

1. Vision

The Marchain project shall 2020 has developed a platform within the BSR, for collaboration and exchange of knowledge and experiences in order to make the Maritime Industry innovative and competitive on a global market. That shall lead to a higher integration of the Maritime industry in the BSR and a more clearly role as a key player in the development of the BSR.

2. Focus/strategic idea

The Marchain project wants through more of cross-border cooperation, create innovations that strengthen the competitiveness of the participating partners that contribute to a good life for BSR residents.

3. Global market potential

The Baltic Sea is of great importance for people in the region. It gives possibility for transportation but also for food production and sustainable energy production. But we have a big responsibility to keep the sea in balance and the Maritime Industry is a key player to find and develop new sustainable solutions.

Transport sector's major challenge is to meet sharply increased demand for transport services while developing a sustainable transport system with minimal resources and no emissions. EU White Paper advocates a "modal shift" of transport from road and in the Baltic Sea Strategy wishes to increase waterborne transport with 50% by 2050. The Shipping Industry has both challenges and opportunities in which the ability for innovation and collaboration will be crucial.

The Shipping Industry has long traditions and the Baltic Sea countries have developed strong and competitive industries. But during the last years it has lost its strength and a big challenge is to remain competitive on the global market. The demands for the standard Maritime products remain weak and the BSR maritime industries are losing contracts to competitors in Asia. The need for markets and products for the Maritime Industries in BSR is growing. And there are markets to be focused on, for example in advanced system solutions, cargo- and passenger handling systems, environmental technology, energy efficiency, new concepts for fuel and propulsion systems, intermodal systems and offshore wind.

IMO estimates that there are 29 000 ships to be retrofitted in order to meet the environmental regulations before 2015 and 2020. There will be a big amount of work for the maritime sector in the near future. To make the BSR Maritime Industries more innovative and competitive in supplying green shipping solutions, MarChain cooperation can be an access to the needed technology and research. It is also important to establish and develop the cooperation in between the industries to promote BSR as green shipping technology and service supplier.

New regulations such as the SEKA directive about reducing sulfur emission, is a challenge for the industry but at the same time a driver for new sustainable solutions. In order to achieve

competitiveness on the global market, the level of innovation and exchange of cross-border expertise must increase and be utilized to a much greater extent than before.

The Maritime Industry has skilled employees but new challenges and new demands will also require major effort on the whole education system.

Capabilities to address the regional challenges in improving the environmental conditions in the Baltic Sea by delivering green transport solutions can build a global competitiveness for the regions Maritime Industry. BSR has every chance to be the area where one gets partners and inspiration for this work. But there must be tools for that sort of development. The Marchain project can be such a tool.

4. Strategy to reach a global position

On the basis of The Stardust pilot Marchain the following steps are identified as strategically important, to reach a long-term maritime cooperation in the BSR.

- ✓ Getting to know each other in the partnership, identifying competencies, commitment and common goals.
- ✓ Identify priorities, strengths and weaknesses of the national maritime clusters.
- ✓ Identify focus areas for future competitiveness.
- ✓ Identify strategic partners within the BSR and globally.
- ✓ Develop projects in priority focus areas, search and apply for research and innovation - funding for these.
- ✓ Develop a communication plan for the short and long term.
- ✓ Develop a platform for strategic cooperation in order to enhance the maritime industry's global competitiveness.
- ✓ Feedback to the visions and goals

5. Marchain progress so far

The Marchain partnership is a new constellation where none previously worked together. The project has therefore spent a lot of time to get to know each other and the expectations, goals, and requirements of each partner. In parallel with these activities, a mapping exercise has been launched to identify the maritime cluster in the BSR. The work is resource intensive as the maritime cluster is complex and contains a number of specific skills but also generic that is not always captured in the statistical data. There is no coordination of statistical activities within the BSR which means the work has largely been dependent on each partner's knowledge and contacts.

In the world of demand-driven innovation, the supply chain plays a crucial part. It must not only be resilient and cost-effective, it must be able to respond directly to customer needs, even as those

needs are continually shifting. An initial analysis regarding to the supply / value chain in the BSR maritime sector has therefore been made. In order to be utilized in the further process additional analyzes based on the priorities of the partnership has to be done.

The initial work in Marchain took an excessive grip on the maritime industry challenges and it was difficult to find enough clear common issues to collaborate on. A plan was therefore developed with two sub groups in Logistics and Leisure boat industry with interested partners in each sector. Logistic group's work gradually resulted in a further delimitation where the focus was on Green Shipping and Green Corridors.

Green Shipping is for sustainable solutions to reduce emissions from ships. That shall respond to the challenge of the new Sulfur Directive with effect from 2015 for ships operating in the so-called ECA area where the BSR is included. Discussions within the leisure boat group, led to a decision to explore the interest in the development of electro / hybrid engines and to watch the customer perspective of older people's issues. As inspiration for the latter the work of Marchain partner Swedish Marine Technology Forum was lifted. They ran the project All Aboard where the focus was put on the woman as a customer.

Green corridors concept is about the activities in order to make the freight multimodality economically attractive for shippers in long distances and to facilitate the modal shift

. Ports as inter modality nodes were chosen as a focus area for Green corridors pre-project's studies for 2013.6. Progress for the future – 2013 and forward

Already at the initial Stardust Conference in March 2010 it was noted that the main target and success factor for the work, are the companies in the area surrounding each partner. Those can articulate problems and needs. This contact work has also taken time. In 2011, the contacts within each partner network intensified and a number of competitive challenges with focus areas have been defined. From these subjects, pre-projects will be developed to further illustrate specific need for research, innovation and business development. The areas bellow has been identified and responsible partners have been appointed whose role is to lead the development and implementation of these pre projects. The objective is to identify, define and develop possible collaborative projects for the period after 2013.

Parallel to this development work the initial steps for the development of a BSR platform for maritime cluster initiatives, networks and projects are taken. Several of the partnership participants have experience in running and participating in cluster development at home but also in the international context. In order to increase the innovative capacity of the region, innovative methods has to be developed, that combine the very important local, national work with much larger and complex structures on BSR - level. Efforts will be done in two different levels - the collaborative development between Marchain current partnership and a longer-term work aiming at maritime cooperation after 2013.

Development of a communication plan is essential, but without a clear picture of who you want to reach with what message are both internal and external communication efforts ineffective. A communication plan for Marchain is under construction and will be discussed at the beginning of 2013.

During 2013, the following pre projects to be developed and given priority, and possible funding sought

- **Sox, Nox reduction** responsible Lithuania
- **Ports as inter modality nodes- needs and demands** responsible Latvia
- **Methanol** responsible Finland
- **Lightweight vessels** responsible Sweden
- **Electro/Hybrid Engines** responsible Sweden
- **Offshore** responsible Sweden
- **Cluster cooperation** responsible Germany

- **Long term cooperation development for the innovative maritime BSR cluster** responsible Finland

- **Leisure boat industry** to be discussed

The technical pre projects expected to be reported in late September 2013 to serve as a basis for continued cooperation from 2014 onwards.

New pre project proposals can come up during the first quarter process.

6. Leadership/governance

Project partnership consists of business support organizations, universities and cluster management organizations. The Partnership possesses different skills and has different types of competence and networks associated with it. These interact in various ways. Coordination work is led formally by KSTP from Lithuania, however, is due to skills and interests, informal leadership developed within the group in terms of activities. Prior to the work in 2013, a leadership team established that complement each other. In addition to this, as mentioned previously, the responsibility for implementation of the pre projects posted on the various project participants.

The Management Group has as from 2013 the following composition and responsibilities

- **Marchain reports to LP** responsible. KSTP Lithuania
- **Coordination of activities 2013** responsible SP Sweden
- **Long term strategic action plan** responsible Associated Partner Finland

7. Choice of strategic partners

The most important point for the Leadership/governance is to reach the Bottom Up approach involving companies in to the project activities. It would be very effective to have at least few of the OEM's leading regional companies to get involved as associated organizations. This would attract attention from the SME's and would ensure that the project content will reflect industry needs.

Triple helix approach will be reached during the 2013 process.

The strategic approach for the cooperation would be to link results by interconnecting project deliverables and activities on one main platform. It would make it easier for the regions industries to get access to results brought by the projects.

8. Activity plan 2013

8.1 Internal work

- Definition of pre projects within priority areas.
- Implementation and reporting of project performance results.
- Decisions on the development of major projects and applications for funding.
- Meetings every quarter.
- Skype meetings every quarter.
- Skype Meetings regarding the pre projects (special plan.)
- Draw up Communication Plan.
- Implement Communication Plan.

8.2 External work

- Local workshops and seminars linked to the pre projects
- Study trips

8.3 Events

- Kiel i February, green retrofitting
- Riga 24-25 April, Logistic
- Borås i October, Lightweight and Electro/hybrid
- Marchain Final Conference, Turku ?, alternatively own session on SMC I Göteborg, November

8.4 Signal sessions

Will be planed during the Kiel meeting in January

9. Need and strategy for funding

The implementation of decided cooperative projects requires external funding. The LP has addressed external consulting services to help with this work. The pilot will use this service during the spring of 2013.

The goal is that the pre projects shall develop innovative main projects that will engage private resources as well as public funding within national, Nordic and EU programs.

The future maritime innovation projects will for example be targeting the cross-border cooperation programs and framework program. Special interest is shown for the BONUS program, which has large parts of its program oriented towards maritime applications. Those will be applied for to secure financing of the cooperation after the ongoing pilot ends.

The main strategy to engage participants in the future process, is to put focus on the user and its needs, to work with user – driven innovation.

Investment money is not expected to be needed in the short term.