



Maritime Hub **Abu Dhabi**

**Harnessing Advantages of
Clustering for Maritime
Excellence in Abu Dhabi**

Content produced
in partnership with **DNV**.



أبوظبي البحرية
ABU DHABI MARITIME

المركز البحري
أبوظبي
MARITIME HUB
ABU DHABI

1. Executive Summary

The creation of a local maritime cluster has the potential to consolidate competition among domestic maritime players into a unified, collaborative effort, thereby delivering a competitive advantage in the global maritime sector. Through strategic collaboration with the Integrated Transport Centre (Abu Dhabi Mobility), this initiative consists of three core pillars: Connect, Create, and Collaborate. Maritime Hub Abu Dhabi (MHAD) aims to integrate the maritime sector into the principal economic activities of the emirate, aligning with the broader objectives of Abu Dhabi Vision 2030.

Working closely with its knowledge partner, world-leading classification society and industry advisor DNV , to track, analyse, and promote best practices in the maritime sector,

MHAD seeks to facilitate economic diversification by fostering synergies that drive development in areas such

as trade facilitation, foreign investment attraction, job creation, and innovation.

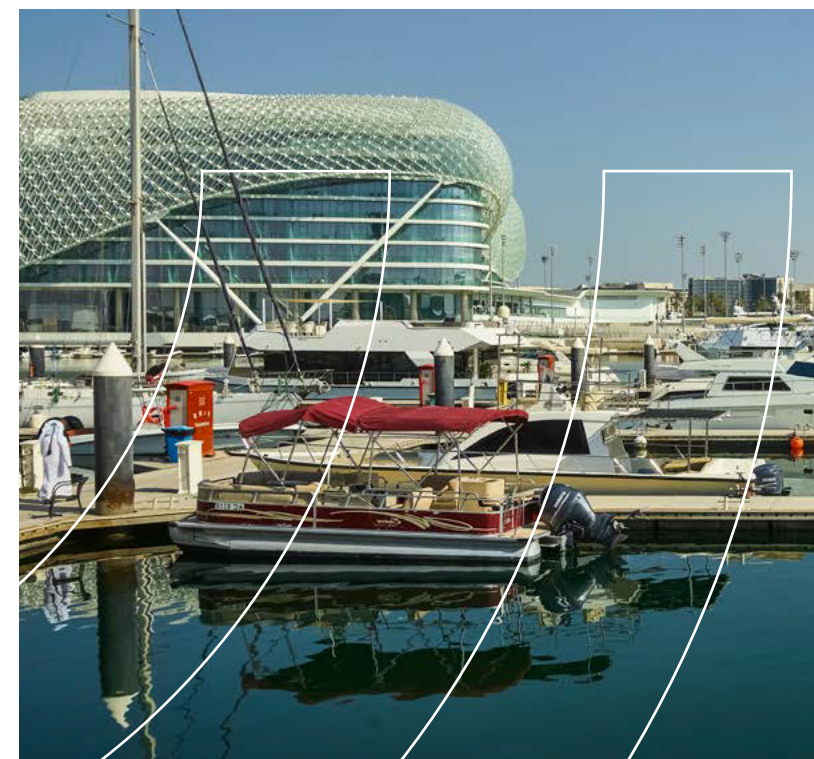
This hub will unite offshore companies, maritime suppliers, shipbuilders, ship operators, and other key stakeholders from various sectors, fostering cross-sector collaboration. Moreover, by integrating marine leisure providers, knowledge institutes, and academic contributors, the hub encourages innovation while nurturing business growth across the maritime ecosystem.

This white paper offers valuable insights into the economic, infrastructure, and collaborative opportunities that MHAD presents, highlighting initiatives like Maritime Concierge Services (a one-stop-shop concept), the establishment and management of an Advisory Committee, and a strong focus on sustainability.

2. Introduction

Clusters can be defined as concentrated groups of specialised firms in a particular domain, closely linked and located within a specific geographic area, and could include organisations of different types and sizes [1, 2]. The concept of clustering has its origins

in early economic theories from the 19th century, which noted that certain industries, by concentrating in specific geographic regions, could stimulate rapid industrial growth and economic advancement [3].



Today, clustering is widely acknowledged as a pivotal element in regional economic development strategies globally. Governments and policymakers actively advocate for cluster development to foster economic growth, attract investments, and bolster industry competitiveness.

Several well-known successful clusters have proven the strength of this model, such as Silicon Valley in the U.S., a global hub for innovation in information technology, semiconductor manufacturing, and biotechnology; Tokyo-Yokohama in Japan, an automotive industry cluster housing major manufacturers;

and Shenzhen in China, a prominent electronics manufacturing cluster, hosting several major electronics companies. A ‘Maritime Cluster’, therefore, is a geographic concentration of interconnected businesses, organisations, and institutions involved in the maritime industry.

3. Role of clusters in competitiveness and growth

The key focus of the maritime cluster is to maintain the local maritime industry's competitiveness compared to other maritime clusters, to promote industry performance within their area of scope, and to sustain growth well into the future. This can be achieved by ensuring the presence of attractive public policy conditions that promote company competitiveness against regional and international

players; enhance city appeal, thereby incentivising companies and individuals to relocate; and introduce cluster dynamics, thus promoting growth via mutual association, interaction, collaboration between businesses, organisations, and institutions [4]. The mechanisms that drive industry competitiveness are summarised in the model shown in Figure 1:

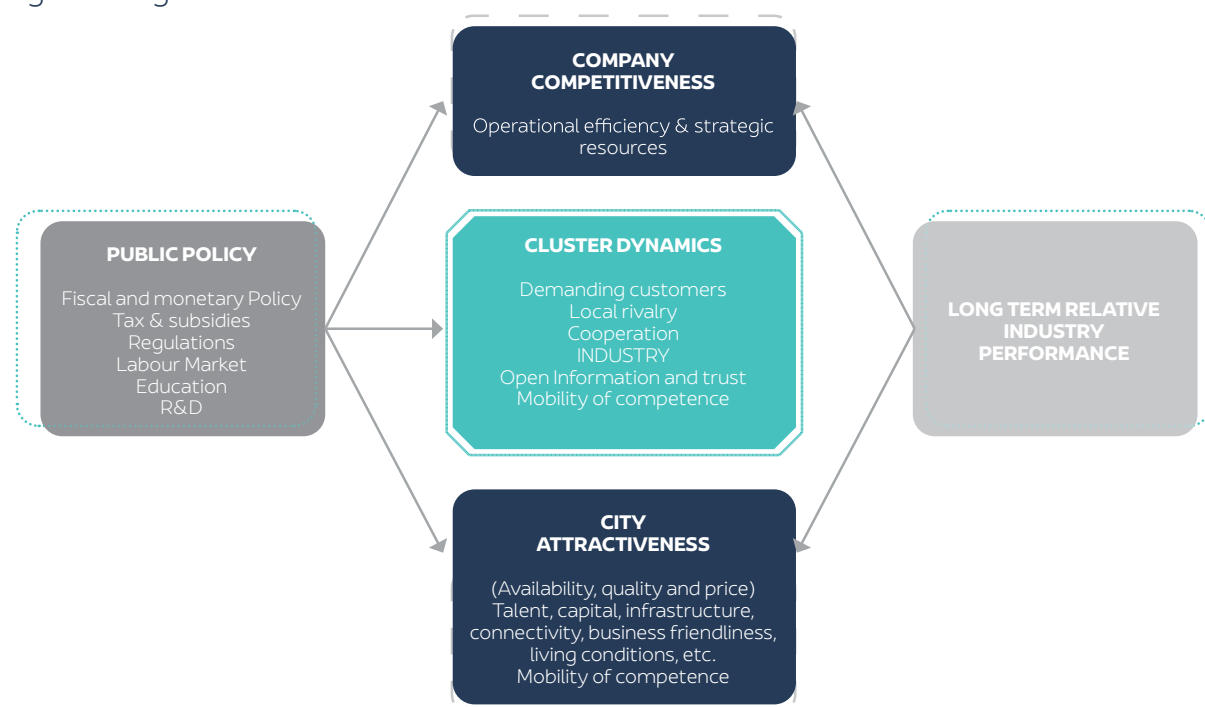


Figure 1 Theoretical Model of Industrial Competitiveness – Attracting the Winners [4].

4. Developing Maritime Business Synergies

In the modern era of rapid business scaling and increased globalisation, the development of a maritime industry ecosystem is not a luxury, but a necessity. The success stories of industrialisation in Europe, manufacturing in Japan, and the tech industry in the U.S. prove the value of this comprehensive approach. To replicate this success in the maritime industry, it is crucial to bring together all stakeholders on a common platform.

Given the inherently global nature of the maritime sector, maritime companies often seek to benefit from location advantages in different countries, such as access to strategic ports, favourable regulatory environments, or proximity to critical maritime routes. By strategically choosing their locations,

maritime companies can optimise their operations, reduce costs, and enhance their competitiveness on the global stage. Maritime cluster organisations that function as cluster facilitators enhance location attractiveness and competitiveness through active engagement with the maritime industry and the introduction of initiatives and programmes based on industry feedback [5].

As presented in Figure 2, common stakeholders in a maritime cluster include shipping companies, ports operators, state administration, financial and legal institutions, offshore servicing, sea works construction, vessel classification, insurance, technology companies, R&D companies, and maritime training institutions.





5. Global ranking of Leading Maritime Cities – Abu Dhabi a rising star

The assessment of a local maritime cluster's growth is imperative to gauge its developmental trajectory and competitive edge. Benchmarking tools are essential in this evaluation, offering a standardised approach to comparing various performance aspects over time. A notable example is the Leading Maritime Cities (LMC) methodology, co-published bi-annually by DNV and Menon Economics in Oslo, Norway.

The LMC report provides an in-depth analysis of the world's top maritime cities, evaluating their capacity to offer the most effective environments for maritime businesses to thrive. It focuses on five pillars: Shipping Centres, Maritime Finance and Law, Maritime Technology, Ports and Logistics, Attractiveness and Competitiveness. Each pillar comprises both objective and subjective indicators (45 indicators in

total) derived from input from around 200 nominated business executives — predominantly shipowners and managers — across the globe. Together, these indicators allow for a comprehensive understanding of each city's strengths and areas for improvement.

Singapore, for example, continues to lead globally as the top maritime hub, excelling across all pillars. The city's emphasis on innovation and commitment to green transformation solidifies its position as a global powerhouse in the maritime sector.

Abu Dhabi has secured a prominent position within the top 25 maritime cities globally, climbing 10 places since 2022 to 22nd place — the greatest leap among all ranked cities. Strong gains in the Attractiveness and Competitiveness and Shipping pillars drove this success. Additionally, Abu Dhabi achieved favourable scores across other indicators, particularly in terms of projected growth, solidifying its status as a leading maritime centre and reinforcing its growing influence on the global maritime stage.

Cooperation between the Department of Municipalities and Transport and AD Ports Group was a key factor in this success, — a partnership that resulted in the establishment of Abu Dhabi Maritime in 2020. This agreement facilitates the strategic management of Abu Dhabi's maritime domain. Through its ongoing collaboration with Abu Dhabi Mobility, Abu Dhabi Maritime remains committed to positioning the emirate as a leading global maritime hub.



Figure 2 A common structure of a maritime cluster

The Leading Maritime Cities ranking gives critical insights into the strengths of today's global maritime industry. It serves as a vital tool for maritime administrations and industry shareholders to enhance a cities competitiveness and attractiveness. The ranking supports decision

making regarding investment locations, potential relocations, and an improved understanding of local supplier networks, talent availability, business environment, and access to capital funding.



6. Abu Dhabi's Maritime Legacy: Building a Future Through Clustering

Situated on the Arabian Gulf, Abu Dhabi has long leveraged its coastal geography to develop a thriving maritime industry. For over 7,000 years, long before the discovery of oil fields, the maritime industry formed the cornerstone of Abu Dhabi's economy and culture. Regional trade and traditional activities such as boat building, pearling, and fishing shaped the emirate's social fabric and propelled its economic development. This rich maritime heritage continues to be a source of pride and is the foundation for the future maritime sector growth.

Growing the maritime sector is an integral part of Abu Dhabi Vision 2030, which recognises the potential vast impact on the emirate's economy through opportunities for:

- economic diversification: reducing dependence on oil revenues and boosting the maritime sector's

contribution to GDP;

- trade facilitation: enhancing the UAE's position as a global trade hub through improved port infrastructure and services;
- and job creation: generating employment opportunities in various maritime-related fields, including logistics, shipping, and marine services.

Efforts by Abu Dhabi's leadership to promote the growth of the local maritime sector in line with this vision culminated in the establishment of Maritime Hub Abu Dhabi (MHAD) in December 2023 in an effort to employ the recognised advantages of a cluster facilitator in the development and maintenance of local competitiveness and attractiveness, and to showcase Abu Dhabi's constant growth within the global maritime sector.

MHAD was founded on three core strategic pillars, Connect, Create and Collaborate, and harnesses collective synergies through cooperation across public and private sectors, thus bolstering growth across the entire maritime ecosystem. Operating under the guidance of Abu Dhabi Mobility, MHAD is driven by a dual purpose:

- To actively contribute to the advancement of Abu Dhabi's maritime sector by fostering growth and development for businesses and the wider maritime community.
- To elevate Abu Dhabi's position as a leading global maritime centre.

MHAD is committed to advancing the maritime industry through strategic objectives that drive collaboration, communication, resource optimisation, policy advocacy, and knowledge transfer. MHAD shall namely:

- Be the driving force that enhances the attractiveness and competitiveness of the Abu Dhabi maritime sector among international maritime stakeholders.
- Facilitate collaboration between public and private stakeholders across the maritime sector. By creating a platform for knowledge sharing and joint ventures, MHAD brings together diverse expertise and perspectives to identify new opportunities and propel industry growth.

- Enhance communication and transparency within the sector by clearly conveying policies, regulations, and upcoming developments, thereby fostering trust and predictability. MHAD will furthermore advocate for policies and regulations that promote growth and competitiveness, shaping a conducive regulatory environment. This approach helps businesses make informed decisions and invest with confidence.

- Promote knowledge transfer and capacity building through training programmes, workshops, and knowledge-sharing sessions, equipping maritime stakeholders with the necessary tools and expertise to thrive in the global maritime landscape.

A committee composed of representatives from both the public and private maritime sectors lead working groups, contribute innovative ideas, address challenges, and guide collaborative efforts. By engaging with MHAD through networking events, maritime stakeholders benefit from interaction with influential bodies, policymakers, and a vibrant community of players covering offshore, maritime suppliers, shipbuilding, ship operating,



7. Conclusion

Successful cities aim to foster a stable and supportive business environment, expand outreach to an international audience, invest in infrastructure and ensure a high quality of life, all of which collectively attract companies and individuals and create a thriving industrial ecosystem. Maritime companies often seek to benefit from local advantages in different countries, selecting strategic locations based on a region's benefits and opportunities.

of its proactive approach, MHAD has introduced a set of initiatives to capitalise on the strategic advantages and opportunities presented by an active local maritime cluster. These include:

- Maritime Concierge Services – One-Stop Shop
- Establishment and administration of an Advisory Committee
- Proactive approach to focus on sustainability

Abu Dhabi's maritime sector stands to enhance its competitiveness by leveraging proximity to key assets such as ports and logistical hubs, fostering innovation, and attracting investment. Maritime cluster organisations play a critical role in facilitating this process by engaging stakeholders and implementing supportive policies that drive synergetic growth and build a strengthened regional reputation.

As cities and regions continue to harness the advantages of clustering, it is imperative to develop and sustain these competitive advantages. Abu Dhabi's maritime sector has successfully capitalised on its strengths, demonstrating its potential to contribute to economic diversification, trade facilitation, and foreign investment attraction. Aligned with Abu Dhabi Vision 2030, MHAD is well-positioned to continue this momentum.

Looking ahead, MHAD aims to facilitate collaboration between public and private stakeholders across the maritime

sector, providing thought leadership and innovation to attract international maritime business to relocate to Abu Dhabi, thereby improving Abu Dhabi's position in global rankings. Throughout its journey, MHAD shall monitor the progress of Abu Dhabi's maritime cluster to identify growth opportunities and maintain constant interface with key decision makers to implement improvement actions. By capitalising on existing significant opportunities, Abu Dhabi can soar to the forefront of the global maritime industry and solidify its position as a premier maritime centre, contributing significantly to its economic prosperity and global standing.

8. References

- [1] V. Giacomini, “A Historical Approach to Clustering in Emerging Economies,” Harvard Business School, 2017.
- [2] M. Porter and C. Ketels, “Clusters and Industrial Districts: Common Roots, Different Perspectives,” in A Handbook of Industrial Districts, Edward Elgar Publishing, 2009, pp. 172-183.
- [3] M. E. Porter, The Competitive Advantage of Nations, New York: Free Press, 1990.
- [4] E. W. (J. f. Jacobsen, Attracting the winners : the competitiveness of five European maritime industries, Kolofon, 2003.
- [5] S. S. B. a. R. T. Osman, “Benchmarking of Singapore maritime cluster: the role of cluster facilitators,” Benchmarking: An International Journal, vol. 29, no. 5, pp. 1452-1483, 2022.
- [6] D. Guo, K. Jiang, C. Xu and X. Yang, “Geographic clusters, regional productivity and resource reallocation across firms: Evidence from China,” Research Policy, vol. 52, no. 2, 2023.





MARITIME HUB OFFICE

ZonesCorp Main Centre,
IT Building ICAD
Abu Dhabi
UAE

maritimehub-ad.com

المركز البحري
أبو ظبي
MARITIME HUB
ABU DHABI