

Press Release

SEA Europe AGM in Copenhagen

'Green Shoots of Growth for Shipbuilding and Maritime Technology Manufacturers'

The European Ships and Maritime Equipment Association (SEA Europe) held its Annual General Meeting in Copenhagen, Denmark from 26-28 June. The meeting was hosted by Danish Maritime.

Leading industry representatives and national shipbuilding and maritime equipment associations from across Europe, representing almost 100% of the European shipbuilding value chain, reviewed their European and international policy strategy for the coming year against still **challenging but nevertheless cautiously optimistic economic conditions**.

It was reported that the beginning of 2014 saw the Global order-book continue the growth trend which started in 2013 after five successive years of decline. The current order book stands at 180million CGT. In the first quarter of 2014 new orders increased 60% compared to the same period last year (14.5million CGT). **European shipbuilders holds the global 3rd position in terms of the value** of the order-book (\$31.5bn) and new orders (\$3.3bn) – this is down to the specialised vessel segments which Europe manufactures. **European marine suppliers have a global market share of 43%** higher than any other manufacturing region.

Against the backdrop of the relatively positive economic outlook for the European maritime technology industry, the Danish Ship-owners Association (Mr Jan Fritz Hansen) outlined some of the future trends and challenges for the shipping sector and areas of cooperation with the industry. A number of opportunities were put forward such as the expansion of arctic sea routes whereby owners and manufacturers could come together to design and build ships and technology to fully exploit the market potential and gain real economic benefits. Although Mr Hansen did stress that any future scenario of again seeing excessive overcapacity in the shipping sector should be avoided at all cost.

Mr Aron Sørensen of BIMCO presented to the AGM an insight into some of the upcoming regulatory developments and its future enforcement in the maritime sector. There are a number of environmental and safety issues which need to be addressed in the coming months and it requires pragmatic discussion between owners and manufacturers in order to gain a better understanding of the technologies on the market. Understanding their operation and reliability will offer a frank assessment of how they can best be used to meet these regulatory developments. Manufacturers would consider that to further innovation of green technologies more emphasis should be placed on the grandfathering of environmental solutions from first movers to serve as an incentive to move enforcement forward.

Furthermore the industry participants at the AGM stressed that the economic level playing field or distortion of this plays a significant role in the hampering of growth. It was reported that in Asia manufacturers are still being prevented from taking advantage of foreign markets because of scrapping subsidies and local content requirements put in place by Asian competitors. The SEA Europe Chairman Mr Govert Hamers stressed that "looking forward to the new European Commission, SEA Europe and its members will place more efforts to bring to the attention of the policy makers the distortions of the level playing field and seek ways to address this". "Europe seemingly is the only region promoting open markets without reciprocity from our international colleagues and this really hurts our home-grown business".

The SEA Europe AGM was concluded with a visit to the MAN Diesel & Turbo Headquarters and Diesel Engine House.

Brussels, 30 June 2014

Background Note:

SEA Europe brings together CESA and EMEC and represents an industry which generates more than €72 billion turnover annually and offers employment in high profile jobs for more than 500 000 Europeans. The association represents close to 100% of the European shipbuilding industry in 18 nations, encompassing the production, maintenance, repair and conversion of all types of ships and floating structures, commercial as well as naval including the full supply chain with the various producers of maritime systems, equipment material, and services.

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Picture : SEA Europe AGM visiting MAN Diesel & Turbo Headquarters, 27 June

