



# Global performance Benchmark

## GCE Blue Maritime klyngekonferanse 25. september 2015

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# Dette skal vi gjennom



1. Overordnede nøkkeltall
2. Global Performance Benchmark - komparative analyser
  - Vekst
  - Produktivitet
  - Lønnsomhet
3. Shipping
4. Verft
5. Utstyr
6. Design – og andre tjenester
7. Fremtidsutsikter

# Dette skal vi gjennom

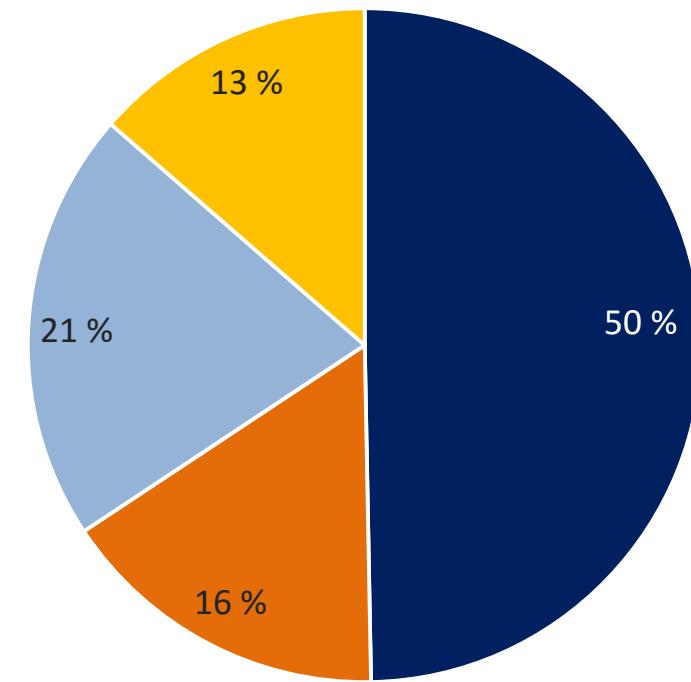


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# Blue Maritime Cluster – an innovative complete offshore cluster

	2014	Development (2013/2014)
Turnover	70.7 mrd	7 %
Value added	22.5 mrd	8 %
Operating margin	7.2 %	-13 %
Employment	18 000	0.6 %

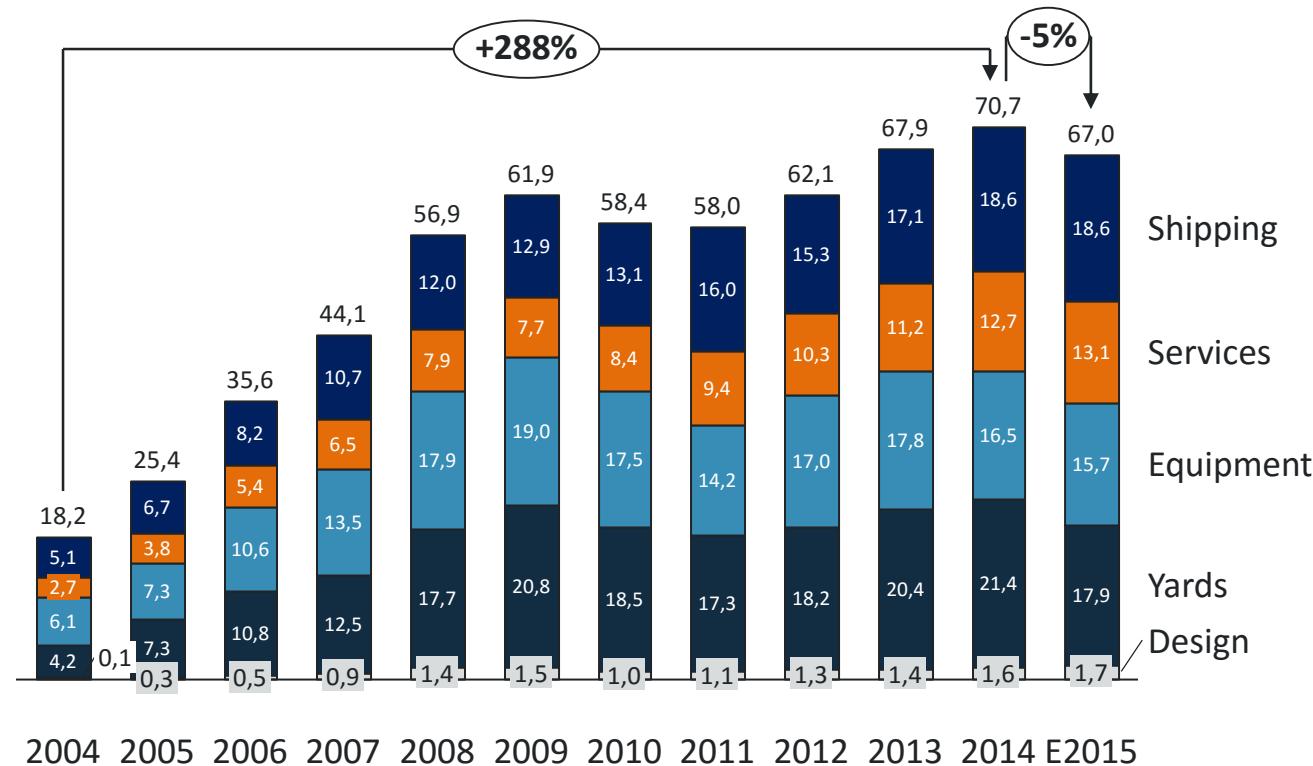
Cluster Value added (2014)



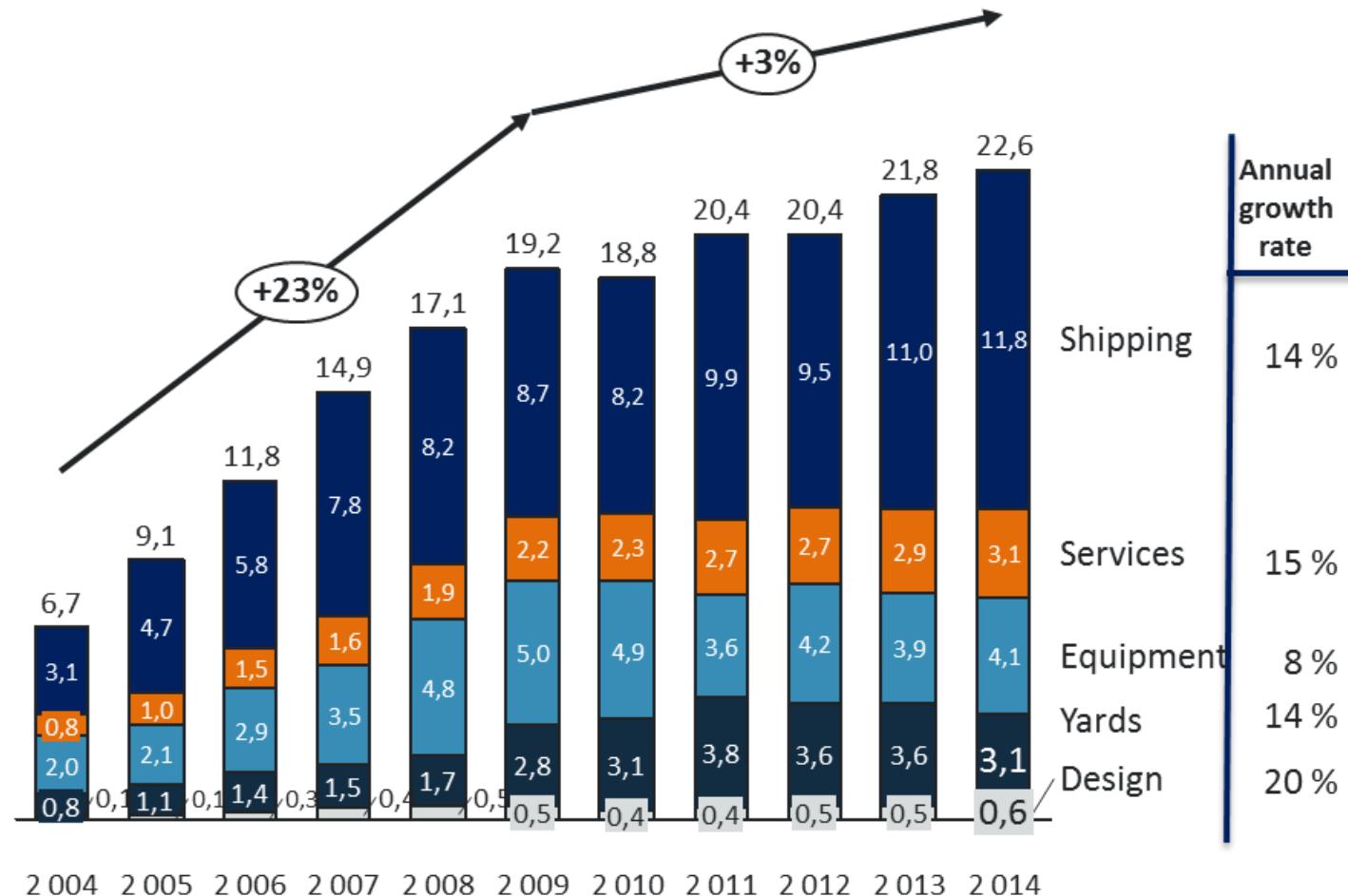
■ Shipping ■ Services ■ Equipment ■ Yards

# The cluster has experienced a strong period of growth

Turnover has increased from 18 to 68 billion NOK over the last 10 years

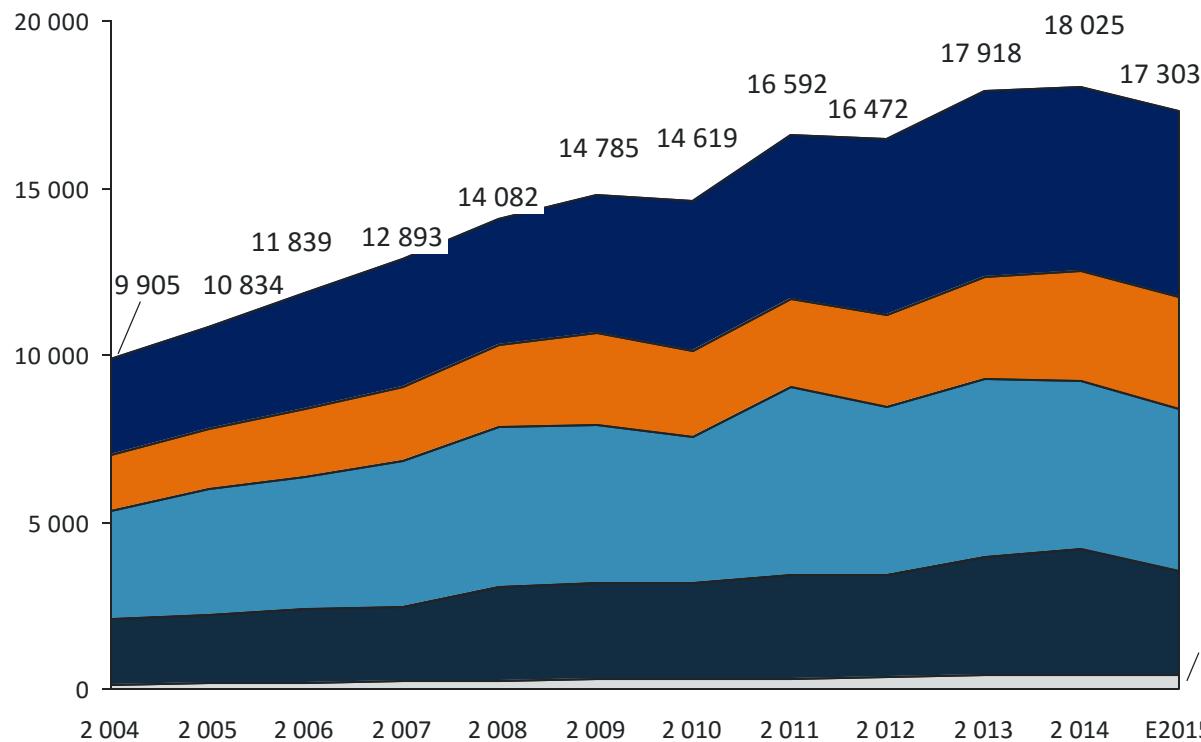


# Verdiskapingen har fortsatt å vokse frem til i år

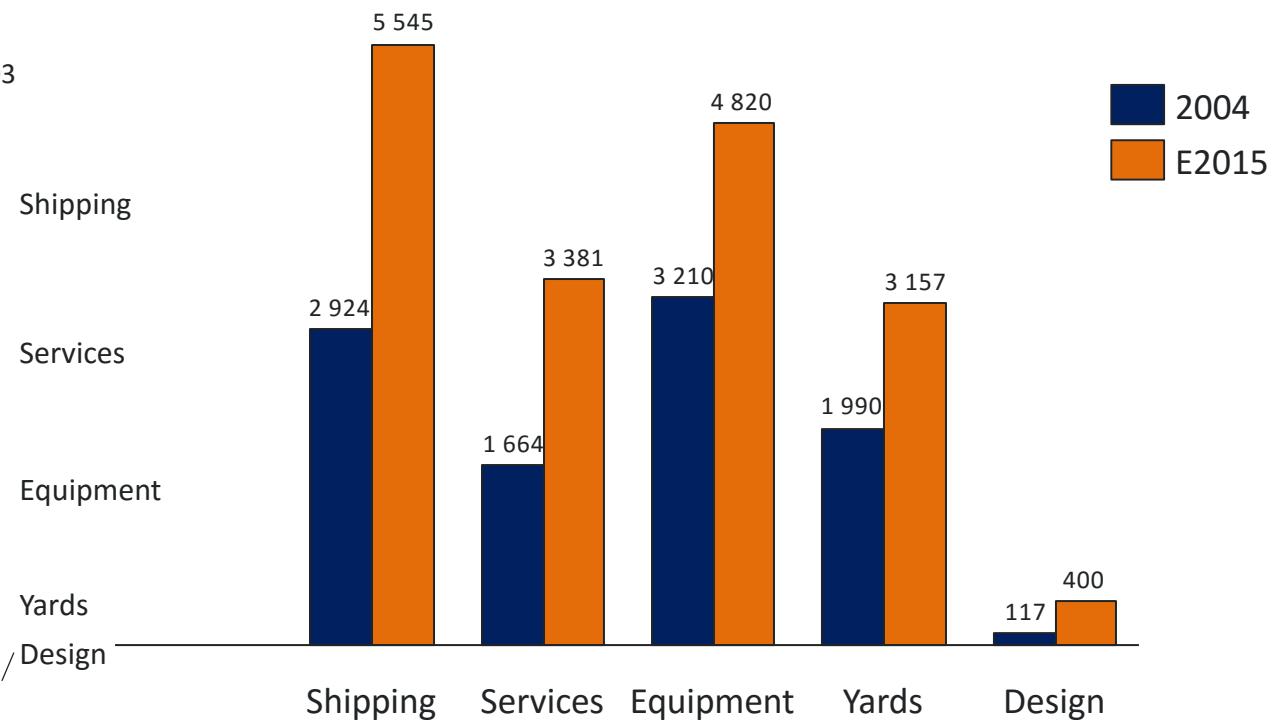


# Høy vekst i antall ansatte i klyngen – frem til i dag

7 000 new employees since 2004

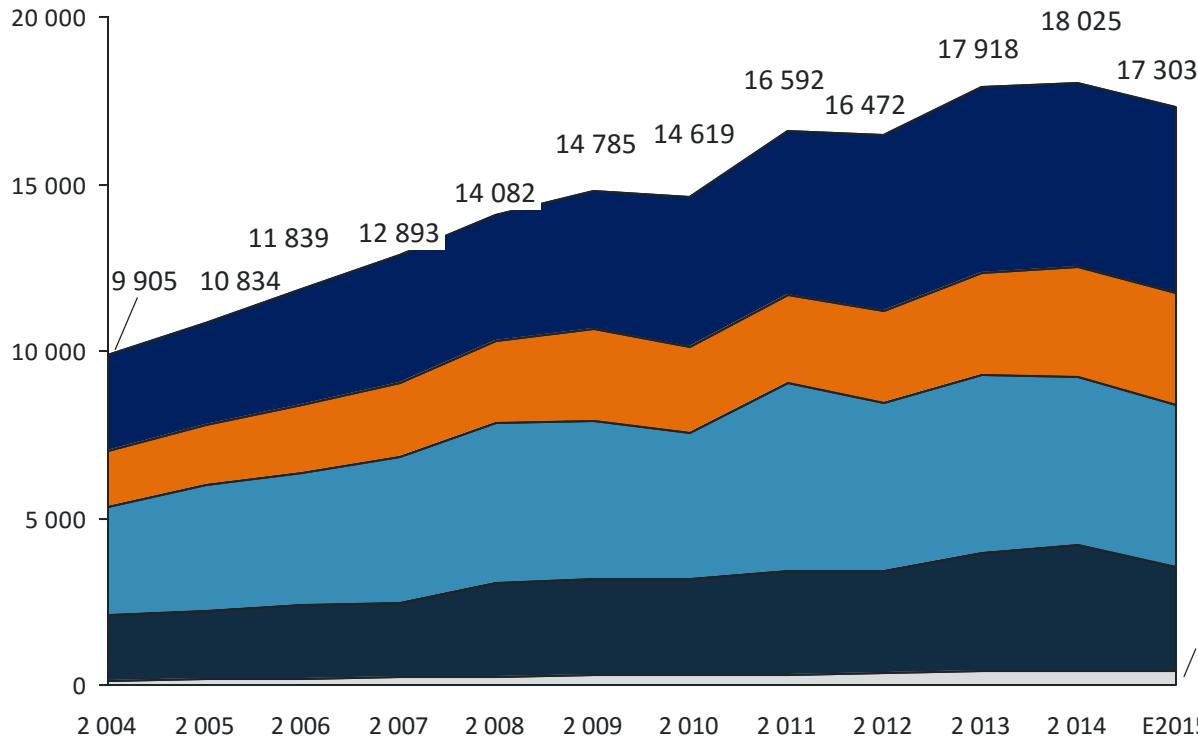


Growth in all groups

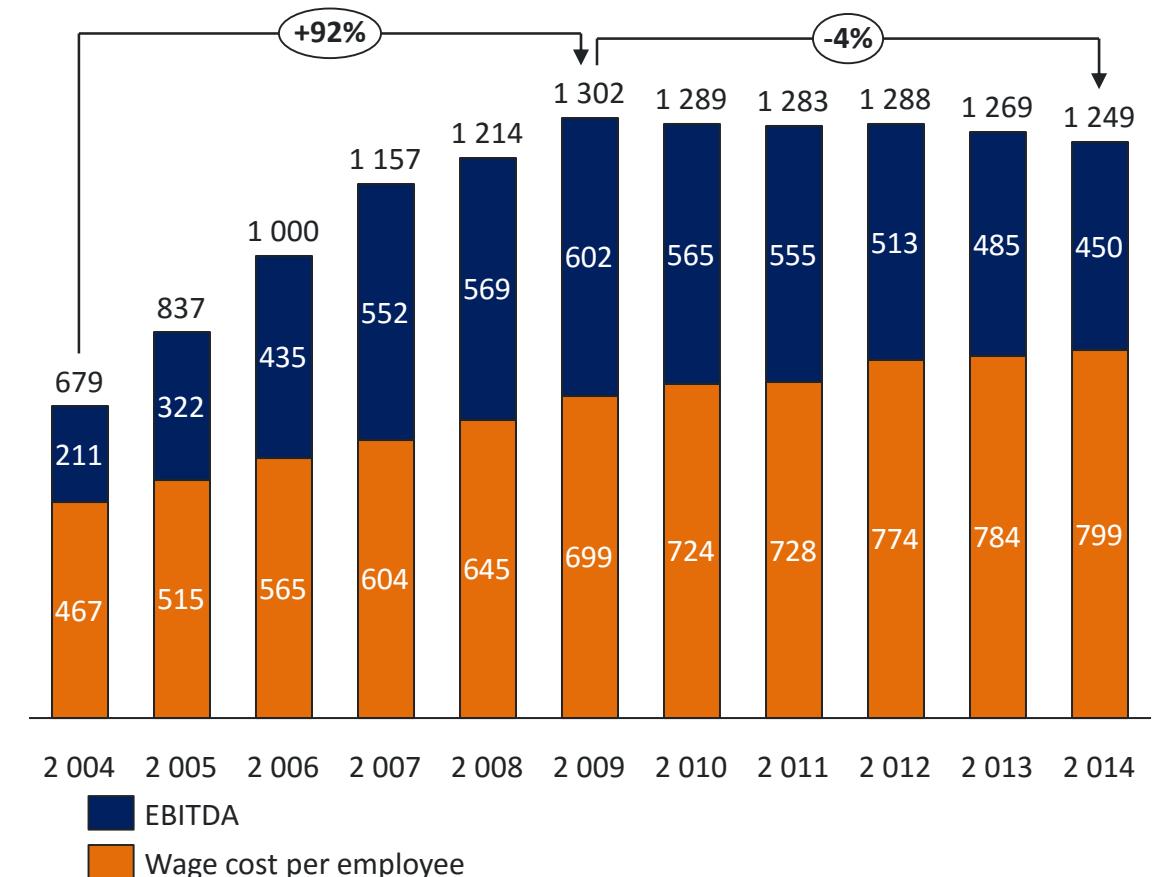


# Men produktivitetsveksten stoppet i 2009

7 000 new employees since 2004

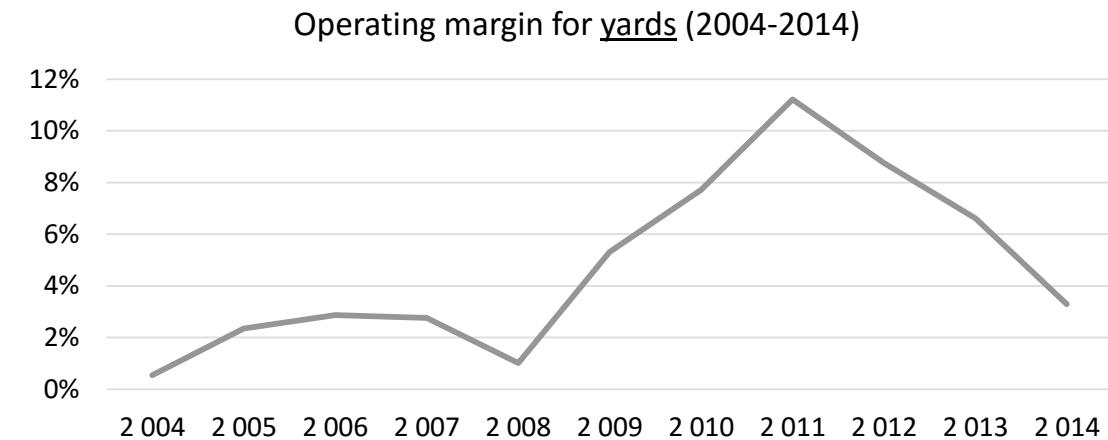
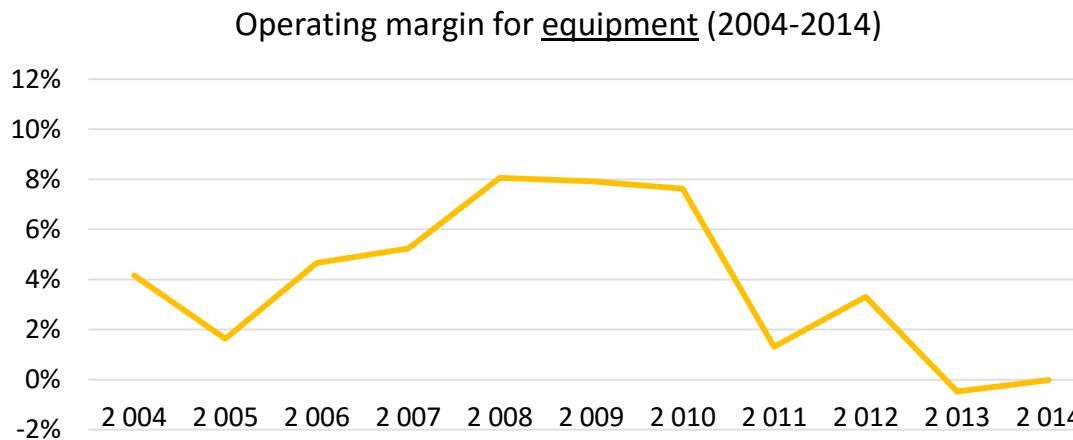
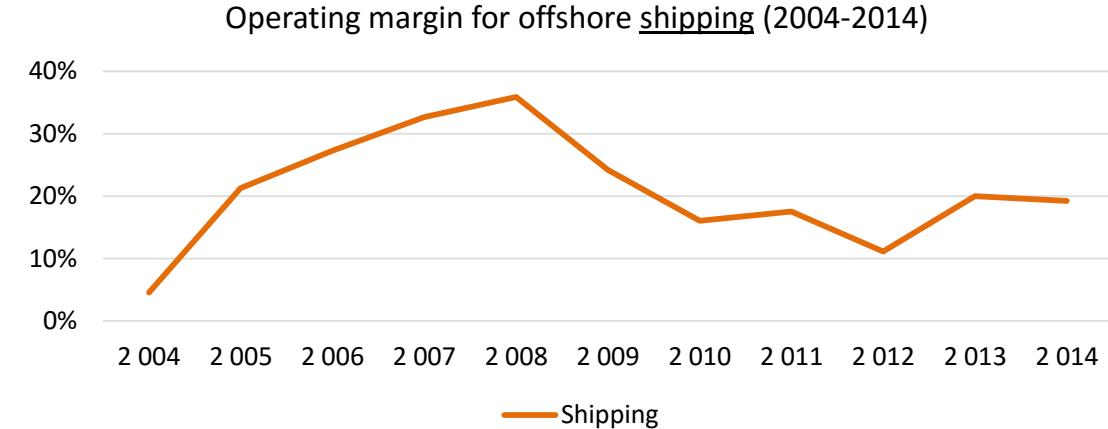
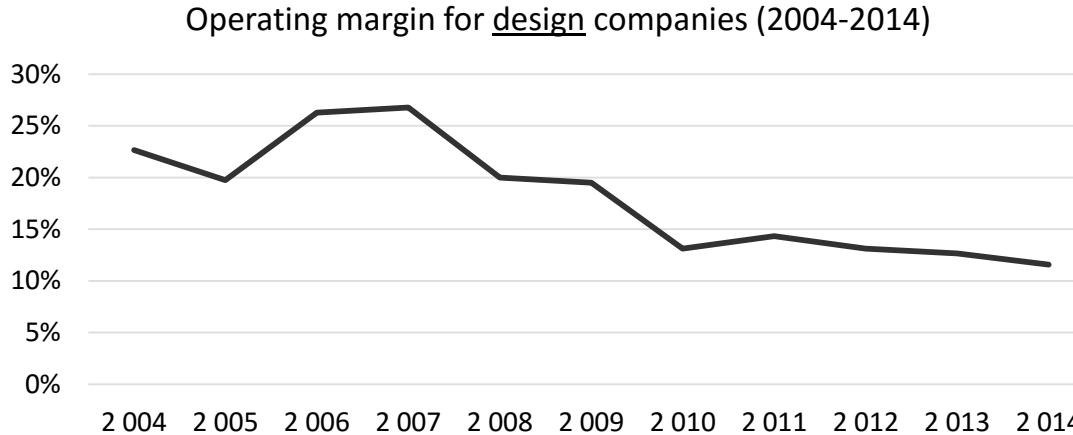


Value added per employee (2004-2013). Kilde: Menon



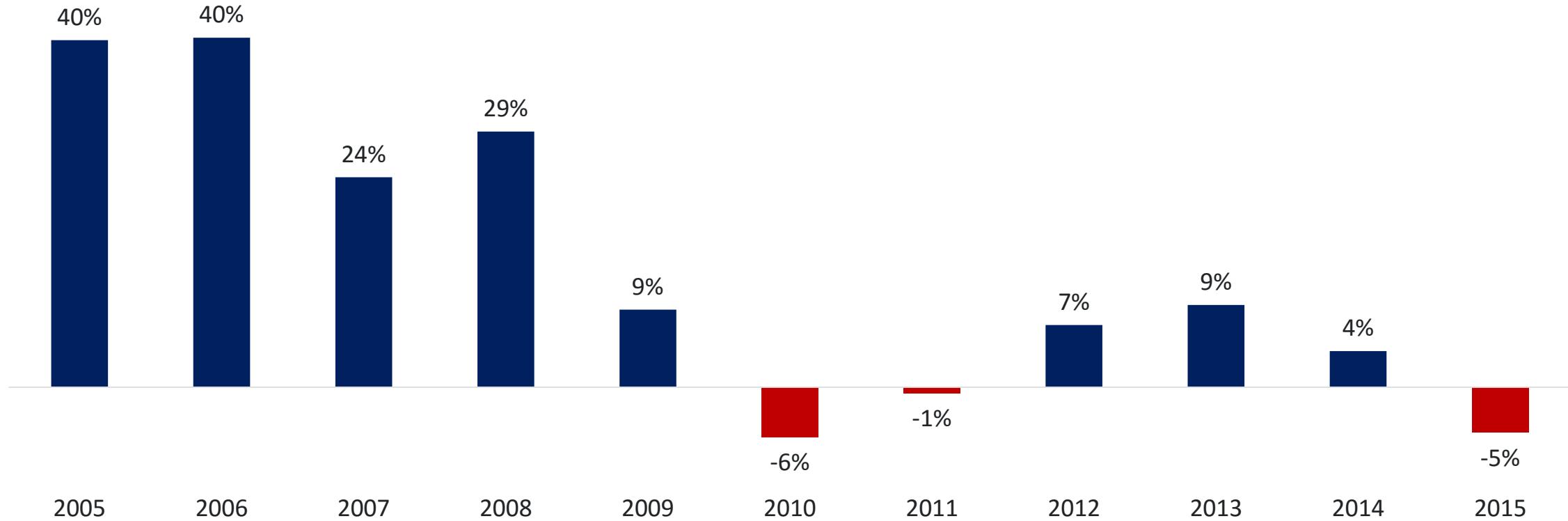
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# Høye men fallende driftsmarginer i klyngen de siste årene Toppen nådd i ulike år



# Det er lenge siden inntektsveksten var høy i klyngen

Yearly revenue growth rate in the Blue Maritime Cluster – 2004 to 2015



# Dette skal vi gjennom



1. Overordnede nøkkeltall
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## Performance driving indicators

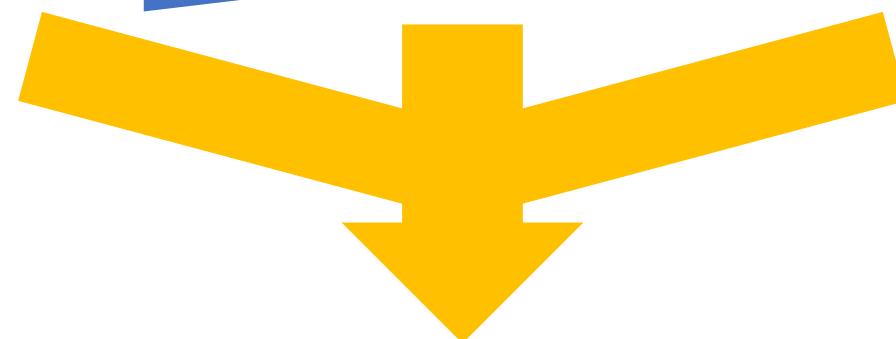
- Demand drivers
- Robustness properties

## Performance indicators

- Activity level
- Profitability
- Productivity

## Realized competitiveness indicators

- Market shares



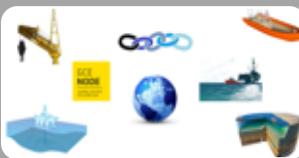
### Macro level

- *Study object:* GCE Blue Maritime at aggregate and segment level
- *Benchmark:* Activity industries in OECD



### Meso level

- *Study object:* GCE Blue Maritime at aggregate and segment level
- *Benchmark:* Domestic firms within same activity industry and market industry

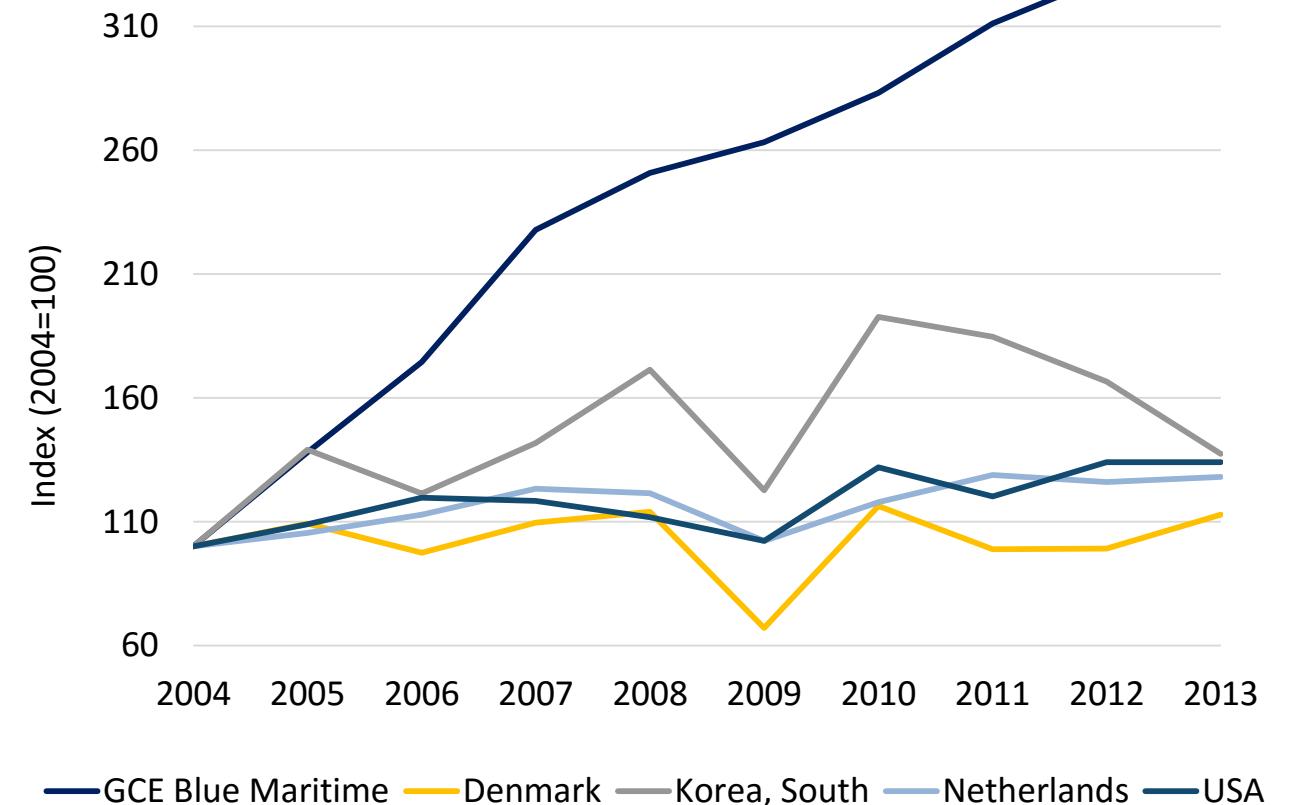


### Micro level

- *Study object:* GCE Blue Maritime at aggregate and segment level
- *Benchmark:* Key competitors and market-based industry indexes

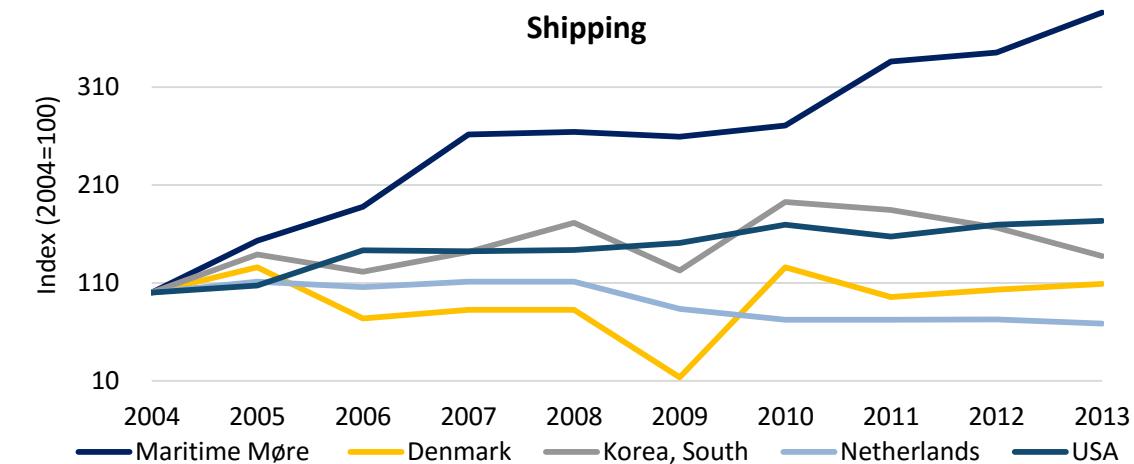
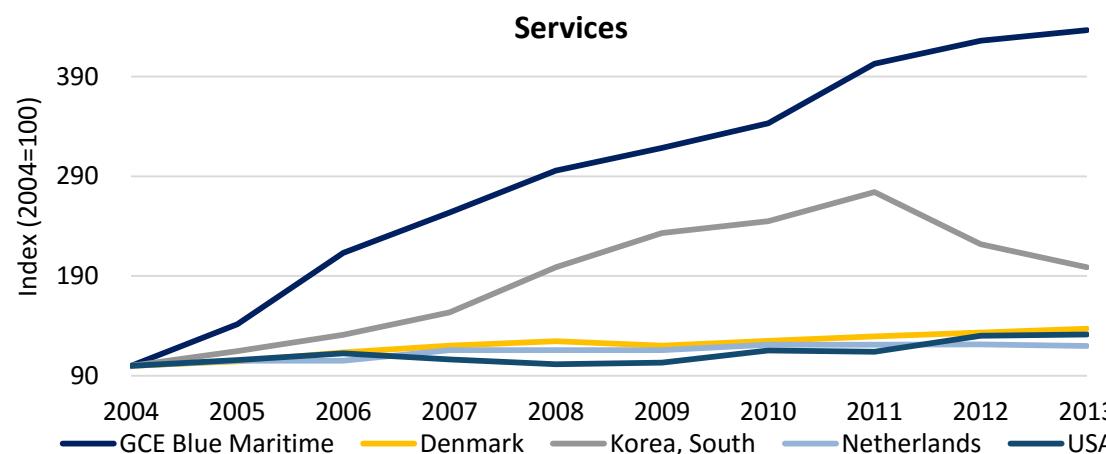
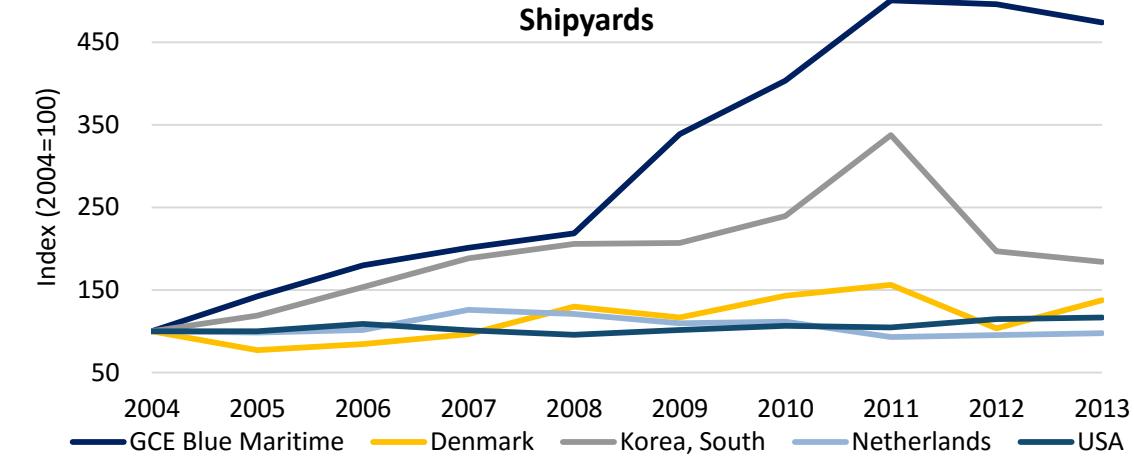
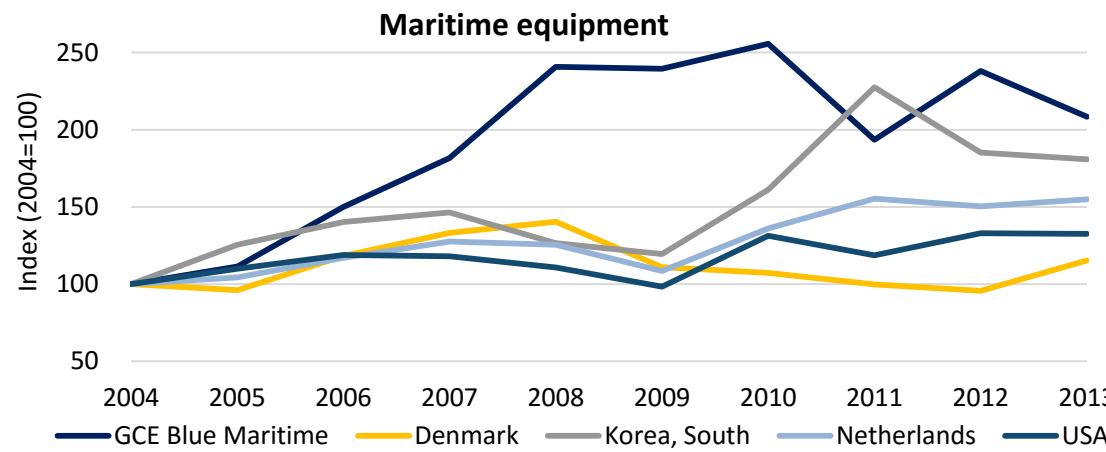
# Klyngen har hatt vesentlig høyere verdiskapingsvekst enn tilsvarende næringer i andre land

- Sammenligner GCE Blue Maritime med likeartede næringer i
  - Danmark
  - Korea
  - Nederland
  - USA



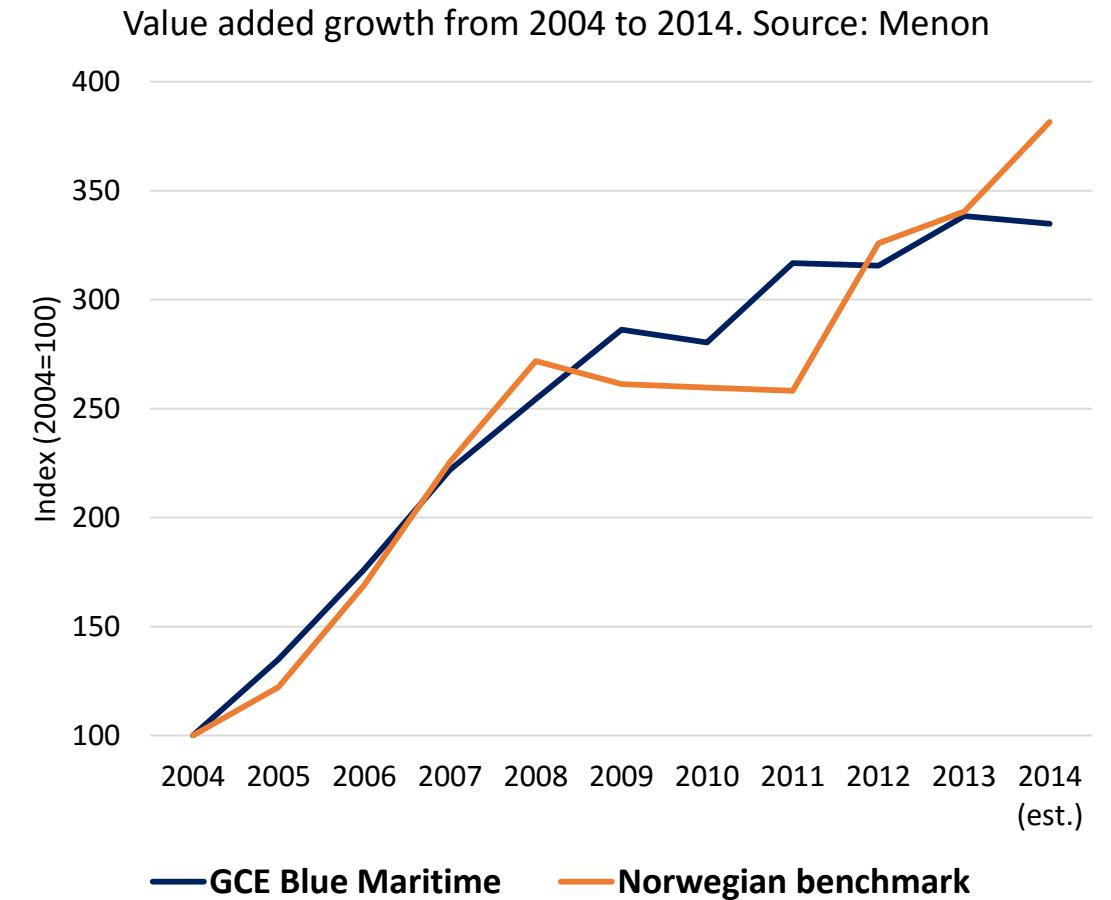
# Veksten har vært høyere for alle fire grupper

## Forskjellene klart minst innenfor utstyr

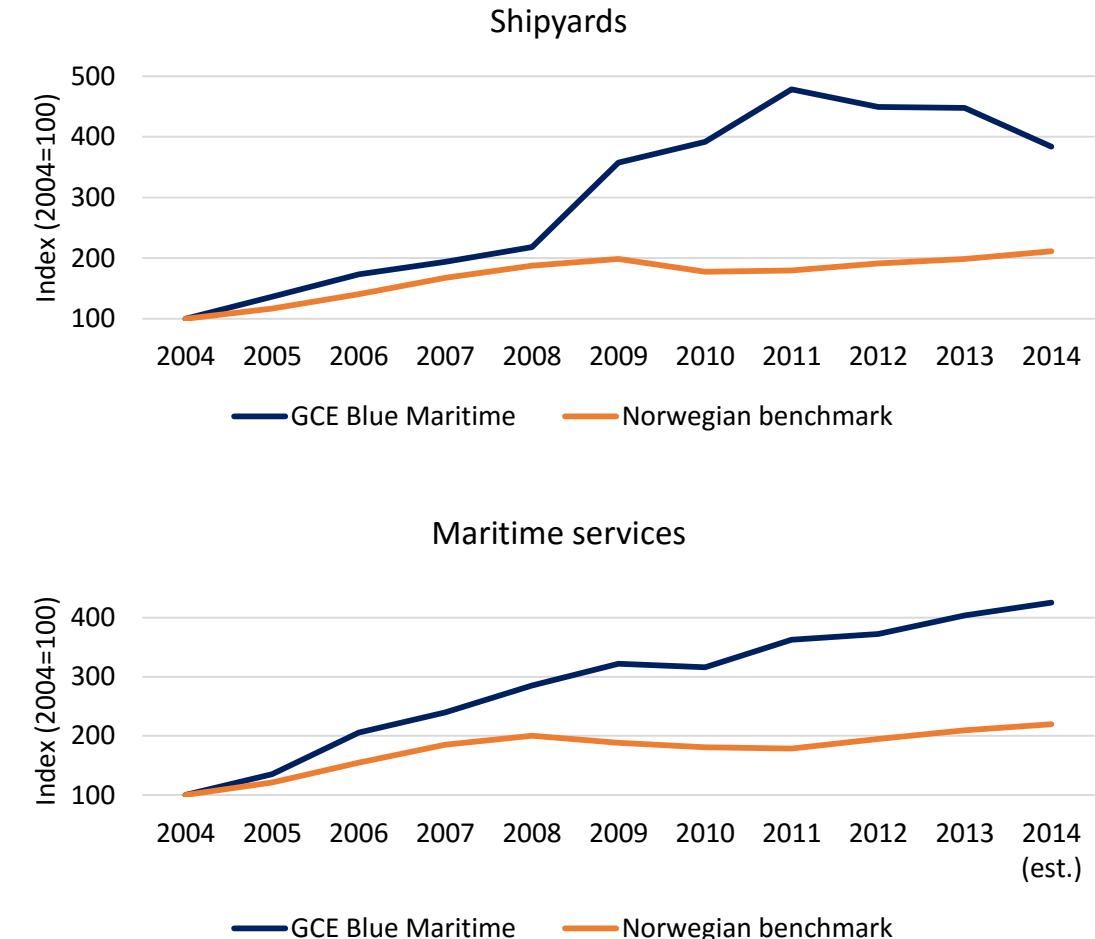


# Møre-klyngen og dets norske speibilde har vokst omtrent like raskt de siste 10 årene

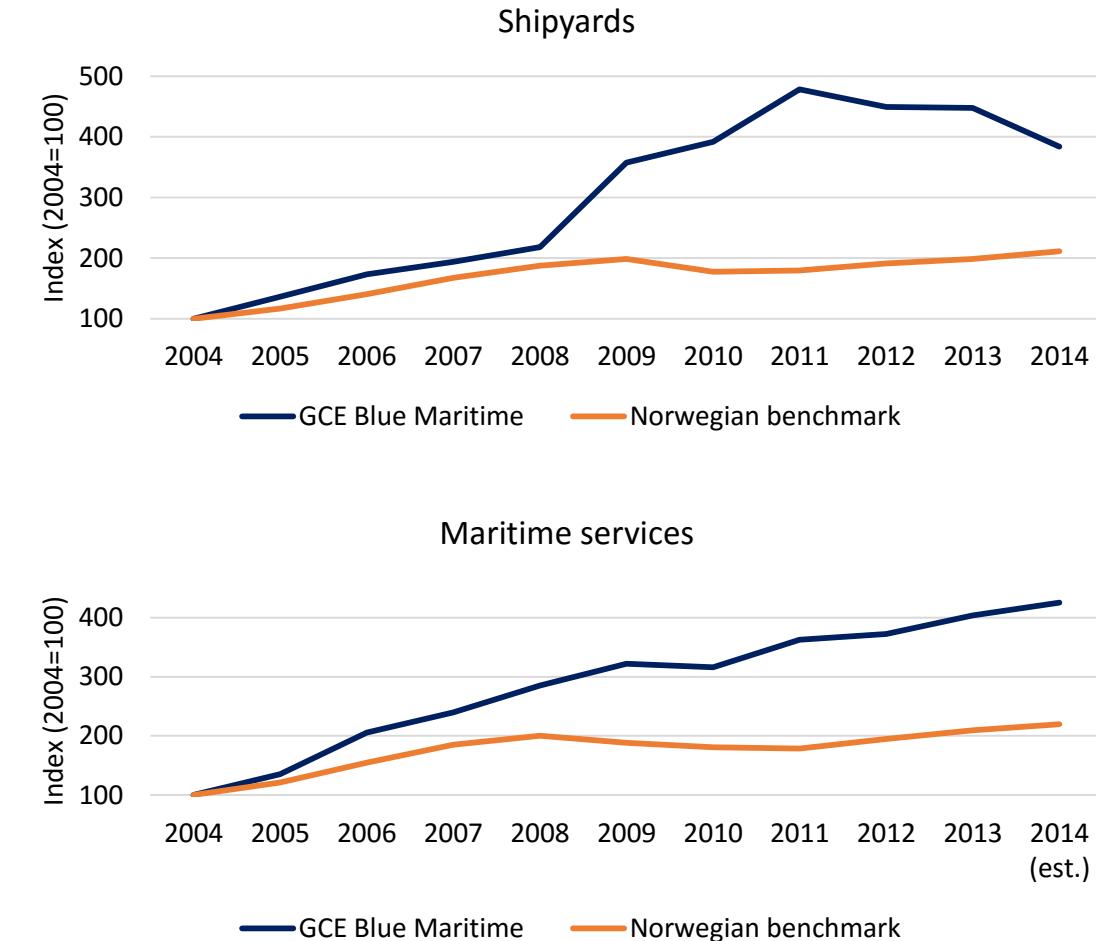
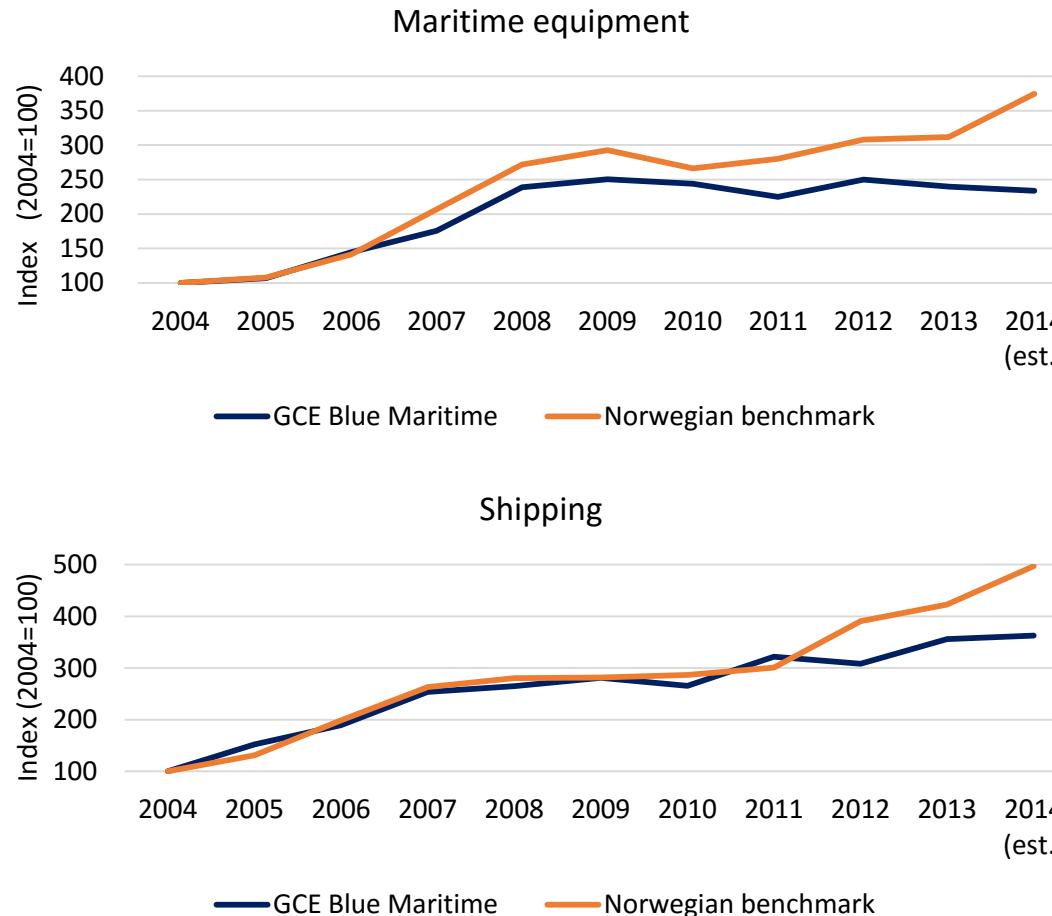
- Vi har konstruert et speibilde av Møreklyngen ved å plukke ut de bedriftene i resten av Norge som ligner mest på bedriftene i klyngen.
- Eksempler:
  - Dof
  - Solstad
  - Kongsberg Maritim
  - Framo
  - Noryard Fosen



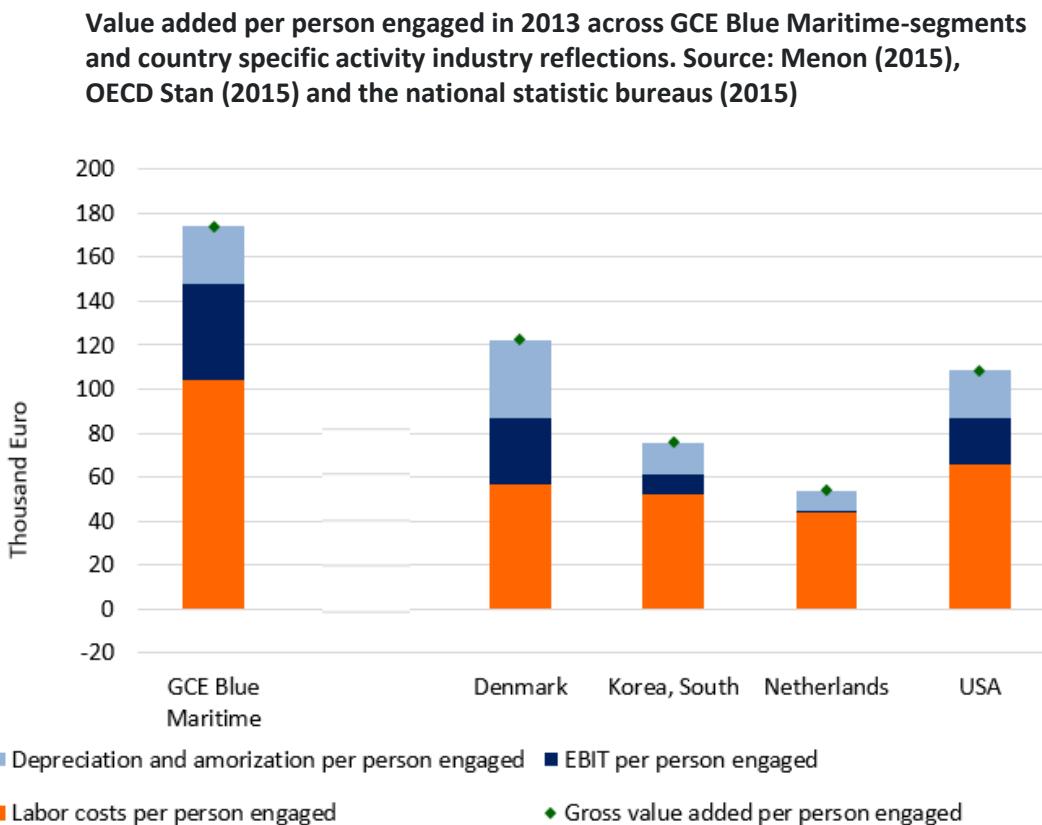
# Verft og tjenester i Møre klyngen har vokst raskere enn speibildet



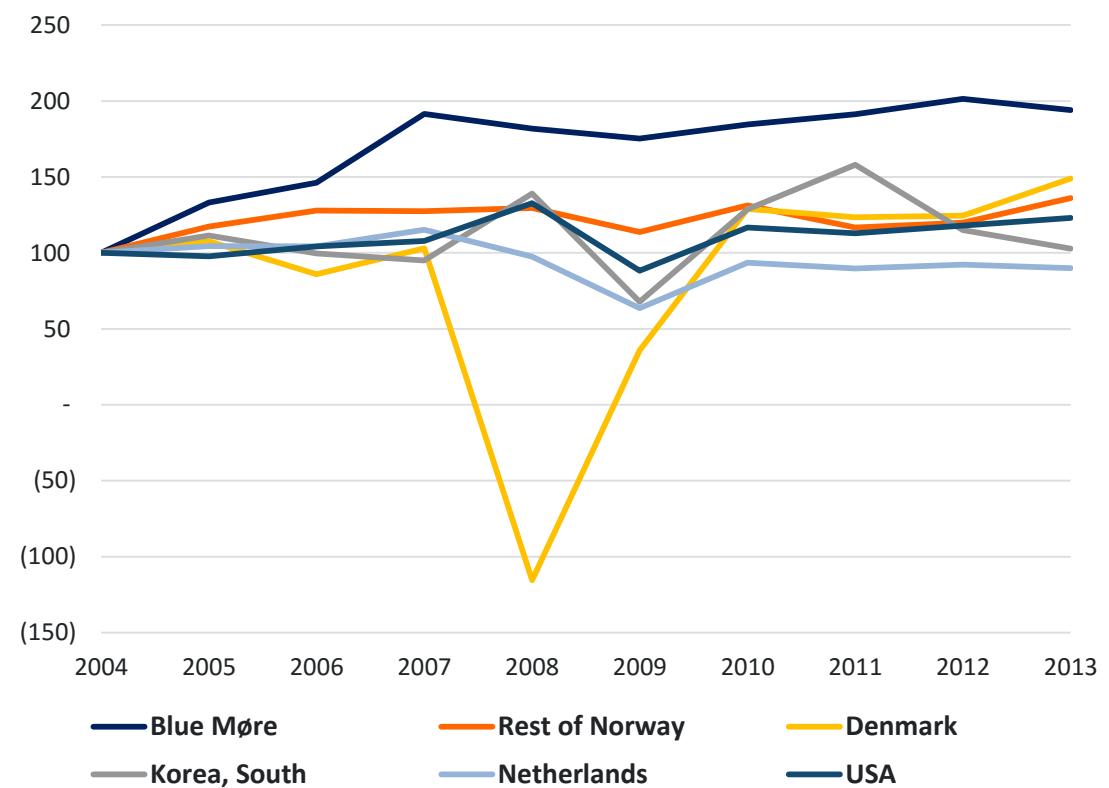
# Verft og tjenester i Møre klyngen har vokst raskere enn speibildet – men veksten er svakere innen rederier og utstyr



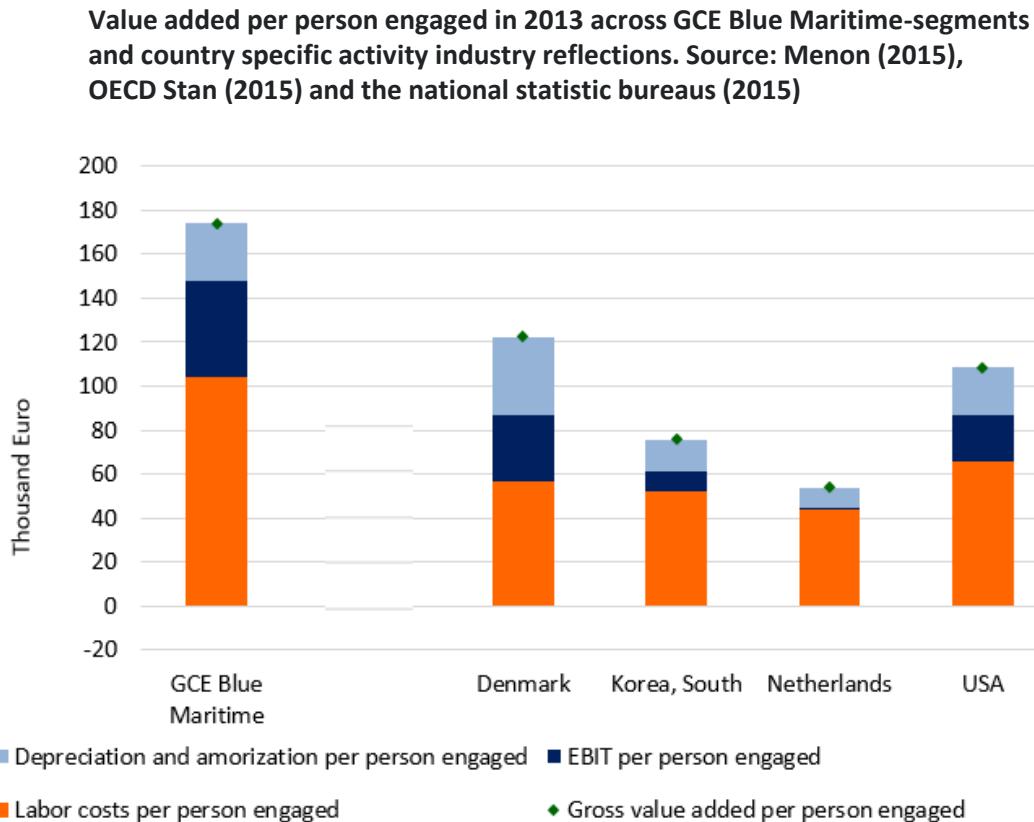
# Klyngen klart høyere produktivitet enn likeartede næringer i andre land



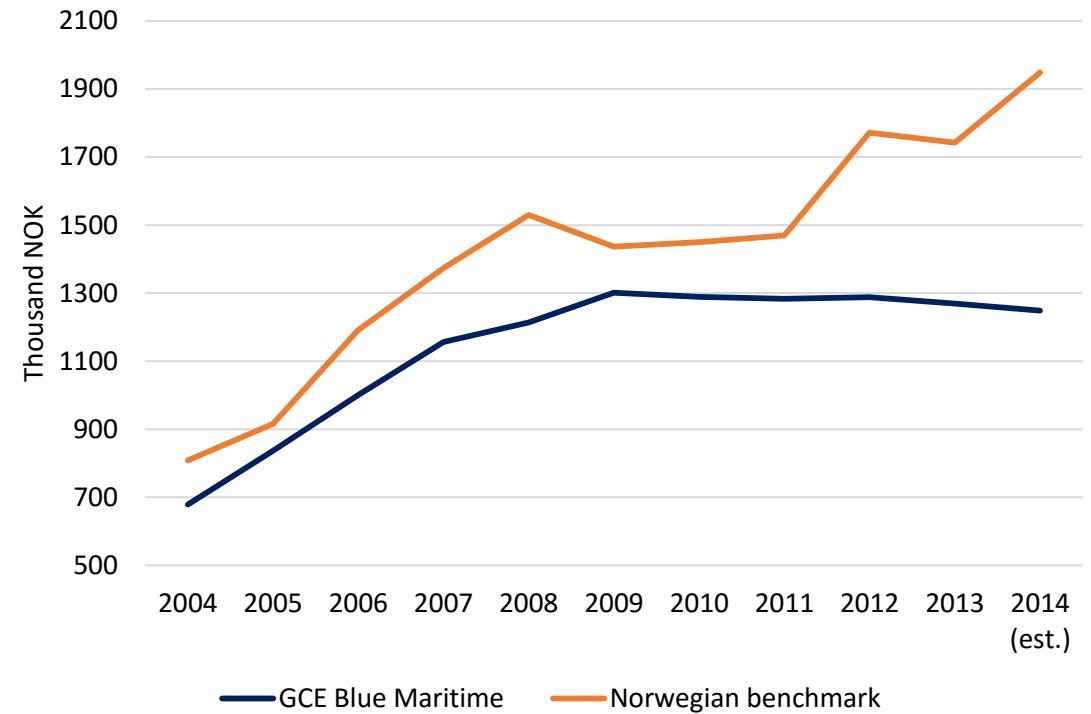
Volume productivity development (r.h.s.) for Blue Maritime and country specific activity industry-reflections. Sources: Menon (2015), OECD Stan (2015) and the national statistic bureaus (2015)



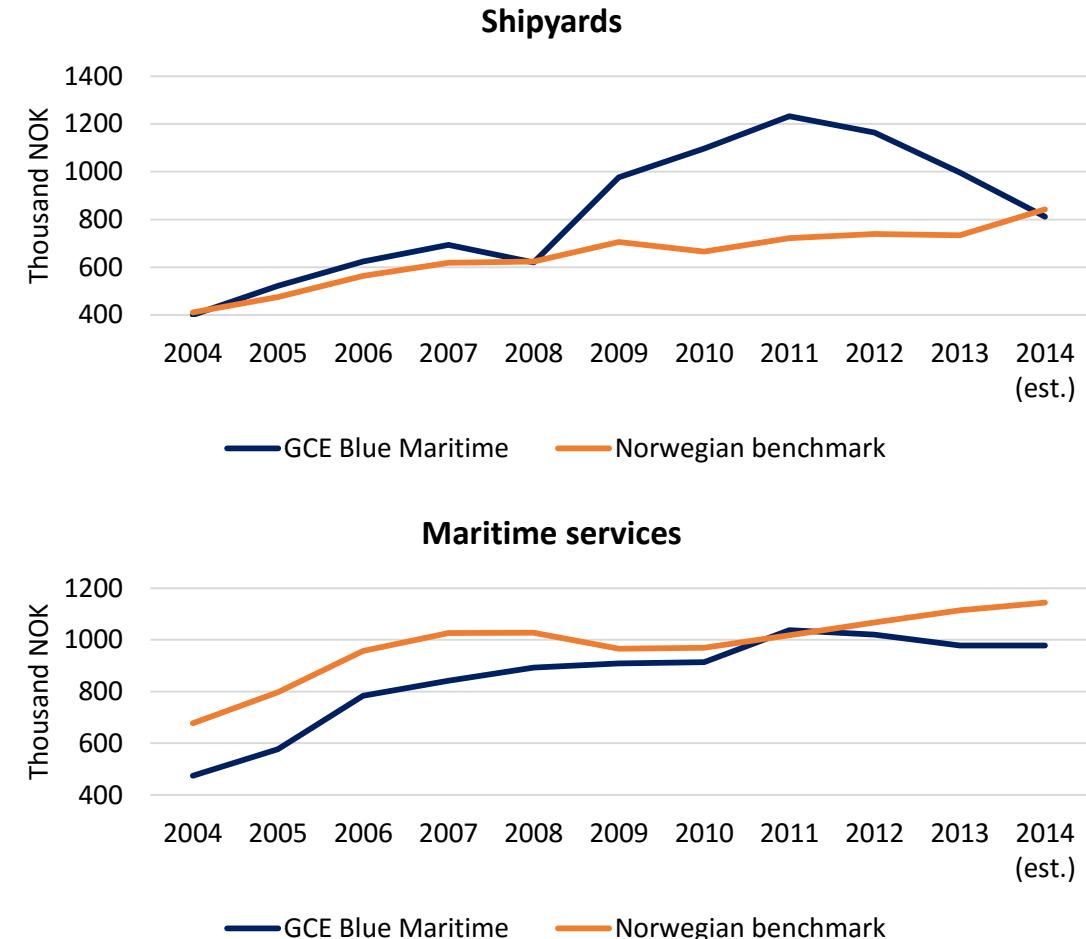
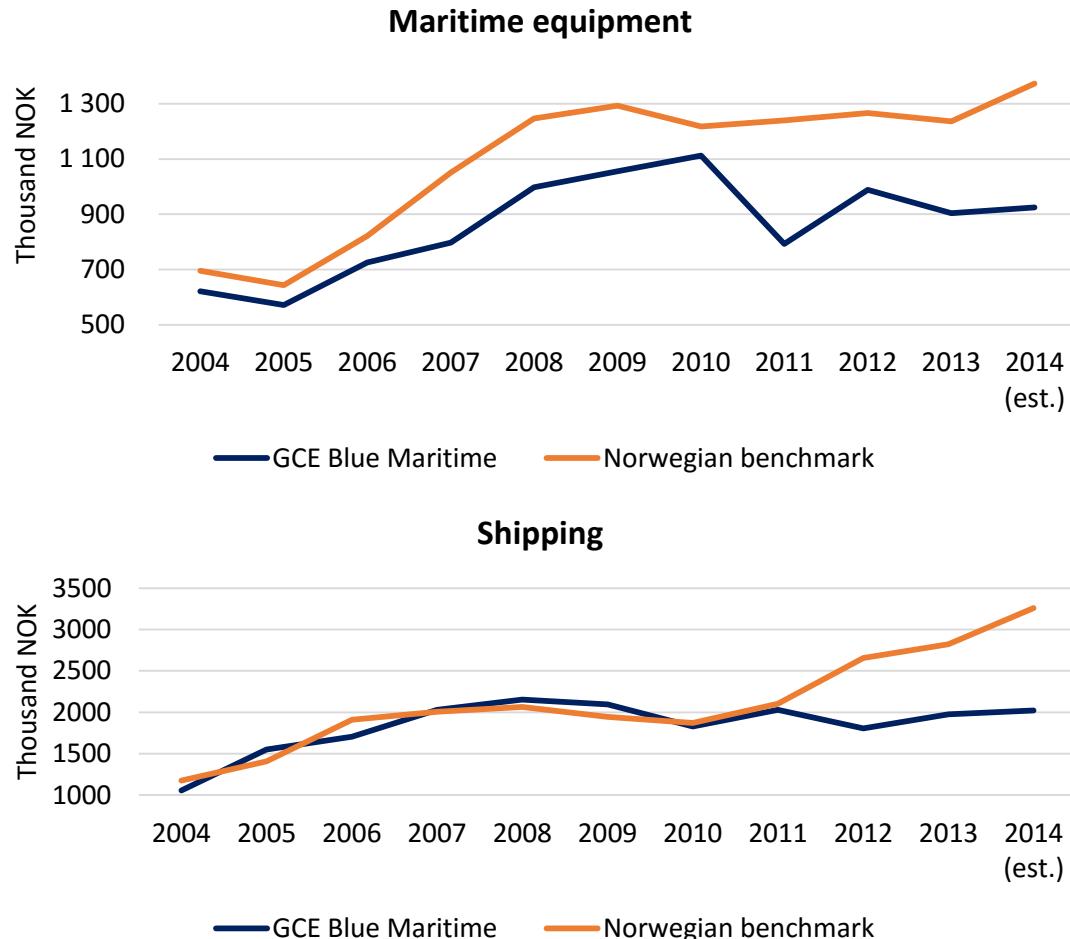
# Klyngen klart høyere arbeidsproduktivitet enn likeartede næringer i andre land – men svakere enn det norske speibildet



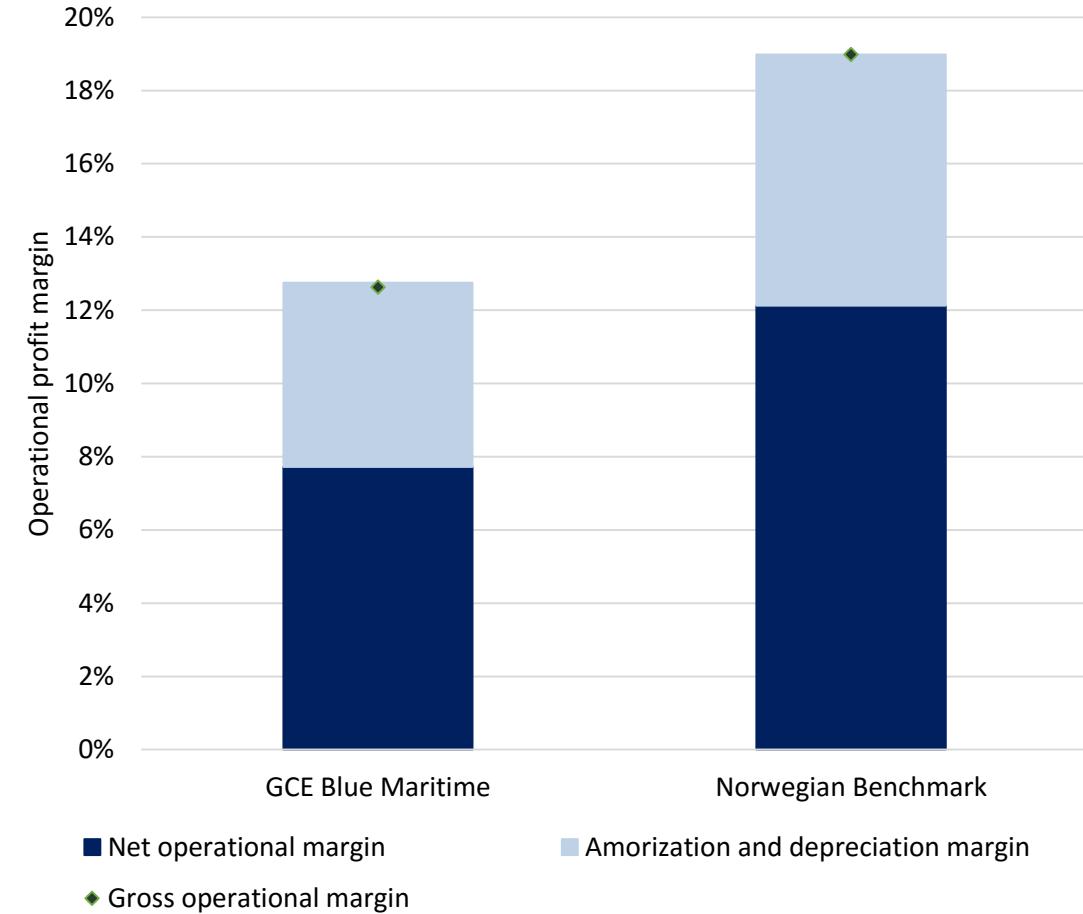
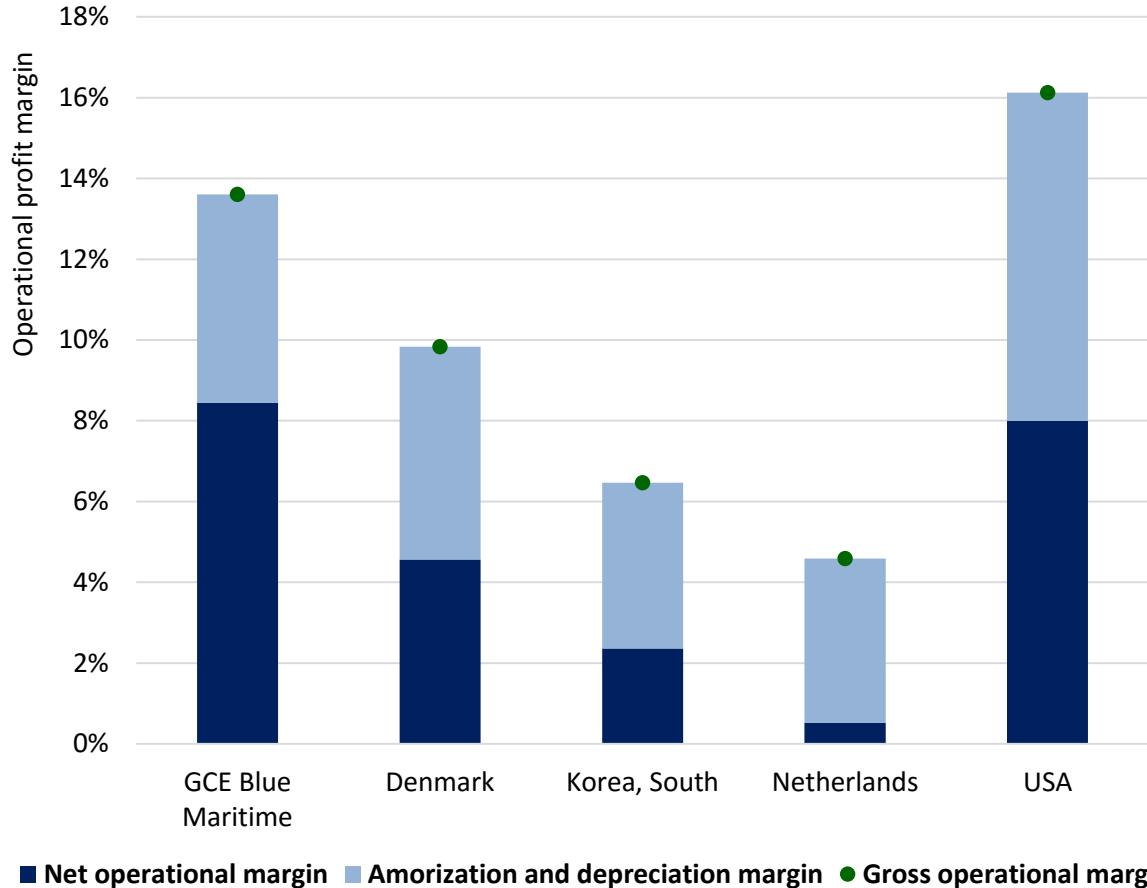
Development in gross value added per person engaged across GCE Blue Maritime and the industry reflection from 2004 to 2014. Source: Menon (2015) and Statistics Norway (2015)



# Det er særlig innen utstyr og rederivirksomhet produktiviteten er lavere enn det norske speilbildet

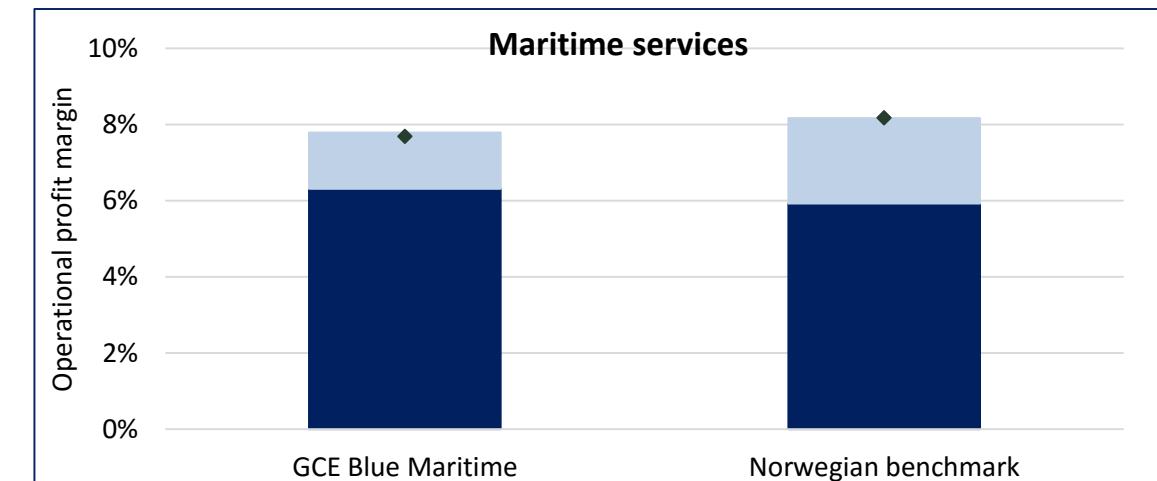
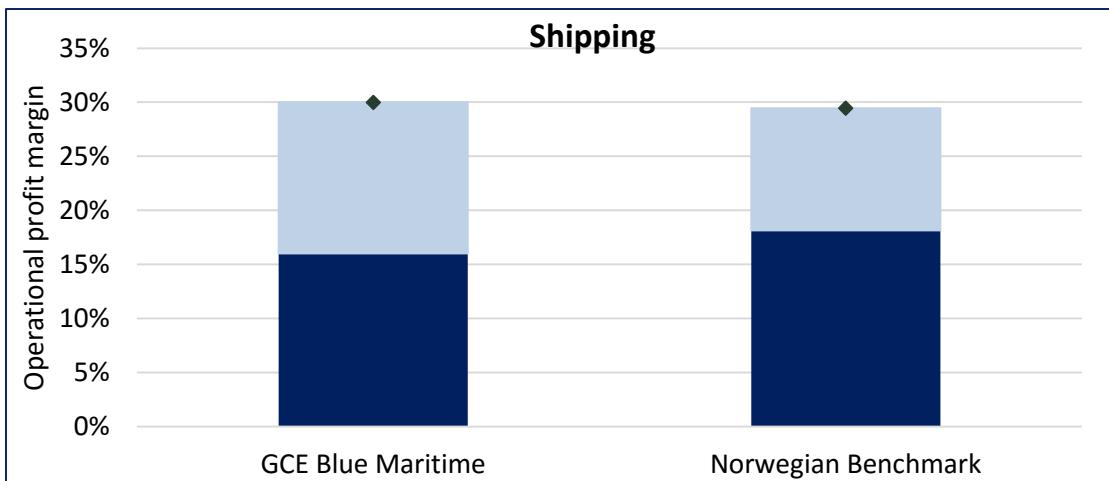
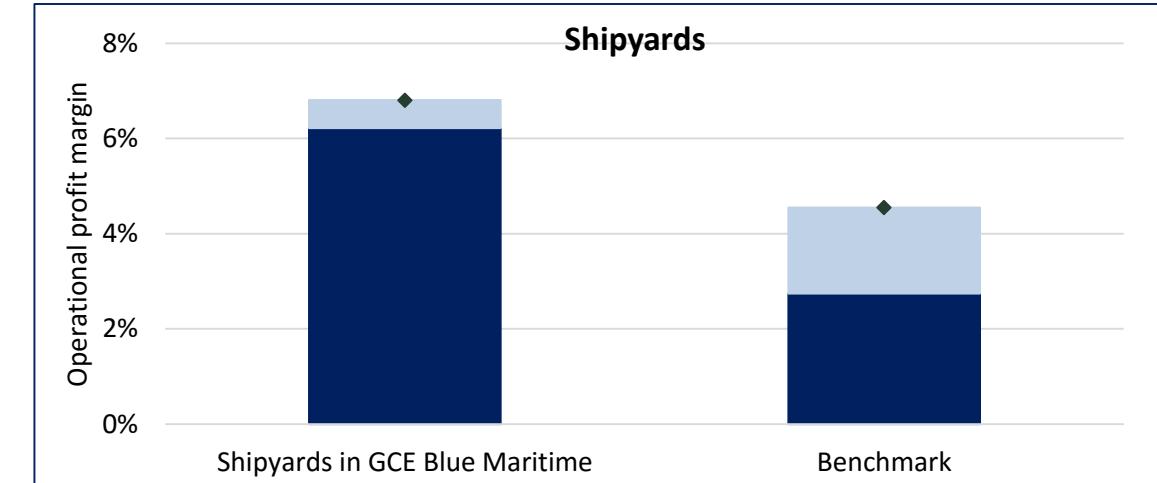
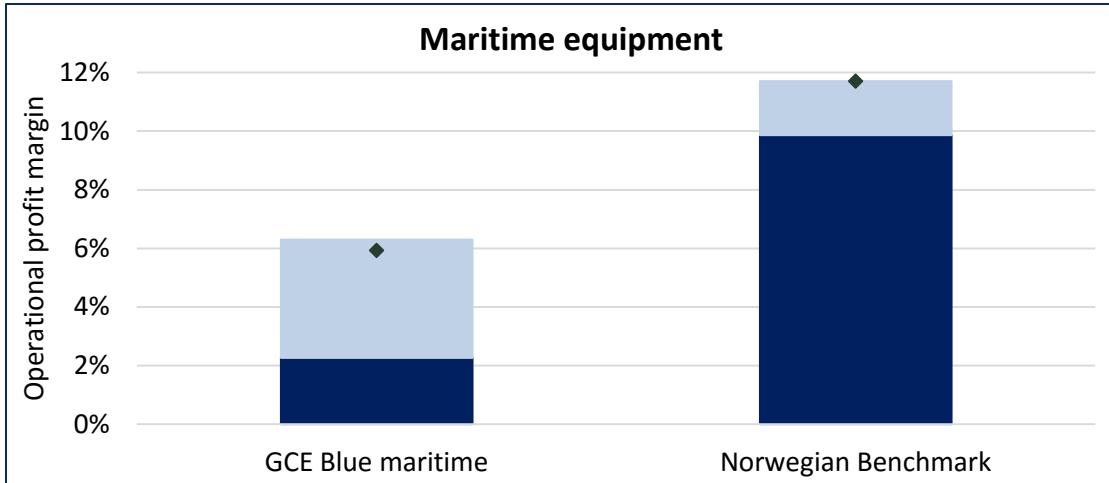


# Møreklyngen og USA har klart høyest driftsmarginer - men marginene er enda høyere i det norske speilbildet



# Igjen er det utstyr som trekker Møreklyngen ned

## For de tre andre gruppene er marginene høyere eller like



■ Net operational margin

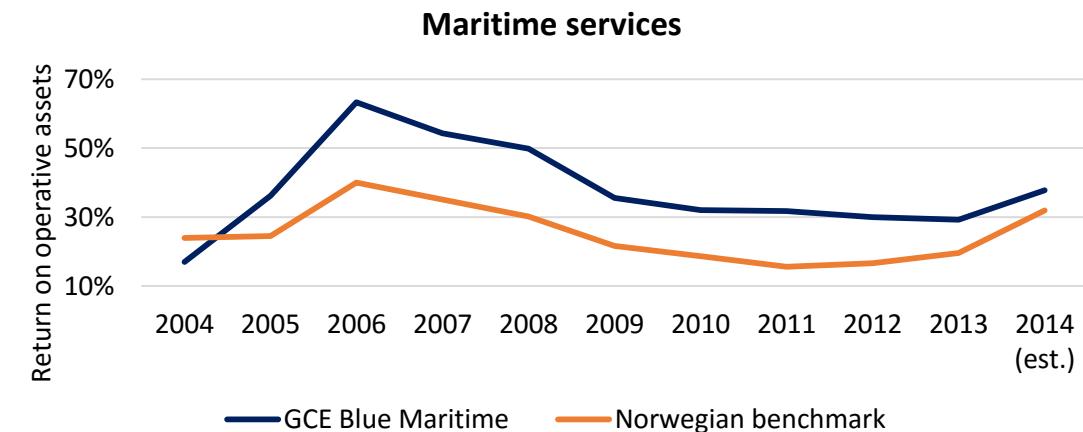
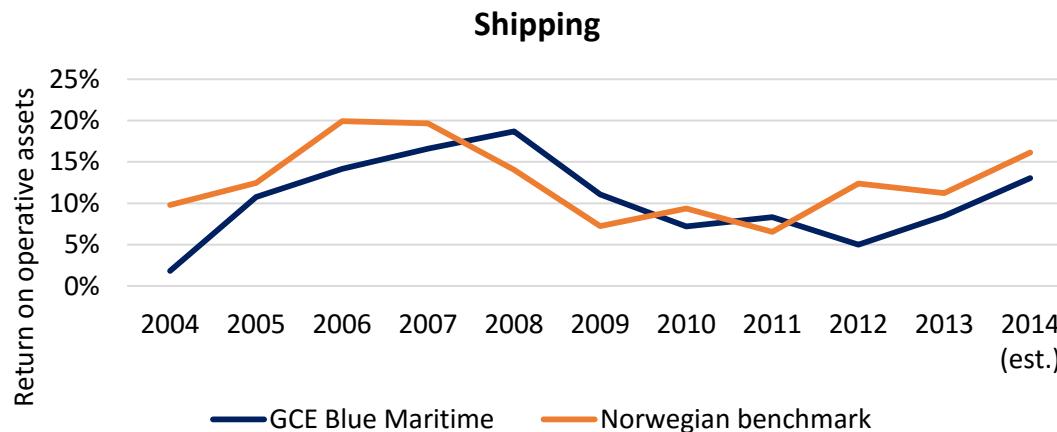
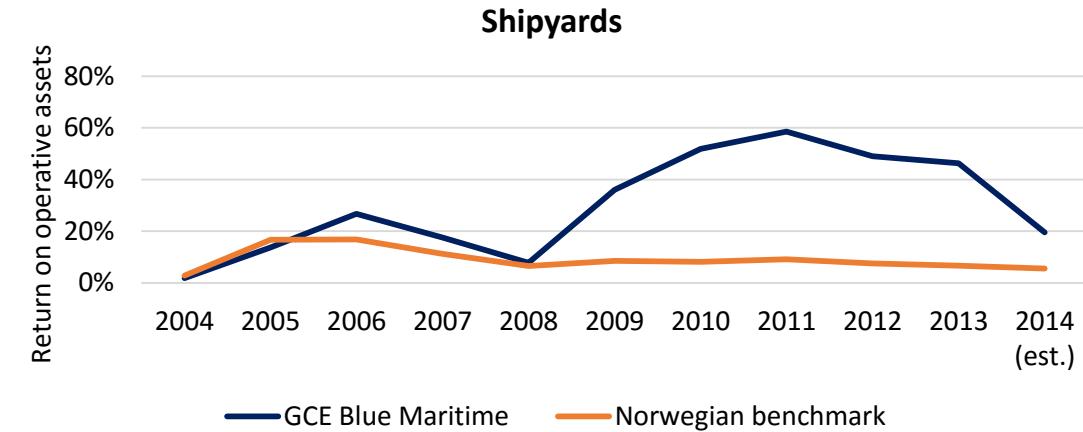
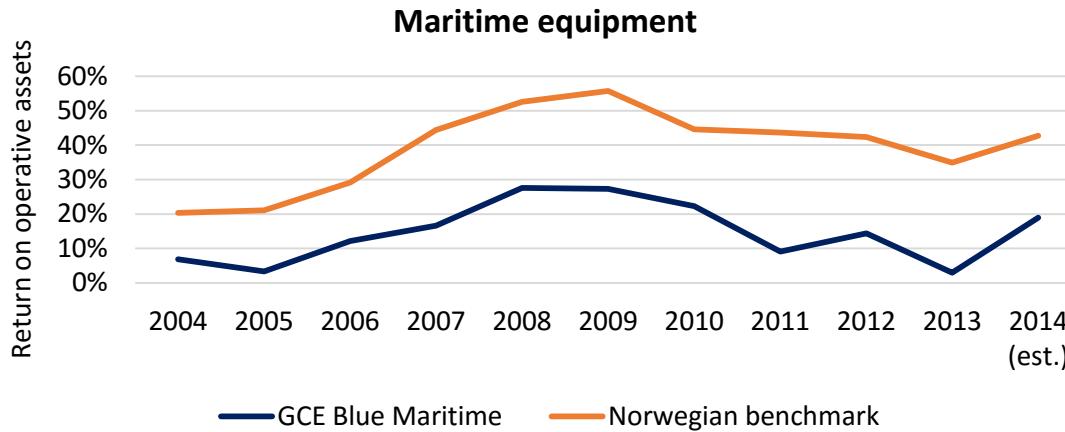
■ Amortization and depreciation margin

◆ Gross operational margin



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# Kapitalavkastningen i Møreklyngen er høyere for verft og tjenester enn i speilbildet



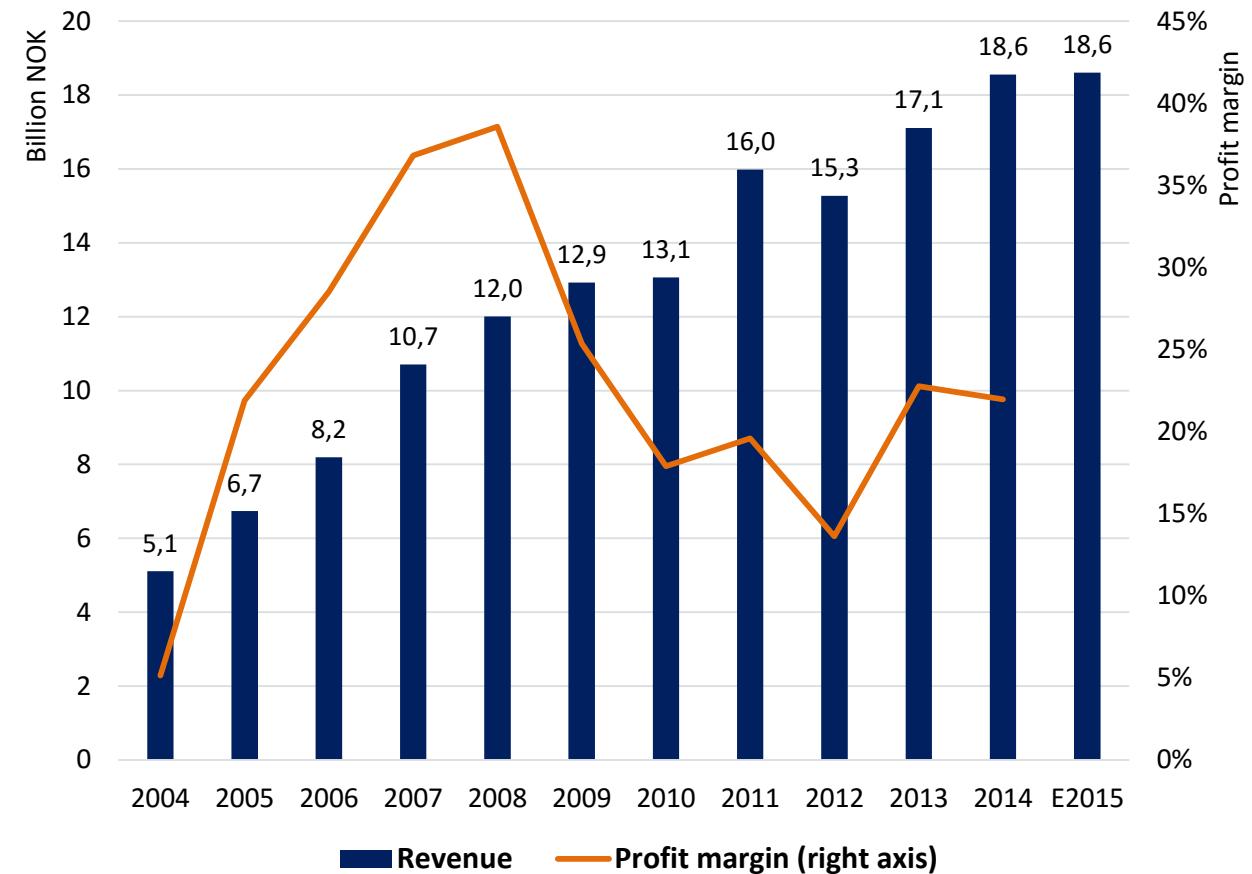
# Dette skal vi gjennom



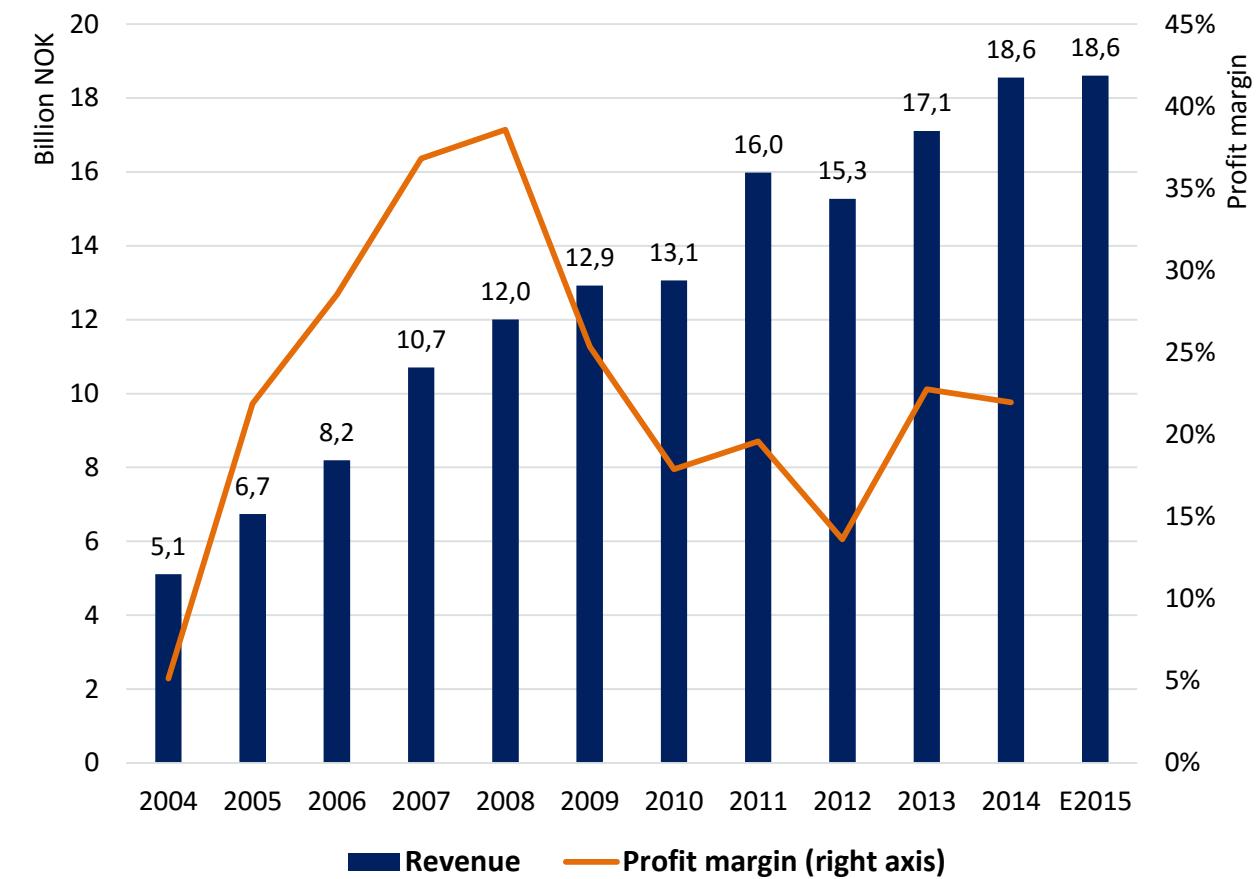
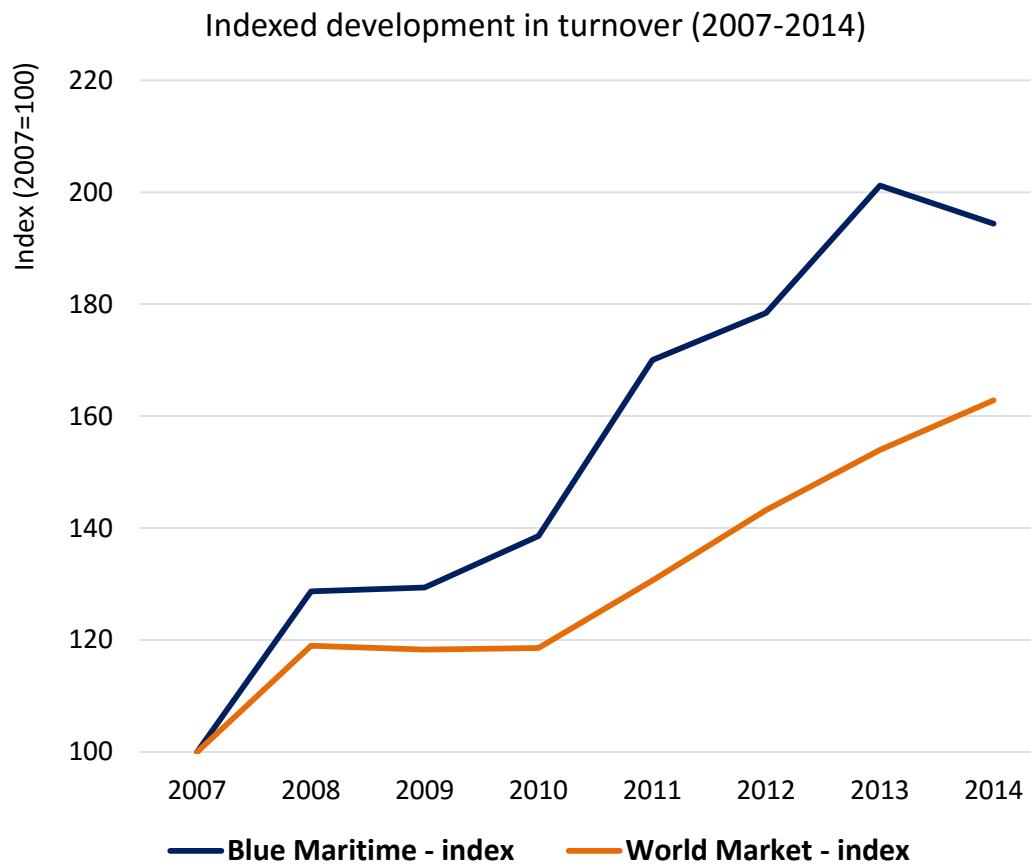
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# Rederiene – inntektsvekst helt frem til i dag

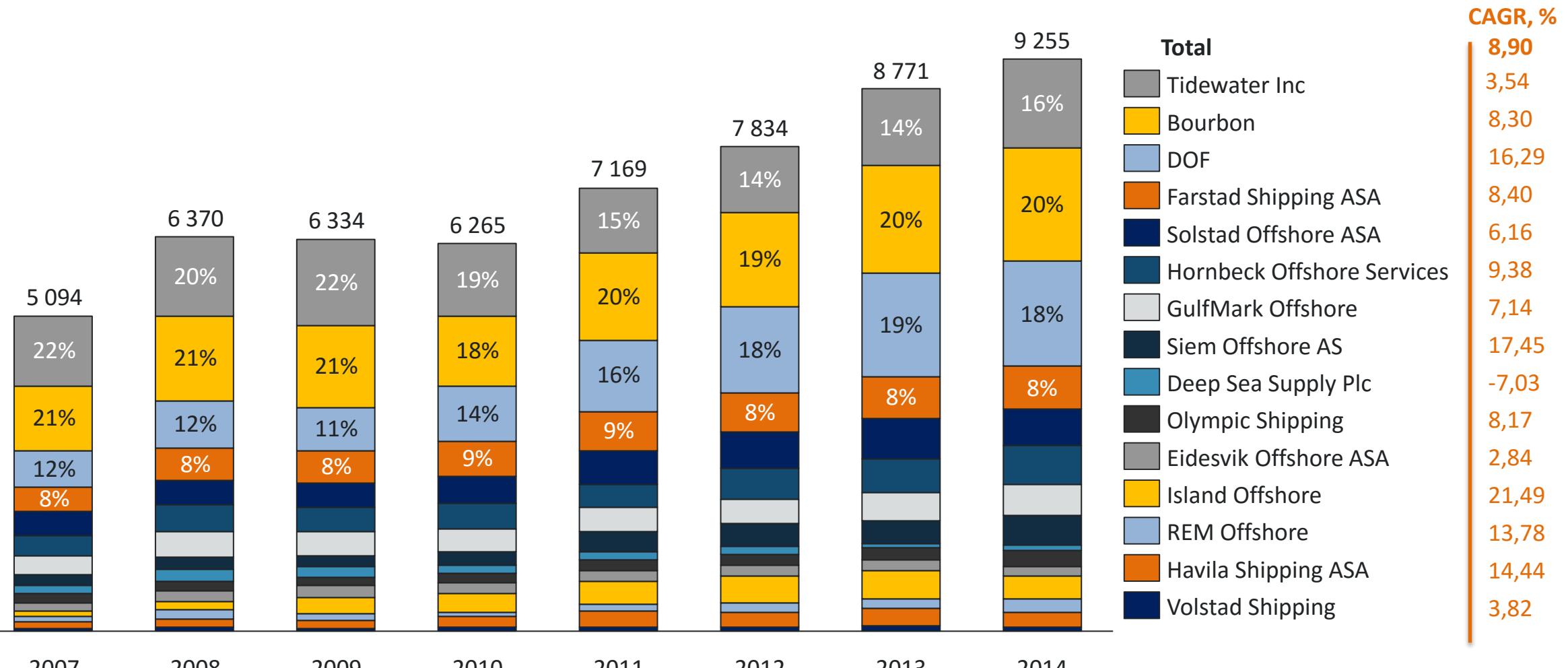
Status (2014/2015)	Numbers in billion NOK
Revenue (2015)	17.7
Number of employees (2015)	5 545
Profit margin (2014)	19%
Value added (2014)	11.2
Share of clusters total value added	50%



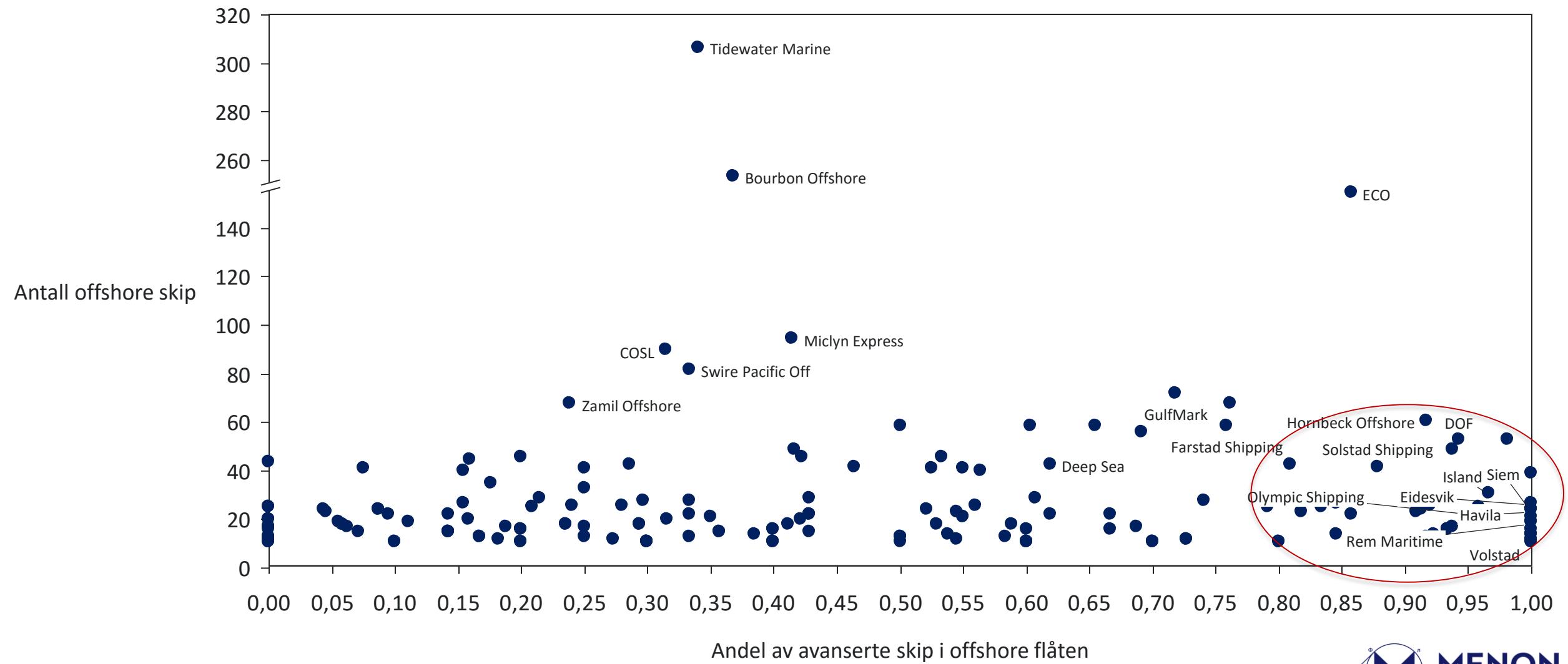
# Møre-rederiene har kapret globale markedsandeler de siste åtte årene



# Mindre og mer spesialiserte aktører har økt sine markedsandeler, mens større aktører har tapt, noe som gjorde markedet mindre konsentrert

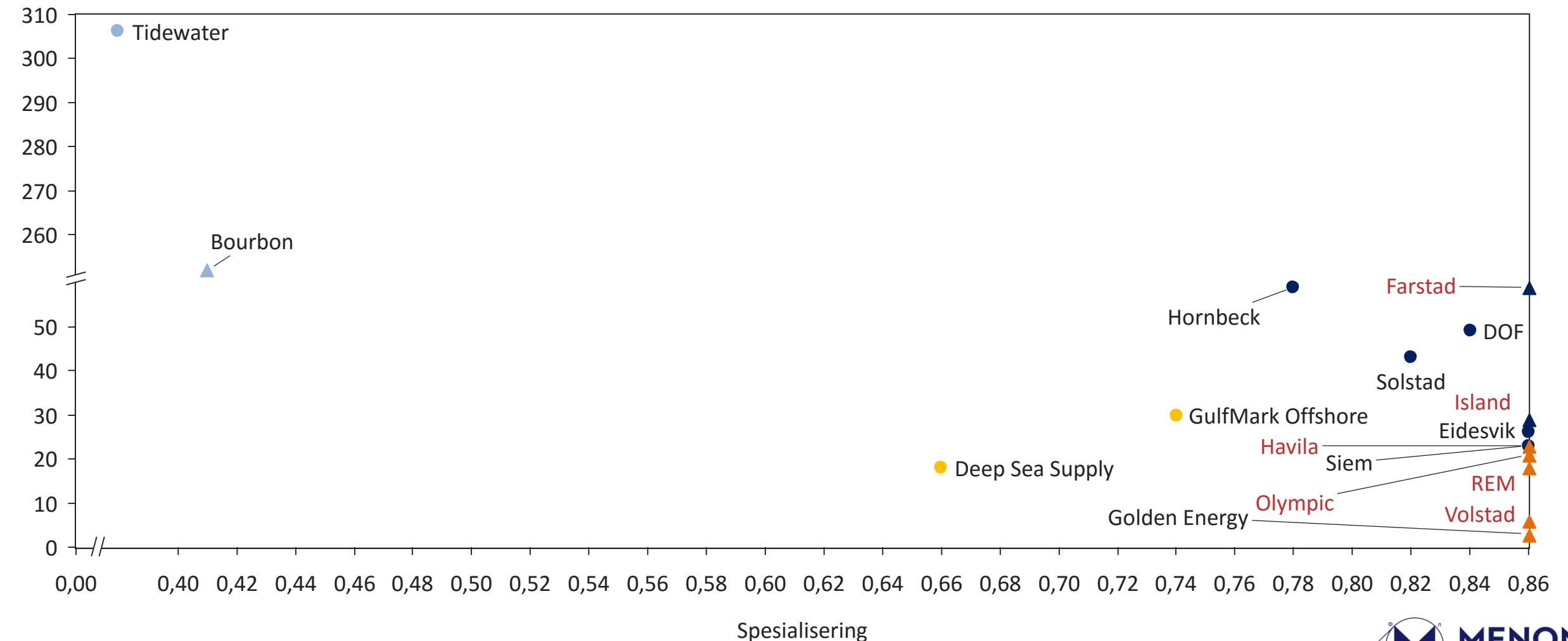


# Strategisk posisjonering av rederier som har mer enn 10 OSV

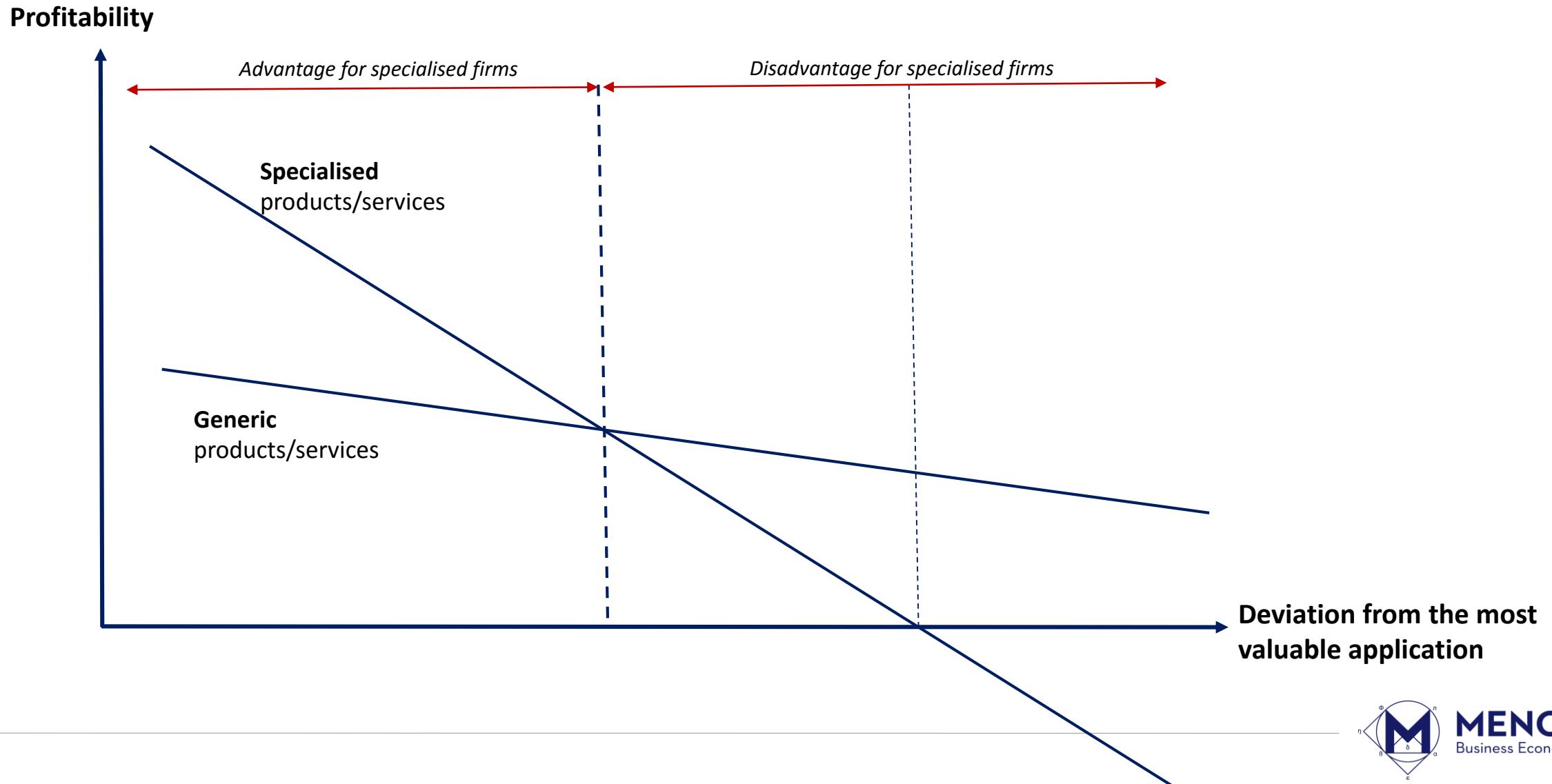


# Strategisk posisjonering av rederier i Møre klyngen

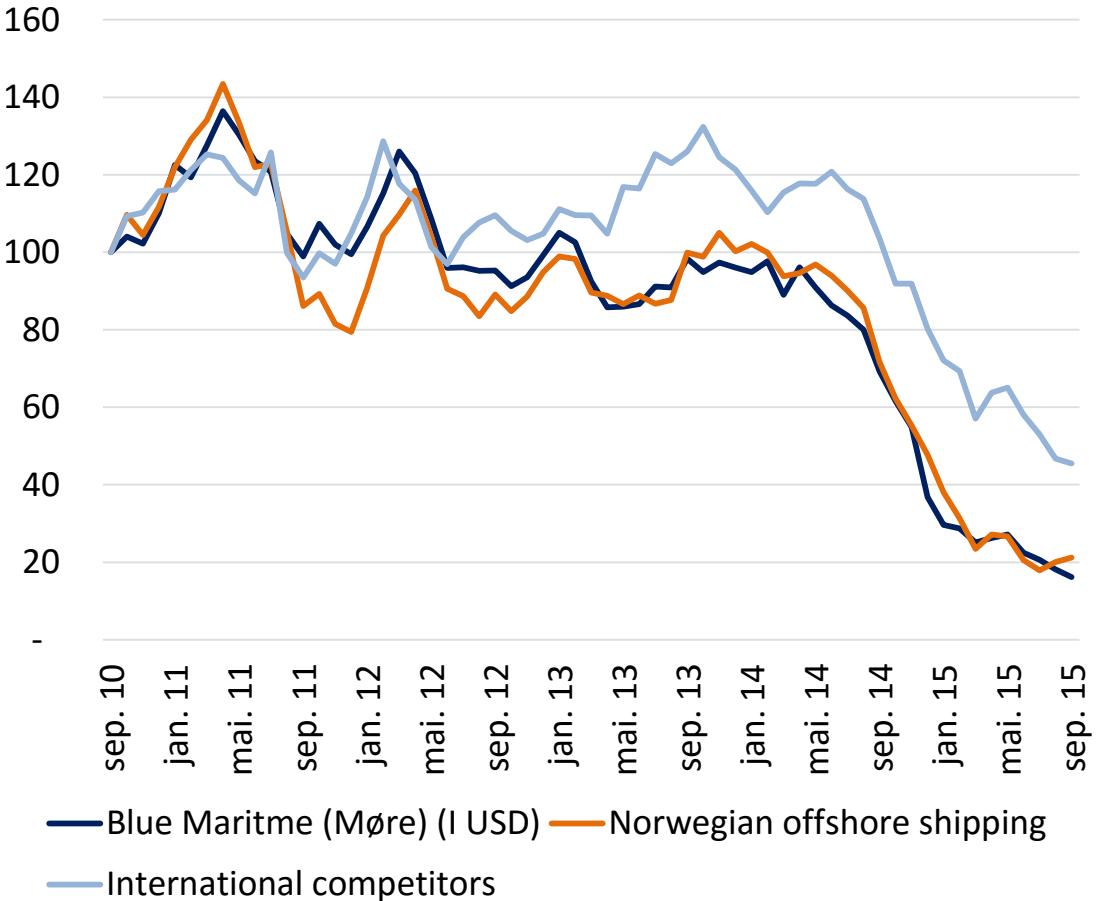
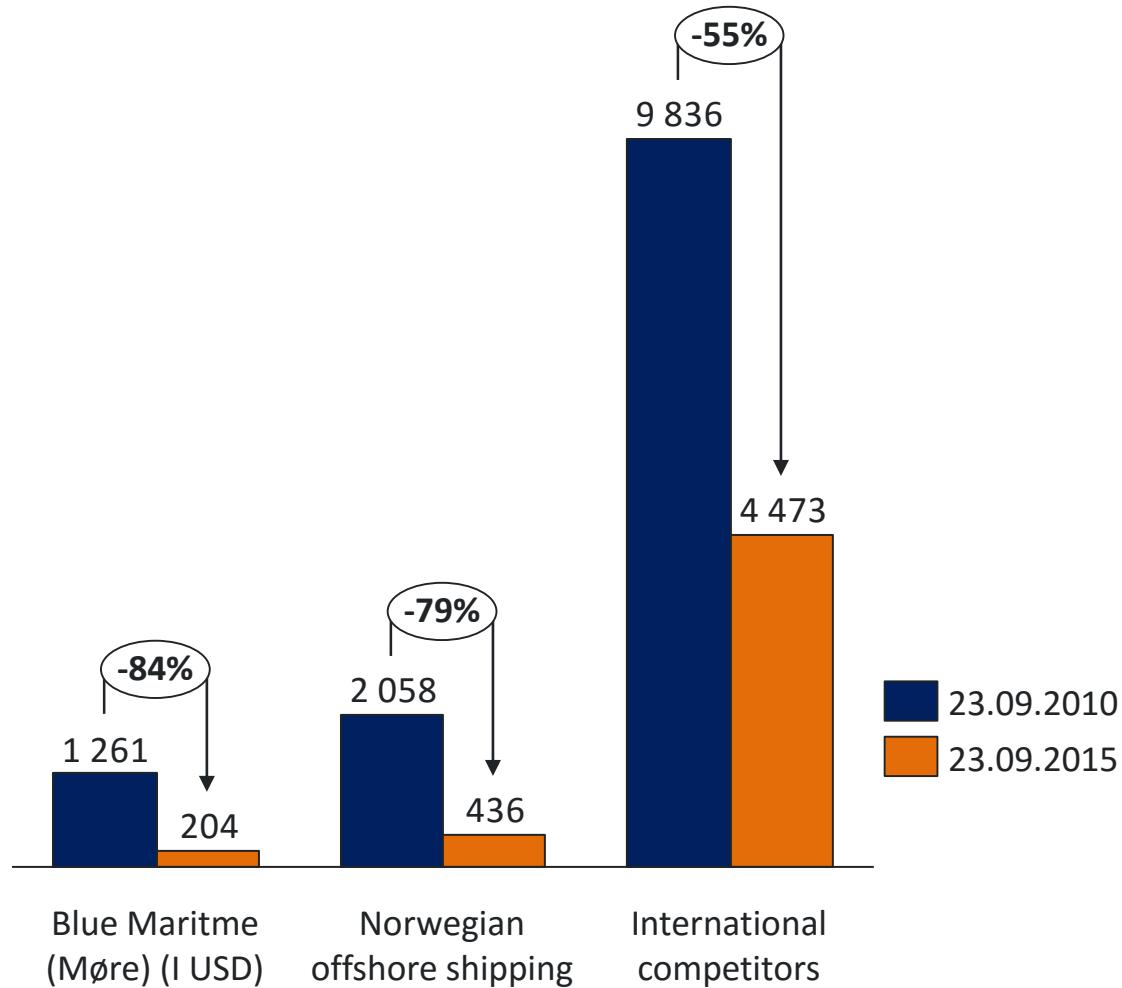
Skala



# Avanserte, spesialiserte skip har åpenbart vært en styrke i årene vi har bak oss, men er det et fortrinn i dag?



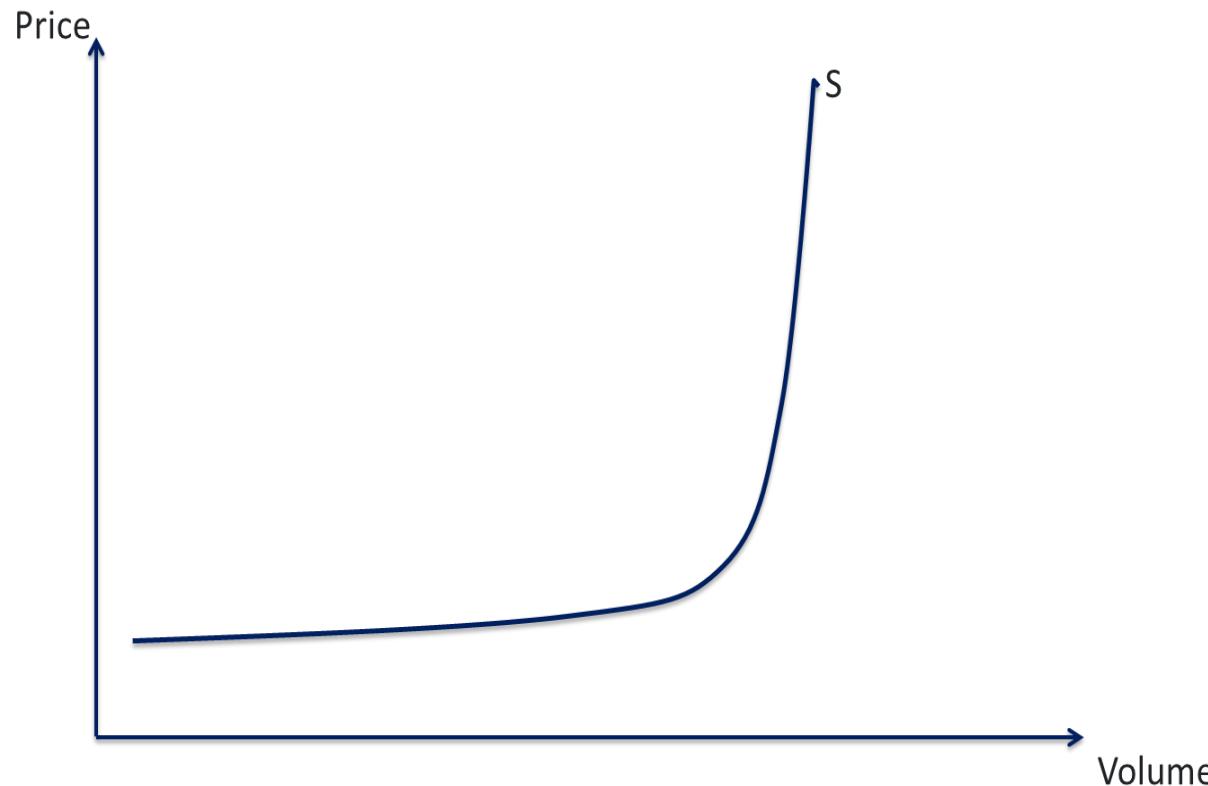
# Det ser ikke ut til at aksjemarkedet premierer spesialiserte selskaper i dag



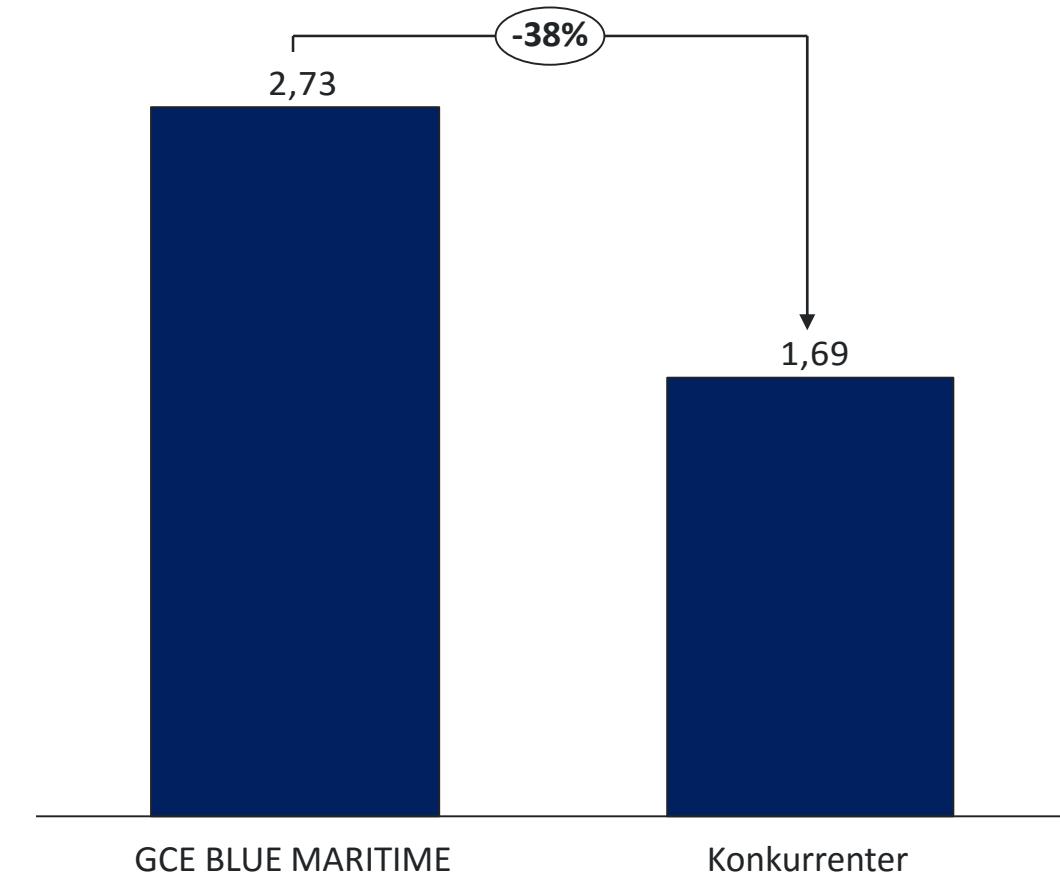
## Strategic position:

Et syklisk marked kombinert med høy gjeldsgrad kan være utfordrende for rederiene fremover

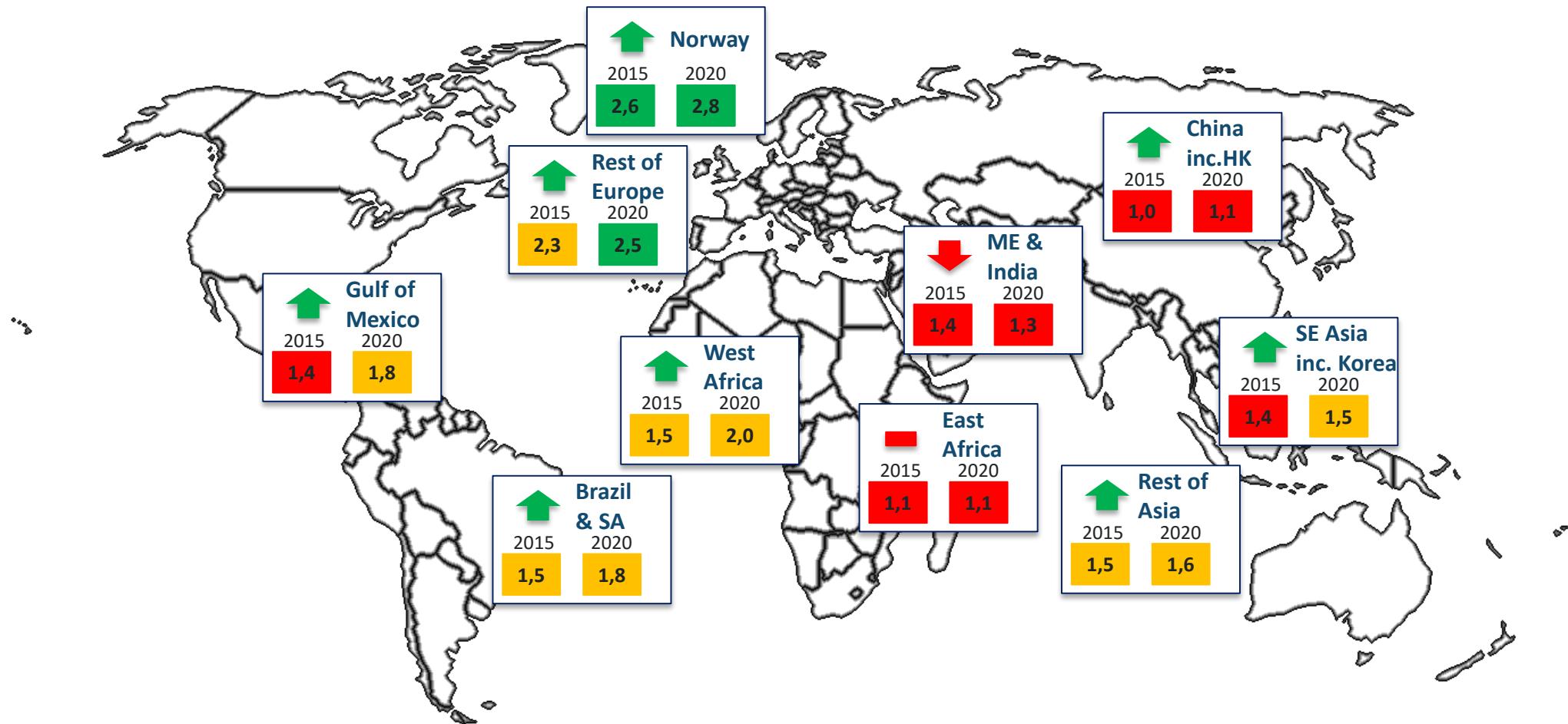
Markedet er syklistisk fordi bransjens tilbudskurve ser slik ut:



Møre-rederiene har en høyere gjeldsgrad og står dermed svakere sammenlignet med andre konkurrenter

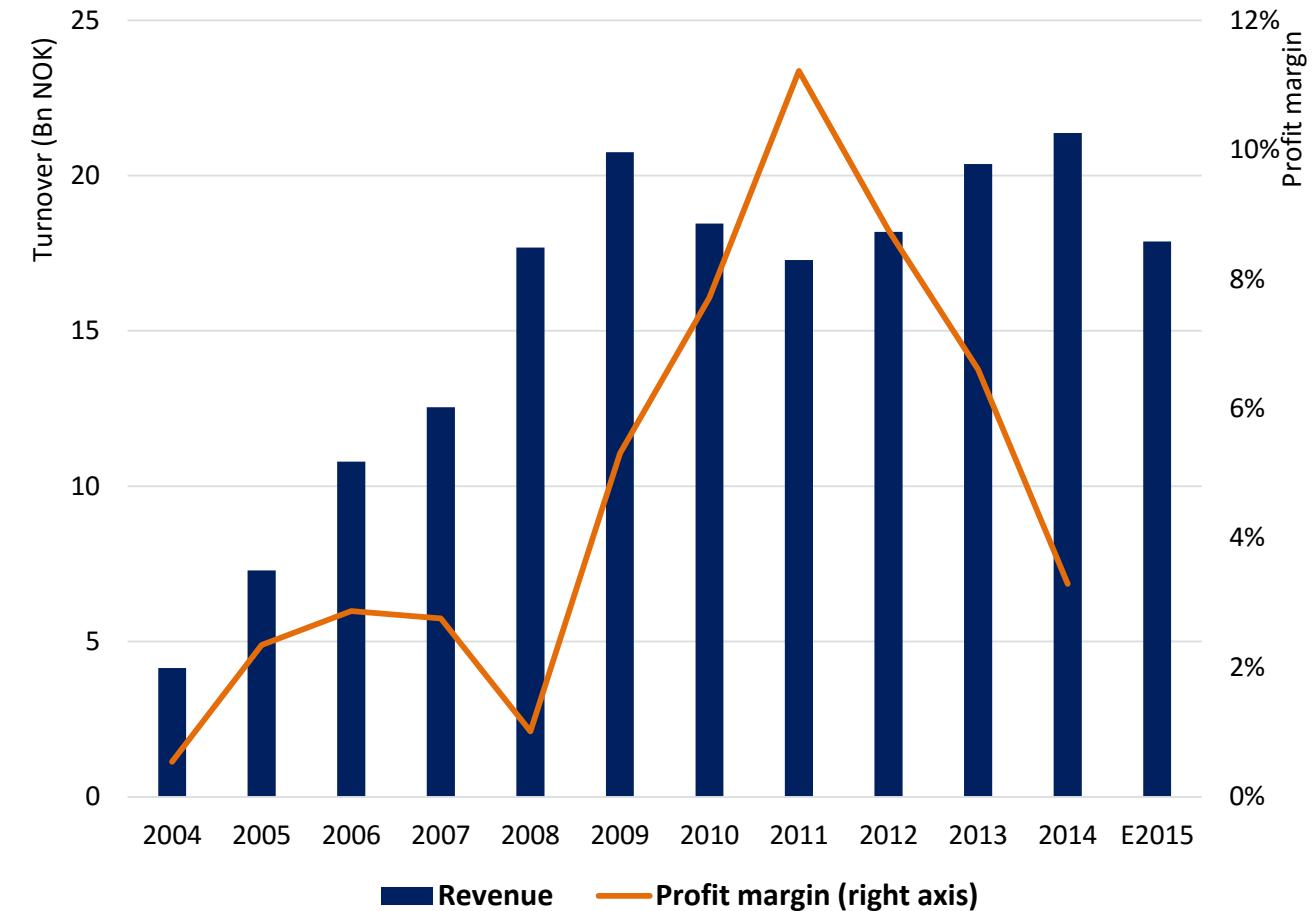


# OSV companies in Møre plan to diversify more into other European markets, Gulf of Mexico and West Africa

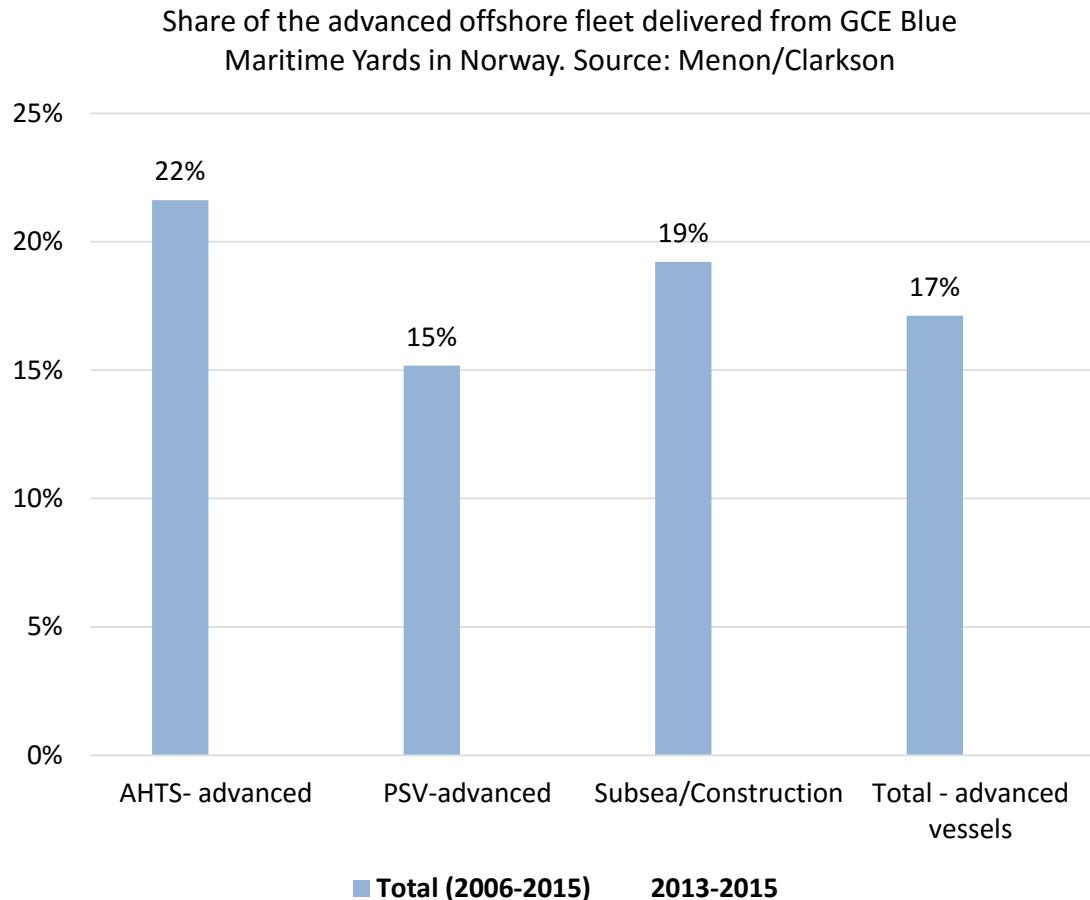


# Fremdeles gode inntektstall, men lønnsomheten faller kraftig

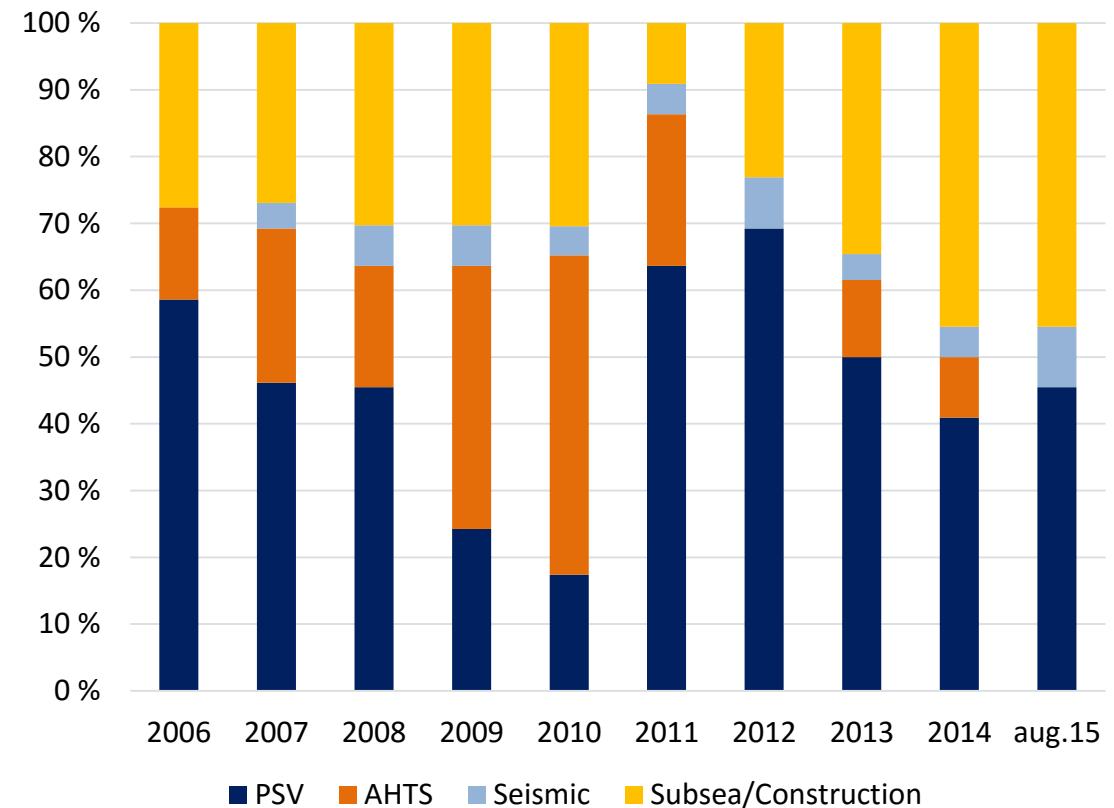
Status (2014/2015)	Numbers in billion NOK
Revenue (2015)	21.4
Number of employees (E2015)	3 774
Profit margin (2014)	3 %
Value added (2014)	3.1
Share of clusters total value added	14 %



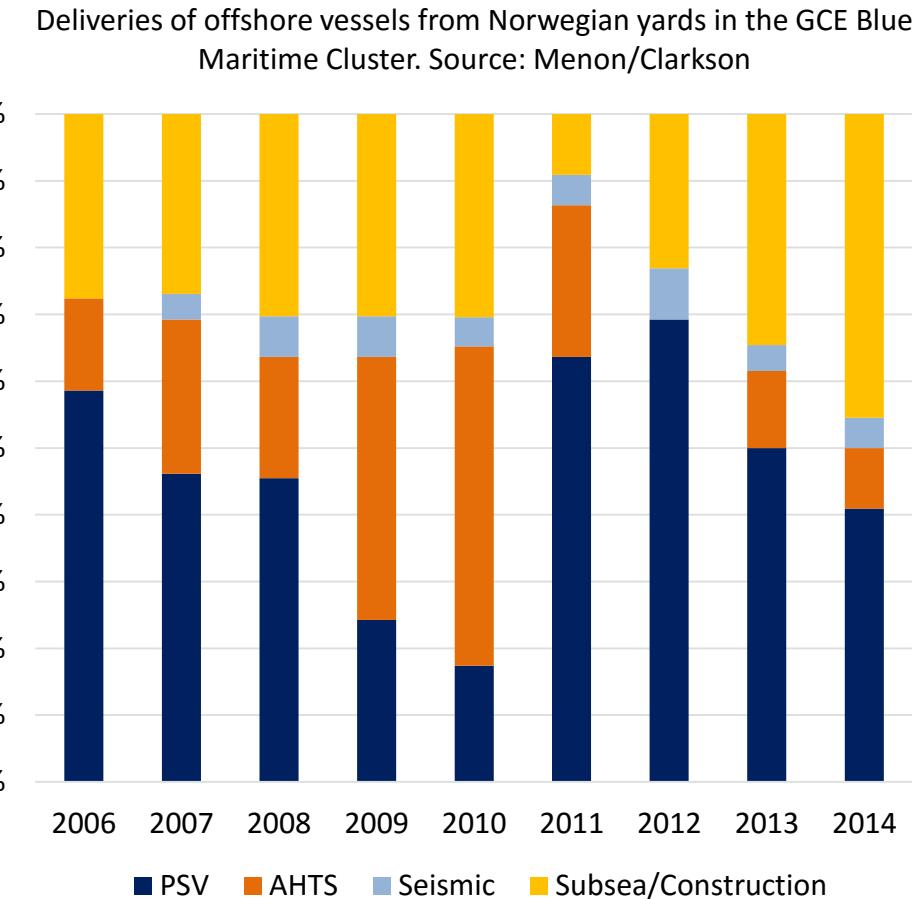
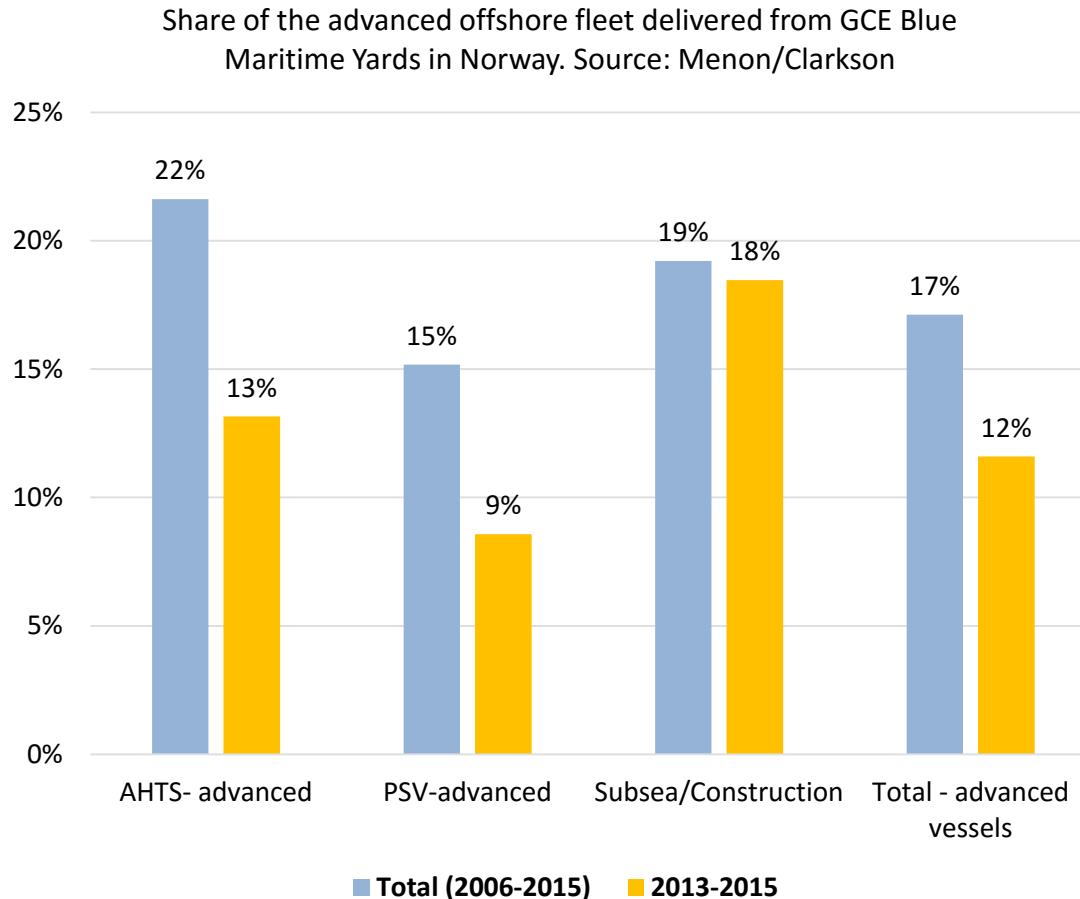
# Møreverftene har en høy global markedsandel i avanserte offshoresegmenter



Deliveries of offshore vessels from Norwegian yards in the GCE Blue Maritime Cluster. Source: Menon/Clarkson

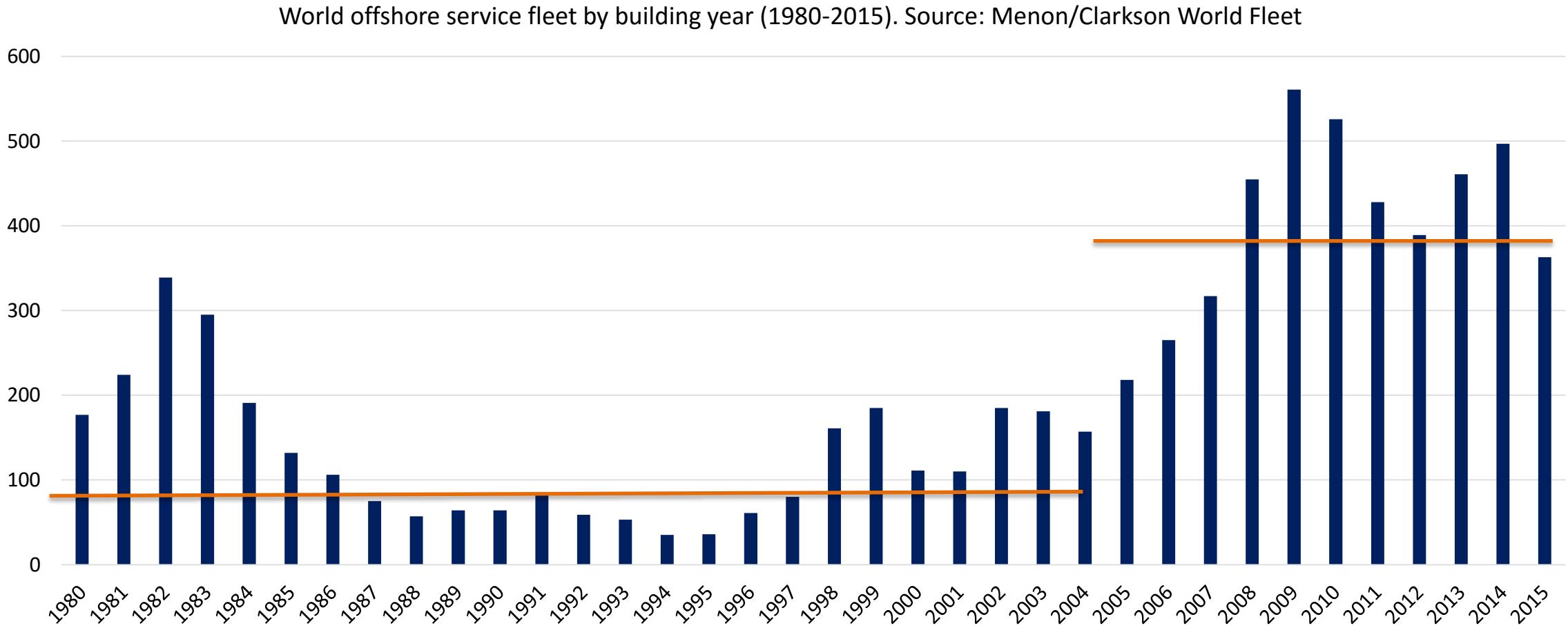


# Møreverftene har en høy global markedsandel i avanserte offshoresegmenter – men markedsandelen er fallende



# Hvorfor fallede markedsandeler?

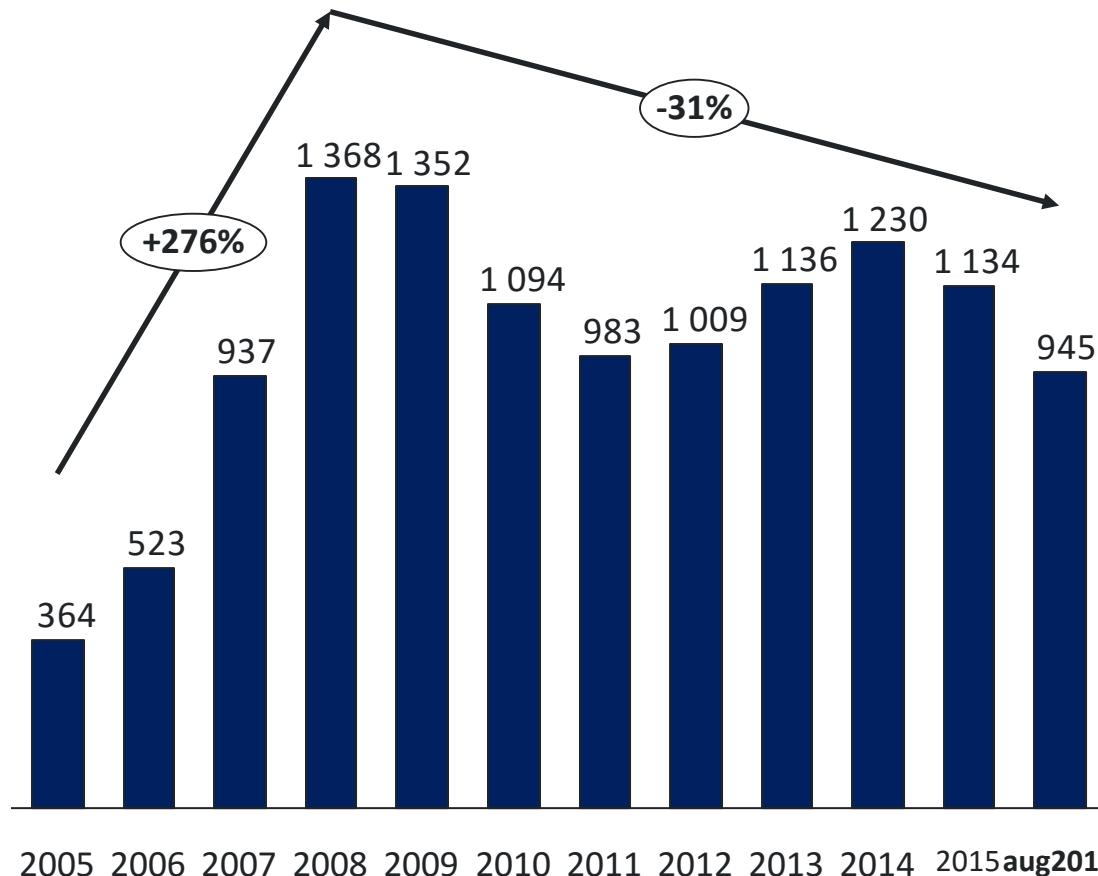
**Antall fartøy har steget enormt og dermed tiltrukket store asiatiske verft**



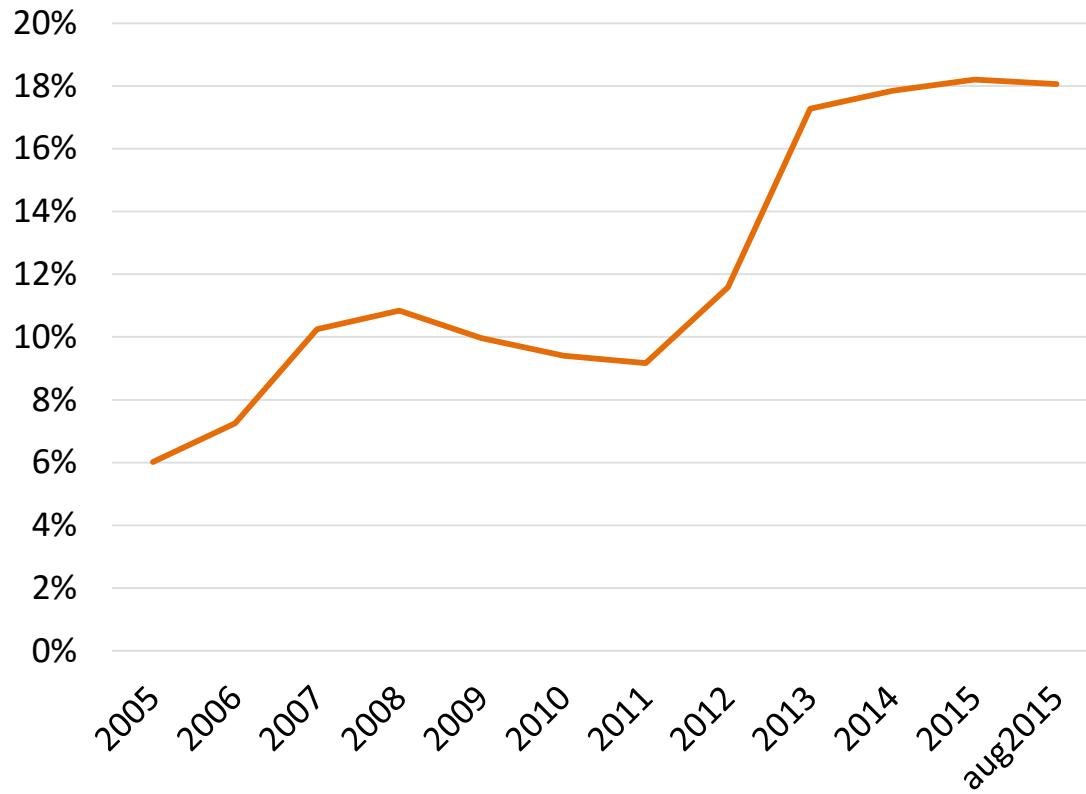
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# Hvorfor fallede markedsandeler? ... dermed lagt grunnlag for standardisering masseproduksjon

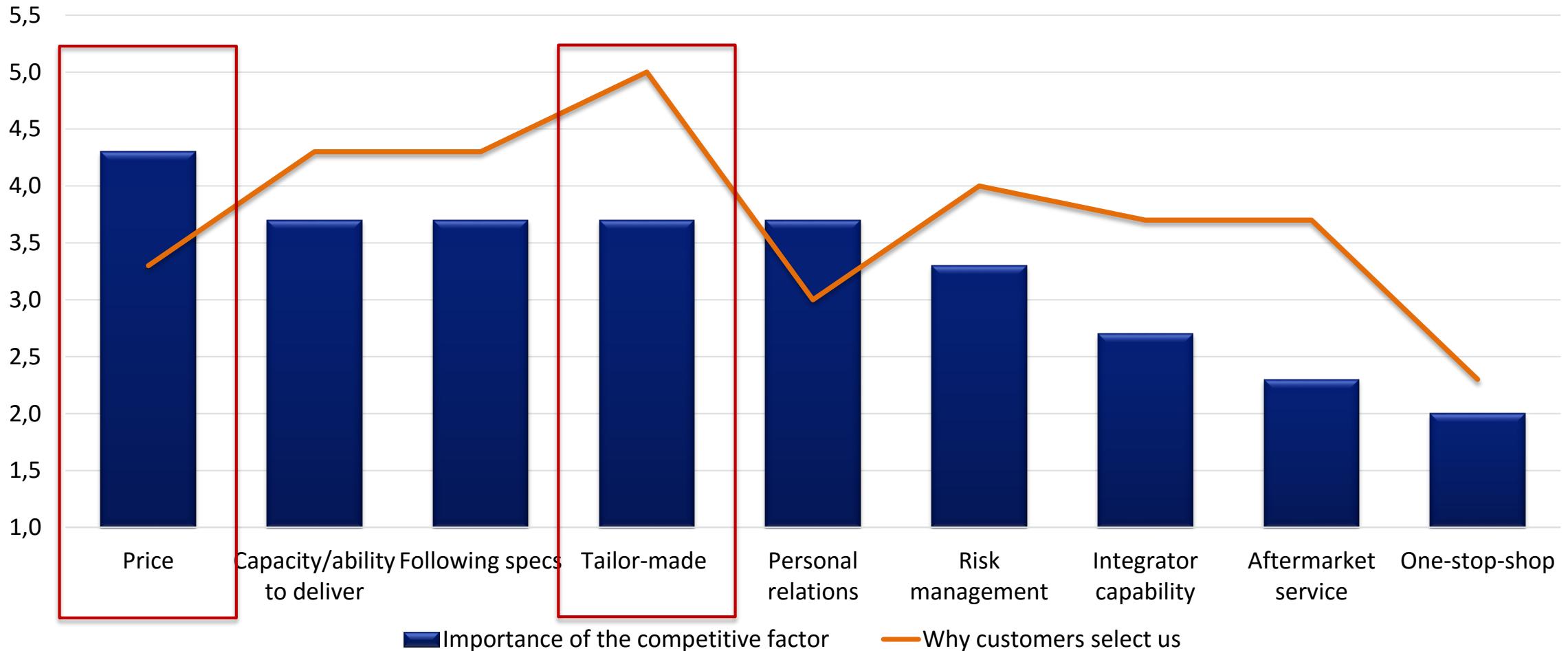
Number of offshore vessels on global orderbooks



Offshore orderbook as share of world orderbook  
(number of vessels)

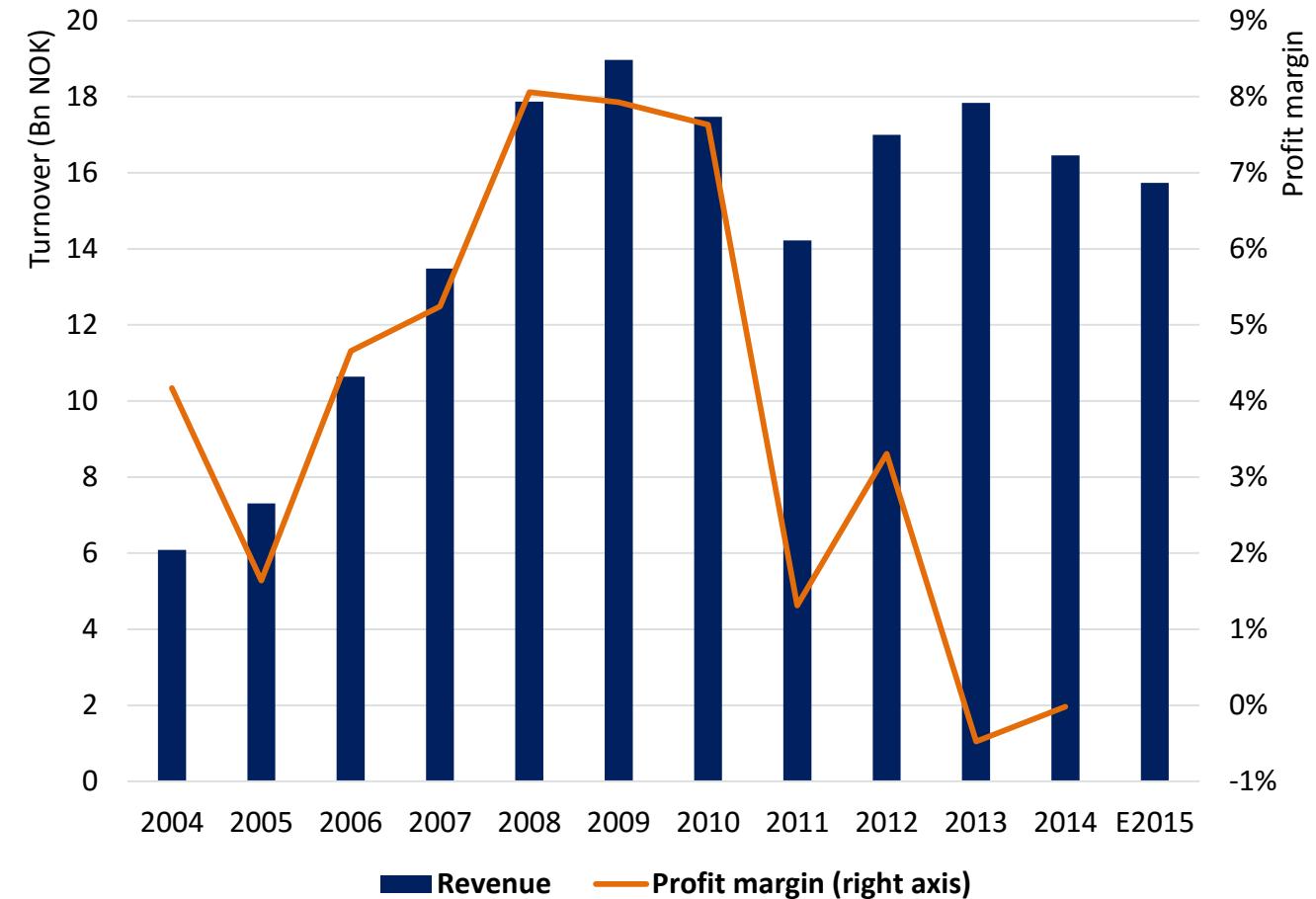


# Pris er det viktigste konkurranseparameteret i skipsbyggingsmarkedet – men det er i skreddersydde leveranser Møre-verftenes fortrinn ligger



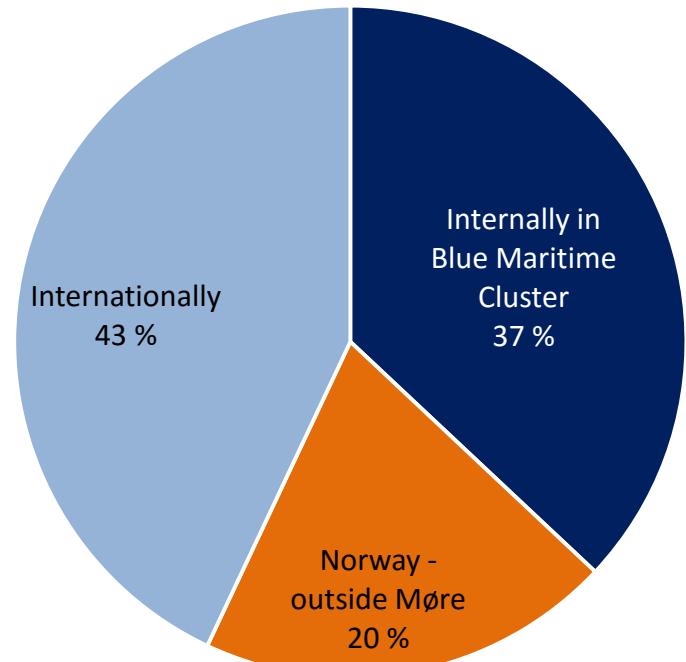
# Utstyr: Toppen nådd i 2009 – kraftig lønnsomhetsfall etter 2010

Status (2014/2015)	Numbers in billion NOK
Revenue (2015)	16.5
Number of employees (E2015)	5 041
Profit margin (2014)	0 %
Value added (2014)	4.7
Share of clusters total value added	21 %



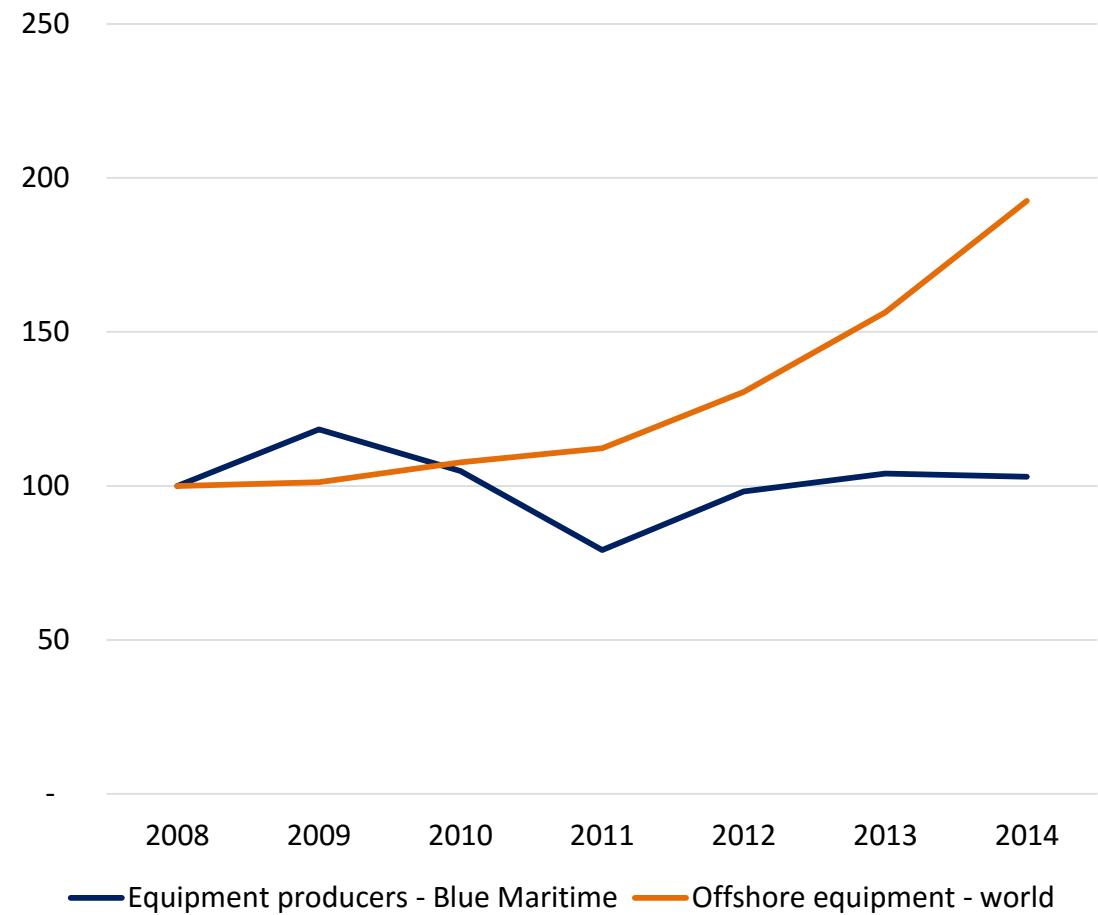
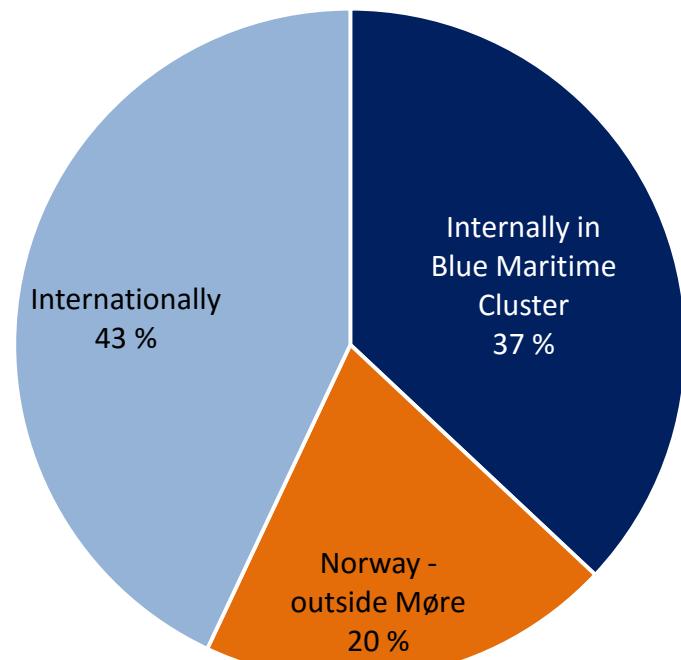
# Det meste av utstyret leveres lokalt eller globalt.

Geographic distribution of deliveries from equipment manufacturers

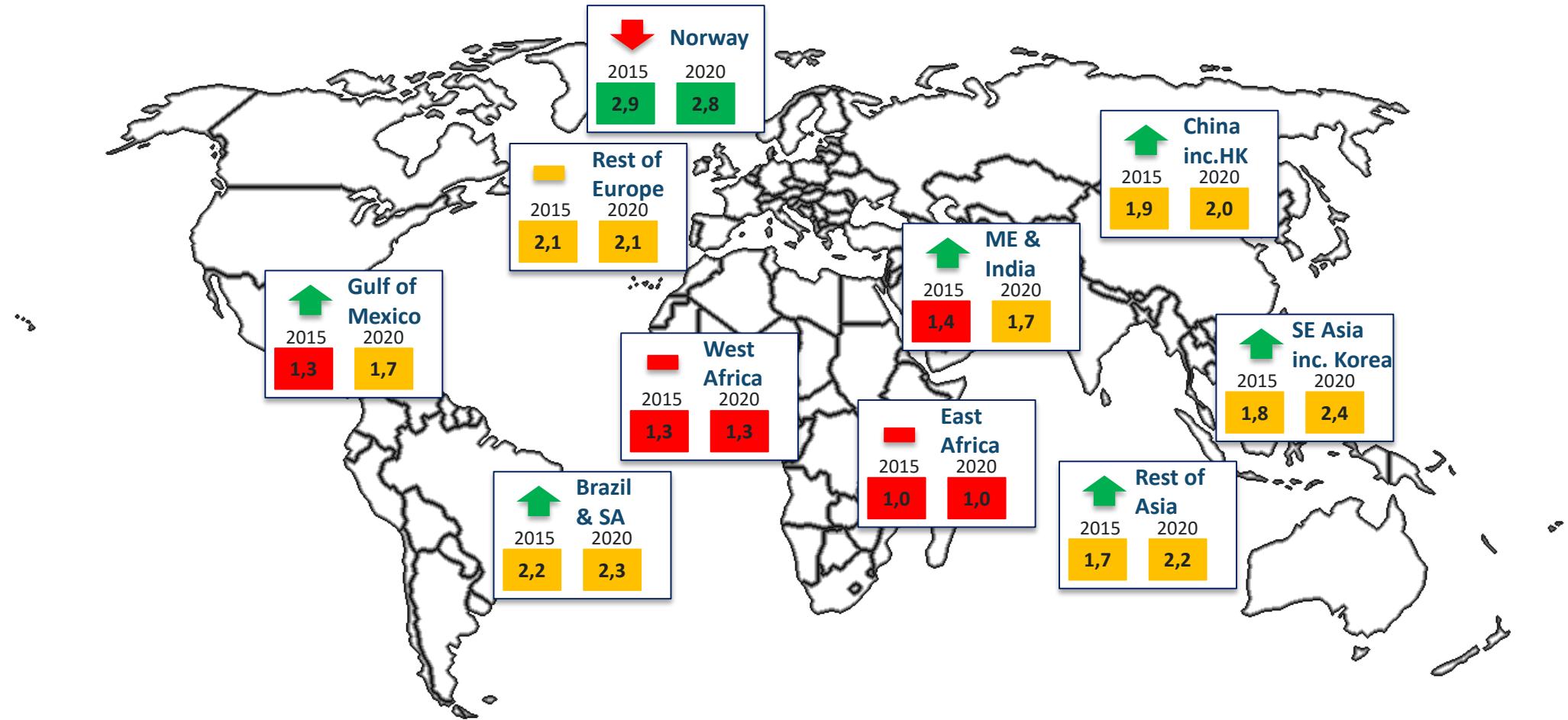


# Møre-bedriftene har tapt globale markedsandeler etter 2009

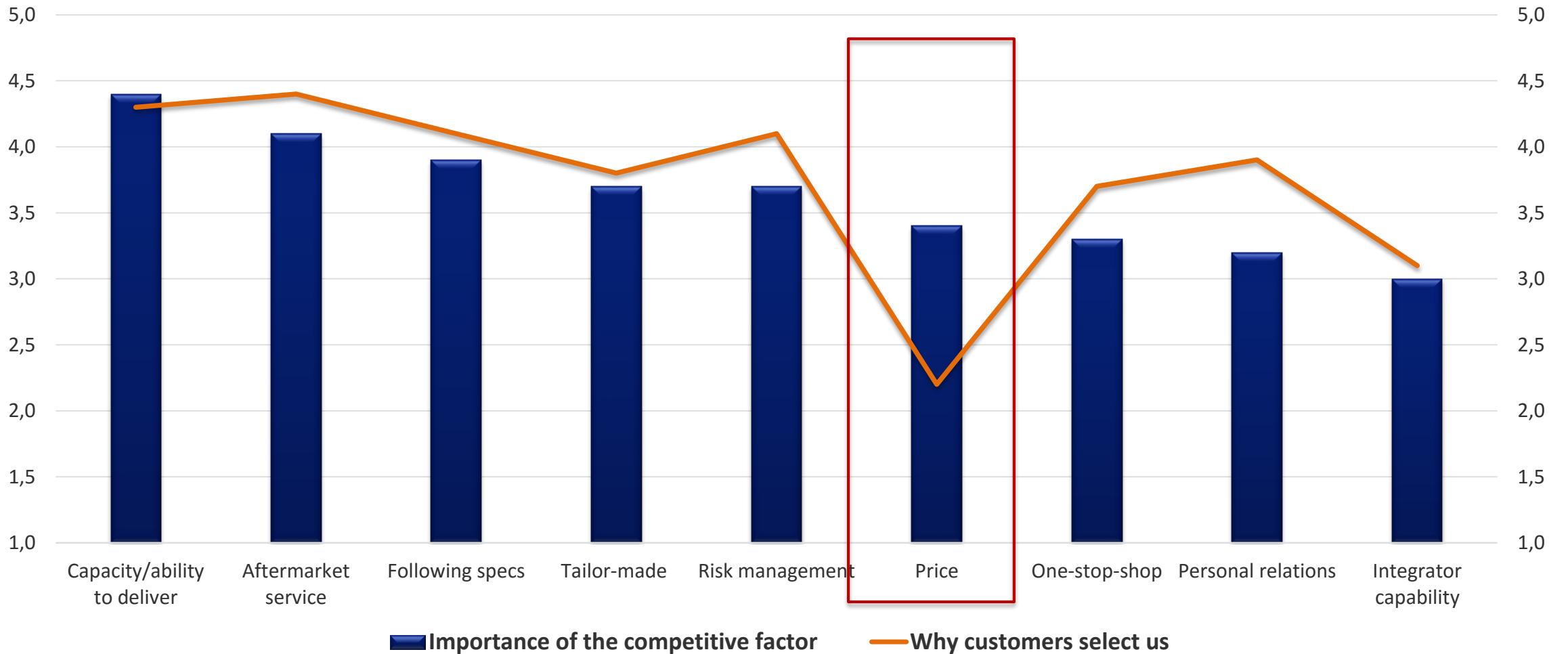
Geographic distribution of deliveries from equipment manufacturers



# Equipment producers plan to focus more on the Americas and Asian markets in 2015-2020

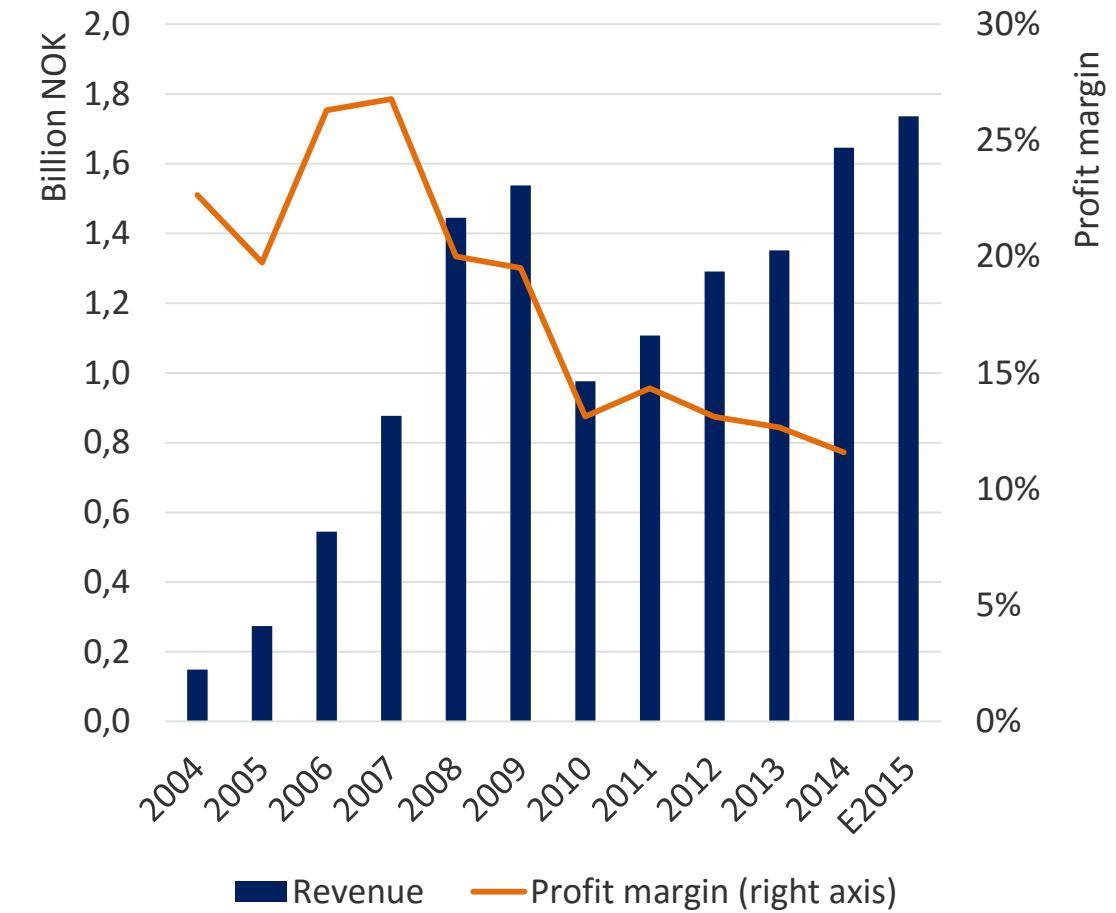


# Godt samsvar mellom markedets preferanser og Møre-bedriftenes styrker – med unntak av pris



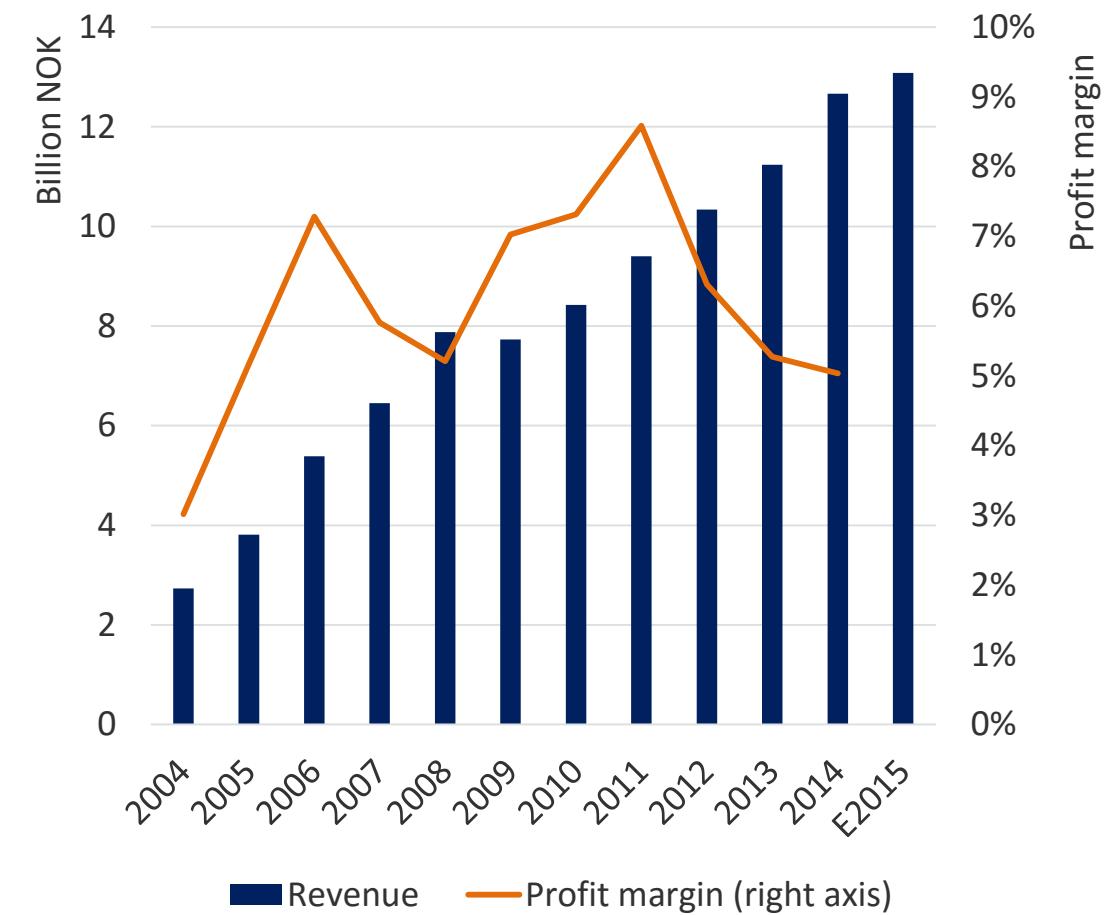
# Design: Fortsatt vekst men fallende lønnsomhet etter 2007

Status (2014) - Design	Numbers in billion NOK
Revenue	1.6
Number of employees	407
Profit margin	12 %
Value added	0.5
Share of clusters total value added	2 %



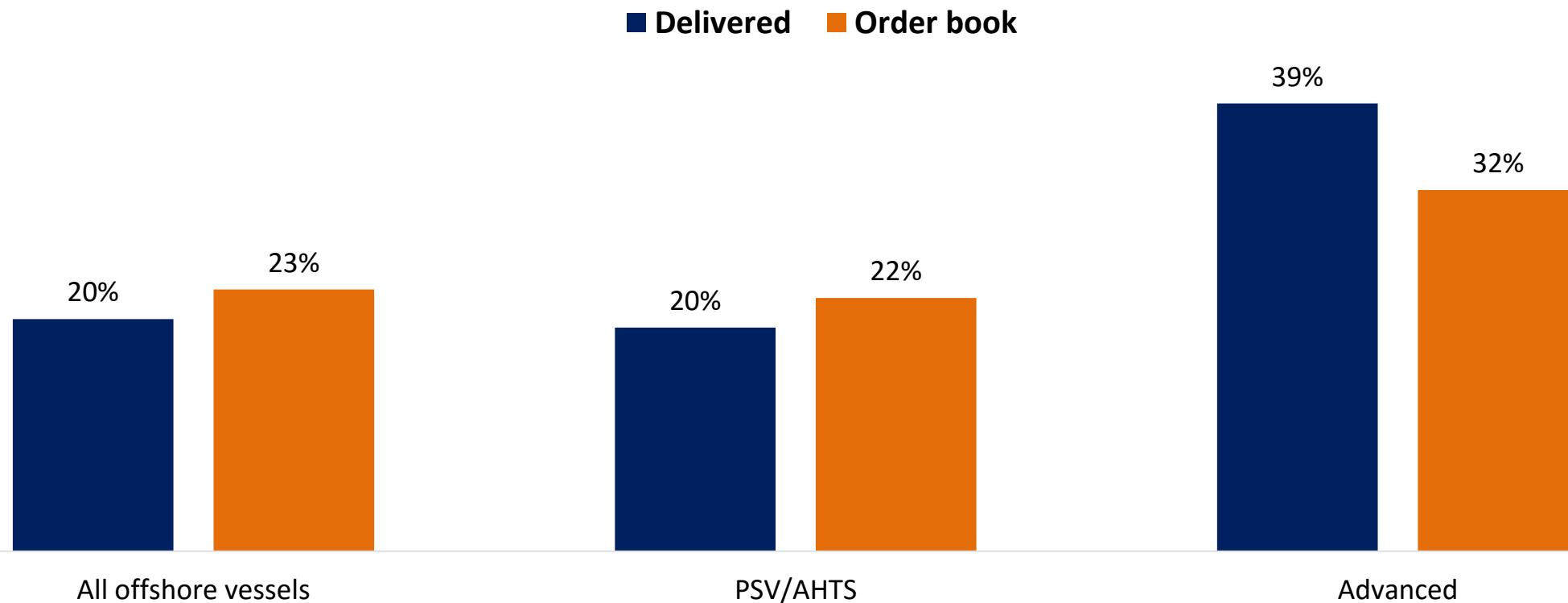
# Andre tjenester: Fortsatt høy vekst – relativt lav og stabil lønnsomhet

Status (2014) – Service providers (excluding design)	Numbers in billion NOK
Revenue	12.7
Number of employees	3 273
Profit margin	5 %
Value added	3.1
Share of clusters total value added	14 %

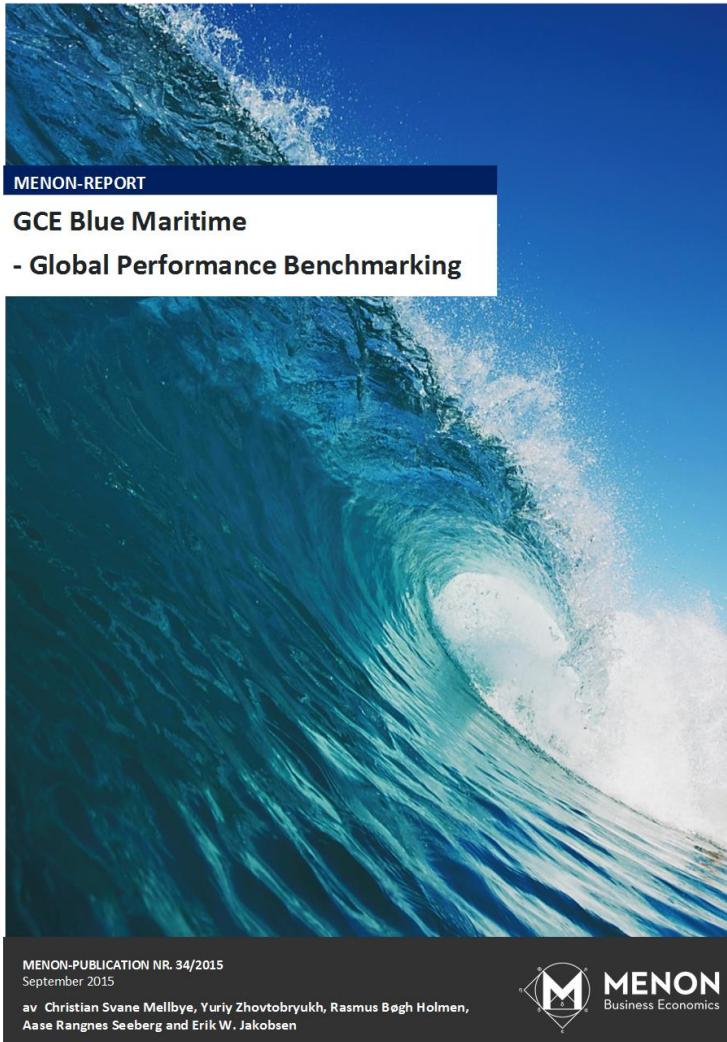


# Møre-designere har ca 1/3 av markedet for avanserte offshorefartøy

Share of delivered offshore vessels with Møredesign (2005-2015) and order book as of August 2015. Source:  
Menon/Clarkson



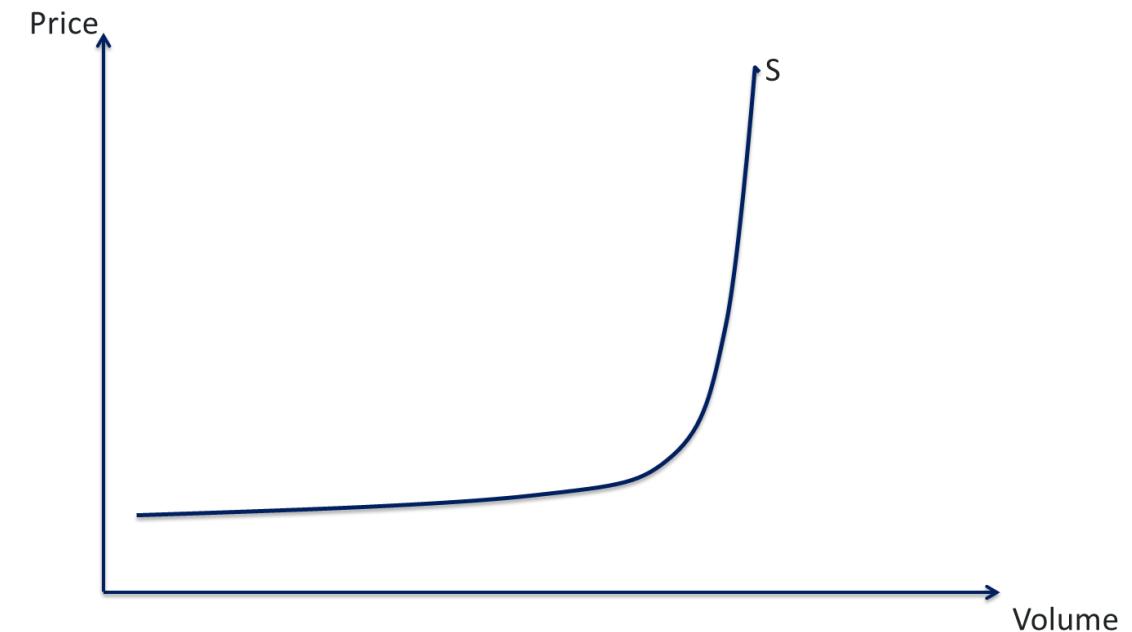
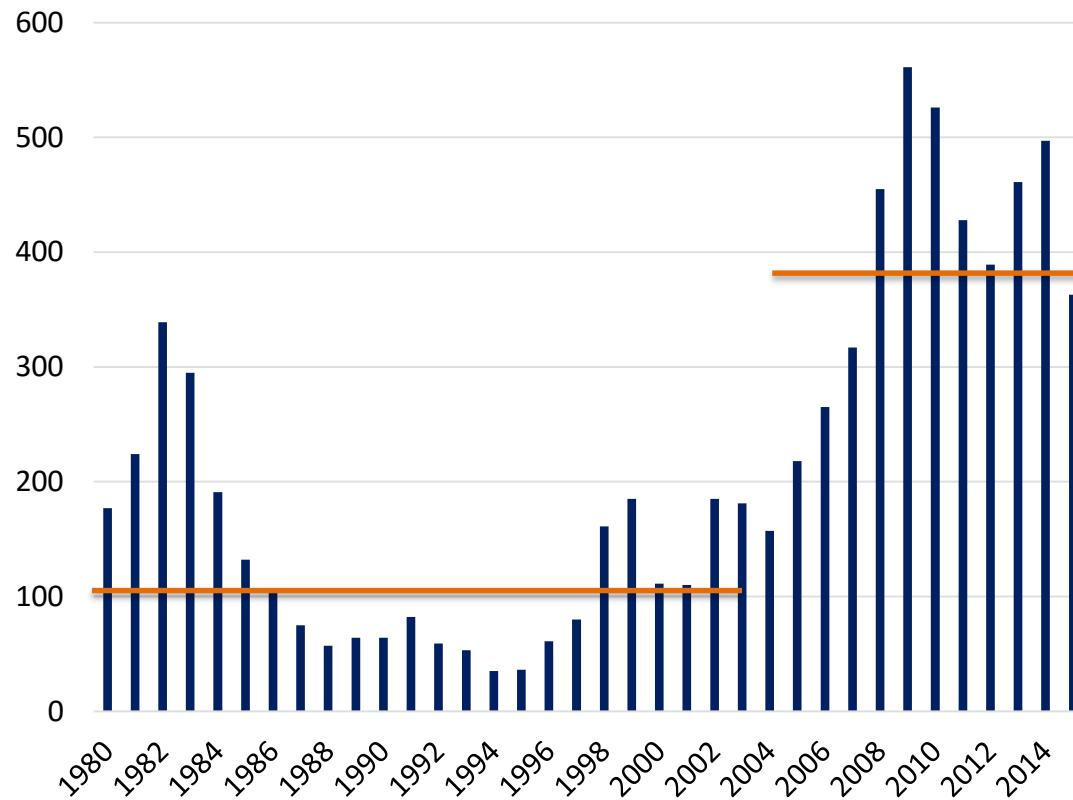
# Dette skal vi gjennom



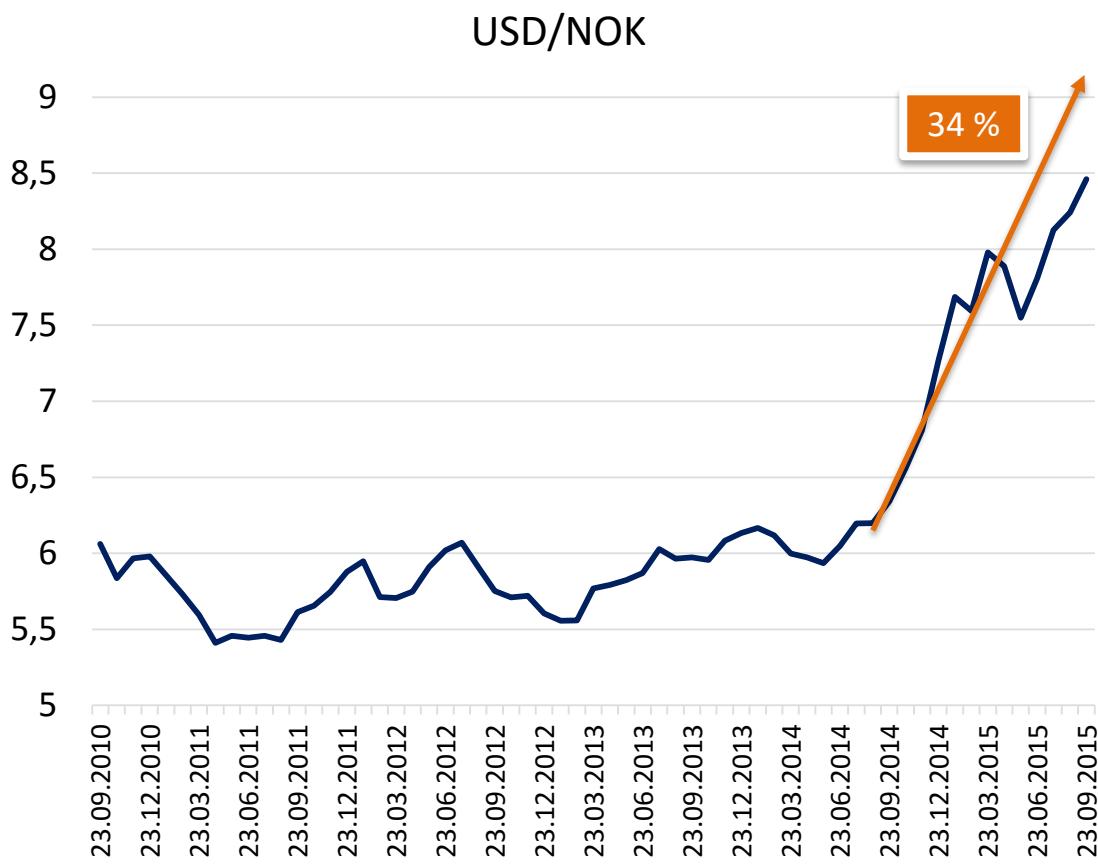
1. Overordnede nøkkeltall
2. Global Performance Benchmark - komparative analyser
  - Vekst
  - Produktivitet
  - Lønnsomhet
3. Shipping
4. Verft
5. Utstyr
6. Design – og andre tjenester
7. Fremtidsutsikter

# Veksten i antall offshorefartøy er ikke bærekraftig

World offshore service fleet by building year (1980-2015). Source: Menon/Clarkson World Fleet



# Hvordan blir bedriftene påvirket av valutakursendringer?



Effect on competitiveness of a weakening Norwegian krone

REVENUE		
costs	USD	NOK
USD	0	-
NOK	+	0

# Ikke alle maritime bedrifter blir rammet like hardt av krisen

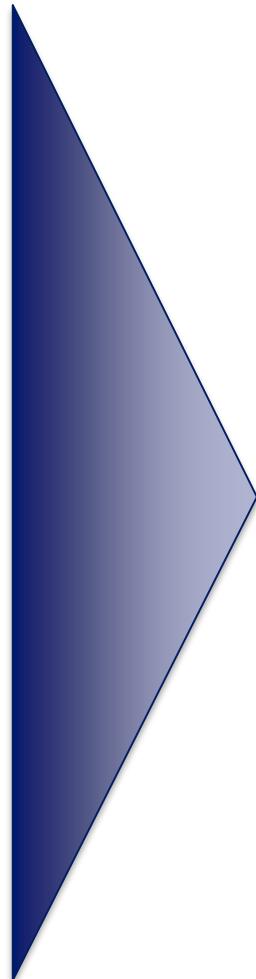
## Fire avgjørende faktorer

- *Oljepris:*

1. Liten offshoreandel
2. Høy drift/nybygg-ratio

- *Valuta:*

3. Høy eksport
4. Lav import



**DN 24. september 2015:  
Strøkne tall fra Jotun**

Lave oljepriser og en sterk dollar er en super kombinasjon for Jotun. Malingsprodusenten i Sandefjord leverer rekordtall.

# Key success factors behind the Blue Maritime Cluster

- **Proximity to one of the largest and most advanced petroleum markets in the world** (total market: 250 billion NOK per year)
  - *but of less importance today as the companies go global*
- **Cluster based innovation**
  - *Shipping and oil companies critical to supplier innovations*
- **Experiential skills in combination with research based knowledge**
  - *The fastest and most accurate way from research to commercialisation*
- **Informal, trust based relationships**
  - *and flat organizations with decentral decision authority*

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## THE ESSENCE OF THE CLUSTER

# Oppsummering av rapporten:

Decelerating growth	Market pressures	Strategic challenges
<b>Activity</b> <ul style="list-style-type: none"><li>• 13% annual growth in value added</li><li>• Value creation reached <b>23 billion</b></li><li>• &gt; 8000 new employees since 2004</li></ul>	<b>Overcapacity</b> <ul style="list-style-type: none"><li>• Offshore fleet has nearly <b>doubled</b> since 2004</li></ul>	<b>Internationalization &amp; product diversification</b> to reduce exposure to NCS and/or offshore oil & gas industry
<b>Profitability</b> <ul style="list-style-type: none"><li>• Declined by <b>5 pp</b> for cluster since 2008</li><li>• <b>Volatile</b> operating margins</li><li>• Significant differences across segments</li></ul>	<b>Falling demand</b> <ul style="list-style-type: none"><li>• <b>50%</b> decrease in the oil prices</li><li>• <b>23%</b> reduction in the number of active rigs worldwide</li></ul>	<b>Improving operational efficiency</b> to improve the cost position and remain competitive on price
<b>Productivity</b> <ul style="list-style-type: none"><li>• Grew by <b>1%</b> annually since 2009 compared to 92% annual growth in 2004-2009</li></ul>	<b>Increased competition</b> <ul style="list-style-type: none"><li>• Lower demand for advanced ships</li><li>• <b>80%</b> of OSV are built in Asia</li><li>• Worse relative cost position</li></ul>	<b>Managing the capacity</b> to reduce costs in the downturn and be able to increase capacity when the conditions improve
<b>Market shares</b> ↗ Shipping ➡ Shipyards ⬇ Equipment	<b>High financial risks</b> <ul style="list-style-type: none"><li>• International OSV companies have <b>38% lower</b> leverage</li><li>• High counterparty risks for shipyards</li></ul>	<b>Managing counterparty risk and financial distress risk</b>
<b>Micro-benchmark:</b>	Møre has been able to capture and keep large market shares in selected markets.	
<b>Meso-benchmark:</b>	Blue Maritime has increased its activity in line with the national benchmark. Profitability has been somewhat weaker. The productivity growth has been similar, but we see a tendency to a divergent in performance after 2011	
<b>Macro-benchmark:</b>	Blue Maritime outperforms our selected countries when it comes to activity, profitability and productivity. This performance can to a large degree be explained by market-orientation.	