



**Effects of the Swedish Maritime Support Scheme 2014**   **Summary**  
**Report 2015:16**



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# Summary

This report follows up the effects of the maritime support scheme in 2014. The focus is on the economic and financial effects on the shipping companies that received such support.

One purpose of the maritime support scheme is to make it easier for Swedish shipping companies to hire Swedish crew for their vessels. The data indicate that the number of Swedish crewmembers has decreased in parallel with the decline in the number of Swedish-registered vessels. The number of Swedish-registered vessels in 2014 was the lowest since the 1970s.

The core of the report is Section 3, which describes the economic and financial effects of the support scheme on the recipient shipping lines. These effects have been analysed based on the financial statements in the shipping companies' annual reports. Section 3 briefly summarises the appendix, and provides a selection of key figures that illustrate the financial situation of the shipping companies. It is important to bear in mind that the maritime industry is heterogeneous, with different financial conditions affecting different segments. The financial analysis follows the segment division of the companies, and presents both the current situation and the course of development since 2007.

Over the last five years, Swedish maritime financial support has amounted to an average of SEK 1.6 billion per year. The follow-up indicates that this support remains important to the profitability of the shipping companies. As the number of Swedish-registered vessels has decreased, so too has the number of shipping companies receiving support. The total support provided to the shipping companies fell by SEK 68 million in 2014 from the year before, to SEK 1.41 billion, which is the lowest total since 2001. On the other hand, the average support per vessel increased by SEK 1.5 million to SEK 12.6 million per vessel.

Over the decade leading up to the financial crisis of 2008, the operating margin in the maritime transport industry as a whole trended upward, and was relatively high compared with those of other transport industries. The operating margin in the maritime transport industry declined sharply with the global financial crisis, becoming the lowest for the six transport sub-industries. However, the shipping companies that receive maritime support have relatively good operating margins. On the other hand, these shipping companies also post lower returns on total capital and lower solvency than the average figures for the maritime transport industry as a whole.

The follow-up included the 34 companies that received maritime support in 2014. Turnover among these companies fell in total by SEK 1.8 billion compared with the 2013 level. Maritime support accounted for an average of 3.4% of total turnover, on par with the year before from a percentage standpoint. Average profitability as measured by return on equity increased at an aggregate level.

The Swedish maritime support scheme had an equally large impact on the profitability of these companies in 2014 as it has had previously. At the same time, there are major differences among the segments included in the study. The various segments were affected by the financial crisis at somewhat different times, depending on their market situation and competitive conditions. Companies in the major shipping, tanker, and dry-cargo segments were affected relatively directly by the downturn, while companies in the ferry and

management segments experienced setbacks a while later. The different shipping company segments vary in terms of profitability and capital structure, and there are major differences among the individual companies within the segments as well.

The major shipping segment comprises a small number of large and diversified companies, and it may be presumed that the maritime support scheme is less important to them, as the key figures also indicate. The average share of the major shipping companies' turnover accounted for by maritime support remains at 1.6%. Maritime support is crucial for the management companies, which are comparable to staffing companies, accounting for 52% of the turnover in this segment in 2014.





Transport Analysis is a Swedish agency for transport policy analysis. We analyse and evaluate proposed and implemented measures within the sphere of transport policy. We are also responsible for official statistics in the transport and communication sectors. Transport Analysis was established in April 2010 with its head office in Stockholm and a branch office in Östersund.