



Comprehensive sectoral analysis of emerging competences and economic activities in the European Union:

Building and Repairing of Ships and Boats sector

Summary

April 2009



DG Employment, Social Affairs and Equal Opportunities



SUMMARY

The EU-27 building and repairing of ships and boats sector provided in 2006 employment to 296.0 thousand people, figure which has experienced an upward trend since year 2001, in contrast with the severe crisis observed in the previous 25 years. The sector has been up to now in a very expansive cycle (parallel to the growth in seaborne world trade), with a remarkable international concentration process together with increasing outsourcing strategies by the main shipyards. However, the current economic and financial crisis at world level is changing severely this positive evolution.

Skilled workers represent the bulk of the workforce in the sector, even though a shift from blue-collar to white-collar employment is underway. It is noteworthy a higher presence of personnel in production activities in the NMS in comparison to the EU-15 countries (with a higher presence conception-related occupations). The existing EU specialisation on high-tech products is generating a growing demand for better educated personnel with enhanced competences and the development of a multi-skilled workforce.

The main drivers of change affecting the sector during the last years include the evolution of world trade (inducing demand), a growing competence from third countries, mainly Asian (though in general still at a lower technological level than the EU), emphasis on RDI investments in new products and manufacturing methods for maintaining the European competitive advantage, a growing demand and shortages of qualified and highly specialised personnel and, finally, increasing and more complex outsourcing practices (at international and national level).

Two main variables are selected in order to construct scenarios for the future of the sector:

1. The economic cycle and its impact on the future evolution of world trade and sea transport
2. The sector's ability to preserve the European technological advantage

The combination of favourable and unfavourable hypotheses for these variables gives place to the 4 scenarios, of which the 2 more extreme are retained:

Scenario 1: Growing demand of ships and boats and preservation of EU technological advantage

Scenario 4: Stagnant shipbuilding demand and loss of EU technological advantage

In Scenario 1, a long term increase of employment could be expected, particularly of conception-related jobs (R&D/Design, production management). On the contrary, Scenario 4 would have very negative impact in terms of employment, both in the EU-15 and the NMS and both for final assemblers and subcontractors, especially for execution jobs.

Under these possible perspectives, it must be underlined the strategic importance of the ship and boat building and repairing industry for the European economy in the coming years. Thus, activities should be developed that may help to both retain the existing sector workforce and to recruit new personnel (incorporating women, recruiting and maintaining foreign personnel,...). Also, collaborative approaches should be implemented, both within the sector and with related stakeholders, other sectors, etc.

The reinforcement of the social dialogue practices in the sector seems of utmost importance, specifically with respect to employment and training strategies. In this sense, new skill requirements should be analysed and addressed through the sectoral social dialogue. Also the education/training supply has to be streamlined and balanced according to the training needs of enterprises (both assemblers and suppliers) through increased cooperation between relevant stakeholders. Training-related counselling and advising activities for enterprises (especially SMEs) could be of great assistance

Finally, it must be mentioned the required mutual recognition amongst EU countries of professions, qualification standards and education and training levels for the sector. Also, questions as the importance of recognising non-formal knowledge and skills acquired through practical experience, or policies facilitating the transmission of tacit knowledge from 'senior' to 'new' personnel'.