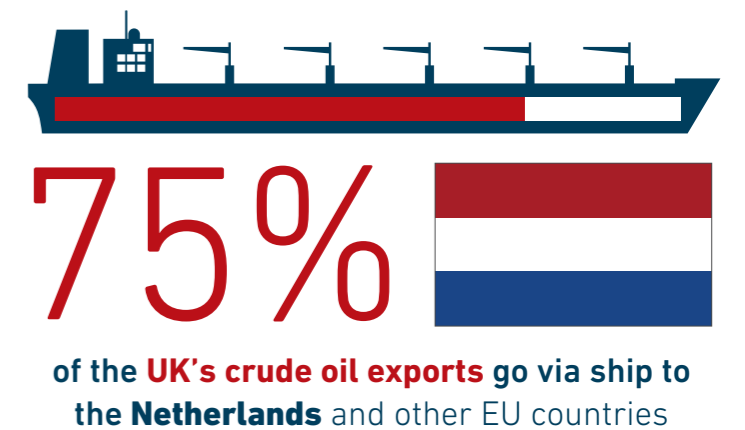
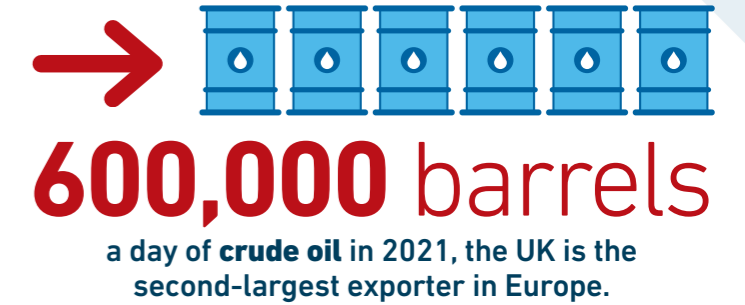
Energy imports and exports

The UK is a major exporter and importer of energy. Much of these energy imports and exports rely on ships to transport them safely with Scotland a major hub. In 2022 ports on the Clyde imported 6.2m tonnes of oil while the Forth saw over 13m tonnes of oil and gas pass through its ports.

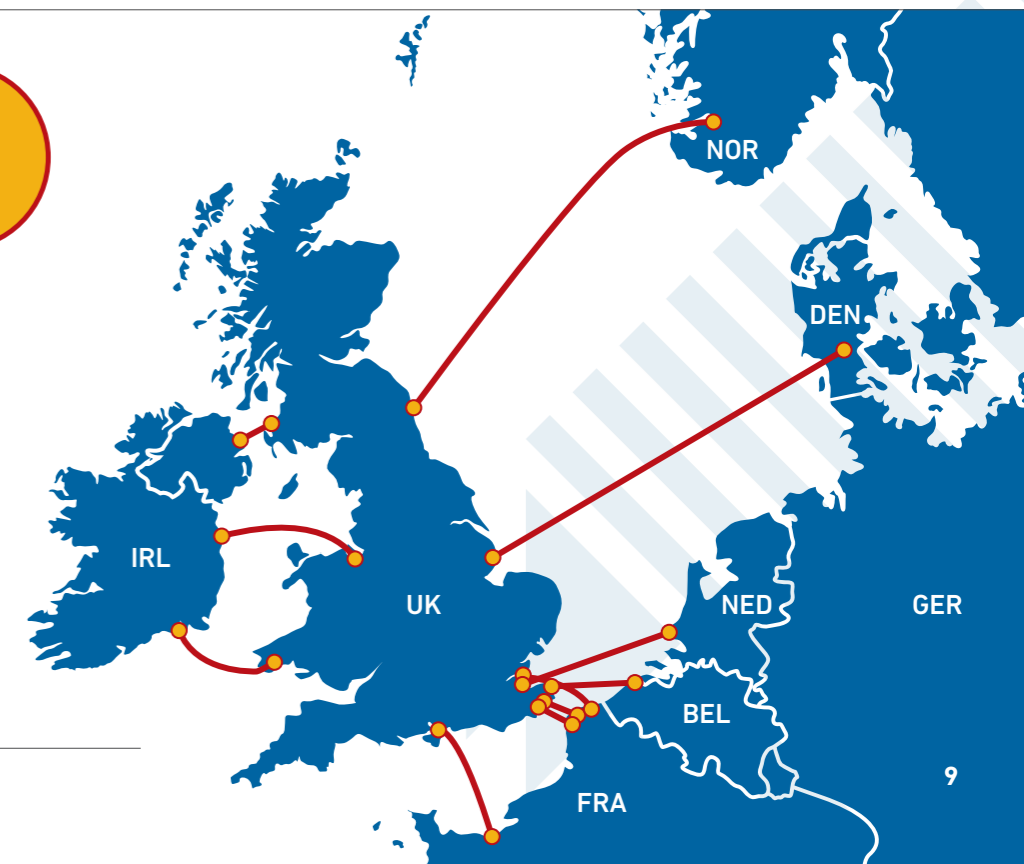
Imports



Exports



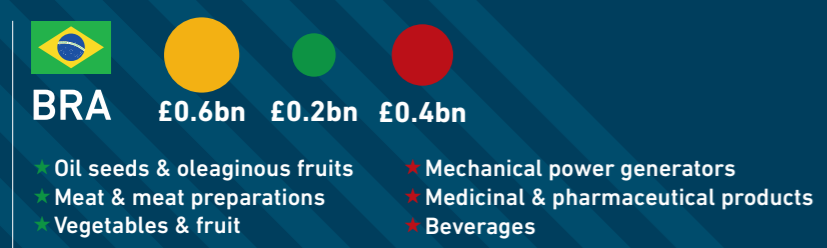
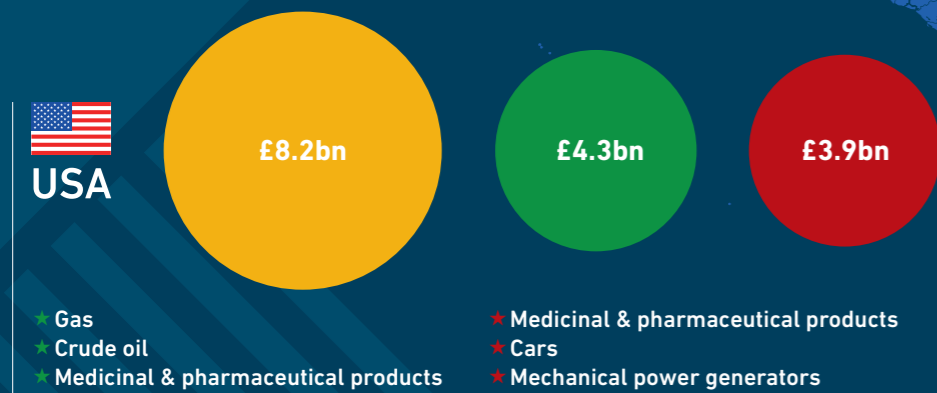
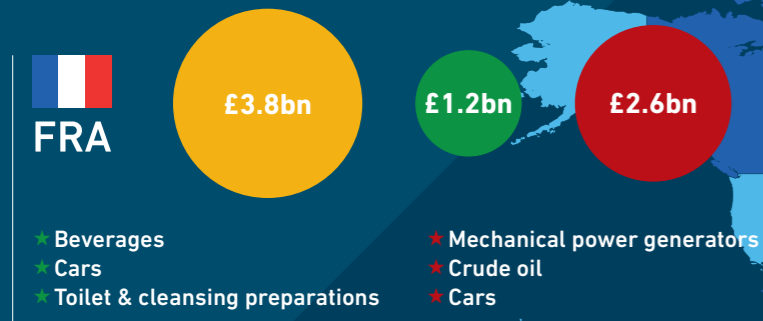
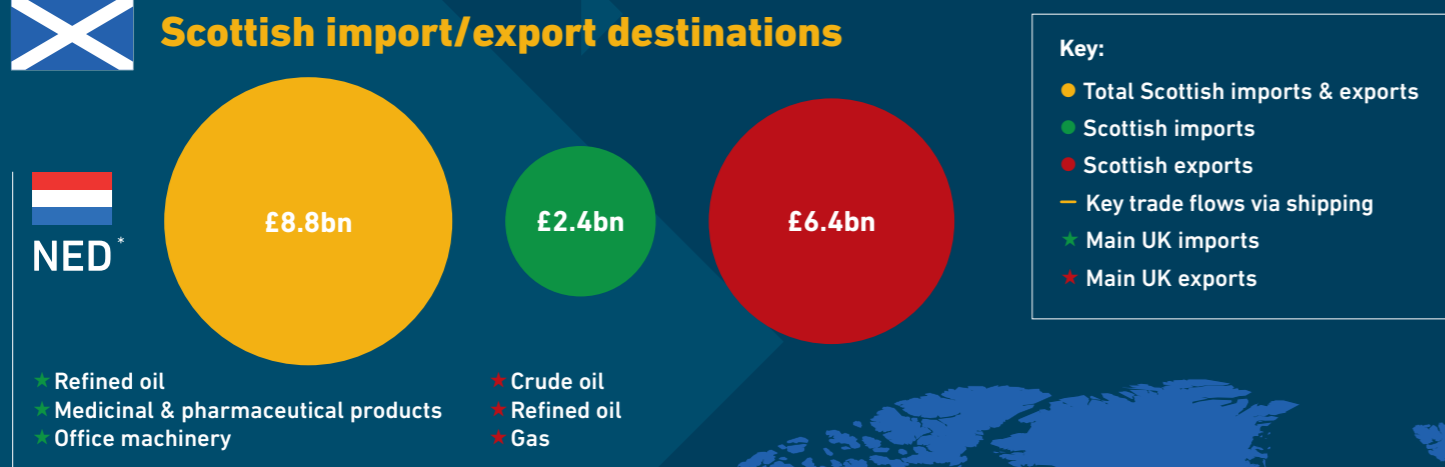
11 energy interconnectors, all installed by ships, operate in the UK – these allow excess power to be traded and shared between countries



Shipping is central to ensuring that vital supplies and goods reach our shore safely with 95% of goods that enter the UK doing so via ship.

It also helps to ensure world famous Scottish products such as Scotch whisky, Aberdeen Angus beef and Harris tweed reach valuable overseas markets. By ensuring these products reach customers across the world, shipping is supporting jobs and local businesses in every city, town and village across Scotland.

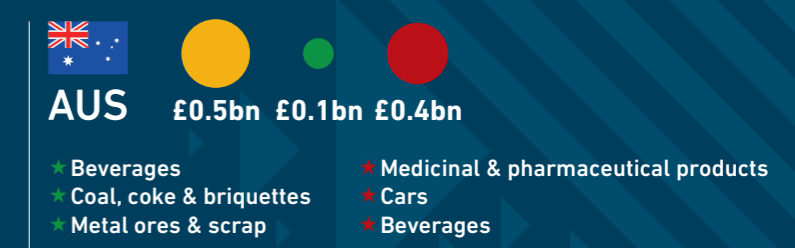
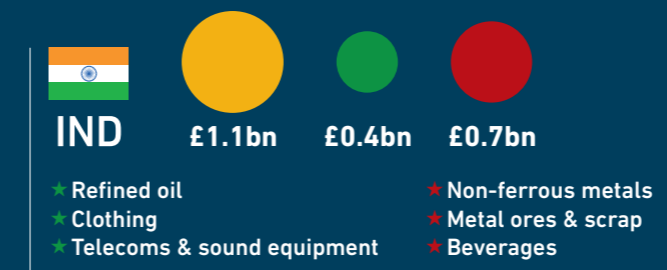
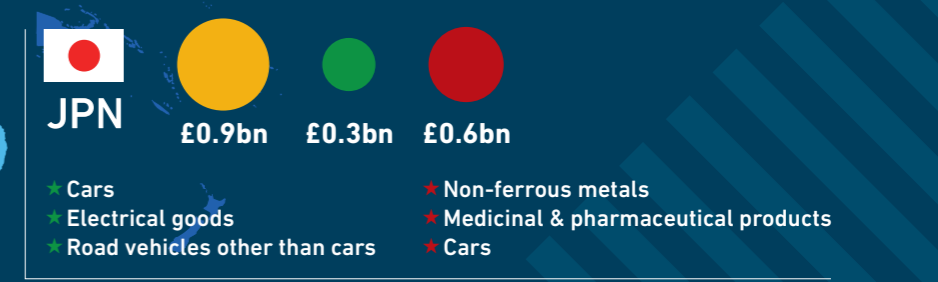
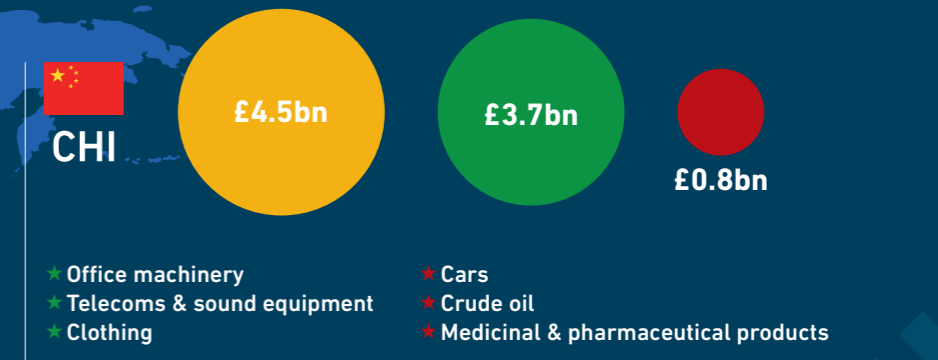
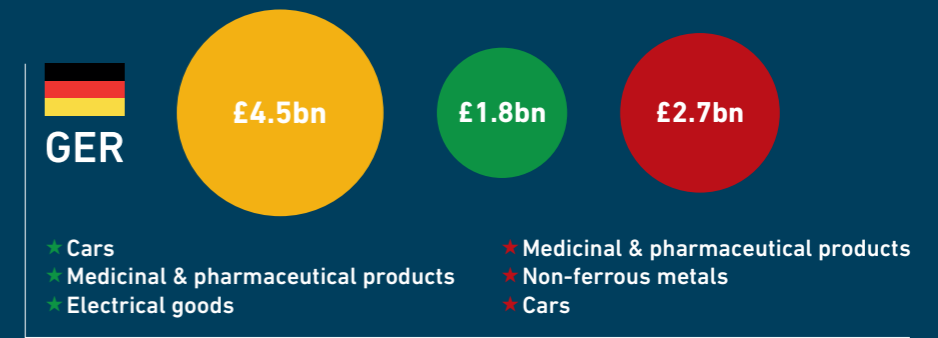
Scottish import/export destinations



Shipping exports of UK produced pharmaceuticals supports over 250,000 jobs



Shipping helps over **15,000 BUSINESSES** across Scotland export their goods

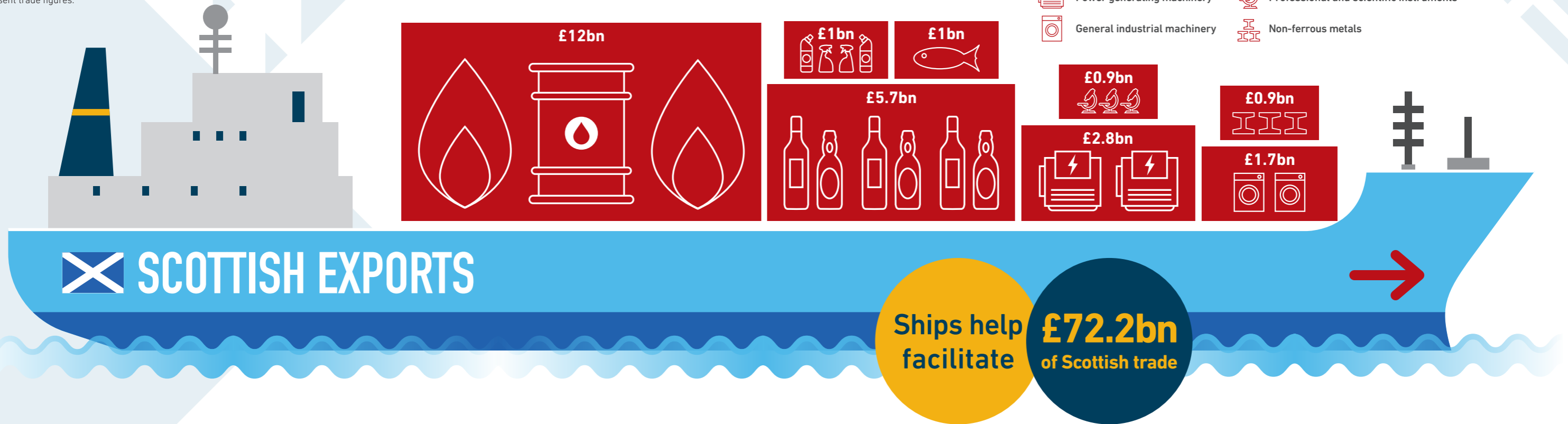


10 * Netherlands figures are artificially inflated due to 'Rotterdam-Antwerp effect'.

Key export and import products 2022

Key exports

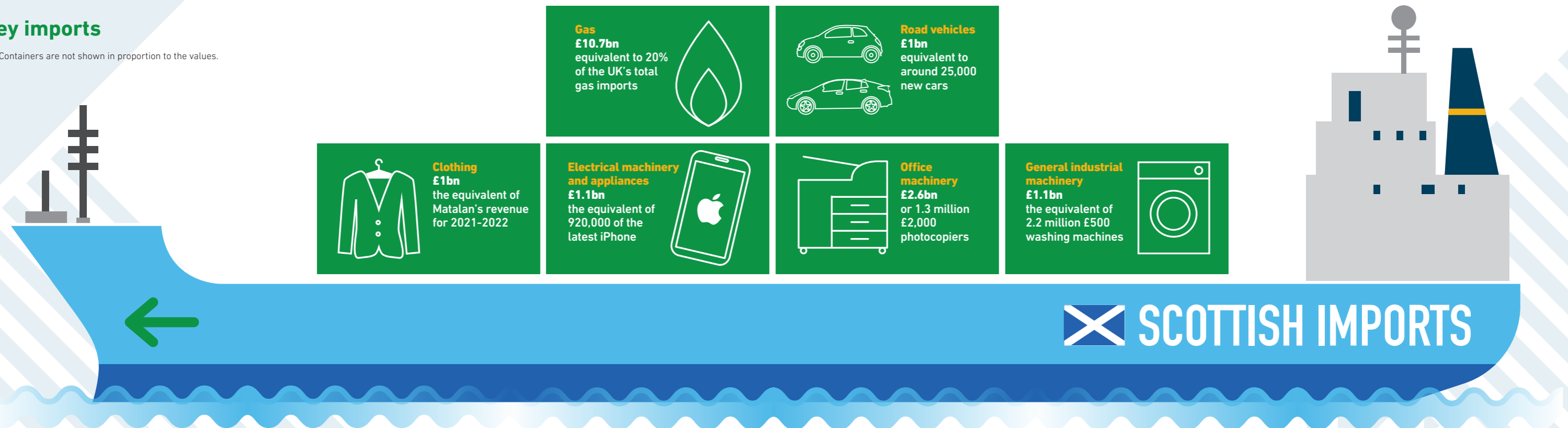
NB: Containers shown are proportional to represent trade figures.



-  Oil and gas
-  Beverages
-  Power generating machinery
-  General industrial machinery
-  Fish and shellfish
-  Chemical materials and products
-  Professional and scientific instruments
-  Non-ferrous metals

Key imports

NB: Containers are not shown in proportion to the values.

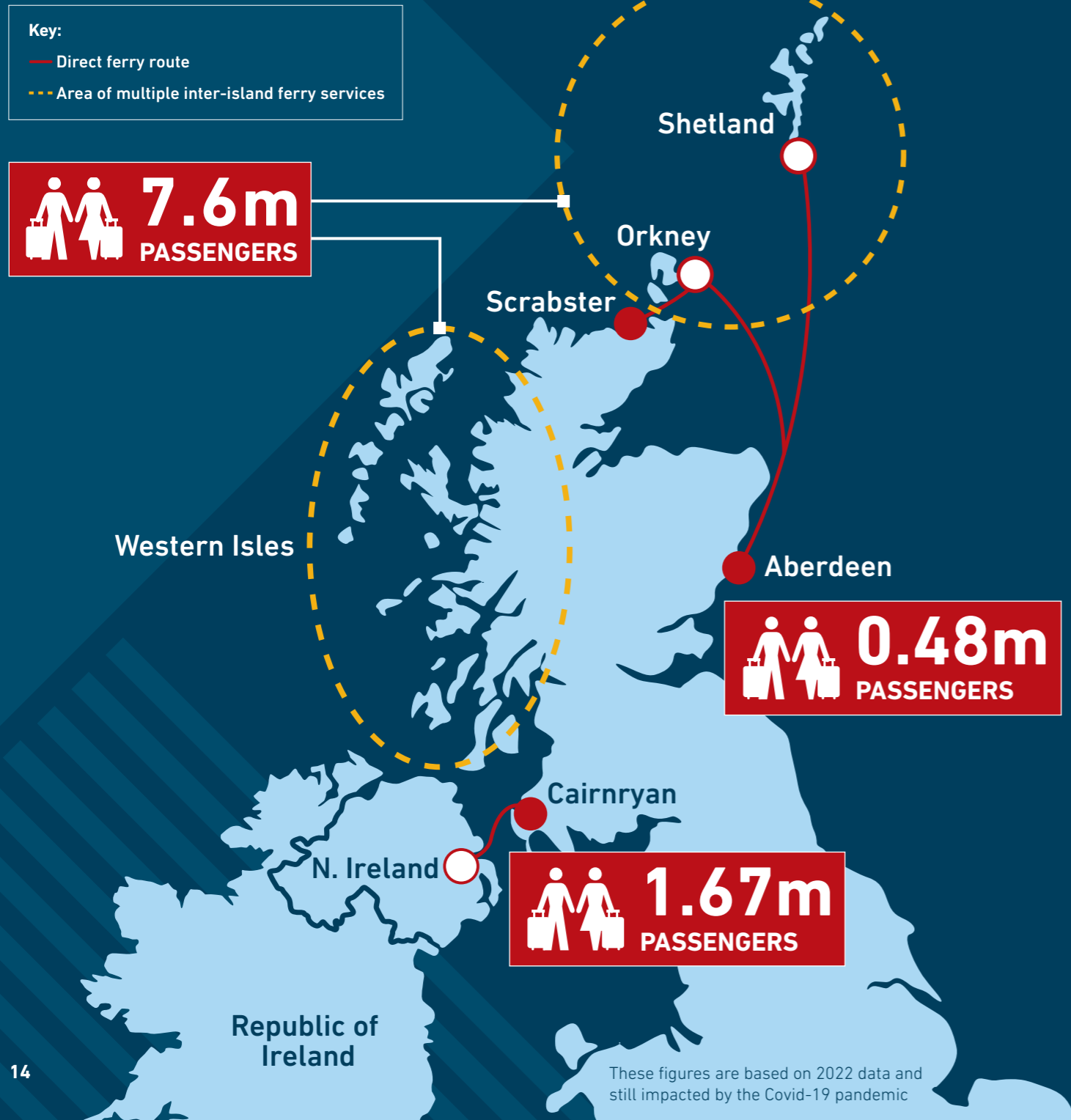


FERRIES AND CRUISE

Ferries play a vital role in Scotland with over nine million people using a ferry service in Scotland in 2022. Meanwhile in 2019, 820,000 people visited Scotland on a cruise ship spending £41m in local economies across the country.

As well as being a crucial part of Scotland's tourism industry, ferries help businesses move goods to remote communities and people access education, healthcare and other essential services. Living in remote parts of Scotland would be incredibly challenging without these vital services.

Ferry services in Scotland



These figures are based on 2022 data and still impacted by the Covid-19 pandemic



9.75m PASSENGERS


PASSED THROUGH **SCOTTISH PORTS** TO TAKE A **FERRY** IN 2022



MORE THAN
103,000
 PEOPLE ACROSS SCOTLAND
 DEPEND ON FERRY SERVICES
 TO ACCESS THE MAINLAND



CRUISE VISITORS TO SCOTLAND:
820,000
 PEOPLE IN 2019, SPENDING
£41m



OF CRUISE VISITORS TO THE UK:
50%
 CAME TO SCOTLAND

Northlink (Case study)

"Serco NorthLink Ferries operates passenger and freight services daily between the Scottish mainland and Shetland and Orkney. Our combined operations carry the equivalent of over 44,000 freight trailers and more than 350,000 passengers each year.

Our comfortable, purpose-built passenger vessels set sail daily between Aberdeen and Lerwick with frequent calls at Kirkwall, and between Scrabster on the north coast of Scotland and Stromness in Orkney. The service operates 363 days per year, providing a lifeline service to and from the Northern Isles for islanders, while acting as a gateway for the many visitors who support the islands' vibrant tourism industry each year.

We believe in the significance of maritime connectivity to enable access to vital services whilst making a positive socio-economic impact on the Northern Isles. More than just a business, we view ourselves as a member of the local community, working with local suppliers wherever possible and serving key sectors including the agriculture, aquaculture, fishing, and tourism markets."

Stuart Garrett, Managing Director,
Northlink Ferries



UNITING UK SHIPPING

We work to unite, promote and champion an environment for shipping in the UK to thrive, helping to deliver a greener world and a more prosperous nation. We are open to shipping companies of all sizes, sectors and flags.

For more information on this document please contact the Chamber query@ukchamberofshipping.com

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 UK Chamber of Shipping

▶ REFERENCES

OVERVIEW

- ▶ Data is based on Department for Transport statistics:
 - Sea passenger statistics, all routes: 2022.
 - Port and domestic waterborne freight statistics: data tables 2022.

ECONOMY AND JOBS

- ▶ Data is based on a report produced in 2022 for Maritime UK by the Centre for Economic and Business Research. The report can be downloaded from the UK Chamber of Shipping's website. <https://tinyurl.com/2nuszks>

OFFSHORE ENERGY

- ▶ Data is based on information available on gov.scot Marine Renewable Energy.
- ▶ Use has also been made of data from the Energy Information Administration.

TRADE

- ▶ Data is based on:
 - Department for Business and Trade: Trade and Investment Factsheets and UK Trade in Numbers.
 - Scottish Government trade statistics.

- ▶ Use has also been made of information published by the Association of the British Pharmaceutical Industry (ABPI).
- ▶ UK Chamber of Shipping research and analysis has also been undertaken.

FERRIES AND CRUISE

- ▶ Data is based on:
 - Department for Transport Statistics Sea passenger statistics, all routes: 2022.
 - A report commissioned for Visit Scotland by Context Economic and Social research. The report can be downloaded from the Visit Scotland website. <https://tinyurl.com/yxadj874>
 - Information available via the National Records of Scotland.

Use of other publicly available data has also been used throughout this report and every effort has been made to ensure its accuracy.

