



The cluster effect

When Island Offshore and Ulstein Verft enter into a shipbuilding contract, the spillover effects in the regional maritime cluster are enormous.

“The contract for building the Island Constructor will bring at least NOK 400 million in added value for the companies in the maritime cluster,” says project purchaser Trond Alvestad of Ulstein Verft. “For a project this size we have some 200 large and small suppliers, more than 50 of which are located in the region. They include world leaders in their fields, such as Rolls-Royce for propellers, ABB for diesel-electric systems, ODIM for winches, Jets for vacuum toilets and many others,” he says.

When a local shipyard wins a building contract, it has a major positive impact on the cluster.

“About 50% of our sales go to – or through – companies in the cluster,” says Arthur Solvåg, Vice President Sales – OSV at ABB Marine. “The shipowner often chooses the Ulstein yard because they know they’re getting top quality at the agreed time, which isn’t a given at other yards these days. Local suppliers were chosen for the same reason.

ABB has a reputation for punctual deliveries, customer focus and good products with solid project follow-up, start-up and service. That’s why our customers keep coming back. And it’s the same for the other suppliers in the cluster as well,” he says.

General manager Kåre Audun Haddal of vacuum toilet manufacturer Jets AS explains further: “Our delivery to the maritime cluster constitutes about 15% of total sales, but even more important is the goodwill this generates, which is hard to quantify. It is fundamentally imperative for small companies like us to deliver our wares to quality, internationally known suppliers of ships that deliver innovative products that arouse attention. This is crucial in our development into a major international supplier within our niche,” he says, citing an example: “A few years ago Ulstein Verft built a number of ships for American shipowner Western Atlas. The references we then received created a direct, positive rub-off

effect – we were contacted by Asian companies and won important contracts there. Stories like this underscore the importance of being a part of the maritime cluster. Thanks to major players that promote our name, it is possible to develop even small niches in the region. Communication is money,” Haddal says.

“The cluster of suppliers and financial institutions has developed along with shipowners, design companies and shipyards ever since the dawn of Norway’s offshore era in the 1970s. The cluster promotes mutual learning and skills building,” says Harald Møller, deputy managing director of Ulstein Verft. “The local suppliers are able to compete on product, price, quality and delivery time. Good relations have been forged over many years, and we get immediate service and follow-up, thanks to the short travel distances. We are entirely dependent on being a part of the cluster.”