

The Nautical Cluster: business analysis & economic impact

Executive Summary

This study pursues two main aims. First, it aims to delimit the nautical sector in the metropolitan area: the companies that make it up, its sectoral structure, the size of the companies involved, etc. The first objective includes estimating its economic impact in terms of production and employment on the entire Barcelona economy. The second and main aim of the study is to analyse in depth the member companies of Barcelona Nautical Cluster and to calculate the impact of their activity on production and employment throughout the area. It will also identify what investments are planned by Cluster member companies and calculate expected growth derived from these, as well as the impact on other sectors and activities. This will provide a clearer picture of the Cluster's activity and enable an analysis of the future growth potential it offers.

The turnover and employment of the companies in the nautical sector and the Cluster were obtained from the database of the commercial register - Iberian Balance Analysis System (SABI) - and from a survey made by the organisation's member companies. These data refer to 2013 or 2014. The multipliers from the 2011 input-output table for Catalonia, published recently by the Catalan Statistical Office IDESCAT, were used to calculate the indirect and induced economic impact on production and employment of both the nautical sector and the Cluster.

ECONOMIC RESULTS OF THE NAUTICAL SECTOR

The nautical sector in the province of Barcelona currently comprises **305 companies** ¹ employing a total of **2,115 workers** and has an aggregate turnover of **€ 464.6 million**.

The **average size** of companies in the nautical sector is nearly **7 workers** per company and an **average turnover per company of € 1.52 million**. However, there are significant differences from one sectoral area to another. The largest companies are ports and marinas, with an average size of nearly 13 workers per company and average turnover of € 3.33 million.

The **industrial sector** concentrates 45% of the companies in the nautical sector, 34% of turnover and 42% of direct employment. This means **€ 156.3 million** in turnover and **890 direct workers** linked to industrial companies. The most important industrial activity is **repair & refit**, which groups together 98 companies, concentrates 28% of turnover (€ 116 million) and 33% of employment in the nautical sector. Services account for the remaining 66% of turnover of the nautical sector and 58% of employment, i.e. **€ 308.2 million and 1,125 jobs**. The most important activities within the services sector are: ports and marinas, with € 126.6 million and nearly 500 employees, followed by Yacht and Charter services, comprising 41 companies with a combined turnover of € 37.2 million and employing over 200 people. Other services include vessel sales (€ 70.8 million and 305 employees) and sports facilities, sailing schools and sports training (€ 11.2 million and 109 employees).

If we consider the direct, indirect and induced impact, it is estimated that the **nautical sector in the metropolitan area generates activity worth € 836 million** and in total **creates or maintains around 8,300 jobs**.

¹This study differs from other previous ones - such as that performed by the FNOB and the University of Barcelona, which counted up to 1,175 companies (799 in Barcelona) - in that it is restricted to companies whose main activity is nautical. Using this criterion, the number of companies in the sector within the province of Barcelona comes down to 305.

ECONOMIC RESULTS OF BARCELONA NAUTICAL CLUSTER

Barcelona Nautical Cluster (*Barcelona Clúster Nàutic, BCN*) was formally established in October 2013 and since then has undergone several phases of expansion to reach **56 members** (as of April 2015).

The current member companies of Barcelona Nautical Cluster combine a turnover of almost € 240 million and directly employ around 1,100 people. Excluding members whose activity it makes no sense to aggregate (the Fishermen's Guild, UPC/Faculty of Nautical Studies, the Maritime Museum, Hàbitat Urbà and Barcelona Regional, and further excluding the turnover of companies engaged only partially in manufacturing components for the nautical industry), the result is that the 51 members of the Cluster whose main activity is nautical turn over € 180 million and generate direct employment of 721 jobs. Taking account of the indirect and induced impact, **Cluster companies generate 3,193 jobs and have a turnover of € 324.3 million.**

In less than two years since it was set up, the number of members has doubled, leading to a **61% increase in associated turnover and an 87% rise in employment.**

A future 20% growth target of the Cluster over the next two years could mean that turnover would total € 290 million, accounting for 62% of total turnover for the nautical sector.

According to the sectoral structure of the Cluster members, **the two main activities are industry and ports and marinas** which together **account for 72% of employment and 63% of turnover.**

The **industrial activity** represented in the Cluster (construction and repair & refit) comprises 20 companies, 335 employees and a total turnover of € 82.9 million. The second largest category in terms of the number of employees is **ports and marinas**, which employs 187 people in 8 member companies and has a turnover of more than € 30.7 million. The main characteristic of this category is that it has a greater weight in employment than in turnover. Next, the non-profit sector comprises four organisations - representing 22% of turnover and 12% of the Cluster's employment, yacht and charter services comprises nine companies - 12% of turnover and 9% of employment in the Cluster - and finally the other service activities related to nautical activities, a category where we find ten companies engaged in various activities such as design, technology, training, nautical clothing, consulting or specialised legal services - 3% of turnover and 6% of employment.

The main companies of the sector are associated to the Cluster, as evidenced by the fact that the average size of companies in the Cluster is twice that of the average in the nautical sector (14 vs 7 employees per company).

To assess the growth prospects of the sector it is essential to look at the investments that Cluster companies have planned to make. These companies are expected to **invest € 89.3 million over the next three years.**

The estimated impact on turnover derived from these investments in Barcelona's metropolitan area is € 210.2 million, of which € 89.3 million correspond to an increase in direct and indirect turnover of the companies that make the investment, € 89.3 million in actual investments and € 31.5 million in the induced effect on consumption derived from the creation of employment related to these.

The investments will generate 1,586 jobs over the next three years. 66 of these will be new jobs within the investing companies, 459 will be generated in companies linked indirectly to the sector, 792 will be jobs linked to the ongoing investments over the three years, and 270 will result from the impact on consumption ('induced effect'). The companies that will receive the lion's share of the impact are Marina Barcelona 92, which is estimated to generate 687 jobs, followed by Marina Vela with 303, and Marina Port Vell, with 236 new jobs.

In addition to these figures, we need to take into account the **spending generated by the vessels that will berth at the Port Vell once the enlargement works are completed.** Data published by the *United States Superyacht Association* estimate that 162 new berths for yachts up to 120 metres long can generate (at full employment) **annual expenditure of € 470 million a year**, two-thirds of which could benefit the economy of the city and its metropolitan area: € 115 million in the industrial maintenance sector; € 46 million in fuel; € 40 million in berths and ports; € 29 million in spending by crews and passengers; € 19 million in administration and regulation fees; and € 13 million in supplies.