

Menon has since 2014 published a yearly in-depth study of the Norwegian maritime equipment suppliers on behalf of The Federation of Norwegian Industries ("Norsk Industri"). The report is based on maritime equipment manufacturers and analyzes their level of activity - both historical development, status quo and expectations for the future.

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Production of ship equipment and other maritime equipment is one of Norway's few internationally competitive industries that do not rely on natural resources. In 2020, companies producing or selling maritime equipment had a total revenue of close to NOK 150 billion and employed around thirty-four thousand people. Productivity is higher among maritime equipment suppliers than other Norwegian manufacturing companies as value added per employee is NOK 1,2 million compared to an average of 0.8 NOK million for other manufacturing segments in Norway. For the maritime equipment suppliers, they contribute with a value added of NOK 40 billion in 2020. Compared to the effect of the oil price shock in 2014/2015, the Covid-19-pandemic did not have a big negative effect on the industry in 2020.

Approximately 90 percent of all maritime equipment suppliers are small- and medium-sized businesses, and this group of firms employ 40 percent of all employees in the industry. Besides being an SME, the typical Norwegian maritime equipment supplier is located in rural areas along the coast outside of the big cities in Norway. Most maritime equipment suppliers get the bulk of their revenues from production of ship equipment and related after-market services. Still, about 40 percent of the equipment suppliers get less than 60 percent of their revenue from ship equipment, including some large industrial conglomerates such as ABB, Nexans and Jotun.

The companies with a large percentage of their revenues from maritime equipment have more volatile revenues than those that are less reliant on maritime equipment. The downturn after 2014 has been steeper for the highly ship equipment-oriented suppliers, but correspondingly these companies are also the ones who have experienced growth in 2018-2019. This increase is especially related to the increased equipment deliveries to vessels in the seafood industry and passenger freight. At the start of 2020, the industry was optimistic and looking forward to a strong resurgence. When the last report was published in the fall of 2020, the self-reported outlook by the equipment suppliers revealed a decrease in revenues in 2020 and 2021 due to the coronavirus outbreak. The reported revenues by the maritime companies, especially for the highly ship equipment-oriented suppliers, have declined from 2019 to 2020. However, the decline has not been as steep as feared, and the majority of the respondents in this year's survey expect growth the coming years, for both revenues and orderbook. Hence, given few future major setbacks from the Covid-pandemic, it is likely that worst is already surpassed. For the industry as a whole it has not yet recovered from the levels reported before the oil price shock.