

MARINE INDUSTRY ECONOMIC PROFILE

The 159 marine businesses in the South Hams are identified by SWRDA as one of seven marine clusters in the region, with neighbouring Plymouth and Torbay being similarly identified, thus South Devon* is of major significance to the industry in the South West. Devon represents 33.1% of the marine businesses in the region and 61% of the marine employment ⁽¹⁾.

The South West and Devon

The value of the marine sector to the region is approximately £1 billion a year. The revenue of the UK leisure marine industry grew 45% in the five years to 2003 providing £1,837 million in revenue ⁽²⁾. The South West marine sector alone grew 15% between 2001 and 2003 with a large number of these start-ups being leisure related.

Industry revenue by RDA region, 2003

	<u>£ Millions</u>
South East	664.8
South West	389.3
East Anglia	262.7
East Midlands	149.4
West Midlands	128.8
Scotland	68.2
Other British Isles	55.0
Wales	52.2
North West	35.9
Yorks & Humb	26.4
North East	4.7

source: BMF January 2004

Value added contribution of industry by region, 2003

	<u>£ Millions</u>
South East	355.7
South West	213.4
East Anglia	165.6
East Midlands	49.6
West Midlands	78.4
Scotland	38.1
Wales	35.3
Other British Isles	35.1
North West	29.6
Yorks & Humb	23.0
North East	7.1

notes: RDA regions apply

source: BMF January 2004

The region's 2700 marine sector businesses employ 32,000 people. The export lead South West marine sector is nationally significant and has a turnover of £1.3 billion ⁽³⁾. Micro-businesses account for 80% of the marine businesses identified ⁽⁴⁾.

Employment by region, 2004

	<u>Number of people</u>			
	<u>Permanent</u>	<u>Temporary</u>	<u>Total</u>	
South East	8,082	1,535	9,617	32.0%
South West	5,700	797	6,497	21.6%
East Anglia	4,888	377	5,265	17.5%
East Midlands	1,244	98	1,342	4.5%
West Midlands	2,066	237	2,303	7.7%
North East	215	5	220	0.7%
North West	816	99	916	3.0%
Yorkshire & Humberside	560	127	687	2.3%
Scotland	867	263	1,130	3.8%
Wales	901	177	1,078	3.6%
Other Britain	935	104	1,039	3.5%

source: BMF January 2004

* For the purposes of this report defined as: Plymouth, South Hams and Torbay.

¹ University of Plymouth; ² British Marine Federation (2003); ³ Marine South West (the marine arm of the SWRDA)

Marine businesses range from the resource based (fish farms, fishermen and shell fishermen) through design and construction (e.g. boat builders, designers and repairers), operations and shipping (e.g. divers, marinas and ferries) to equipment and service (e.g. sailing instructors, manufacturers, agents and chandlers). The highest proportion of resource based businesses (36.6%), operations and shipping businesses (33.6%), and equipment services (32.4%) as well as the second largest proportion of design and construction businesses (39.9%) are located in Devon. Thus Devon is clearly the regions maritime hub⁽¹⁾.

Business Link Devon and Cornwall regard the marine industry as one of the most important economic drivers in the Westcountry. As the project managers of the Trident project they will be working with maritime counterparts in Europe to improve the commercial opportunities among small firms on the Atlantic coastline.

Marine Related Tourism

The particular relationship between marine activities and tourism distinguishes the industry in the South West from that of other regions. This is supported by the fact that 75% of start-ups since 2001 have been in the equipment and service providers sub-sector- particularly marine and maritime retail and leisure related businesses. Overall 15.7% of businesses have been trading for five years or less⁽¹⁾.

Skills Needs In The Marine Sector

The most frequently cited training needs, by 75.8% of businesses, are IT related. The need for engineering skills (37.8%) and marketing skills (29.3%) are also significant⁽¹⁾.

The top five skills needs are⁽³⁾:

- 1 Business & Management
- 2 IT
- 3 Sales, Retail & Marketing
- 4 Electronic Engineering
- 5 Mechanical Engineering

Use of ICT In The Marine Sector

A very high proportion of businesses in this sector use ICT though this use is primarily for communication and marketing:

Email	83.5%
Website	72.6%
Ordering/ payments	32.4%

The South Hams

The South Hams as one of the seven regional clusters accounts for nearly 6% of the regions marine businesses and 3.1% of the employment while South Devon* accounts for 20% of businesses and 28.9% of employment.

The South Hams Marine Industries (SHMI) [www.shmi.org.uk] was formed in 1994, as a voluntary based, self-help association, to promote the South Hams as a centre of marine excellence nationally and internationally by creating a higher profile, a stronger image and developing partnerships with allied bodies. Its main objectives are:

- To provide support and offer advice to its members through shared and mutually beneficial group activities;
- To provide generic promotional displays of its marine activities and operations to the widest possible prospective customer base.

SHMI encourages its membership to give high quality service in various fields of the marine industry and to ensure that the South Hams' unique reputation for excellence is never compromised. The Association now represents all sections of the leisure and marine industry with some 50 members and is regarded as a model within the industry by Marine Southwest.

SHMI is currently applying for funding to MSW for £75,000 for a three year programme which will include recruitment and training, marketing through conferences newsletters, website and event sponsorship, networking, the disseminating of best practice and contribution towards commissioning research to better understand and develop the marine sector.

Southampton Boat Show

Southampton International Boat Show is the premier maritime show in the country and one of the largest in Europe. It is an internationally important event. Each year South Hams District Council and SHMI collaborate to provide a marquee for South Hams marine businesses to promote their services alongside some of the biggest and best companies in the industry. This enables companies to participate at the show and develop their markets before moving on to their own stands. Current businesses using this gateway into the international market say that the orders generated by their presence at the show contribute significantly to their annual turnover. This is of even greater significance to those businesses with a mail order element.

The presence of the South Hams Marine Industries at the show is vital to raising the national and international profile of this important cluster against the background of national marine and maritime sector growth. The importance of tourism to the South Hams economy and employment in the district is well documented, with 64% of the 2001 working population in the employed directly or indirectly in a highly tourism related service sector. Securing the South Hams share of the massive growth in the marine leisure sector is therefore of considerable importance to the districts economy.

South Hams Tourism Facts 2003

- The South Hams attracted higher proportions of more affluent visitors compared to the national destination average. 56% were in AB, C1 socio-economic groups
- 2.2% of visitors were from overseas
- 3% of holiday visitors travelled to the South Hams by boat
- 89% of visitors were on a repeat visit
- 10% of visitors quote 'sailing' as their top holiday activity
- Holiday visitors spent approximately £239 per visitor per holiday and day visitors spent £14.42 per visitor.
- In 2001, 4,150,100 visitor nights were spent in the district