



# **Mechanics for Establishing a Maritime Hub in the Region - Prospects & Challenges**

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# Outline

- ❖ Fundamentals
- ❖ Global Maritime Hubs
- ❖ Region prospects & Challenges
- ❖ Conclusion

# Maritime Hub

- ❖ 'Shipping hub', 'Maritime cluster' or 'Maritime centre'
- ❖ Location that has the facilities, expertise and legislative and fiscal frameworks in place to enable a range of maritime activities to be established and prosper

# Activities

## ❖ Activities that make up maritime hub

Ship owners	Ship finance
Ship managers	Marine insurance
Ship brokers	Maritime lawyers
Ship agents	Maritime training facilities
Port management and operations	Ship building/ repairs
Pilotage and Tugs	Ship and cargo inspectors and surveyors
Bunkering	Container repairs
Ship Chandlery	Customs Brokers and forwarding agents
Logistics service providers	Maritime associations

# Location Factors

Political system	Political stability
Economic and financial stability	Attractive fiscal and tax regime
Appropriate legislative environment	Availability of well educated and trained staff
Availability of modern office space	Ease of establishing a business
Costs of doing business	Corruption and the grey economy
Modern communications systems	Industry specific business environment
Security	Crime levels

# Facilities & Conditions

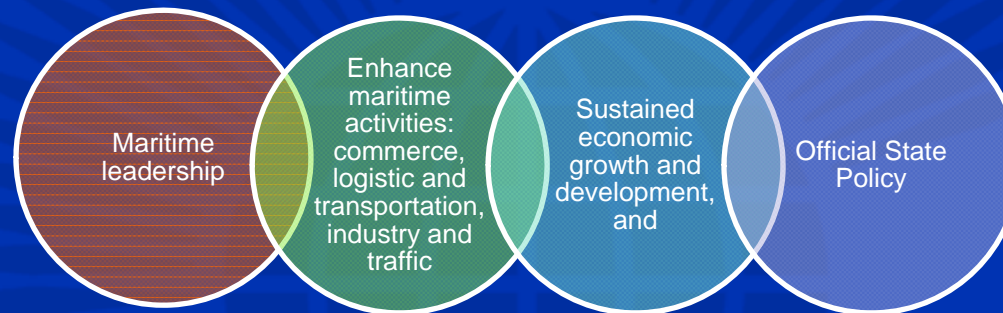
Work permit regulations	Security
Housing	Schooling
Hotels	Restaurants
Recreation facilities	Conference and meeting facilities
Local and international travel convenience	Employer and employee tax costs
Training facilities	Cost of living

# Global Maritime Hubs

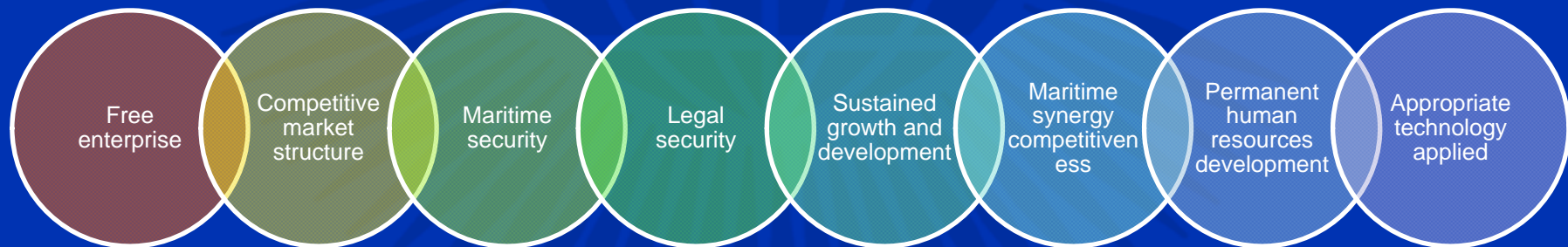
- ❖ Traditional' shipping hubs such as the UK (London), Japan (Tokyo), Germany (Hamburg), the Netherlands (Rotterdam) and Denmark (Copenhagen) have all been built around a strong national ship owner base servicing trading nations through a number of ports. Ship owners require financiers, lawyers, insurers, ship registration, agents, chandlers, ship builders and repairers etc
- ❖ The 'modern' shipping hub, such as The Bahamas, Panama and Malta differs in that there is not a national ship owner at the centre but there is a diverse range of shipping activities primarily centered around port activities.
- ❖ Singapore is perhaps the 'maritime hub with the most' having all the activities listed

# Best Practice

## Strategic Vision



## Strategy's Mission





# Singapore Example



# Comparison of global maritime hubs

	UK	USA	Singapore	Holland	Denmark	Germany	Japan	Kenya	Tanzania
Ship Registry	✓	✓	✓	✓	✓	✓	✓		
Ship owners/managers		✓	✓	✓	✓	✓	✓		
Container Port	✓	✓	✓	✓	✓	✓	✓	✓	✓
Transshipment Centre	✓	✓	✓	✓	✓	✓	✓	✓	✓
Free Trade Zone	✓	✓	✓	✓	✓	✓	✓		
Cruise Ship/Tourism	✓	✓	✓	✓	✓	✓	✓		
Logistics Centre	✓	✓	✓	✓	✓	✓	✓		
Ship Repair/Drydock	✓	✓	✓	✓	✓	✓	✓		
English based laws	✓		✓					✓	✓
Financial Centre		✓	✓	✓	✓	✓	✓		
Maritime training centre	✓	✓	✓	✓	✓	✓	✓		

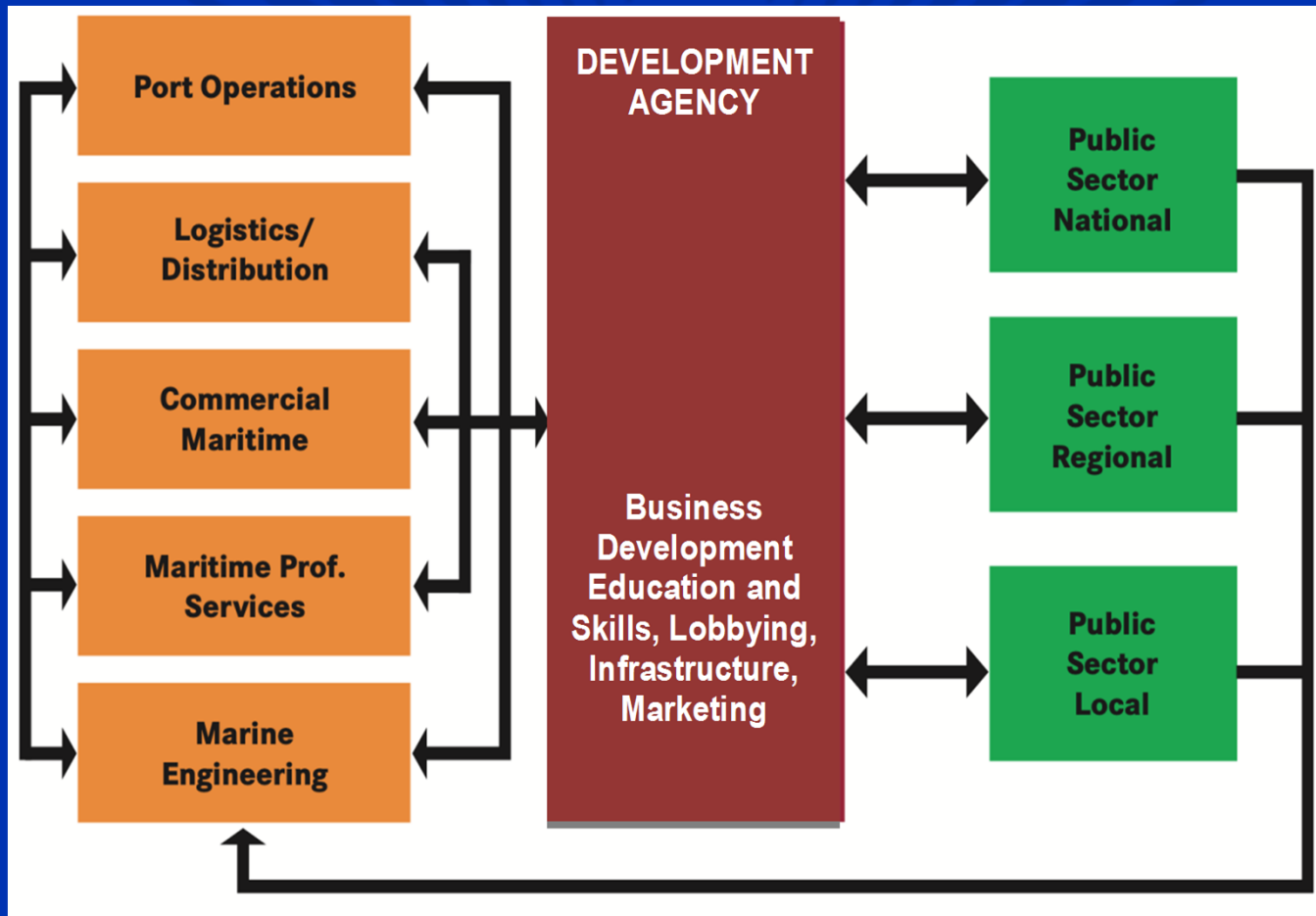
# Region SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"><li>▪ Container port</li><li>▪ Inland waterways</li><li>▪ Captive hinterland</li><li>▪ Skill Labour force</li><li>▪ Chinese Investments –presence</li></ul>	<ul style="list-style-type: none"><li>▪ Lack of ship owners</li><li>▪ Bureaucratic systems</li><li>▪ Security</li><li>▪ Complicated regulatory system</li><li>▪ Lack of private funding for port facilities</li><li>▪ Level of perceived corruption</li><li>▪ Poor infrastructure</li><li>▪ Port congestions</li></ul>
Opportunities	Treats
<ul style="list-style-type: none"><li>▪ Proposed regional infrastructure development programs</li><li>▪ Potential Bunkering &amp; Dry Docking</li><li>▪ Potential Cruise</li></ul>	<ul style="list-style-type: none"><li>▪ Terrorism</li><li>▪ Slow down in global maritime traffic</li></ul>

# Developing Successful Hub

- ❖ The role of government as a facilitator
- ❖ Legislative +s
  - ❖ Legislation in respect of maritime affairs and shipping hub activities must be kept up to date
  - ❖ The legal process must be efficient and transparent
  - ❖ Doing business must be easy
  - ❖ The tax and regulatory costs regime, must be attractive to potential investors – must be easy
  - ❖ The regulatory process must be transparent and fair
- ❖ PPP

# Success Formula





**Thank You**