«New career paths and professional skills in Shipbuilding and Yachting sectors: Overview by CESA »

EUROPEAN MARITIME DAY

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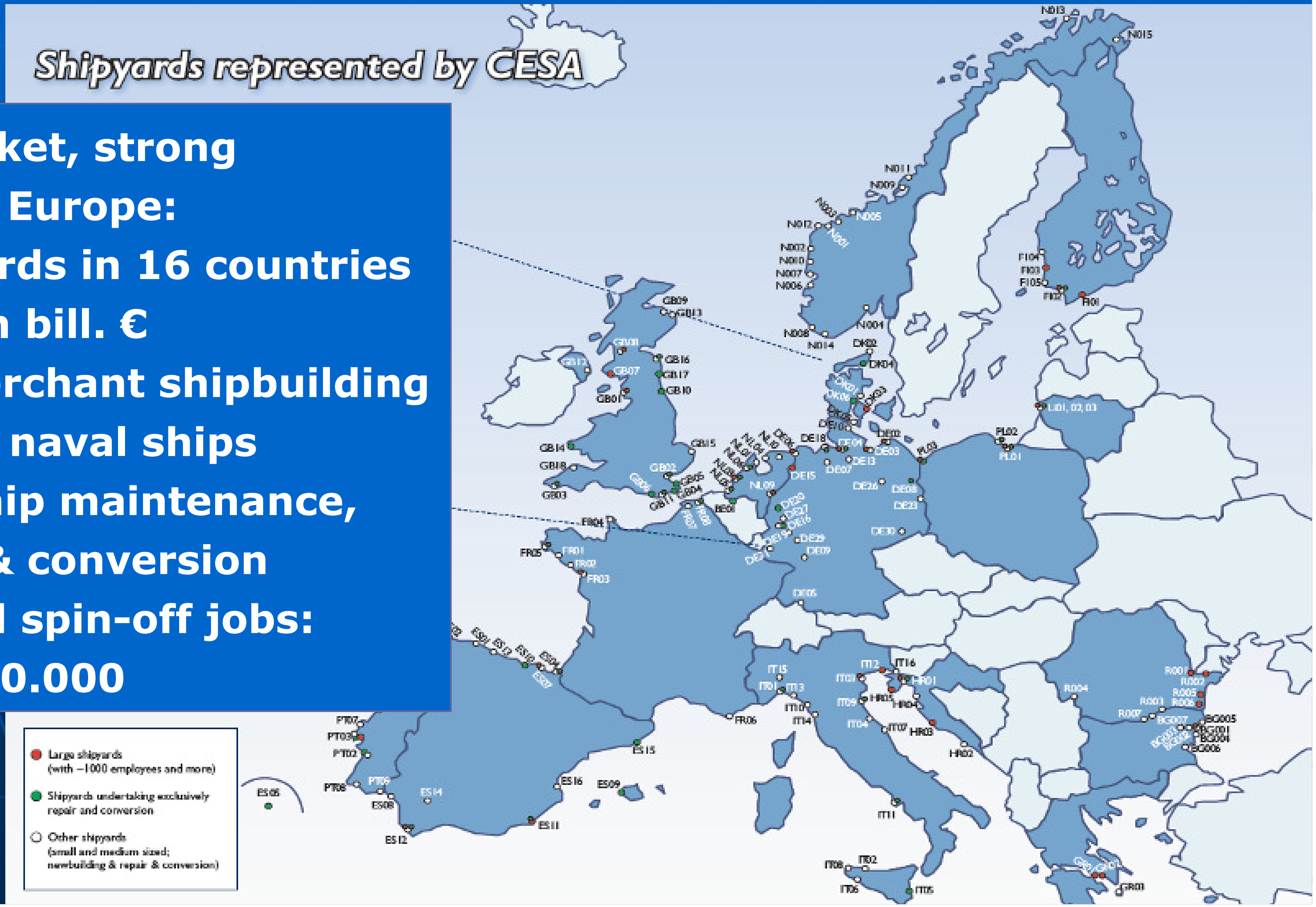
CESA
COMMUNITY OF EUROPEAN SHIPYARDS' ASSOCIATIONS

European Shipbuilding Industry

Global market, strong industry in Europe:
300 shipyards in 16 countries
Turnover in bill. €

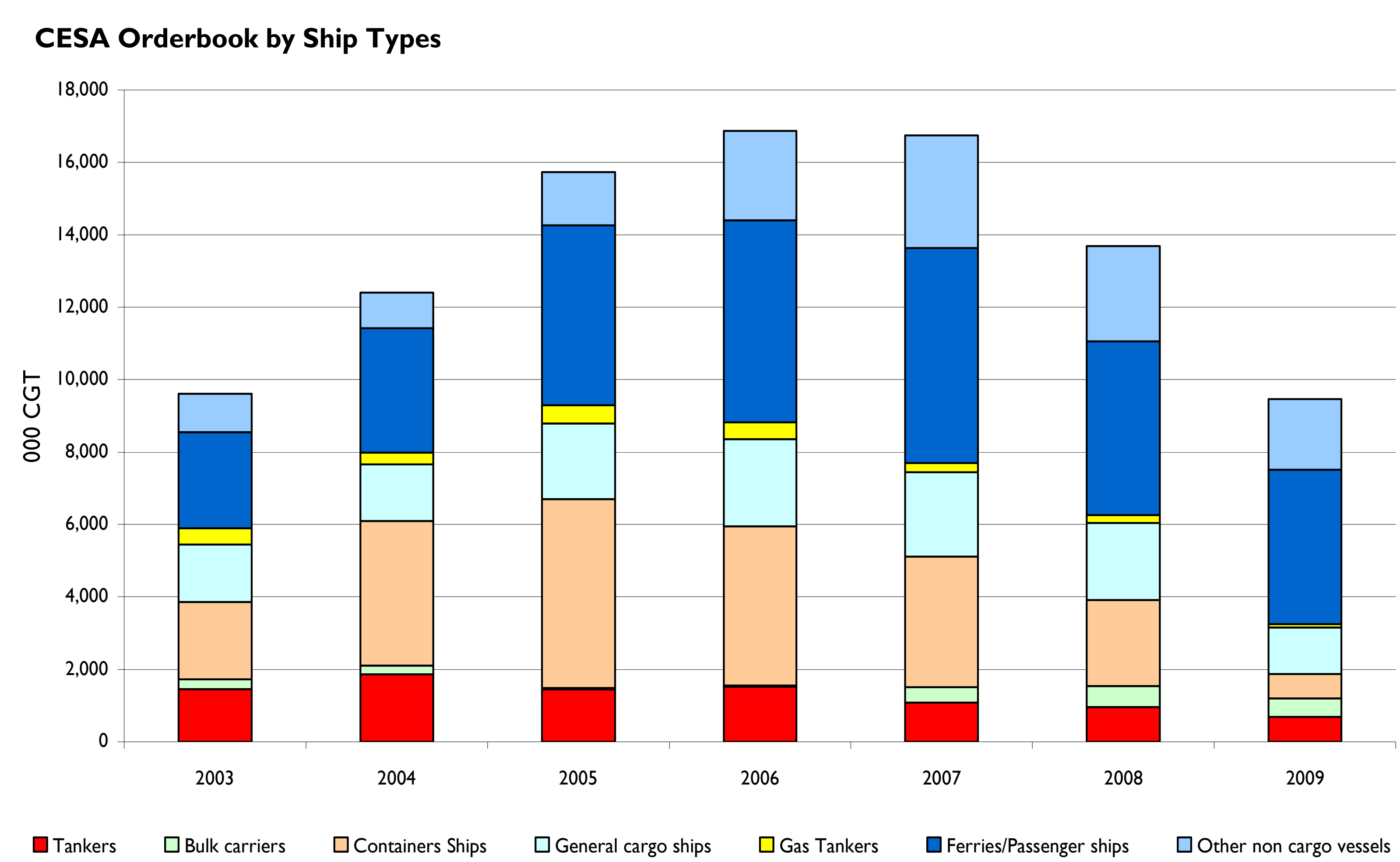
- **16 merchant shipbuilding**
- **10-15 naval ships**
- **3-5 ship maintenance, repair & conversion**

- **Yards and spin-off jobs: ~500.000**



Focusing on High Tech Products

= Competences, Jobs and Skills



Source: Lloyd's Register-Fairplay

EMF/CESA HR Projects

- ✓ Koudekerke Report (SSDC/2008) 'Demographic Change & Skills requirements in the European Shipbuilding & Ship repair Industry'
- ✓ IKEI Report (2009/EU) 'Comprehensive sectorial analysis of emerging competences and economic activities in the European Union'
- ✓ 'Ecorys Study (2009/EU) 'Study on the competitiveness of the EU Shipbuilding Industry'

Aims:

- ➢ Analyse age structure, qualification profiles and skills requirements in European shipbuilding and ship repair sector (14 countries)
- ➢ Provide an outlook for the next 10-15 years on qualification and skills requirements
- ➢ Formulate and implement strategies

Conclusions from studies: size, structure, age

- 127,500 direct employees (of which 81% technical employees: technical sales, design, engineering, work preparation and production)
- 600,000 employed directly and indirectly (reflecting strong focus on subcontracting)
- Production remains prime focus of sector: 2% of workforce in sales, 12% design & engineering, 86% in production
- Age distribution comparable to EU average:
  - 11% under 25 yrs (EU 12%);
  - 36% 25-40 yrs (EU 39%);
  - 40% 41-55 yrs (EU 38%);
  - 13% over 55 yrs (EU 12%)

Conclusions from studies: size, structure, age

- Variations in age distribution between countries, generally: SEE countries have younger workforce than North West European countries
- Italy: largest technical workforce below 40 years of age (67%); Portugal: oldest workforce with 75% of employees over 40 years of age
- Romania: highest proportion of workforce under 25 years of age (but high migration of skilled workers)

Conclusions from studies: size, structure, age

- SB Industry has a higher proportion than EU average of employees with science and technology education -19% MSc/BSc graduates against EU average of 15%.
- 66% of workers with vocational training and vocational certificate (countries employing unskilled workers: PL, IT, NL, UK, DK, SP)
- With 13% of technical workforce over 55 yrs about 1% of European shipbuilding workforce will retire annually over next 10-15 years
- Finland, UK, NL and DK will loose over 20% of their employees in the next 10-15 years!

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Conclusions from studies (Pre-crisis outlook)

Future Skills Needs

- 11,000 new technical employees needed annually over next 5 years!
- Mainly production: 80 % but design & engineering and sales function growing: 17% and 3 %.
- No need for unskilled labour, 25% graduate level, 74% vocational level
- NB: All new recruits have vocational certificates or a degree - unskilled work is disappearing.

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Recommendations

Short term: Outsourcing

- No new capacities in new MS, growing demand met by subcontracting mainly (design, engineering and production)
- Migration can help address the shortages of skilled labour but leads to shortages of skilled workers in countries of origin

The international dimension of skills supply is important - it represents a growing element of competition for EU yards for talent

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Recommendations

Long term Strategy:

- A European design academy
- A harmonized European vocational / educational system to improve the transparency of qualifications between the member states (through the European Qualifications Framework and other initiatives) - Mobility within EU but also maritime cluster approach
- Support creation of shipbuilding training centres in Eastern Europe
- Non-formal knowledge to be transferred between old and new generations
- Recruit more women; Proactive LLL strategies
- More cooperation with schools to attract young people, education towards the sector has to start at an early stage

Recommendations

Image:

- Image is improving but not fast enough to meet rising demand for new recruits

Key Recommendation:

- Actions at all levels to promote the shipbuilding industry as a career option and raising public awareness.

→ European Shipyard Week

2006, 2008, 2009

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But… the current situation

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
new orders	5494	4213	7591	4533.666	2262.112	3951.438	6798	7226	5379	5425	2114	561
completions	4925	4637	4794	4870	4816.612	4478.873	4194	3851	4642	4870	4820	3895

Source: Lloyd's Register-Fairplay

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Crisis - Threat of irreparable damage

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Next drivers for skills demand

Pre-crisis

- Economic evolution
- Globalisation
- Demographics
- Consumer demand

Post-crisis

- Economic revolution
- Environmental change
- Technology Development
- Changing values

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Extensive and Complex Skills Chains need to be safeguarded now!

Pre crisis

standard design,
serial production,
high degree of automation

One skill employee

Post crisis

specialized,
one-of-a-kind prototypes
new concepts

Multi-skilled employee

Role of stakeholders

- Need for governements to support strategy and vision for the sector
- Need to keep skilled workers within sector in cyclical downturns - those made redundant to be enrolled in education and skills improvement to emerge from crisis stronger
- The most efficient way:

filling the temporary demand gap!

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Thank you for your attention!

All studies are available for download at

www.cesa.eu