

ANNUAL REPORT FOR 2009/10



The following is an extract from the Report of the Directors for the financial year ending 31 March 2010.

Background

The Society promotes and supports the interests of all UK companies that do business in the maritime industries. The strategic plan articulates the Society's aims and objectives in meeting the members' requirements.

The Board recognises that in perceiving the value of their membership, member companies must sense that they belong to a vibrant and expanding trade association. The Society has capitalised on the synergies of a strong union of the individual associations and group which make up the organisation yet preserved the strength that comes from their diversity; they represent a wide spectrum of the maritime industries and provide the focus for the specific interests of the overall membership of the Society.

These interests are reflected through our constituent associations and groups, namely, the Association of British Offshore Industries (ABOI), the Association of Marine Scientific Industries (AMSI), the British Marine Equipment Association (BMEA), the British Naval Equipment Association (BNEA) and the Ports and Terminals Group (PTG). During the year we added to our constituent associations and groups a sixth one called the Maritime Security and Safety Group (MSSG) in response to the increasing importance of this activity in the global marketplace.

In this way the Society ensures it seeks out those business opportunities which meet the needs of its members across a broad range of markets in the maritime industries.

Achievements:

All our activities are designed to assist member companies achieve growth in a competitive international market place. This is achieved through directly promoting companies, providing a range of export services, being a source of information and advice, assisting with access to government and funding from government schemes and creating the opportunity for important networking.

Our full programme of exhibitions and seminars further our members' interests and we successfully sponsored UK national pavilions or maintained a presence at most of the major maritime trade events in the world calendar.

The year started with the second Ocean Business exhibition at the National Oceanography Centre, Southampton, an event dedicated to the emerging and vibrant ocean technology sector under the Society's association, AMSI. The Society has a partnership agreement with the show's organiser, Intelligent Exhibitions Ltd, and benefits both financially and in the profile generated through this event.

Additionally, on the exhibition front we have been present at a further 15 trade shows, SeaAsia 2009 (Singapore), IMDEX Asia 2009 (Singapore), Transec Expo (The Netherlands), Norshipping 2009 (Norway), DSEi 2009 (London), AAPG Arctic (Russia), Kormarine 2009 (South Korea), Ascope (Thailand), Marintec 2009 (China), Pacific 2010 (Australia), GEO 2010 (Bahrain), Infrastructure Libya, Oceanology International (London), Asia Pacific Maritime (Singapore) and DIMDEX 2010 (Qatar). Inward missions were welcomed from China and Mexico.

Our programme of seminars and conferences are designed to inform our members and the industry at large on latest developments and market opportunities. Although too numerous to mention them

all, networking events have been held on 'Sensing & Instrumentation for Hostile Environments', 'Naval and Coastguard Programmes in the USA', Lloyd's Register Type Approval', 'Container Terminals: Latest steps on the road to recovery', and Home Office Minister Lord West speaking on the 'Maritime Dimension of the UK National Security Strategy'.

In February the Society's annual conference took place in Bath with the lead sponsorship of South West RDA on the embryonic subject of Investing in UK Maritime Renewable Energy: Engineering Challenges & Business Opportunities, which introduced the industry to an area of business set to dominate the UK energy scene. The highlight of the conference was the reception and dinner at the stunning Roman Baths and Pump Rooms. The annual Defence Attachés luncheon was held once again on HQS Wellington and the ever popular members' annual dinner was held at the House of Commons. This year we introduced an AGM luncheon at our regular venue, the Little Ship Club overlooking the River Thames, where the guest of honour was Mr Mark Hoban MP, Shadow Treasury Spokesman for the Conservative Party, during the last Labour administration, and an Honorary Vice President of the Society. The Members' Christmas Lunch was the opportunity for the then Shadow Defence Spokesman, Dr Julian Lewis MP to provide an illuminating review of the challenges faced by the Strategic Defence Review. A special awards ceremony at Oceanology International was the backdrop to the award of the AMSI Business Person of the Year award to Mr Matthew Quartley, Managing Director of Valeport Ltd and at the AGM Luncheon the student award was presented to Mr Jonathan Gravina from the University of Southampton for his paper Vibration Isolation using a Magnetorheological Elastomer. The award is funded by the Donald Maxwell Award Fund which is administered by the Institute of Marine Engineering, Science and Technology on our behalf.

We have maintained close contact with Government during the period in particular supporting the Marine Industries Leadership Council (MILC) within the Department for Business, Innovation and Skills (BIS). The MILC is co-chaired by board member, Mr Alan Johnston, with the Minister of State for Business. On 18 March 2010, the MILC launched a Marine Industries Strategic Framework at a special event organised by the Society on behalf of BIS at the premises of member company, Lloyd's Register, which this year celebrates its 250th anniversary. The Society, through its Chief Executive, co-chairs the MILC Technology and Innovation Group which has developed a marine technology roadmap for the naval, commercial and leisure marine sectors. We also host the MILC web site – www.marineuk.com. The Society also takes a leading role in the Marine Sector Advisory Group and Ports Advisory Group of UK Trade & Investment and is an associate of the Parliamentary and Scientific Committee. In other areas, the Society, through its association BNEA, as one of the three trade associations which represent the defence industry on the Defence Industries Council, is represented in the Naval Defence Industries Council, chaired by the Minister of State for Defence.

In addition to our political contacts the Board and executive staff have regular contact with officials from the Department for Business Innovation and Skills, Ministry of Defence, UK Trade & Investment, Department for Transport, Foreign & Commonwealth Office, Department for Environment Food and Rural Affairs, the Department for Energy and Climate Change and the Technology Strategy Board. We also maintain contact with a number of regional development agencies and the Society's Chief Executive is a board member of Marine South East.

The Society is a member of two European associations, the European Marine Equipment Council (EMEC) and the Naval Defence Industries Group of ASD (NDIG). The Society has continued to be active in assisting with the R&D group of EMEC called EMECRID to feed into the sector technology platform, Waterborne. EMEC has been active on a number of fronts including implementation of Article 10 of the Class Directive on mutual recognition of certificates, the ongoing review of the Marine Equipment Directive and seeking closer liaison with the International Maritime Organisation.

The Councils of each of our constituent associations and groups have met on a regular basis and formulated the strategy for the business areas covering their interest. This direct input by industry is important in ensuring the Society can portray accurately the views of the membership and we

acknowledge the commitment of those members willing to give their time by serving on our Councils and committees.

Our web portal, www.maritimeindustries.org, remains an important communication tool and receives a substantial number of visits per month, the majority of which are to our 'Product Search' pages, a data base of nearly 1,000 UK companies and 2,000 product categories. This success continues to bring regular requests for the Society and its constituent associations to support a number of external conferences and where we feel this enhances our status within the maritime community we have done so.

Finally, the Society maintains an office in Shanghai China staffed by our resident China manager, Mr Chen Li Ming who continues to assist maritime companies in the Chinese market and provide market intelligence on the business opportunities in this important market.

The Future:

There are signs that the global economic recession is coming to an end, particularly in the Far East, although there is an uncertain market in some parts of the maritime industries. For example, the remainder of 2010 is expected to remain quiet in the traditional shipbuilding sector, affected by the dearth of orders last year feeding through the system. Also, the new government is currently undertaking a Strategic Defence and Security Review in the light of severe budgetary restraints and there is no doubt that this will impact on the traditional defence market for some of our members. However, the majority of such members do export and it is to be hoped that they will be able to spread the risk by taking advantage of emerging export opportunities. There will also be opportunities for service providers to take on outsourcing contracts if the government carries out its intention to reduce the size of the public sector. More optimistically, our annual business survey of companies in the ocean technology sector has demonstrated the continued growth of this sector and in a reflection of this next year's show, Ocean Business 2011, has already sold out all the exhibition space. Therefore we believe that the diversification which exists within in the maritime industries provides a sufficient number of business opportunities to see through the remaining effects of the recession.

Interest in becoming a member of the Society continues to grow and most of our events at the start of the new financial year have been well subscribed. The continued focus of the Society in assisting companies to seek new export markets should help to maintain this momentum. However, the Board is not complacent and recognises that for some members the recovery of their business has still some way to go and will seek to continue to support companies in these challenging times. The Board does remain confident that the Society is delivering the types of services its members and the wider industry require. The Society also continues to be recognised by government ministers in those areas in which members have interest and will continue to work to strengthen our political influence with the new coalition government, as well as delivering the mission statement of "promoting and supporting the interests of all UK companies that do business in the maritime industries".

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