19th International Scientific Conference; Economics and Management 2014, ICEM 2014, 23-25 April 2014, Riga, Latvia

Lithuanian maritime sector's clustering economic impact evaluation

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Abstract

This article analyses the Maritime Sector economic grow impact to Lithuania's economy from a Cluster perspective. The potential competitive Maritime industry Cluster in Lithuania is on interest because Lithuanian Maritime Sector is expanding its connections to the whole European region, going beyond the boundaries of anyone industry sector, is supported by EU Strategic documents, but the steps towards clustering still are tentative and negligible. Article presents the most important economic evaluation results of Lithuanian Maritime Sector areas: Share of Maritime Sector employees in county's economy, its turnover and Value Added at Production Cost.

Keywords: Economic impact; maritime sector; clustering, Lithuania;

1. Introduction

The gradual integration of European countries within a single market also affects the maritime sectors. It creates opportunities within Europe itself, for example, for short sea shipping, but it also creates export opportunities and opportunities for joint research and innovation.

The notion of maritime sectors has increasingly been integrated into European economic and political thinking, and today it functions as a cornerstone in innovation and industrial planning policies (Vivero, 2007). Much has been done by maritime organizations to evaluate, further develop and exploit the potential of maritime sectors as enablers of competeness, often with the support of public authorities.

The message comes out, consistently, in a large number of studies about the competitiveness of various nations (e.g. Porter, 1990, 1998; Solvell et al., 1991), industries (e.g. Clancy et al., 2001), and locations (e.g. Isaksen, 1997;

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Saxenian, 1994). Competitive advantages are created in the interplay between company rivalry, factor conditions, demanding customers, and the quality of related and supporting sectors (Porter, 1990). Industrial sectors are described by favorable conditions in these definitions constitute a self-reinforcing system, which may be called as Clustering and which may lead to the development of, or alternatively attract and retain, effective organizations with strong competitive abilities.

The economic benefits may in turn and stimulate the development of cluster theory. There are three reasons for developing clusters. Firstly, firms or institutions can operate with a higher level of efficiency. This means that firms or institutions in clusters react quicker than they could in isolation. Secondly, firms or institutions in clusters working closely with customers and other firms create more new ideas and provide intense pressure to innovate. Since the cluster environment lowest he cost of experimenting, firms or institutions can, therefore, achieve higher levels of innovation. Thirdly, the level of business formation tends to be higher in clusters and relies more on external suppliers and partners. The above circumstances will reduce the risk of failure, as entrepreneurs can rely on local employment opportunities in other firms in the same field (Porter, 1999).

The Maritime sector comprises a set of companies whose activity is directly related to the sea. All companies whose activity is fishing constitute a part of the Maritime sector, and the same goes for companies that build or repair ships or form part of the associated auxiliary industry (Meersman & Voorde, 1997). However, there are also companies in the services sector that are included in this sector due to their close links with the Maritime area. Thus, companies that provide Maritime transport services and port services also form part of the Maritime sector, as of course do the companies that distribute Maritime products (Voorde, 2005).

Finally, other service companies which provide education, financial services and support services for maritime companies also belong to this sector (Cluster Maritimo Espanol, 2006).

Many of researchers (Doloreux et al, 2009; Vanaale, 2012; Wihlborg, 2006; Wijnolst et al., 2008; Report by the Danish Shipowner's Association, 2010) have consistently emphasized the economic significance of maritime clusters, concluding, that the direct and indirect economic impacts in terms of employment and contribution to GDP make maritime sectors of vital importance to a society (Hansen & Clasen, 2010). The economic impact can be evaluated as factors, affecting both positive and negative influence on the level of the country's economic activity. Assessment of a particular sector in the overall national economy is measured by the expenditure arising from the sector of economic activity and assesses the cumulative impact of these costs.

Although many of the research concerning Maritime sectors and clusters were conducted by the European Council organizations and consultant agencies, especially including Scandinavian ones, Lithuanian Maritime sector clustering economic impact on the parameters which are presented here, statistically were not followed by the different time periods. The permanent analysis of the Lithuanian Maritime clustering economic evaluation is important for the country's Maritime enterprises strategic linkages forwards to the agglomerated and geographically concentrated alliances, called as clusters. Clustering process now is supported by main Maritime policy strategies, which are more linked to be adopted in Lithuanian industries strategic decisions and especially needed to be analysed in Maritime sector. Lithuania is presented as a sea-nation, but still Maritime sector is not defined as formal one and has many of the boundaries to be officially presented in many of the statistical reports.

The main research purpose of this paper is to evaluate Lithuanian Maritime sector clustering economic impact to the competitive economic grow abilities in Lithuania: Share of Maritime Sector employees in county's economy, its turnover and Value Added at Production Cost.

The research object – Lithuanian Maritime Sector clustering impact to the whole Lithuanian Economy.

Research methodology: science literature analysis, synthesis, statistical givens research, qualitative, non-experimental research.

In this paper the classical definition of clusters has been used by following M. Porter (1999): "Clusters are geographic concentrations of interconnected companies and institutions in a particular field. Clusters encompass an array of linked industries and other entities important to competition. They include, for example, suppliers of specialized inputs such as components, machinery and services, and providers of specialized infrastructure. Clusters also often extend downstream to channels and customers and laterally to manufacturers of complementary products and to companies in industries related by skills, technology, or common inputs. Finally, many clusters include governmental and other institutions – such as universities, standards-setting agencies, think tanks, vocational training