

# Investment community consultation and commitment

Work Package 6



# WP6 Objective

- ◆ A dedicated WP knowledge brokering with the global investment community with focus on BE and BG in particular, with the following objectives:
  - ◆ To build relations between the MARIBE project and the investment community.
  - ◆ To map the relevant investment community for the selected maritime basins and the sectors
  - ◆ To identify best practices, barriers to investment in BG.
  - ◆ To secure involvement of investors in the MARIBE project
  
- ◆ Methodology includes:
  - ◆ Review of literature on investors and investor behaviour
  - ◆ Inventory of relevant Blue Growth investors
  - ◆ Survey
  - ◆ In-depth interviews



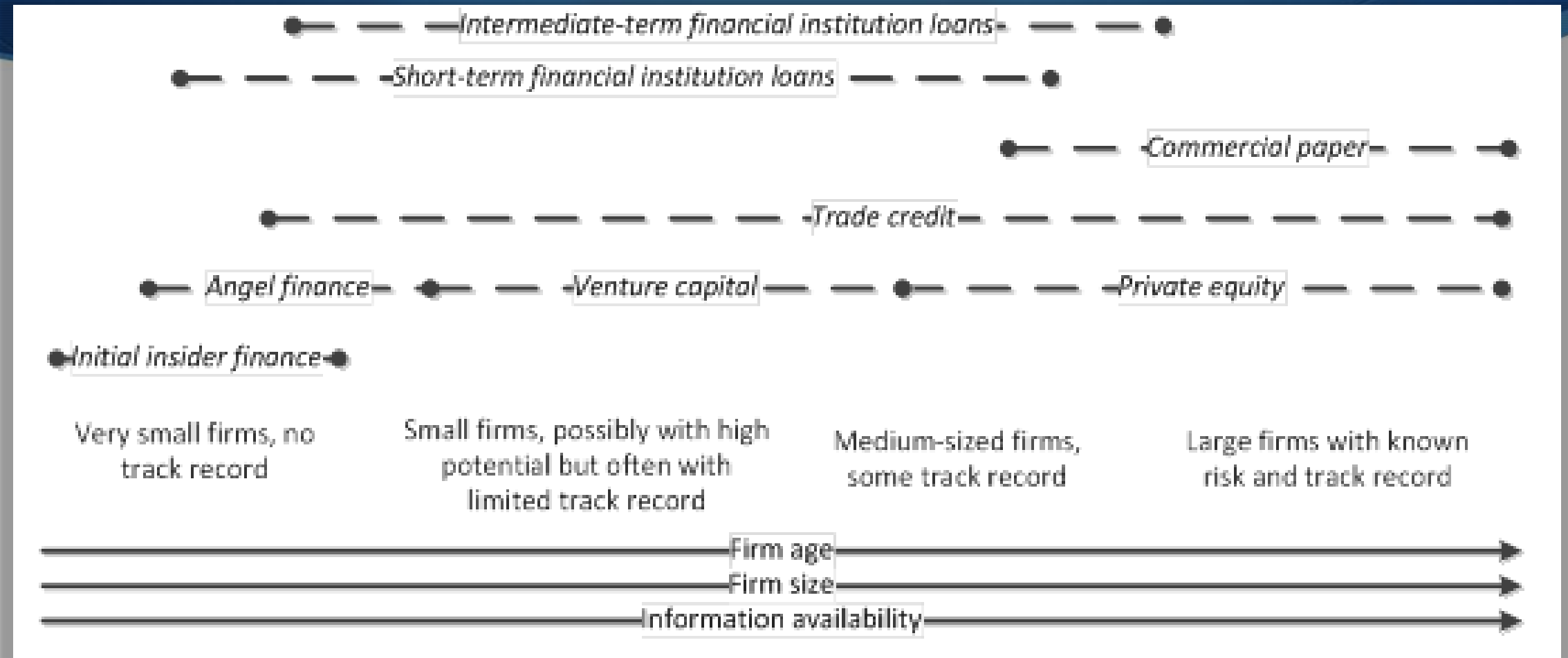
# Literature review

- ◆ Method
  - ◆ Scientific and grey literature
  - ◆ Based on web-search (Scopus, Google Scholar)
  - ◆ Additional suggestions from project team
- ◆ Identified two key points for understanding investor behaviour
  - ◆ Investors are not a homogenous group; different types of investors (public, semi-public, private) play different roles in the financial playing field
  - ◆ To understanding investor behaviour, you need to go beyond financial indicators only





# Financial playing field (Berger and Udell, 1996)



# Understanding investor behaviour

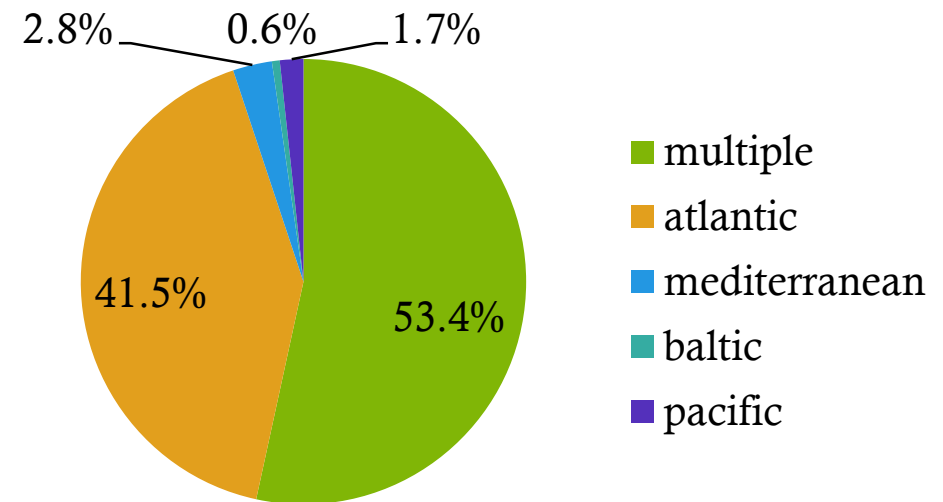
- ◆ Rational
  - ◆ Focus on return on investment
  - ◆ Risks are crucial in decision-making
  - ◆ Portfolio management to spread risks
- ◆ Behavioural approaches
  - ◆ Investors mimic each other; herding behaviour
  - ◆ Overreaction to positive or negative publicity
  - ◆ Decision-making by simple rules of thumb
- ◆ Responsible investing
  - ◆ Beyond short- and long-term profits
  - ◆ Impact on society is taken into account as well
  - ◆ Combination of financial and social objectives

# Inventory of investors in Blue Growth

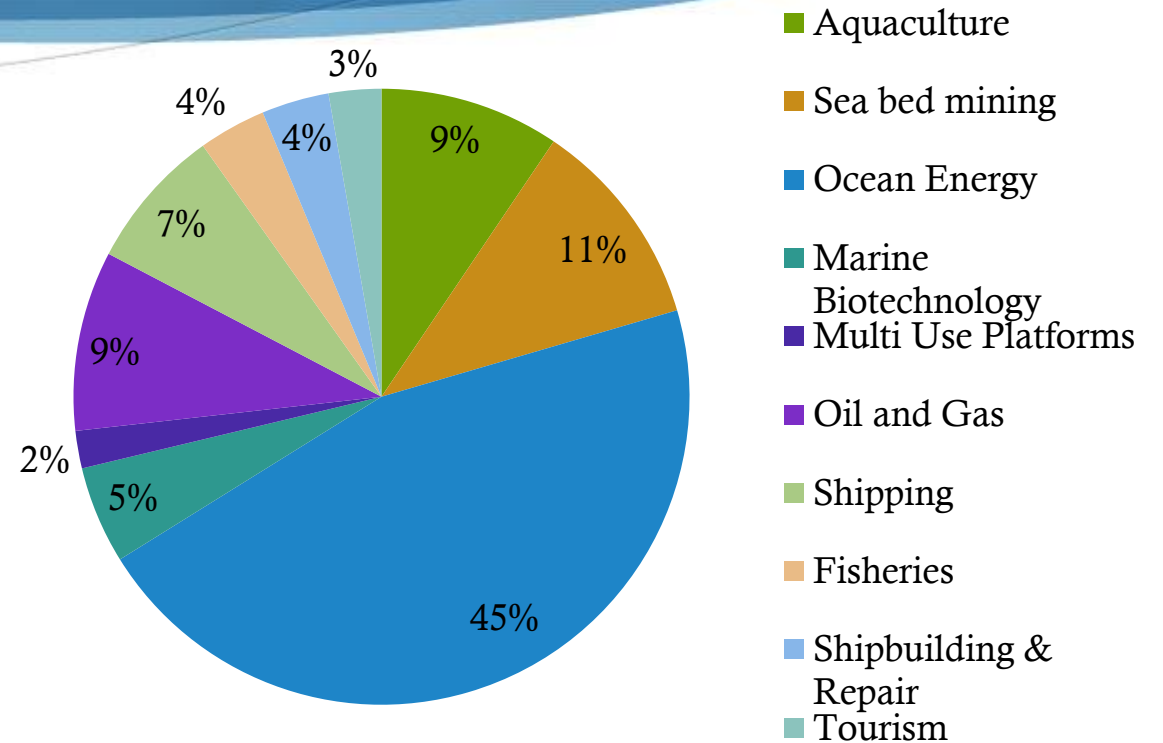
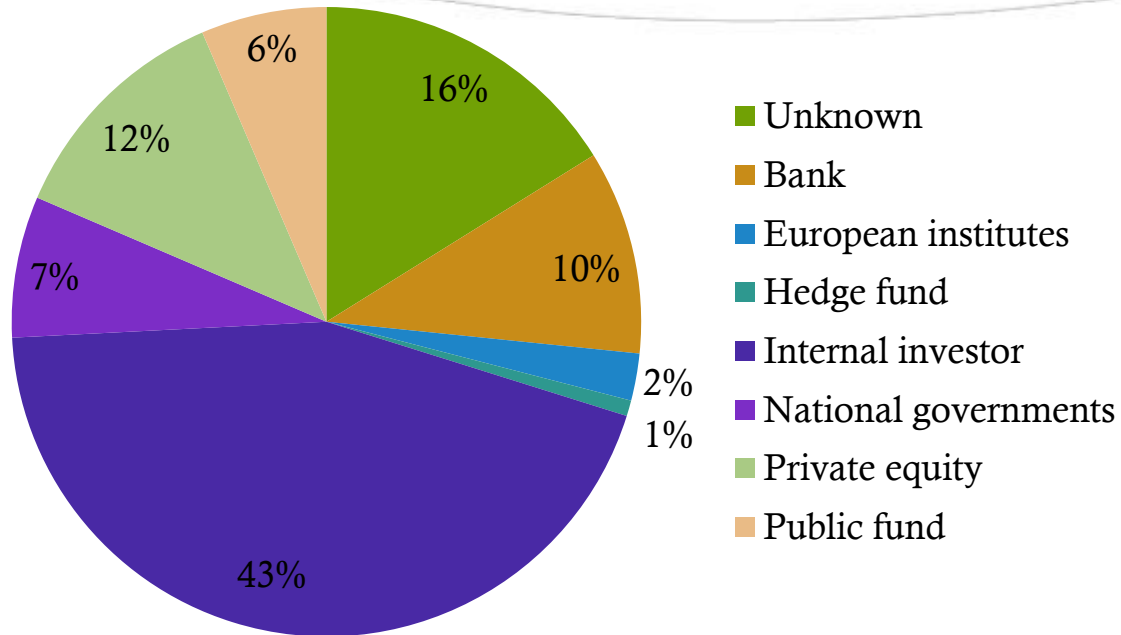
- Based on:
  - Contributions from project team
  - Literature/web search
- Collect information on
  - types of investor
  - financial information e.g. size of portfolio, number of employees).
  - locations where investors are active
  - the Blue Growth and Blue Economy sectors in which they are involved,
  - contact details

Results: 244 entries

Basins active:



# Characterisation of investors



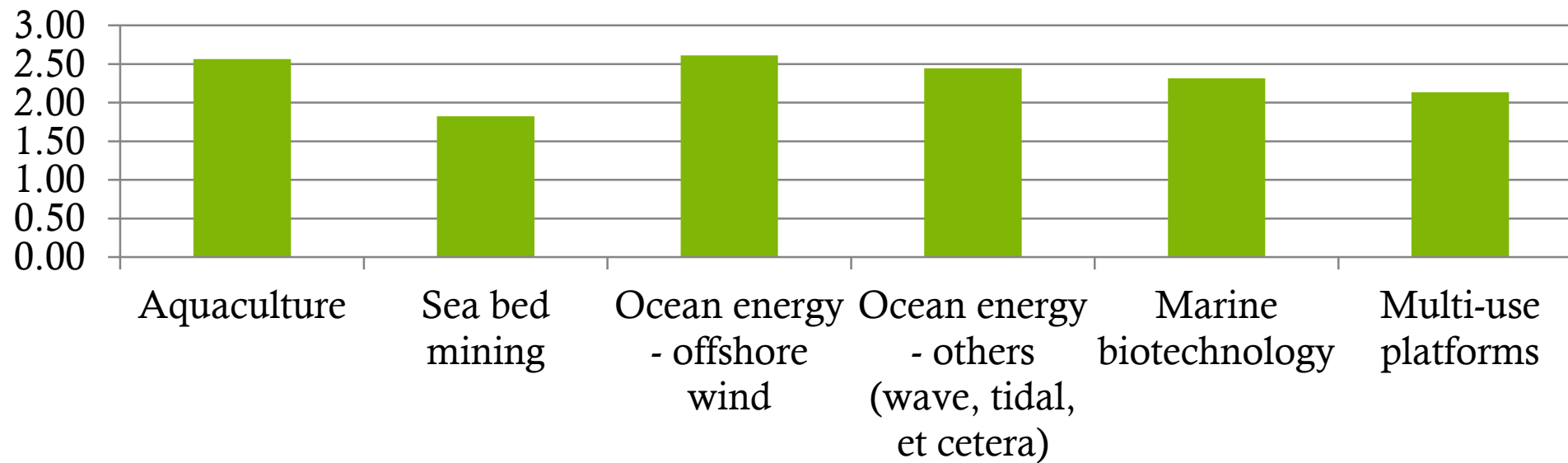


- ◆ Methodology
  - ◆ closed-questions, programmed in EUSurvey
  - ◆ Send out to all contacts in the inventory
  - ◆ 19 responses

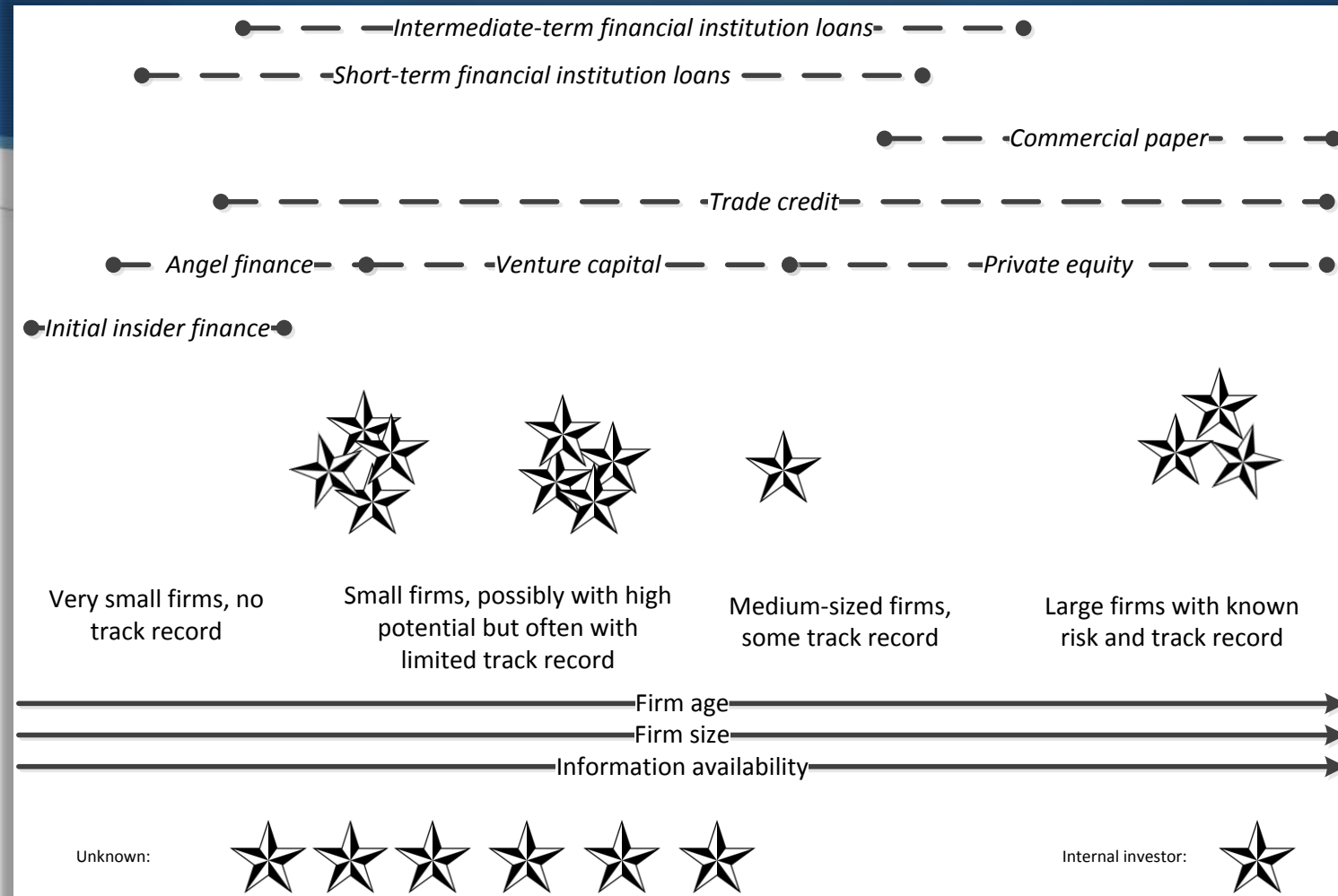
Type of investor	No.	Active in basins			
		Atlantic	Baltic	Mediterranean	Other
Other	6	4	2	1	4
Business Angels	3	2	1	2	1
Venture Capital	3	3	1	1	1
National government	2	2			2
Internal investor	1	1			
Bank	1	1			
Private equity	1			1	1
Professional Services	1	1			
Public fund	1	1			
	19				

# Results: Importance of the BG sectors

## Importance of BG sectors (1-4)



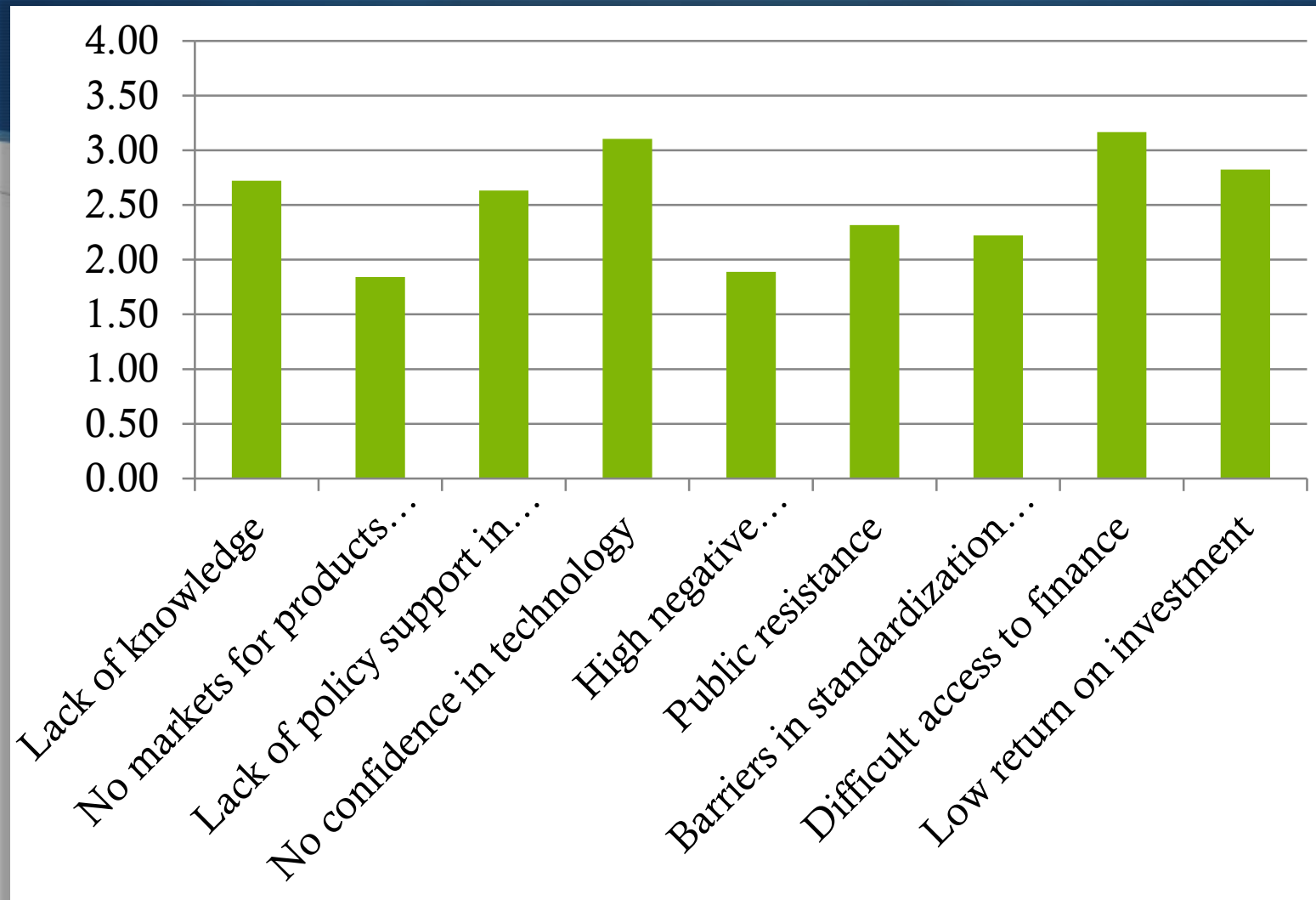
# Results survey: Financial playing field



# Discussion on financial playing field

- ◆ Blue Growth sectors are different in terms of maturity (age and size of companies) and have different financial needs
- ◆ Ocean energy – in particular offshore wind – attracts most attention from investors
- ◆ Risk of the Valley of Death: medium-sized firms who need upscaling
- ◆ Access to finance is a critical issue:
  - ◆ Working in consortia; bringing together different investors
  - ◆ Pooling public and private resources to increase access to finance

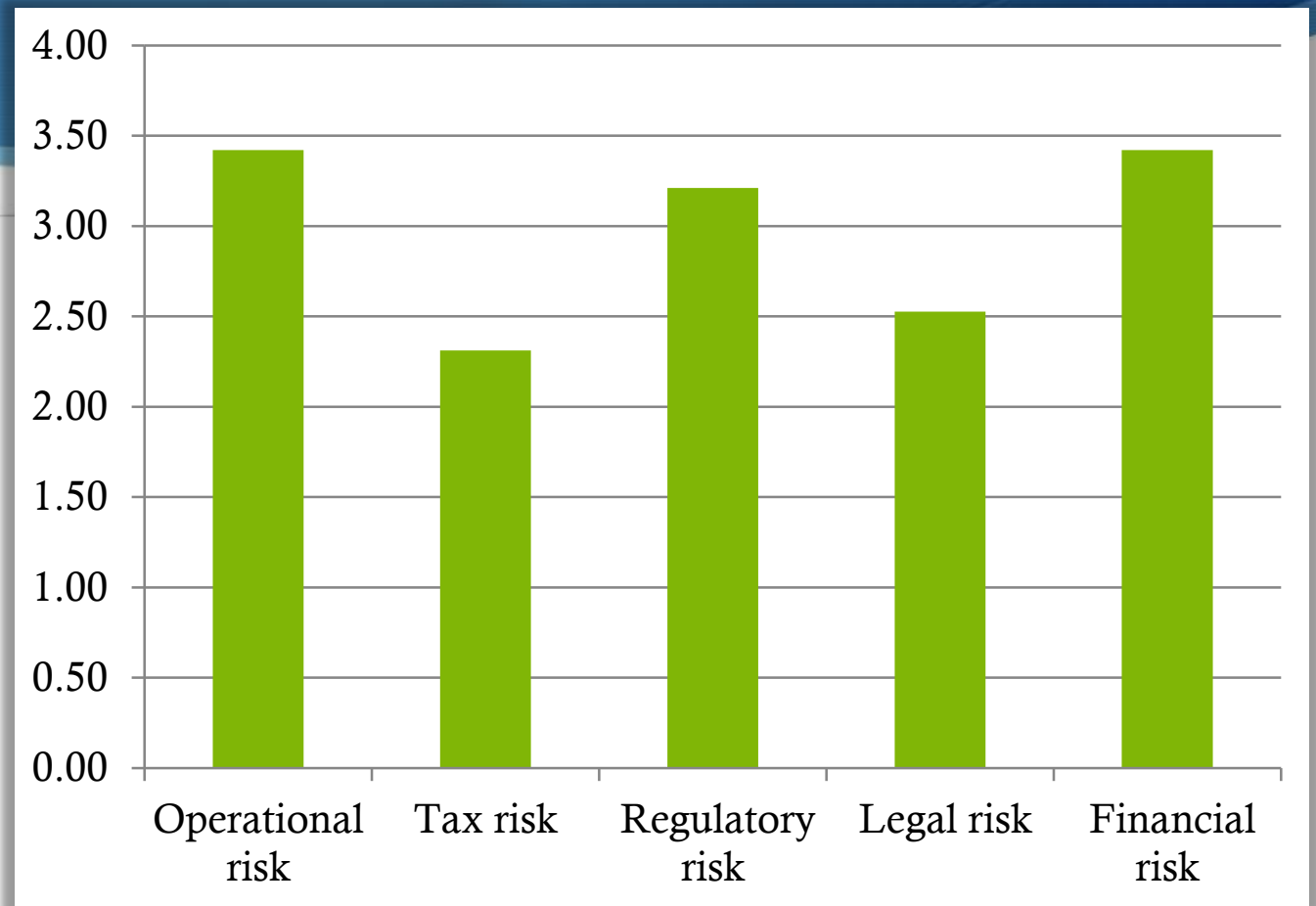
# Results survey: barriers to invest





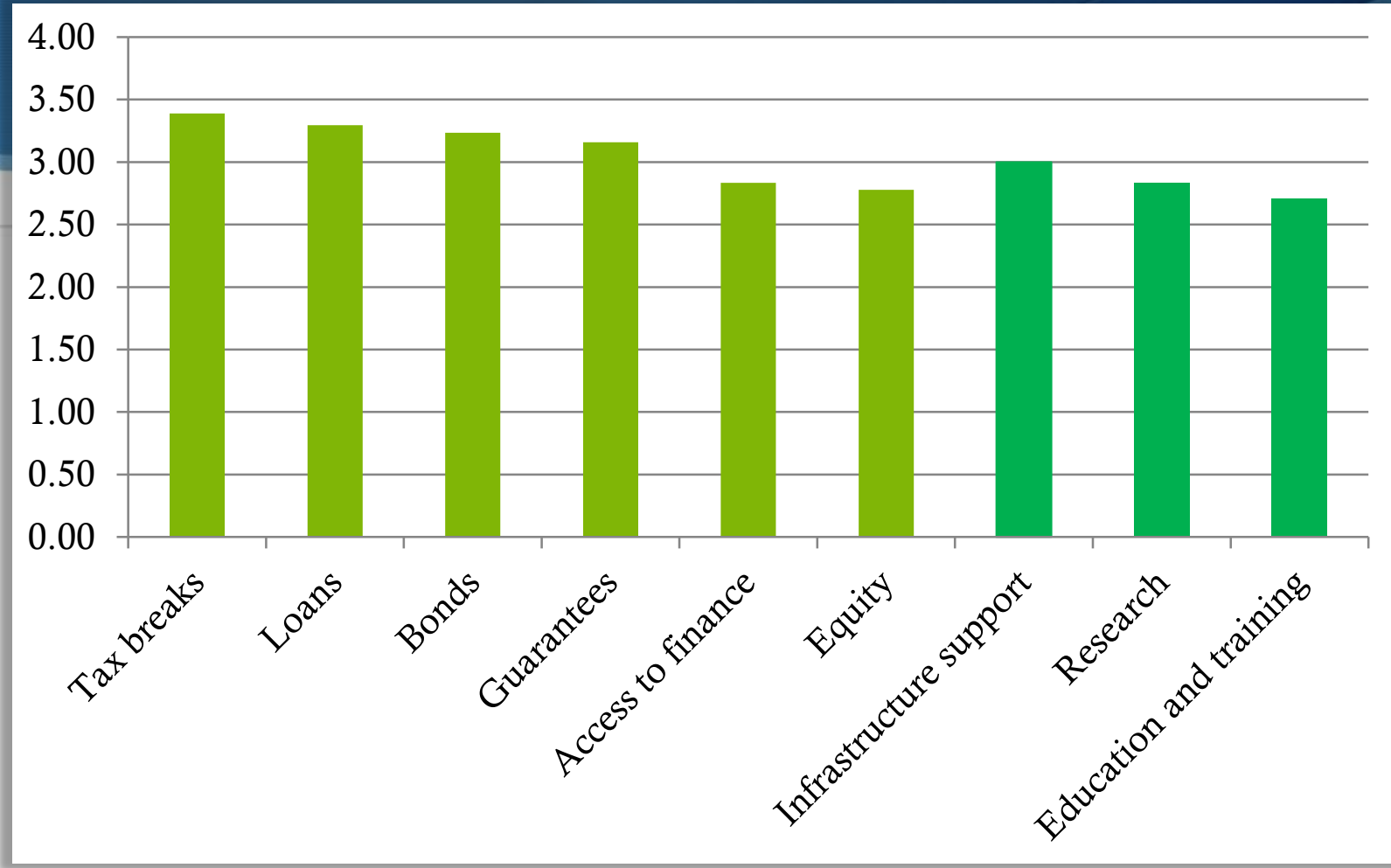
# Results survey: risks

- ◆ Concern about operations, regulations and finances
- ◆ Where uncertainty is high
- ◆ Taxes and laws are predictable



# Preferred government support schemes

- ◆ All support schemes score well
- ◆ Financial support schemes higher than infrastructural support schemes
- ◆ The more predictable, the better



# Discussion on investor decision-making

- ◆ Blue Growth Investor behaviour is not only about short term profit and is not driven by enthusiasm about technology
- ◆ Looking for ‘game-changer’, technology with impact on market and society
- ◆ Further development requires growth of market and maturation of companies
- ◆ For this reason, investors are often involvement in management of companies

# Public and private responsibilities

- ◆ Financial community is key to further development of Blue Growth sectors
- ◆ But will not by itself and alone step into these sectors
- ◆ Access to finance should be is a public concern
- ◆ Co-funding by governments to support private funding
- ◆ A predictable and steady regulatory framework is desired



- ◆ Deliverable 6.1: This deliverable aimed to analyse how to involve investors in the MARIBE project, based on literature review.
- ◆ Deliverable 6.4 synthesizes the results collected in WP6. It is based on (1) analysis the database of investors and (2) deliverable 6.1, (3) a survey set out among identified investors and (4) in-depth interviews. It is online available: <https://maribeproject.files.wordpress.com/2016/08/d6-4-investment-community-consultation-and-commitment.pdf>
- ◆ Deliverable 6.5 is a excel file with identified investors and their contact details.
- ◆ Deliverable 6.6 is a background document to the other deliverables in which the definitions used are provided.