

Luxembourg's maritime success story

“We have no sea but it doesn't matter!”

By Mr. Paul Marceul
Manager Luxembourg Maritime Cluster /ENMC

May 15th 2014



**CLUSTER
MARITIME**
Luxembourgeois

- Presentation of the Luxembourg Maritime Sector
- Presentation of the Cluster and the way it works
- Exploring synergies

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Presentation of the Luxembourg maritime sector

How a landlocked country is becoming an
established shipping location

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Luxembourg maritime sector: A 45 years old history

1970
First P&Is

1990
Maritime
Act

2004
Policy
change

2014
To be
continued

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Paul Marceul - Cluster Manager



Geography may be stigmatizing but:

- We won the battle of image
- We improved the connections with the ports through efficient infrastructures
- Regional cooperations: Benelux, Great Region and European Union
- Unlock the potential!



Facts and figures as of 2012 ^(1/2)

260 Luxembourg flagged ships

275 people working onshore

3100 seafarers

Around 10 shipowners established

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Facts and figures as of 2012 ^(2/2)

4 MT gross tonnage

9 years average age of registred ships

2.87 billions of EUR net turnover

4.7 millions of EUR direct
contribution to the state budget

74 millions of EUR contribution to
Luxembourg economy (at least)

The five pillars of the Luxembourg maritime sector



Merchant
Marine and
Ship Register



Maritime
Logistics



Insurance
and
Reinsurance



Telecom. and
Maritime
Surveillance



Service
providers

Cross-sector approach

Lux. Government Maritime Strategy

- **QUALITY oriented!**
- Attract new businesses and investors
- Create growth and boosting jobs
- Maintain a favorable business climate
- Make maritime transport more environment-friendly

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Luxembourg is committed to develop
the Blue Economy and Logistics!

Flagship companies having established in Luxembourg



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CLdN active in Ro-Ro, Bulk,
Port terminals...

Flagship companies having established in Luxembourg



active in dredging, land
reclamation...

Flagship companies having established in Luxembourg



Active in dredging, land reclamation, offshore...

Flagship companies having established in Luxembourg



Active in
transportation of
liquid bulk.

Flagship companies having established in Luxembourg



Active in offshore
oil and gas marine
services.

Piracy response made in Luxembourg



- Maritime surveillance in the Indian Ocean by two Luxembourg planes based in the Seychelles
- Private armed guards onboard Luxembourg ships

Luxembourg's Quality Approach^(1/2)

- A dedicated administration with 12 FTE
- Single window for maritime affairs
- Easy access to decision makers
- Technical expertise at its best

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Luxembourg's Quality Approach_(2/2)


- The Maritime Authority is ISO 9001 certified
- Paris MoU : white list
- Only serious ship owners with a track record
- Up-to-date with regards to ratifications

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Luxembourg Flag State Performance

	Port State Control					Ratification of Conventions							A739	Age	Reports		IMO	
	Paris MOU White List	Not on Paris MOU Black List	Tokyo MOU White List	Not on Tokyo MOU Black List	USGC Qualship	Not on USCG Target List (Safety)	SOLA 74 (and 88 Protocol)	MARPOL Including Annexes I - II	MARPOL Annexes III - VI	LL 66 (and 88 Protocol)	STCW 78	ILO 147/MLC	CLC/FUND 92	RECOGNIZED ORGANIZATIONS	Age (ship numbers)	STCW 95 'white list'	Completed full ILO Reports	IMO meetings attendance
Luxemburg																		

 : suggests positive performance indicators

 : Chile, Finland, Ireland, Israel, Jamaica, Libya, Luxembourg and Spain were all listed as flag administrations that have shown a commitment to excellence in compliance with international standards but did not qualify for Qualship 21 status because they did not meet the requirement of at least 10 distinct arrivals per calendar year for the three years previous to 2012

 : suggests potentially negative performance indicators

Source: Flag State Performance Index

Other Luxembourg assets at a glance

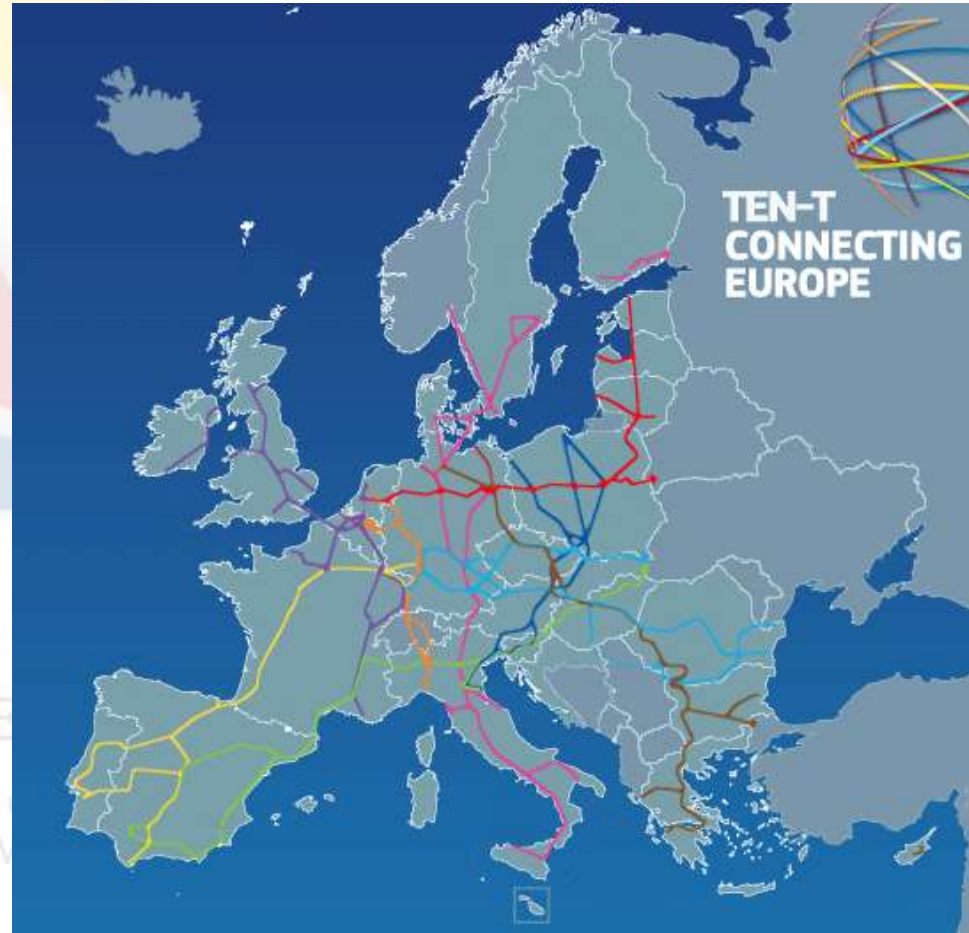
- State-of-the-art infrastructure at the heart of Europe
- Highly skilled and multilingual service providers
- Business-friendly legal and regulatory framework
- Strong financial sector
- Rewarding tax environment
- Political stability, low public debt
- Wide network of tax treaties

Luxembourg is a major inland container hub



The longest rail motorway in Europe from Bettembourg (Luxembourg) to Le Boulou (South of France).

Luxembourg is a major inland container hub



- Weekly shuttle from Bettembourg to the major sea ports (Rotterdam, Antwerp, Trieste, Lübeck...)
- 121k container handling in 2013

Presentation of the Luxembourg Maritime Cluster

A strong and well-structured shipping community

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A private-controlled trade association

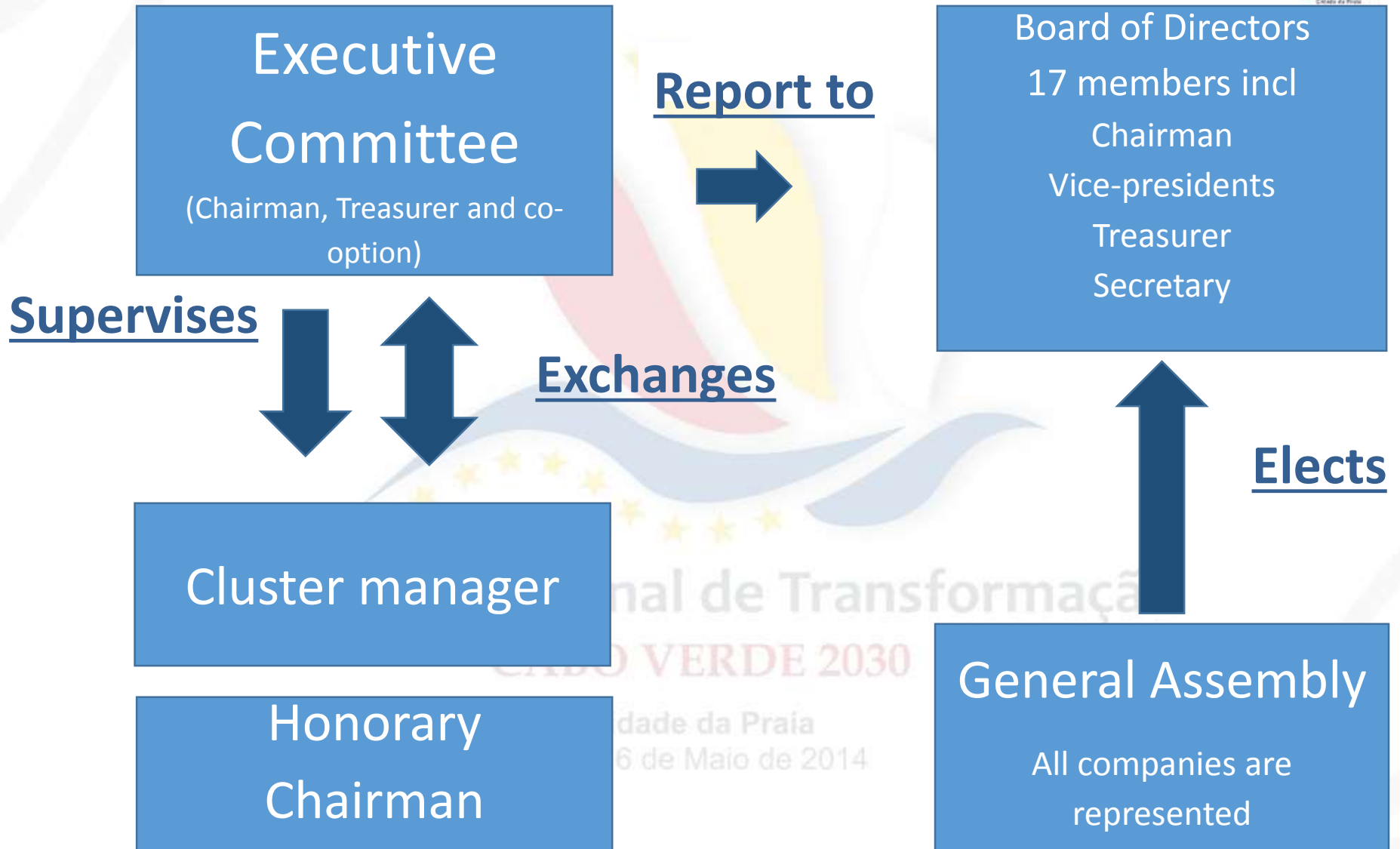
- Non-profit organization of 42 member companies / ca. 100 persons involved
- One FTE dedicated to its management
- Nearly all subsectors represented
- Well-connected in Europe through ENMC membership
- Activities: lobbying, PR, sharing of knowledge, networking, business development

Our best practices

- Strong governance
- Independency
- Raising membership fees = involvement
- Permanent management assured
- Information sharing and networking offered and fostered
- Sponsoring willingness is a performance indicator

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Governance structure



Our European commitment: ENMC



- Promote European Blue Economy
- French-Luxembourg Presidium
- 17 member countries and the European Commission
- **First participation of the Cabo Verdean Maritime Cluster in 2013 (observer)**
- Euromaritime, the maritime trade fair in Paris (Feb 2015)



Final remarks

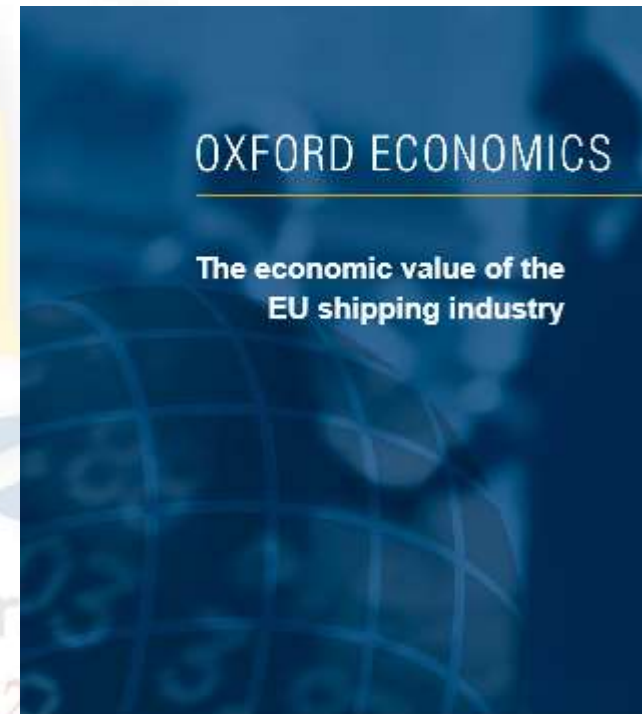
Conclusions and exploring synergies

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“For every €1 million the European shipping industry contributes to GDP itself, it creates another €1.6 million elsewhere in the European economy”.

In: The economic value of the EU shipping industry, Oxford Economics, April 2014



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A report for the European Community
Shipowners' Associations (ECSA)

April 2014



UK shipping gives London overwhelming vote of confidence

Lloyd's List, Monday 09 September 2013

- *“Lobby group Maritime UK questioned 175 senior figures of organisations that have maritime operations based in the UK.”*
- *“Those questioned were also asked to elaborate on why the UK has remained one of the world’s premier maritime hubs.”*
- ***“Maritime UK said one key reason given was the breadth of established and reputable maritime services available in London and that many saw the UK as a one-stop shop for shipping.”***
- *“London’s experience in legal insurance and financial services for the maritime industry was also cited as a key asset.”*

Luxembourg and Cabo Verde: complementarities

Subsectors	Cabo Verde	Luxembourg
Ship register	YES	YES
Fisheries	YES	NO
Shipyards	YES	NO
Ports and bunkering	YES	NO
Oceanographic research	YES	NO
Seafarer	YES	3 or 4 Nationals
Specialized services providers	Which one?	YES, definitely!

By the way, Luxembourg is seeking for a STWC mutual agreement with Cabo Verde – Luxembourg to recruit more Cap Verdean seafarers?

Our most famous seafarers

Luxembourg Sailors Breeze to First Place

SAIL, from Page 1

birthday of the Constitution and the 30th anniversary of the Treaty of Rome, the agreement that created the European Common Market.

The boat Europe, representing the Common Market, was in second place as of late Tuesday and is expected to arrive at about noon today. The Portugal was in third place 378 miles out, and the Hellas from Greece brought up the rear 484 miles from land.

The Letzeburg was greeted at the finish line Tuesday by several boats that motored out to the mouth of Cape May Harbor for the occasion. Among the greeters were the crew's sponsors and friends from Luxembourg, representatives of the media and hosts from the Corinthian Yacht Club of Cape May.

The sailors were aware three days ago that they were leading the race, but they learned only minutes before reaching the finish line that they had actually won. Their friends from Luxembourg shouted the news from a motorboat.

The Letzeburg went leeward of the yacht club committee boat on its first pass at the finish line, but circled to make it official and prompt the cannon blast that signaled victory.

Greeters then passed close enough to the winning boat to

hand off two magnums of champagne — gifts from the grand duke and duchess of Luxembourg — and to shout congratulations and questions to the crew. All of the sailors spoke competent, accented English, although most took liberties with syntax.

In answer to the inevitable question, the crew members were unanimous in saying that their priorities upon landing would be food and hot showers.

To another stock question — whether they would sail the Atlantic again — several crew members shook their heads.

Sailor Jeannot Kroeck yelled, "When we do the southern route, yes, we do it again. But not the northern route."

The Letzeburg won the race with a bold tactic when the boats encountered a brutal storm 12 days out at sea. Skipper Paul Van Tongerlo, a veteran sailor from Antwerp, was the only captain to steer north in an attempt to shoot the gap between two approaching high-pressure systems.

The winds whirling clockwise around the two systems merged like gear teeth; the Letzeburg was in the right place at the right time, riding before the winds from both systems. The other boats ran into stiff headwinds from the southernmost system, and the Letzeburg gained more than 250 miles to overtake the Europe.



Members of the Corinthian Yacht Club of Cape May hand champagne to the victorious sailors. Staff photo by Tom Kinnemond

"We shot out like a seed from a lemon," said crewman Mike Lyselko.

The northern route was the highway to victory, but it was a toll road.

Kroeck said that the sailors kept hoping for three days to enter a high-pressure system that would dry out the crew and the gear.

"It didn't come," Kroeck said. "And we took risks — we were sailing with sails that were not always appropriate to the moment. The whole boat was vibrating."

Crewman Gaston Malane said, "The second week was very hard, very cold. Everything was wet, our sleeping bags, our clothes — everything."

The rudder needed two major repair jobs, sails were torn and the boat was without electricity for 33 hours, crew members said.

Malane said, "It's a good thing that we finish — everything is broken."

The Letzeburg anchored in the harbor for more than two hours while customs and immigration inspectors completed the obligatory paperwork. Passengers from the escort boats boarded the sailboat and were regaled with stories of the 3,000-mile journey.

Among the visitors to board the Letzeburg was Andre Philippe, Luxembourg's ambassador to the United States.

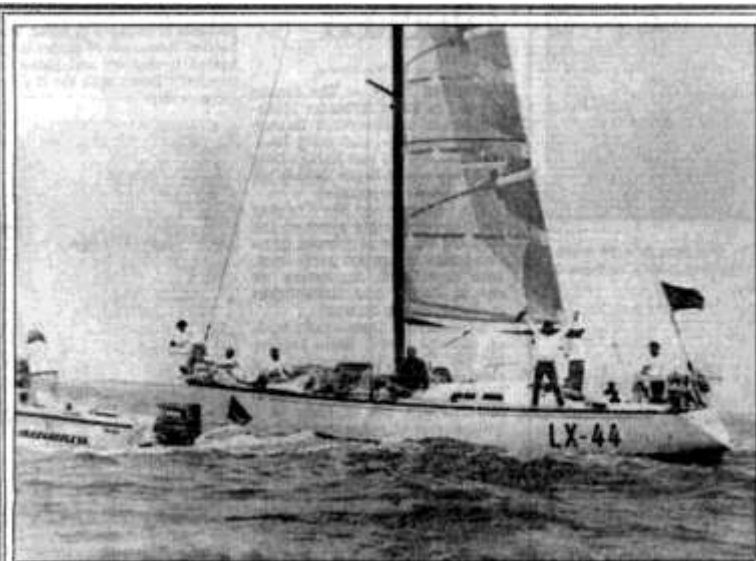
Crew members swigged champagne and beer and puffed their

first cigarettes in several days. The boat was carrying rations for 22 days, so almost nothing was left as the trip entered its 24th day, according to Van Tongerlo.

Finally deposited at the yacht club at about 2:30 p.m., the crew wolfed down pizzas and fast-food hamburgers with french fries.

The racing boats are scheduled to proceed up the Delaware for ceremonies in Philadelphia on June 23, but the fleet probably won't include the Letzeburg. The crewmen said they were planning to fly home Saturday.

While in Cape May, the sailors will be offered tours of the Coast Guard base and the city's historic districts, and will be feted at a reception yet to be scheduled.



Crew members cheer as the Letzeburg sails over the finish line in Cape May Harbor on Tuesday. Staff photo by Tom Kinnemond

Luxembourg Crew Sails To Victory

By T.J. McCARTHY
Press Staff Writer

CAPE MAY — Tired and giddy from 24 days at sea — and soon to be tipsy from drinking champagne on empty stomachs — an exuberant seven-man crew representing landlocked Luxembourg breezed into Cape May Harbor on Tuesday morning as the winners of the five-boat Constitution Trans Atlantic Yacht Race.

The sailboat Letzeburg left its nearest competitor more than 100 miles at sea, while the boat Philadelphia, the U.S. entry, lagged 400 miles behind in fourth place and is expected to arrive here Friday or Saturday.

The Philadelphia was delayed for repairs after colliding with a press boat shortly after the departure from Nieuwpoort, Belgium, on May 26.

The race commemorates both the 200th

(See SAIL on Page 3)



Staff photos by Tom Kinnemond
Champagne foams over Michel Schoup

Dating back to 1987, though

Paul Marceul - Cluster Manager

Thank you for your attention!

Please visit:

<http://www.cluster-maritime.lu>

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