

CHARTING A STEADY COURSE IN A TURBULENT WORLD

Jonathan Holslag

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	2030	2050
Mediterranean	+82	+255
Intra-Europe	+82	+205
North-Atlantic	+74	+268
Asia-Med	+104	+325

Table. Expected freight volume growth (%). *Source:* OECD, 2016. Capacity to Grow.
Paris: OECD, p. 29.



The world is at the crossroads. Markets and democracies
remain resilient, but for how long?

What are the explanations?



The balance of power

The nature of growth

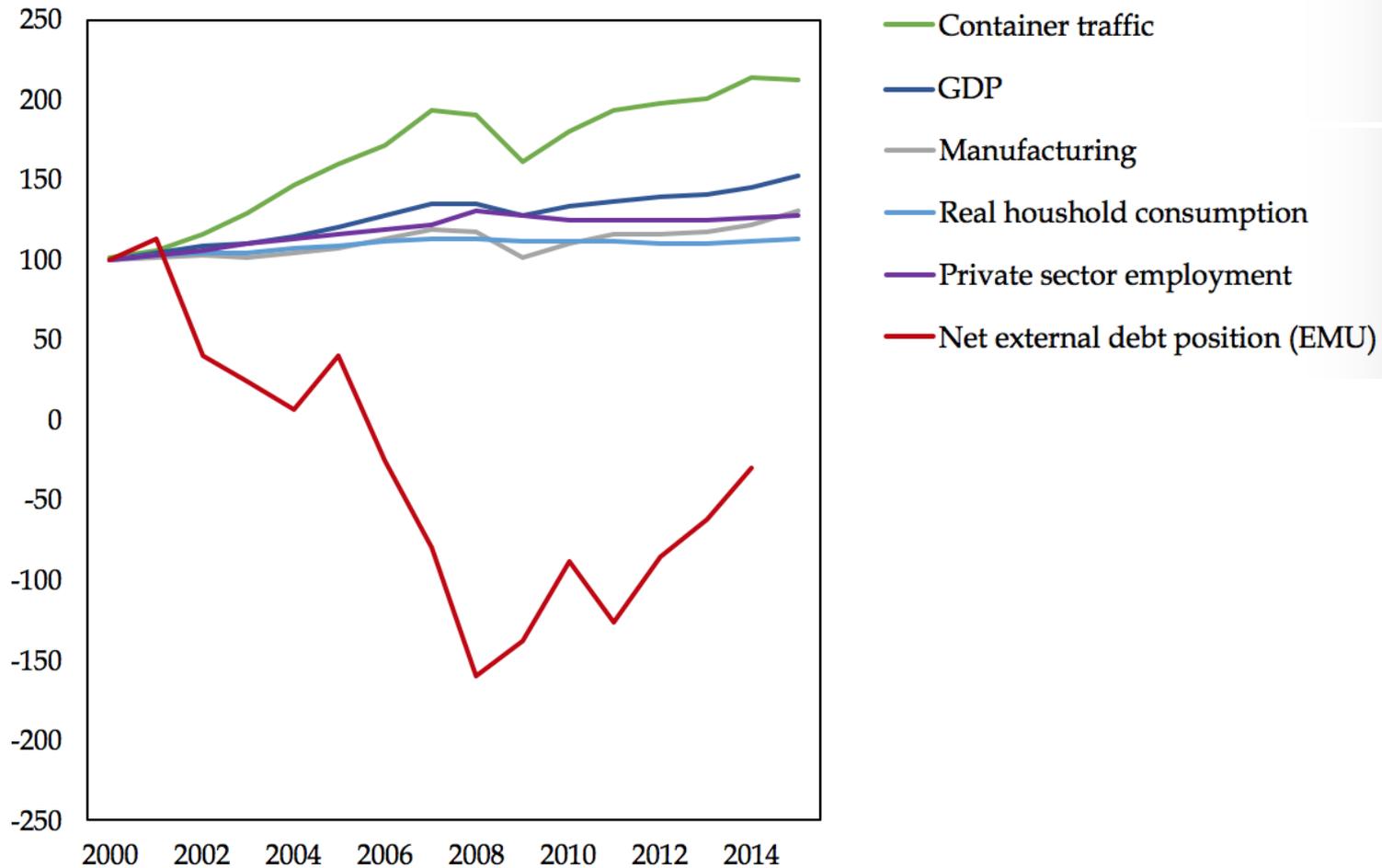


Table. Growth rate of selected economic indicators for the EU (%). Source: Eurostat and ECB.

	1970-1990	1990-2014
GDP(US\$ billion)	747	1.550
Real disposable income (US\$)	117	100
Formal employment (million)	30	16
Population 15 and 64 (million)	40	43

Table. Selected data on economic developments (annual averages). *Source:* Calculations based on WDI, ILO stats for 24 countries (accounting for 60 percent of the world population and sampling from all income categories).



What are the explanations?

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graph TD; A[What are the explanations?] --- B[The balance of power]; A --- C[The nature of growth]; A --- D[Scarcity]; A --- E[Crisis of man];
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The balance of power

The nature of growth

Scarcity

Crisis of man

	EU average	Hoogste
What I do is meaningful	63	79
Satisfaction with work-life balance	62	76
I get satisfaction from what I do	61	75
I can show my capabilities	59	70

Tabel. Indicators of satisfaction at work (on a scale of 100). *Source:* ESS average for EU countries.

	Satisfaction	2008	2014	Change
Culture and sports	high	30	30	-1
Education	high	83	81	-3
Health and wellbeing	high	190	202	12
Public administration	high	78	83	5
Total: public		382	395	14
Specialized professional services	high	118	116	-2
Real estate	average	16	16	0
Finance	average	76	69	-7
Agriculture	average	15	14	-1
Basic professional services	average	168	186	18
Manufacturing	average	93	85	-8
Retail	low	230	237	8
Construction	low	51	40	-12
Logistics, transport and distribution	low	86	77	-8
Horeca	low	68	81	13
Sewerage, energy and water	low	9	7	-2
Total: private		213	205	-8

Tabel. Satisfaction at work per sector in North Holland (,000). *Source:* calculations based on ESS en CBS as per set of indicators on previous slide.

The tangible benefits of growth decrease and that is dangerous.



China's connectivity war



July 2006: "China's economic growth is unstable, unbalanced, uncoordinated, unsustainable."

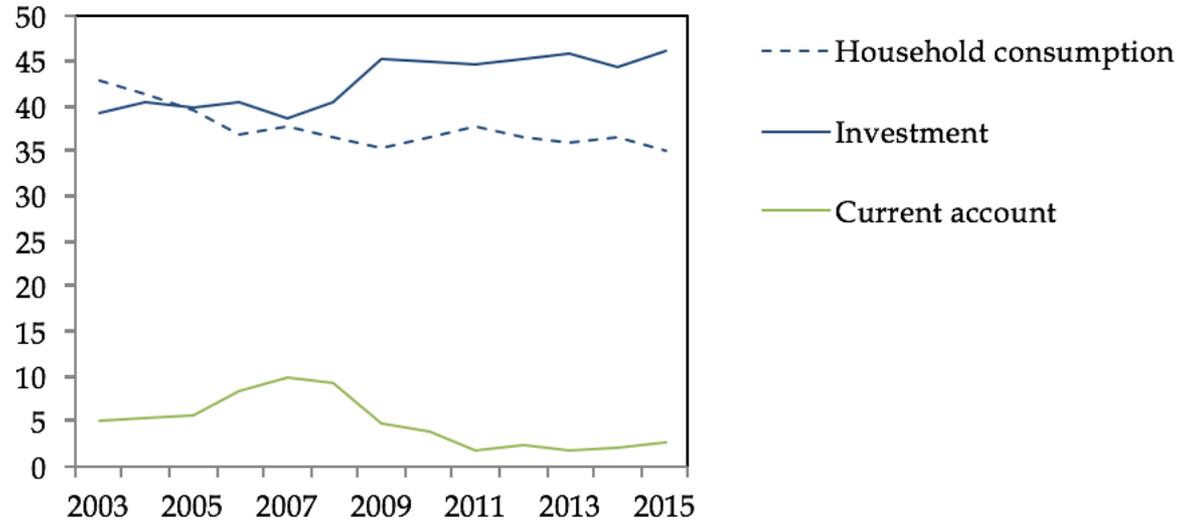


Chart. Components of China's GDP (%). Source: China Department of Statistics.



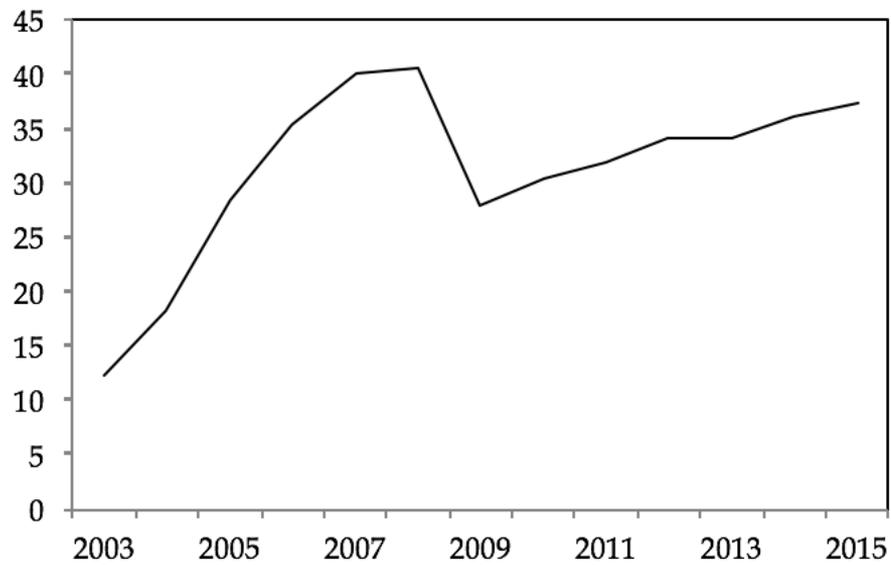


Chart. Manufacturing export dependency ratio. *Source:* Calculations based on China Department of Statistics.

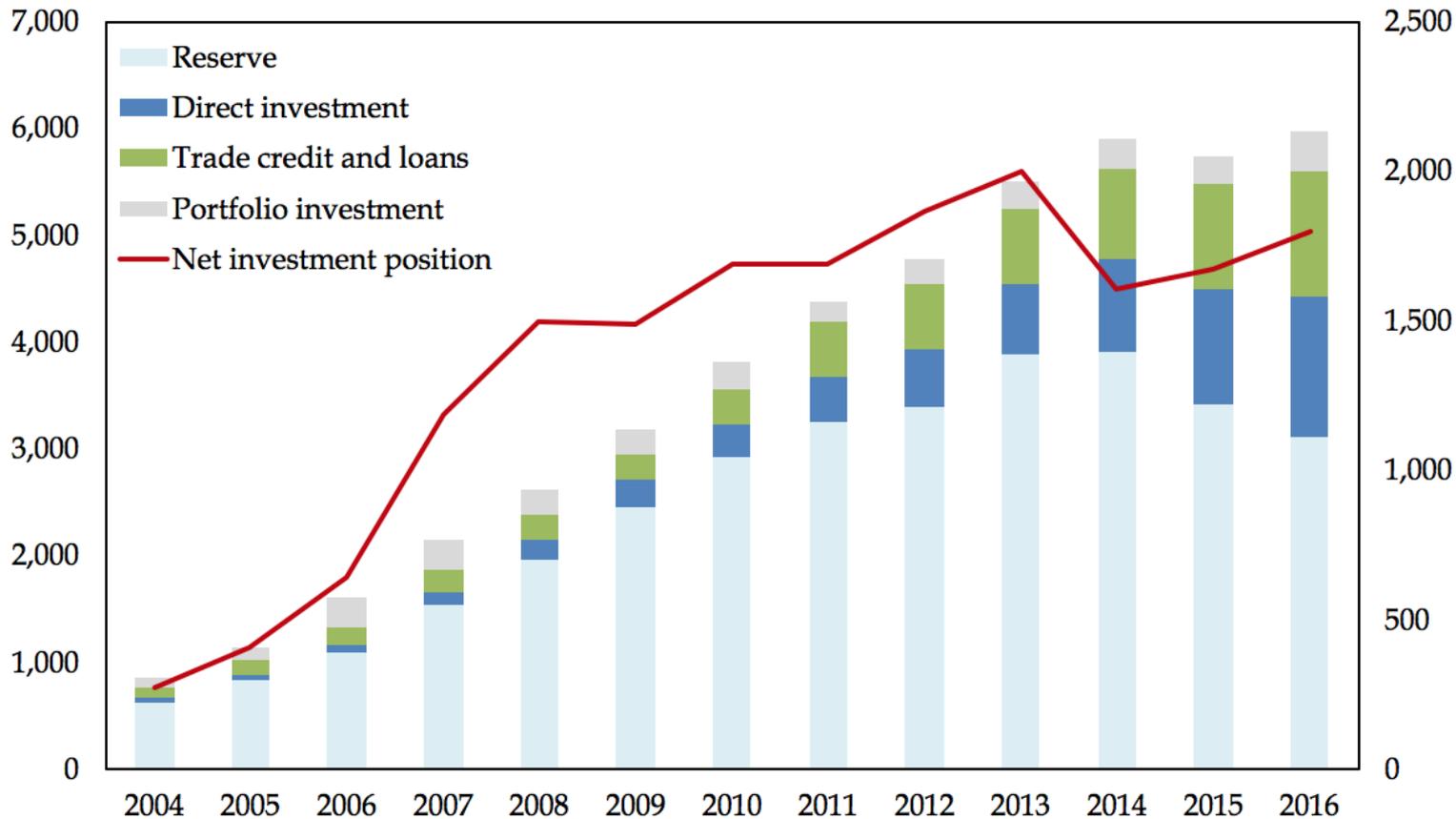
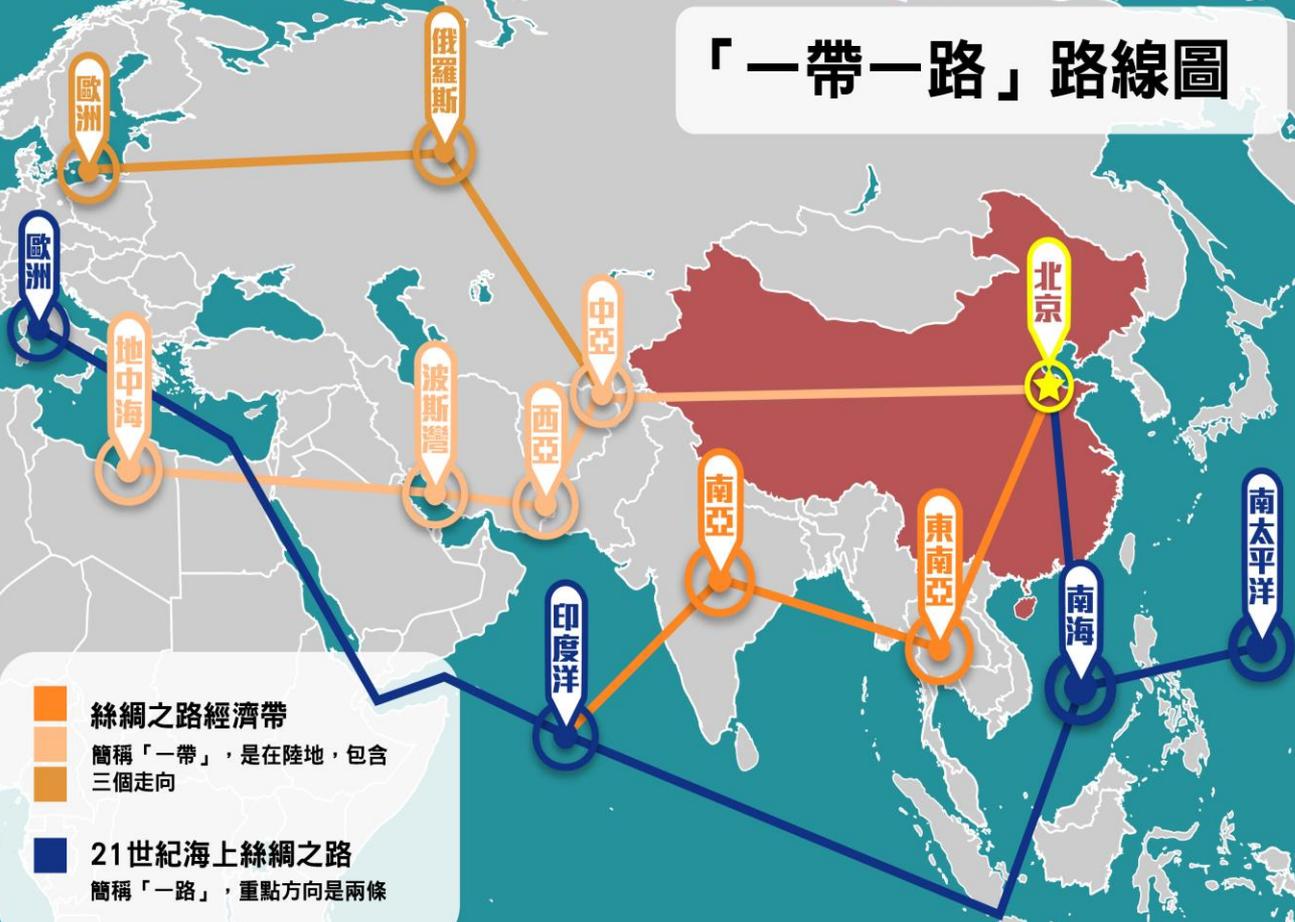


Chart. China's foreign investment position (gross and net, US\$ bn). Source: China State Administration of foreign exchange. Note: Net investment position on right axis.

「一帶一路」路線圖



NDRC, MOFCOM, MFA, 2015. 推动共建丝绸之路经济带和21世纪海上丝绸之路的愿景与行动 [Pushing to build the Silk Road Economic Belt and the 21st Century Maritime Silk Road through vision and action]. Beijing: State Council,

	2010	2011	2012	2013	2014	2015	2012-2015
China	343	422	433	457	486	467	+31
Netherlands	72	84	82	82	82	69	-14
France	113	129	125	124	122	105	-19
Germany	320	384	358	370	370	321	-37
Italy	88	108	103	106	106	89	-14
Portugal	5	6	6	6	6	5	-1
Spain	48	58	55	58	59	52	-3
EU	1.084	1.298	1.230	1.278	1.285	1.097	-133

Table. Exports to OBOR countries (bn US\$). Source: Eurostat.

National People's Congress of China, 2008. 中国海洋21世纪议程 [China's Ocean Agenda for the 21st Century]. Beijing: National People's Congress, May 2008.

The ocean is one of the hotspots in international trade, military, scientific and regulatory **competition**. The world's maritime powers have a comprehensive maritime strategy and must be fully competitive in all these areas. § 1.13

§ 2.6 At present, China's marine industry is small, **backward** technology and equipment, the development of new marine industry needs to be accelerated.

State Council of China, 2014.国务院于促进海运业健康发展的若干意见 [Several Opinions of the State Council on Promoting the Healthy Development of Maritime Industry]. Guo Fa, 32, 15 August 2015.

Our core competitiveness is weak §1

The maritime industry is an important strategic industry for economic and social development. It plays an important role in safeguarding the national maritime rights and interests and economic security, promoting the development of foreign trade and promoting the transformation and upgrading of industries. §1

Our maritime industry merits state support so as to become a maritime power, to advance our international competitiveness, to advance our national economic security (国家经济安全), to secure our maritime rights and interests, as well as to increase our comprehensive national strength (综合国力). §1.A

We must prioritize the of strong internationally competitive shipping enterprises, port construction companies, port operators, and global logistics businesses, so as to gain international influence. §1.C.

The implementation of “going out” strategy to encourage Chinese-funded shipping and port operating enterprises to acquire assets abroad. §6

Jia, Dashan, 2017.什么是海运强国 [What is Sea Power?] China Shipping Inspection, 26 April 2017: The rise of great powers depends on the ocean. The strength of a nation depends on production, production requires the security of supply, which on its turn demands countries to engage in global maritime competition. National security, defense, and economic security are interlinked... Maritime power is the efficiency with which a country can dominate the global maritime flows. It is about technology, management, infrastructure, and coordination... Global environment is favourable: cash is king (现金为王) and bargain hunting (抄底)

COSCO, 2017. Annual Report COSCO Group. COSCO has greatly promoted China's national economy, foreign trade, energy security, the supply security of materials transportation and other aspects of our national economic security. As a backbone shipping enterprise [骨干航运企业], COSCO Group has greatly enhanced China's power in international maritime affairs... The development of the COSCO Group has an important role in promoting the stable development of Chinese global supply chains and national industrial development... We should respond to SASAC' call to central enterprises to hold each other warm in difficult times [抱团取暖]

China heading for the seas:

- . Exports and raw materials first
- . Chinese supply chains
- . National champions
- . Increase market share Chinese shipping companies through efficiency and political support
- . Diversify entry points into foreign markets: maritime OBOR
- . Security and defence

How:

- . Cash is king (现金为王): more capital
- . Economic: package deals, mollifying elites
- . Reversing dependency



**Ports are the main beneficiaries of globalization, so they
will be the main losers of de-globalization**

Challenges... beyond China

- . Market volatility as a result of economic adjustment crises
- . Policies of trade diversion, industrial policy, protectionism > deglobalization
- . Eurozone unravelling
- . Insecurity
- . The weakening of the European hinterland
- . Congestion
- . Efforts to make the market more efficient: internalization of external costs
- . Circular economy
- . Fourth industrial revolution

**European ports should think much harder about how they
can make the hinterland stronger.**

STRONG PORT, STRONG SOCIETY

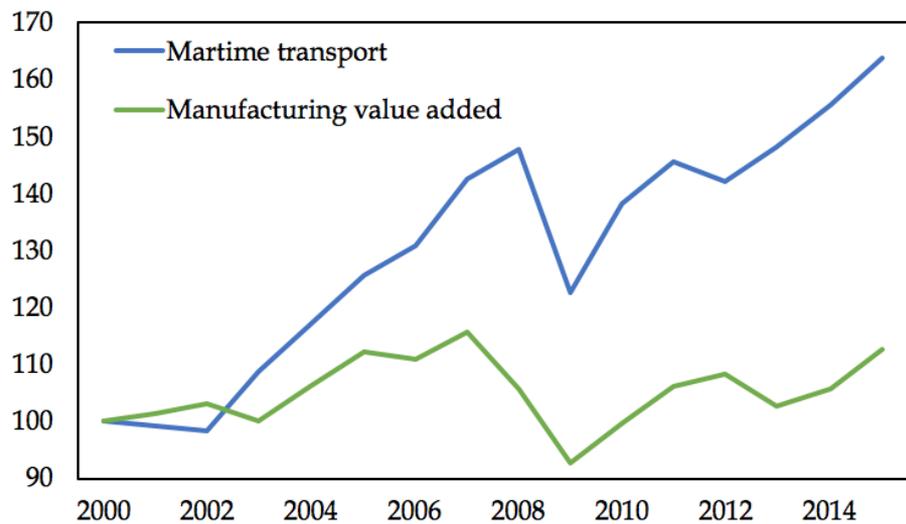


Chart. Growth of maritime transport in DWT and manufacturing value added in the Antwerp Port Region (%). Source: Statbel Eurostat.

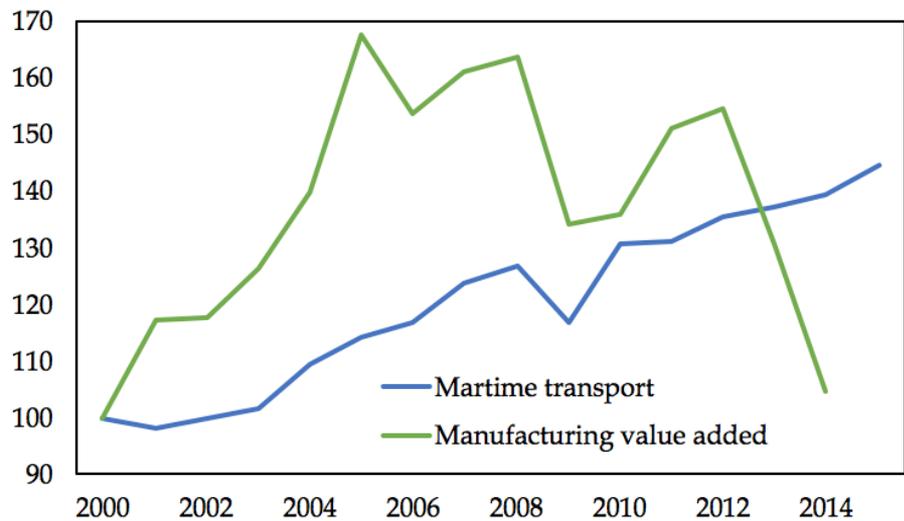


Chart. Growth of maritime transport in DWT and manufacturing value added in the Rotterdam Port Region (%). Source: CBS, Eurostat.



**Ports were once built to conquer the world, ports should
be developed to build a better world.**

Idealism

Better globalization

**The fourth industrial revolution
should put people first**

Balance and reindustrialization

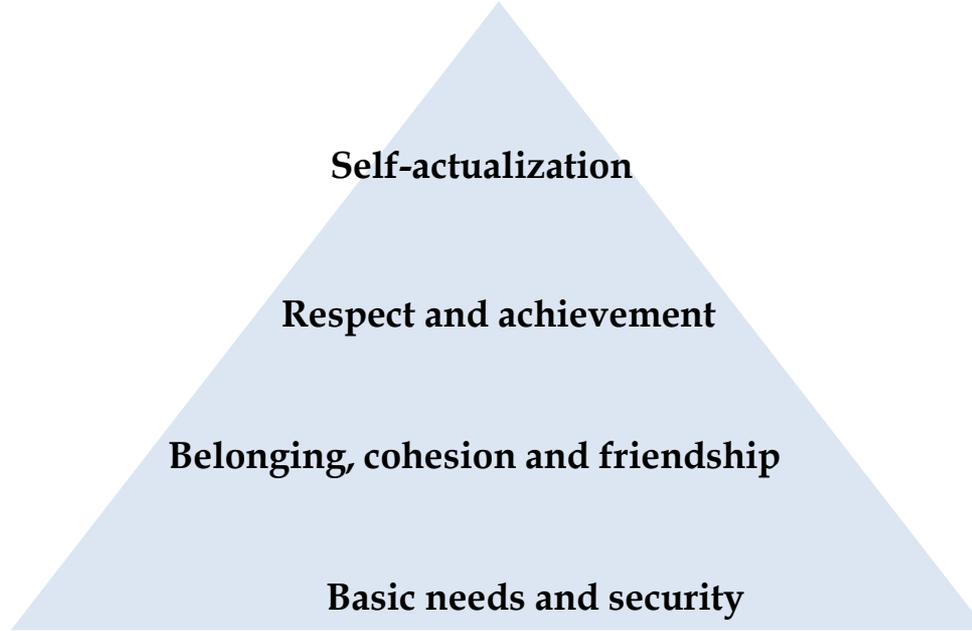
Power politics

Ports should remain a strategic asset of a society





progress





“For strength is power and happiness is the end.”

Kautilya, 3rd century B.C.E

“We should always remember that what we labour for,
what trade for, and what we fight for, should be the
wellbeing of the largest possible number of citizens and the
prosperity of our children, for that is the bedrock of the
stability and the power of our city.”

Cosimo De Medici, 1451