

THE ECONOMIC VALUE OF THE CROATIAN SHIPPING INDUSTRY

A presentation for Mare Nostrum (the Croatian Shipowners' Association)

January 2018

154

Vessels



In the Croatian merchant fleet

1.8m

Gross tonnes



In the Croatian merchant fleet

HRK 1.2 bn

Direct GDP contribution



HRK 2.6 bn

Total GDP contribution



4,200

Jobs



Direct employment

10,200

Jobs



Total employment



INTRODUCTION

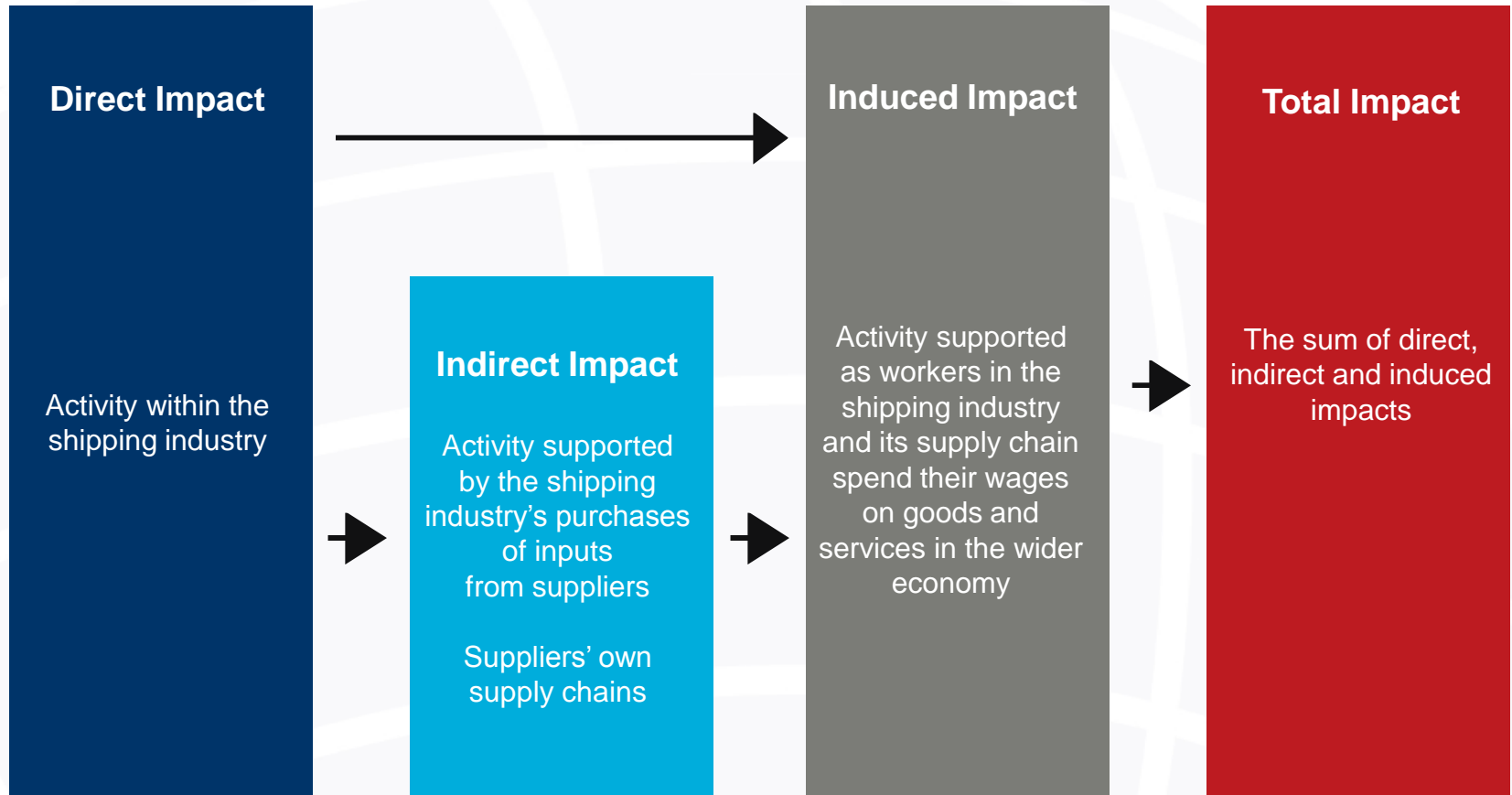
PURPOSE OF THE STUDY

To estimate the economic contribution of the Croatian shipping industry to the Croatian economy in 2016.

The economic value of the Croatian shipping industry is examined across two metrics of impact:

- the gross value added contribution to GDP (referred to as the 'contribution to GDP' on the subsequent slides)
- employment

WE ESTIMATE THE ECONOMIC IMPACT OF THE CROATIAN SHIPPING INDUSTRY ACROSS THREE CHANNELS



DEFINING THE SHIPPING INDUSTRY

There are three main ways of defining the Croatian fleet:

- The '**operated**' fleet includes ships operated by companies (or legal entities) based in the Croatia.
- The '**controlled**' or '**beneficially owned**' fleet includes ships whose ultimate ownership or control lies in Croatia.
- The '**flag**' fleet comprises ships operating under the Croatian flag.

In this study, we have chosen to examine the economic impact of the Croatian shipping industry, as defined by its **operated merchant fleet**.

This choice reflects that the operated fleet definition aligns most closely with the shipping industry's actual economic contribution to Croatia's economy.

COMPANIES WITHIN THE OPERATED FLEET

Following consultation with Mare Nostrum (the Croatian Shipowners' Association) and the Republic of Croatia's Ministry of the Sea, Transport and Infrastructure, the Croatian operated fleet is defined to include vessels operated by the following companies:

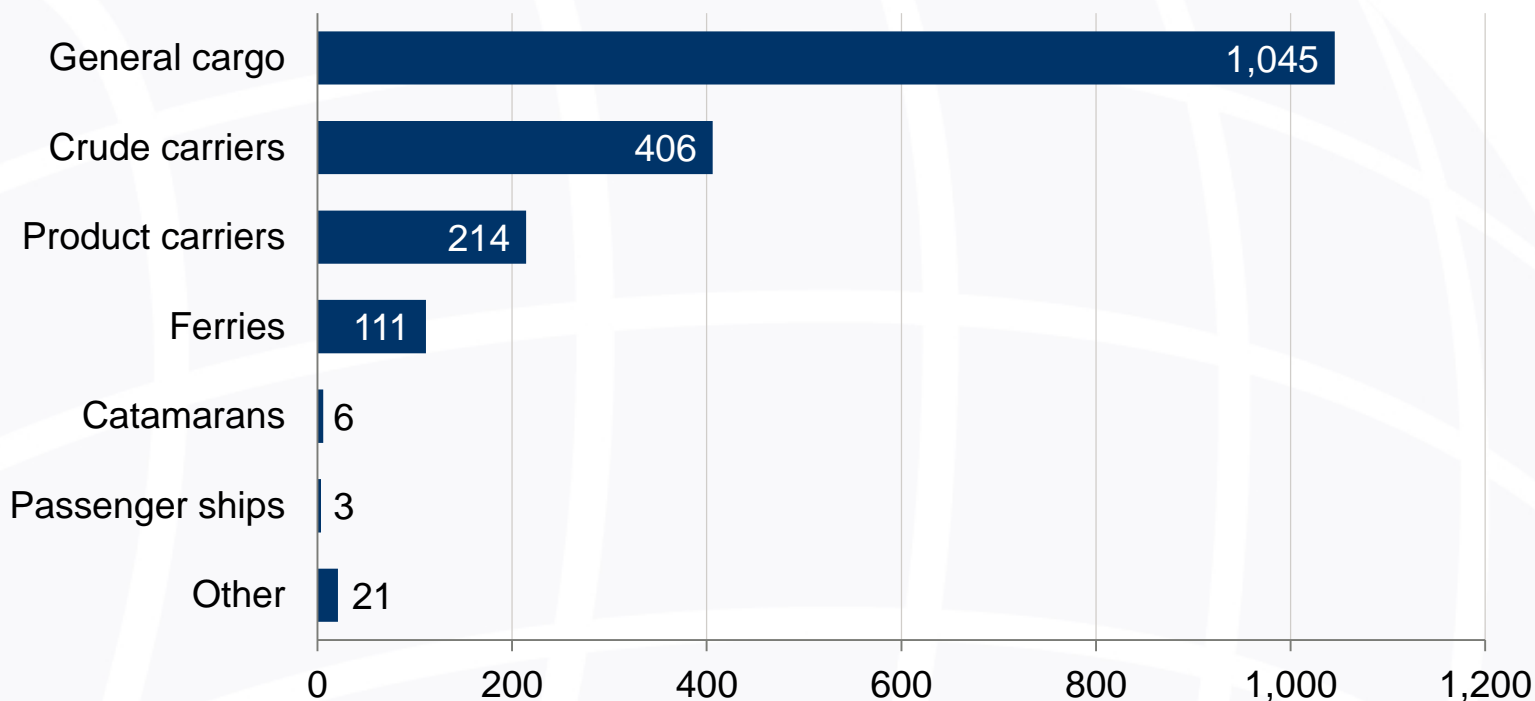
| Companies of the Croatian operated fleet | |
|--|-------------------------------|
| Atlantska Plovidba | Jadroplov |
| Brodospas | Kapetan Luka |
| Dinamarin | Linijaska Nacionalna Plovidba |
| G&V Line | Rapska Plovidba |
| G&V Line Iadera | Tankerska Next Generation |
| Jadranski Pomorski Servis | Tankerska Plovidba |
| Jadrolinija | Uljanik Plovidba |

CROATIAN OPERATED MERCHANT FLEET

IN 2016, FREIGHT SHIPPING COMPRISED THE VAST MAJORITY OF THE CROATIAN MERCHANT FLEET IN TERMS OF GROSS TONNAGE

CROATIAN OPERATED MERCHANT FLEET BY GROSS TONNAGE, 2016

Gross tonnage (000s)

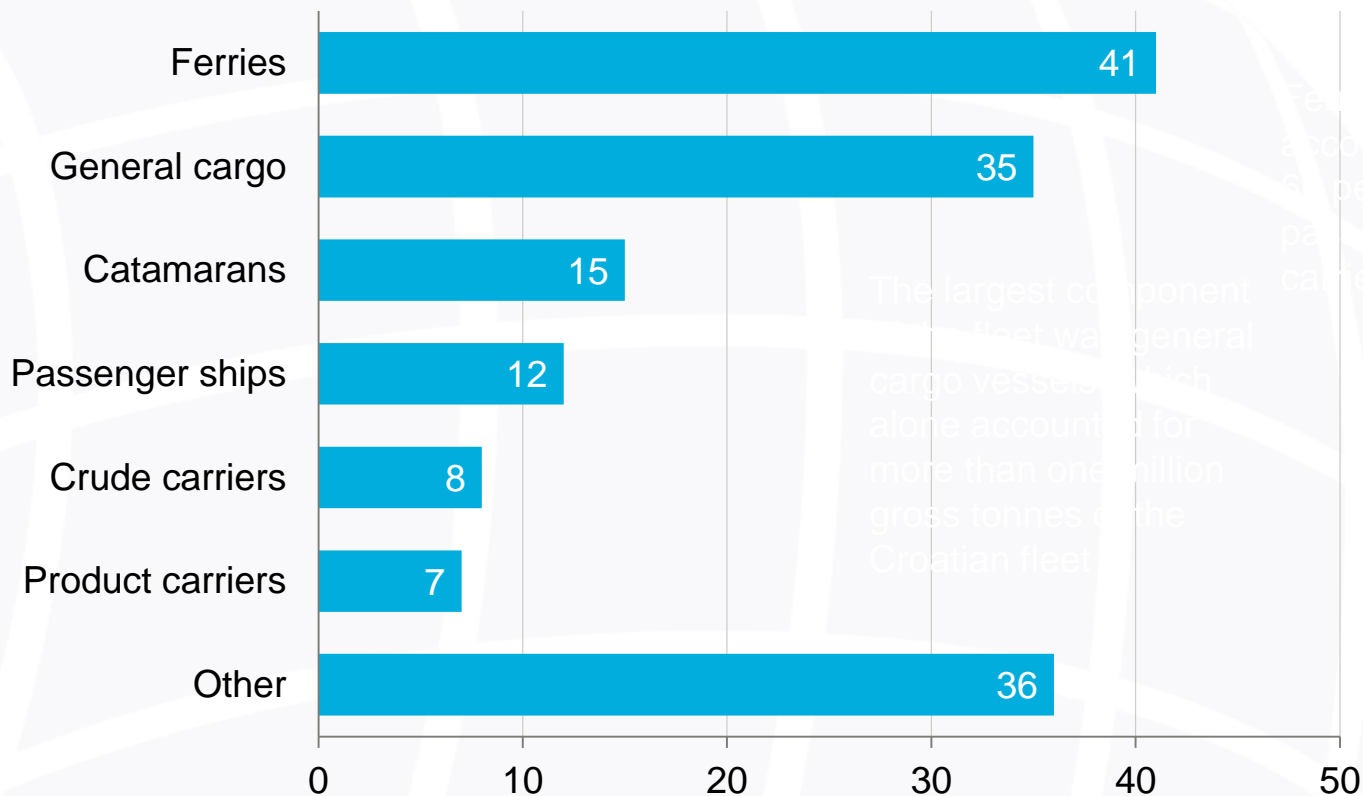


Source: Mare Nostrum and Coastal Maritime Traffic Agency

THE LARGEST NUMBER OF VESSELS WERE FOUND IN THE PASSENGER CARRIER CATEGORIES (FERRIES, CATAMARANS AND PASSENGER SHIPS)

CROATIAN OPERATED MERCHANT FLEET BY NUMBER OF VESSELS, 2016

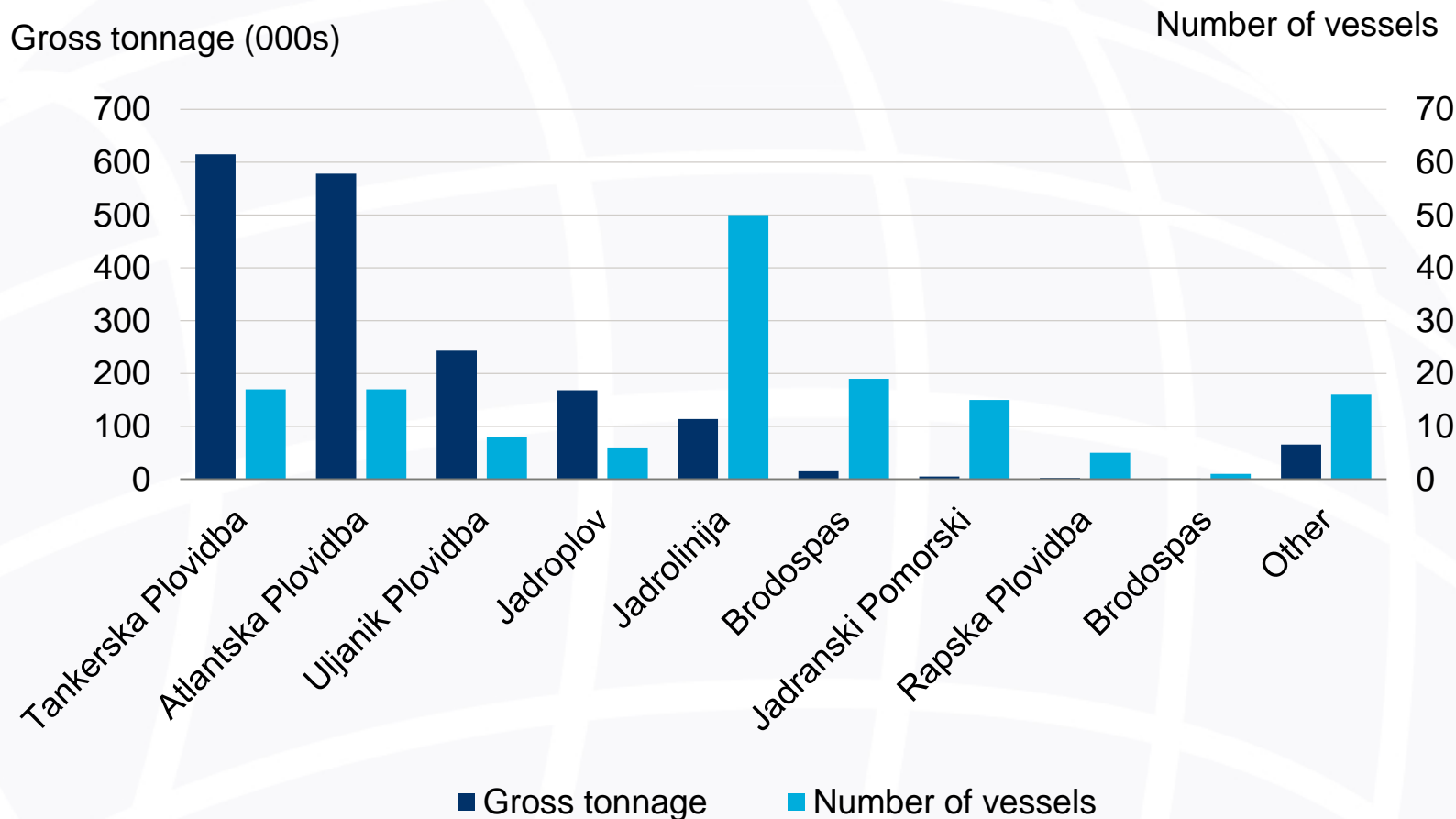
Number of vessels



Source: Mare Nostrum and Coastal Maritime Traffic Agency

RELATIVE SIZE OF OPERATORS DEPENDS ON WHETHER THE FLEET IS MEASURED IN TERMS OF TONNAGE OR NUMBER OF VESSELS

CROATIAN OPERATED MERCHANT FLEET BY COMPANY, 2016



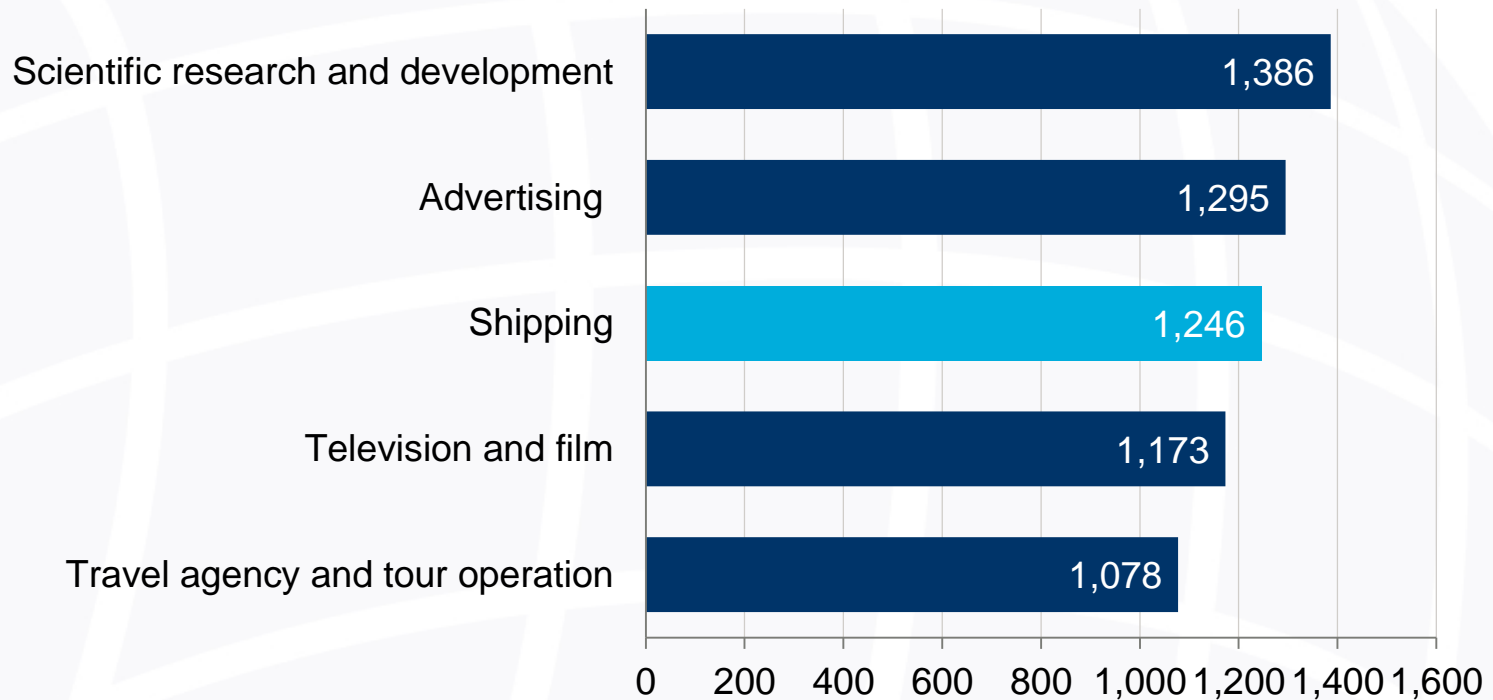
Source: Mare Nostrum and Coastal Maritime Traffic Agency

THE DIRECT ECONOMIC CONTRIBUTION OF THE CROATIAN SHIPPING INDUSTRY

THE SHIPPING INDUSTRY CONTRIBUTED HRK 1.2 BILLION TO CROATIA'S GDP IN 2016

DIRECT CONTRIBUTION TO GDP IN CROATIA IN 2016: SHIPPING AND COMPARATOR INDUSTRIES

Croatian kuna, millions

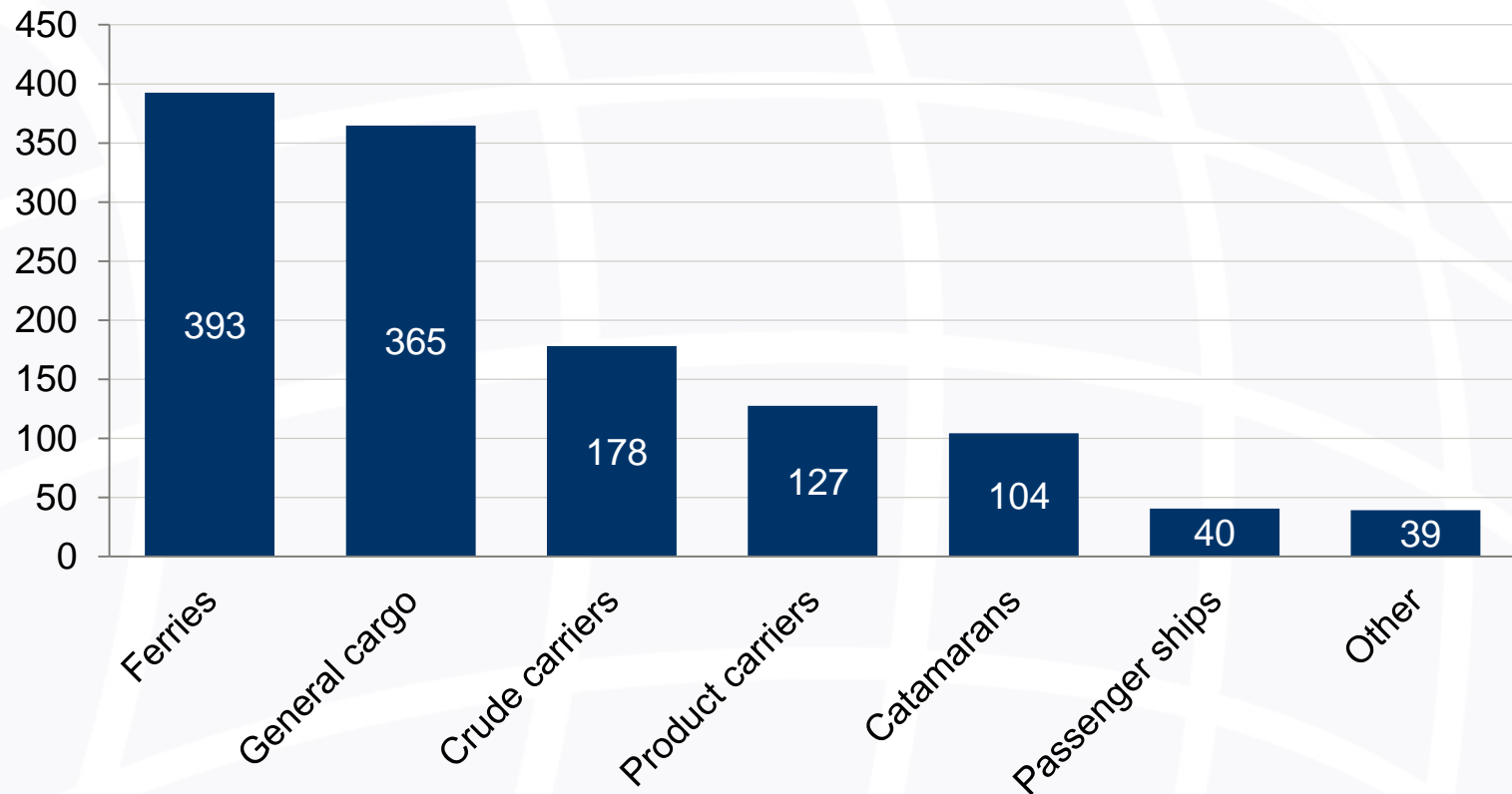


Source: Oxford Economics

GENERAL CARGO AND FERRY TRANSPORT EACH CONTRIBUTED AROUND 30 PER CENT OF THE SHIPPING INDUSTRY'S DIRECT CONTRIBUTION TO GDP

DIRECT CONTRIBUTION TO GDP OF THE CROATIAN SHIPPING INDUSTRY BY SUB-SECTOR, 2016

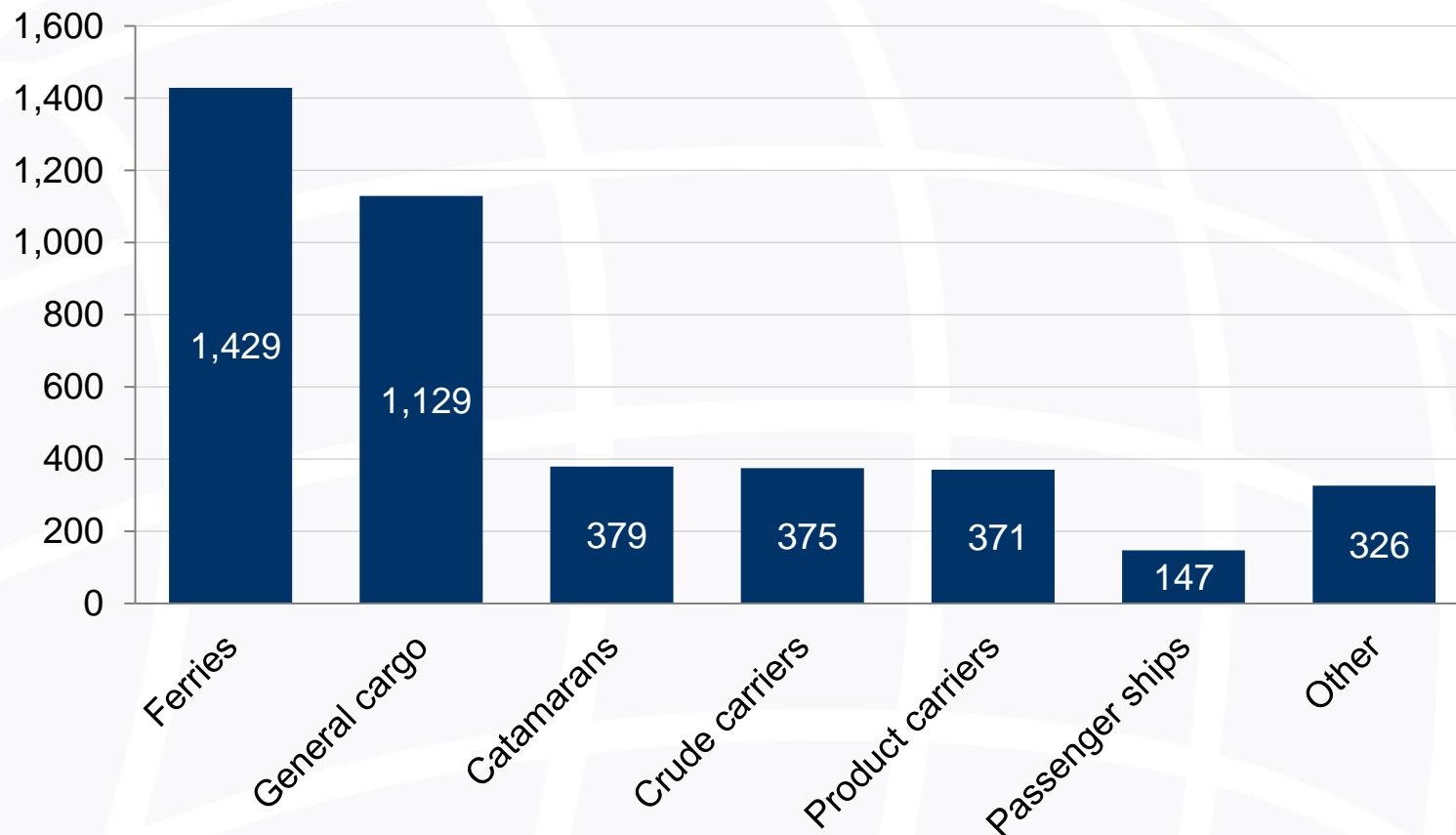
Croatian kuna, millions



Source: Oxford Economics

THE CROATIAN SHIPPING INDUSTRY EMPLOYED 4,200 WORKERS, EITHER ON SHORE IN CROATIA OR AT SEA, IN 2016

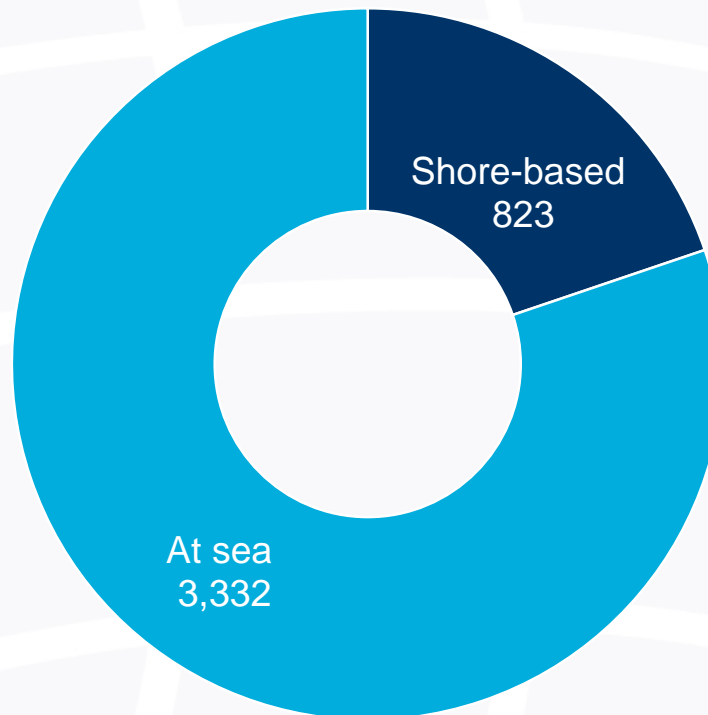
DIRECT EMPLOYMENT OF THE CROATIAN SHIPPING INDUSTRY BY SUB-SECTOR, 2016



Source: Oxford Economics

FOUR-FIFTHS OF EMPLOYMENT IN CROATIAN SHIPPING CONSISTS OF POSITIONS AT SEA

EMPLOYMENT IN THE CROATIAN SHIPPING INDUSTRY BY PLACE OF WORK, 2016

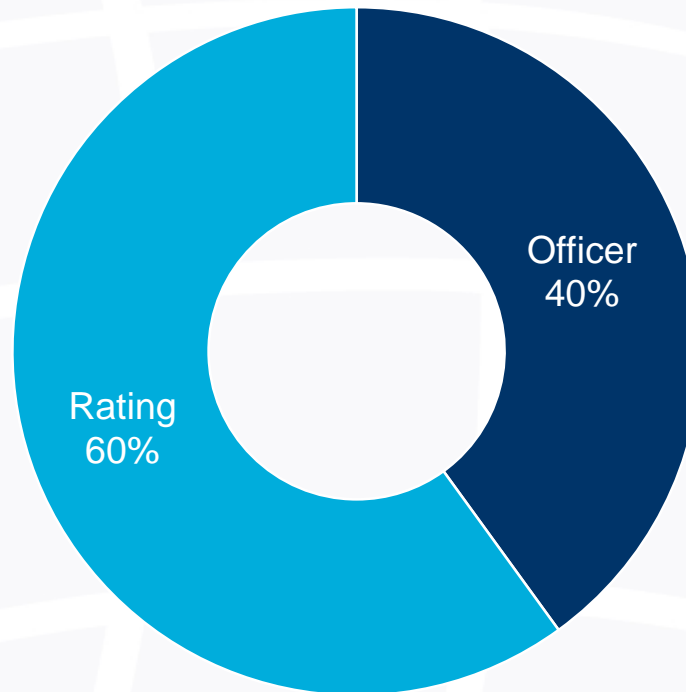


Source: Oxford Economics analysis of information provided by Mare Nostrum members

OFFICERS ACCOUNTED FOR AN ESTIMATED 40 PERCENT OF ROLES AT SEA, AND RATINGS 60 PERCENT

EMPLOYMENT AT SEA SPLIT BY OFFICERS AND RATINGS, 2016

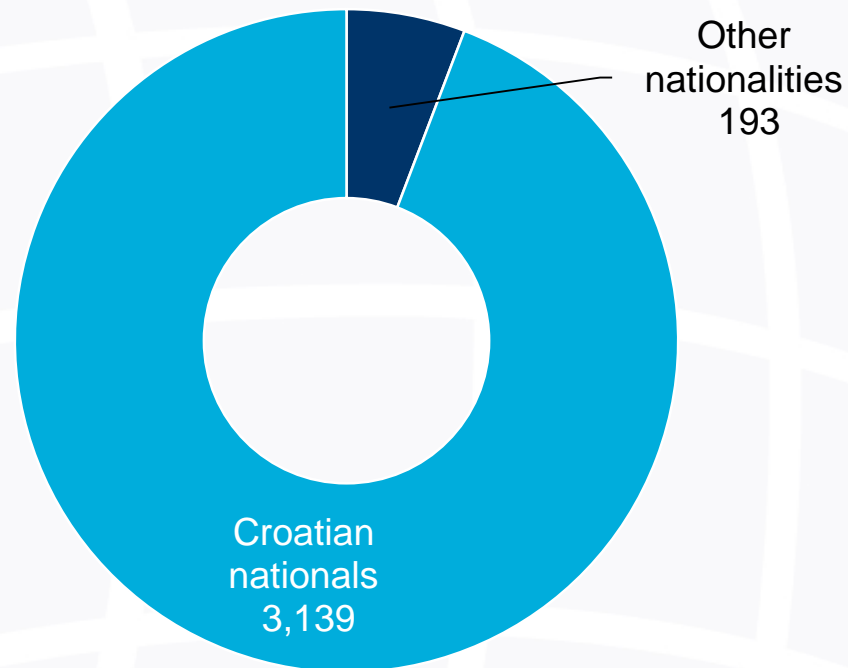
The Croatian fleet has a slightly larger share of ratings than the global average: the BIMCO manpower report estimated ratings accounted for 49 percent of global seafarer demand.



Source: Oxford Economics analysis of information provided by Mare Nostrum members

94 PERCENT OF ROLES AT SEA WERE FILLED BY CROATIAN NATIONALS

EMPLOYMENT AT SEA BY NATIONALITY, 2016

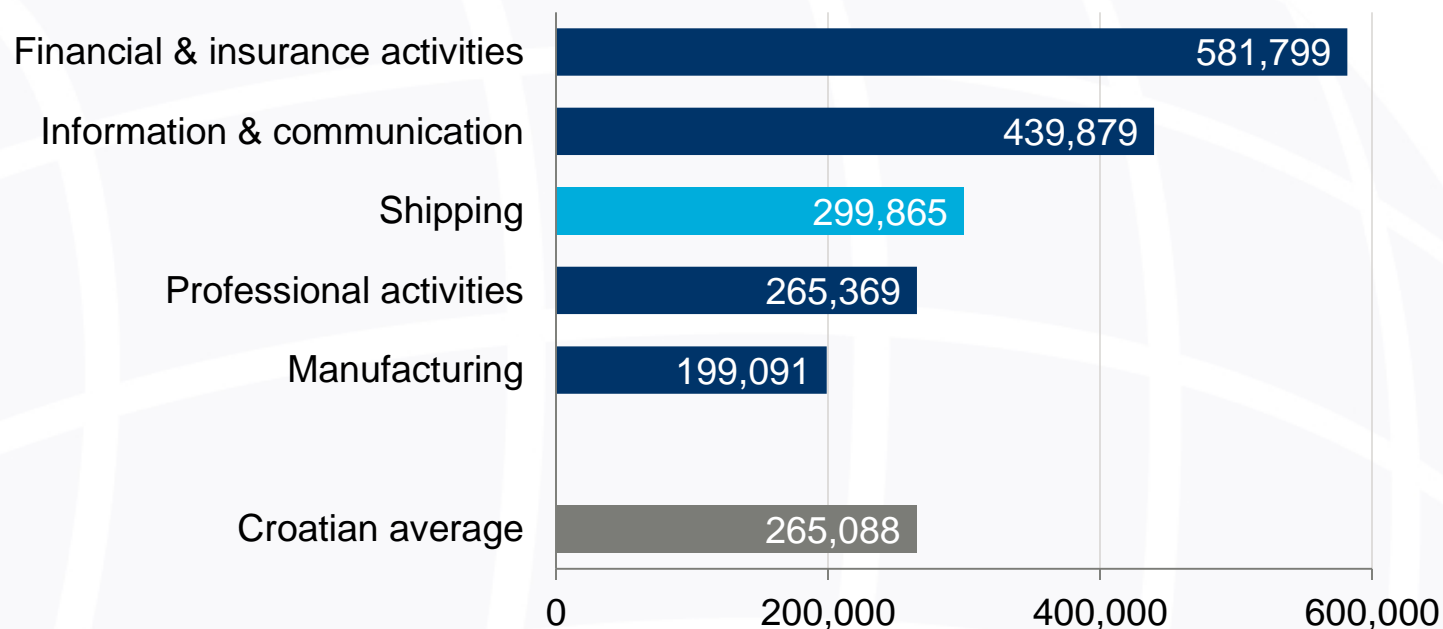


Source: Oxford Economics analysis of information provided by Mare Nostrum members

WORKERS IN THE SHIPPING INDUSTRY ARE 13 PERCENT MORE PRODUCTIVE THAN THE CROATIAN AVERAGE

LABOUR PRODUCTIVITY IN CROATIAN SHIPPING AND COMPARATOR INDUSTRIES, HRK PER EMPLOYEE, 2016

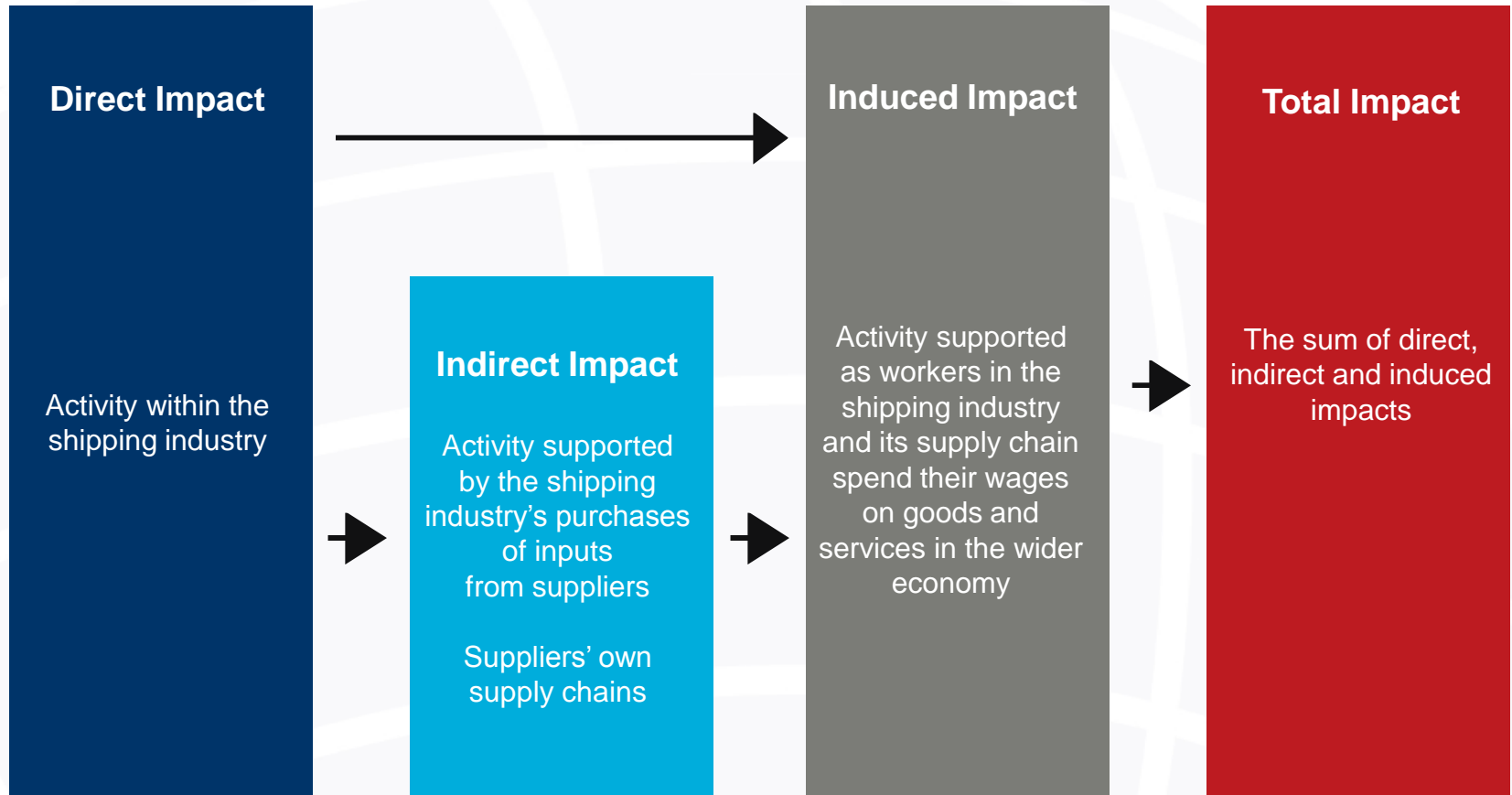
Croatian kuna



Source: Oxford Economics

THE TOTAL ECONOMIC CONTRIBUTION OF THE CROATIAN SHIPPING INDUSTRY

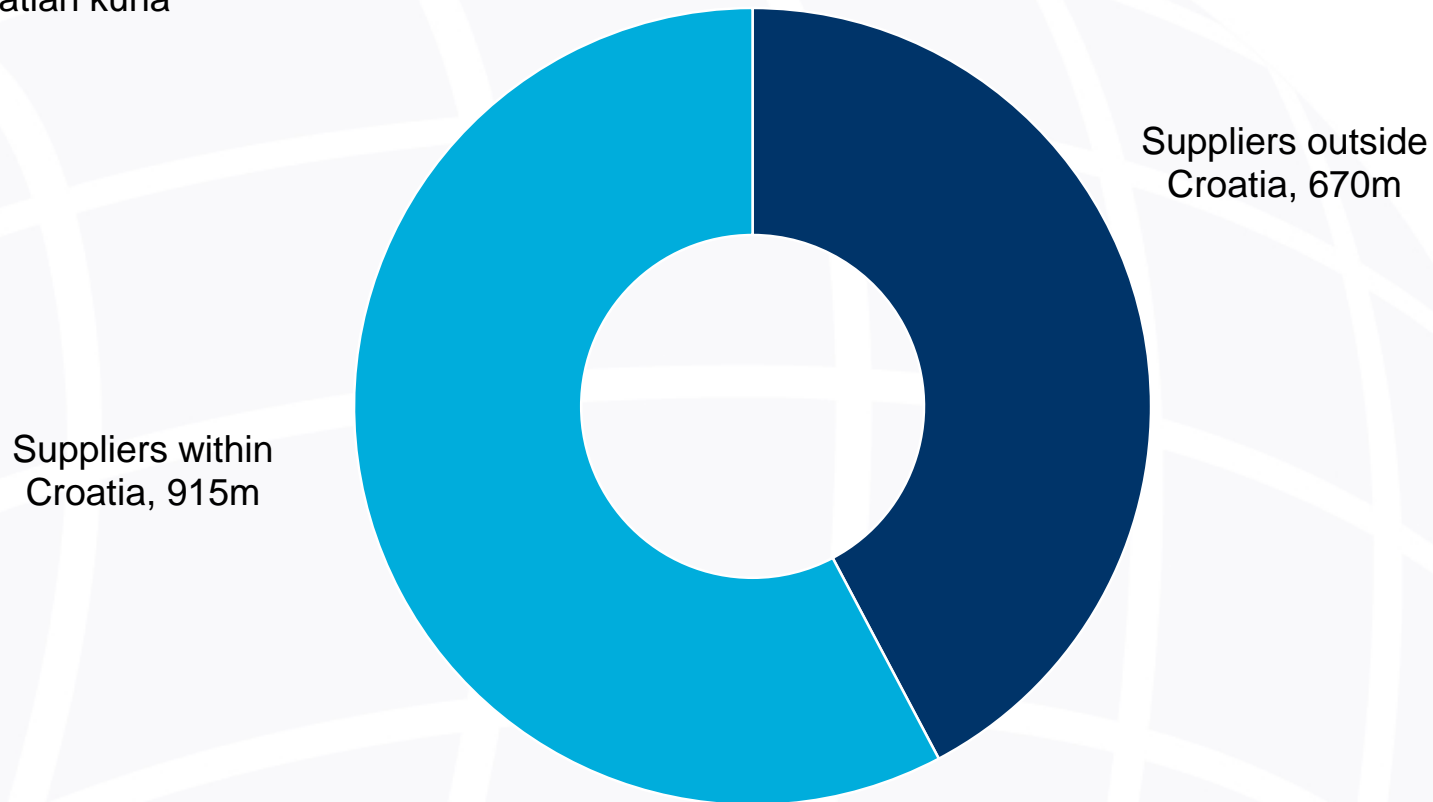
WE ESTIMATE THE ECONOMIC IMPACT OF THE CROATIAN SHIPPING INDUSTRY ACROSS THREE CHANNELS



CROATIAN SHIPPING COMPANIES PURCHASED HRK 900 MILLION OF GOODS AND SERVICES FROM CROATIAN SUPPLIERS IN 2016

ESTIMATED SUPPLY CHAIN EXPENDITURE BY CROATIAN SHIPPING COMPANIES, 2016

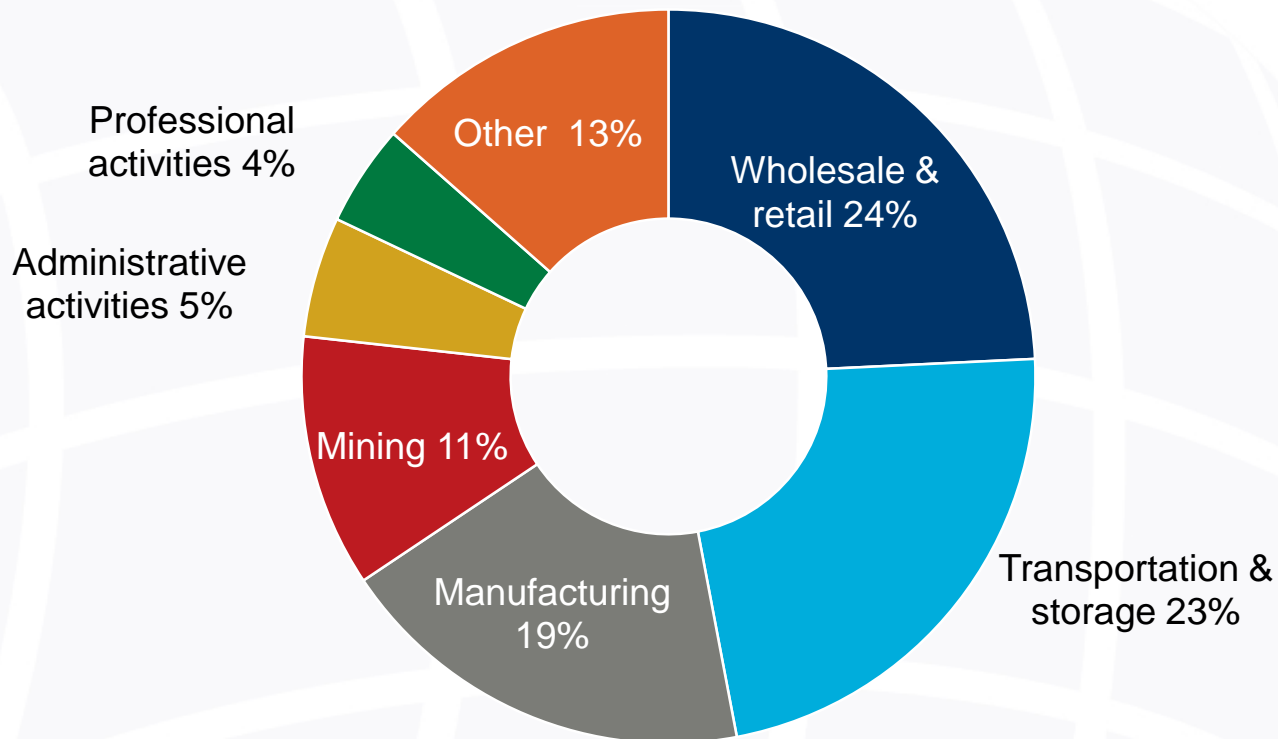
Croatian kuna



Source: Oxford Economics

THE SUPPLY CHAIN EXPENDITURE OF THE SHIPPING INDUSTRY SUPPORTED A GDP CONTRIBUTION OF HRK 546 MILLION IN 2016

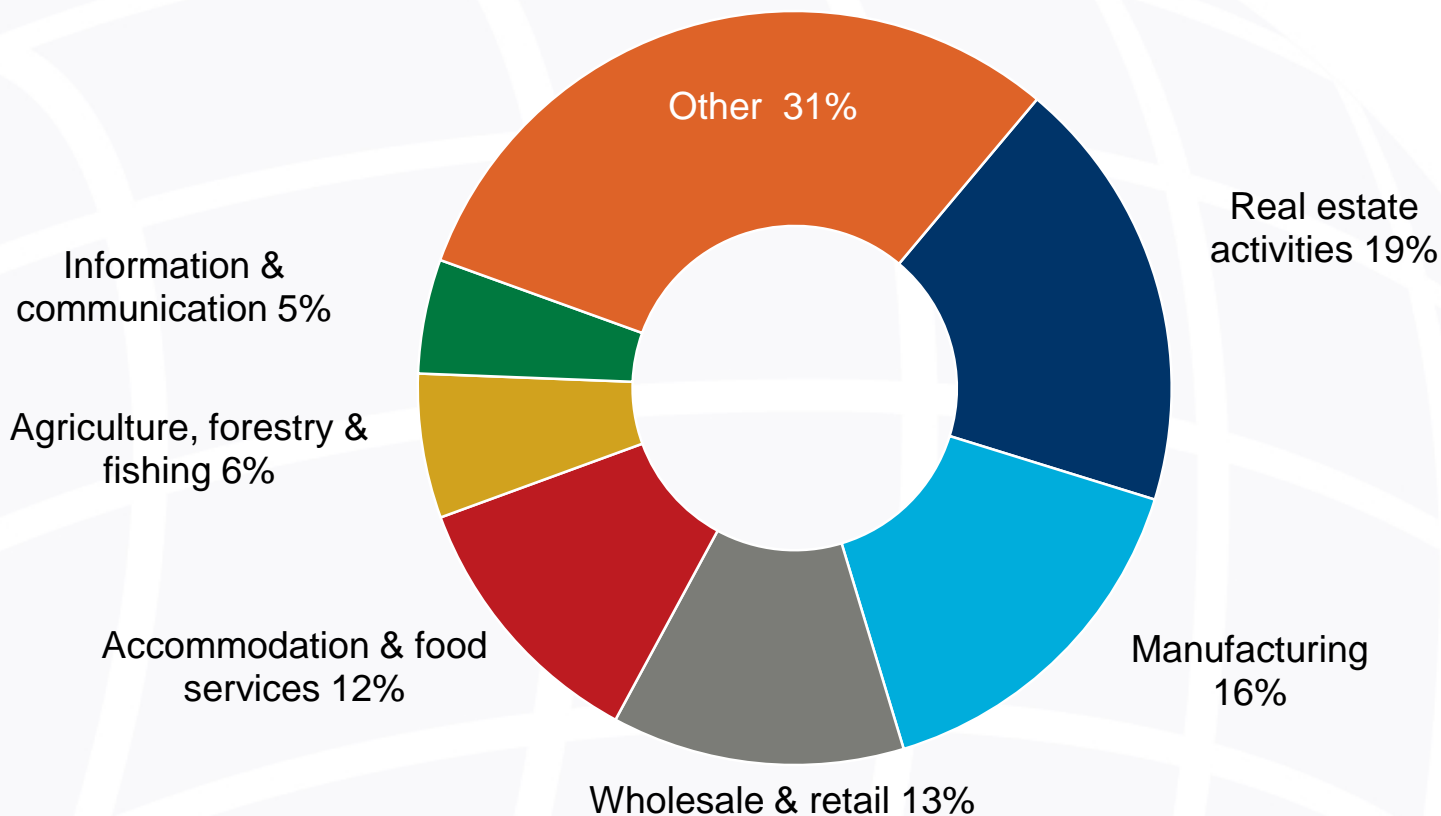
SECTORAL SHARE OF THE INDIRECT GDP CONTRIBUTION OF THE CROATIAN SHIPPING INDUSTRY, 2016



Source: Oxford Economics

THE SHIPPING INDUSTRY CONTRIBUTED A FURTHER HRK 851 MILLION TO GDP THROUGH WORKERS' SPENDING

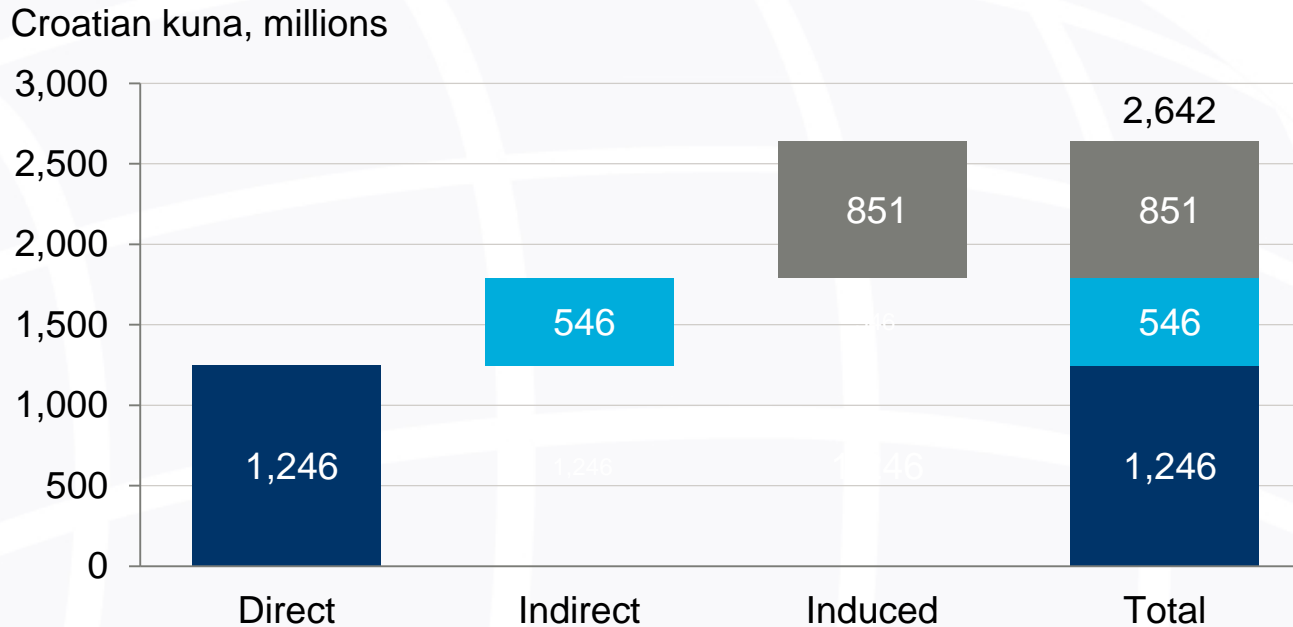
SECTORAL SHARE OF THE INDUCED GDP CONTRIBUTION OF THE CROATIAN SHIPPING INDUSTRY, 2016



Source: Oxford Economics

THE CROATIAN SHIPPING INDUSTRY SUPPORTED A TOTAL GDP CONTRIBUTION OF HRK 2.6 BILLION IN 2016

THE TOTAL GDP CONTRIBUTION OF THE CROATIAN SHIPPING INDUSTRY, 2016

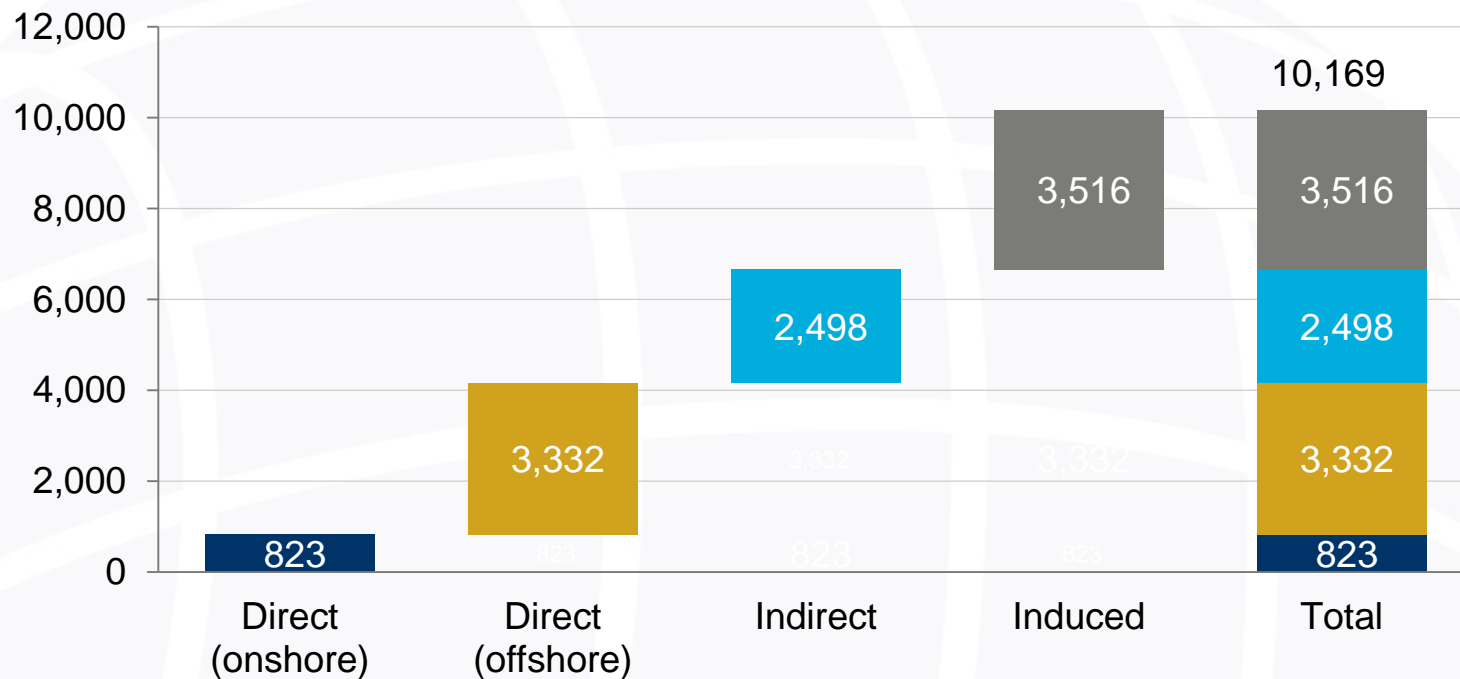


Source: Oxford Economics

For every HRK 1 million the Croatian shipping industry contributes to GDP itself, it creates another HRK 1.1 million elsewhere in the Croatian economy.

THE CROATIAN SHIPPING INDUSTRY SUPPORTED A TOTAL OF 10,200 JOBS IN 2016

THE TOTAL EMPLOYMENT CONTRIBUTION OF THE CROATIAN SHIPPING INDUSTRY, 2016



Source: Oxford Economics

For every direct job within the industry, another 1.4 are supported elsewhere in the Croatian economy.

KEY FINDINGS

154

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Total GDP contribution



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Total employment

All data shown in tables and charts is Oxford Economics' own data, and is copyright © Oxford Economics Ltd, except where otherwise stated and cited in footnotes.

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