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“Climate and environmental protection in shipbuilding and shipping. What does the equipment supply industry contribute? What can we expect at SMM 2010?”

The international competitive situation, strengths of the European maritime equipment supply industry, perspectives? What shifts are taking place in market shares in Europe – Asia – USA?”

Check against delivery

‘We sometimes emphasize the danger in a crisis without focusing on the opportunities that are there. We should feel a great sense of urgency because it is the most dangerous crisis we have ever faced, by far. But it also provides us with opportunities to do a lot of things we ought to be doing for other reasons anyway.’ - Al Gore

The quote is not only very relevant to the pending environmental crisis but also the current financial crisis and the contribution which the marine equipment suppliers can make, in cooperation with ship-owners, for the benefit of society.

1. Climate & Environmental Protection in Shipbuilding and Shipping. What does the Equipment Supply Industry Contribute?

- Marine Equipment comprises all products and services supplied for the building, conversion and maintenance of ships (seagoing and inland) and maritime structures. This includes technical services in the field of engineering, installation and commissioning, and ship maintenance (including repair). The sector plays a large part in the shipbuilding process directed at the larger (mainly sea-going) vessels, intended for merchant/commercial purposes, but also military vessels.

Slide on Range of marine equipment.

- Up to 75% of the value of a commercial ship and up to 85% of the value of a cruise ship is made up of marine equipment.

Slide on the value of a ship.

- Marine equipment can influence all environmental aspects of the life cycle of a ship from the cradle to the grave and through constant innovation develop the technologies which can meet the challenges of the future.
- The marine equipment suppliers have the most advanced technical solutions for reducing the environmental impact of shipping.
- It should already be clear that environmental challenges¹ can only be met by an engagement to quality shipping and equally to quality shipbuilding: **“No quality shipping without quality shipbuilding”**² should be the new motto worldwide when it comes to safe and clean seas³.

¹ For a contribution to the environmental goals see EMEC – Green Ship Technology Book 2009.

² See EMEC President speech at the EMEC-CESA Annual Reception 2007.

³ See Leadership and Safety paper and video published by EMEC in 2007.

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Slide “quality shipping quality shipbuilding”

- Environmental goals can only be reached through an alliance between the major industry actors i.e. ship-owners, shipyards, marine equipment suppliers and class societies and with the legislators.
- Technologically advanced equipment improves safety, cost efficiency and provides for higher reliability throughout the life of the ship whether included in the newbuilding phase or at a later stage through e.g. retrofitting.

- What can ME Contribute?*

General slide with the title

- The European marine equipment industry can call itself the global champion of greener, safer and innovative technology leadership.
- Economical changes, opportunities, environmental and sustainability aspects are gaining an ever increasing importance for the marine equipment manufacturers.
- Society is constantly thinking about the future and of the importance of talent, know-how (expertise), leadership and sustainable growth (economy) as a set of tools to cope with future challenges.
- The greening of maritime transport is a necessity to deal with the challenges which lie ahead. The technological developments of ‘green’ marine equipment are already far advanced to meet the targets being set, however, we can go a long way further to mitigate the impact of shipping on the environment.
- Considering that more than 90% of global trade is transported by the maritime transportation network – already one of the most efficient transport networks existing - There is significant potential for further improvement. The European maritime equipment manufacturers have understood and acknowledged their current and even stronger role as main pacemaker for maritime technology. This affects areas of new build, operation and modernisation - i.e. the sustainable life cycle management of the ship as a transport system.
- The capacity of constantly innovating and developing modern, safer and environmentally efficient products and services, puts the European marine equipment at the forefront in the challenge for safety and health and environmental protection in maritime transport.
- The European marine equipment sector is capable of anticipating regulatory changes and to promote the adoption of its innovative solutions by regulators at international level.
- The ability of the European marine equipment industry to constantly develop new and safer products and services is the main factor for its capacity to compete and lead the sector at worldwide level. Safe products mean safe and reliable ships; it also means safety for those working on board and the environment.

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- The European industry maintains its focus on safety at all times as this is one of the keys to its competitiveness and commercial success.
- Innovation is the driving force behind the European marine equipment industry. By maintaining its lead in innovation the sector can keep growing even in times of economic uncertainty. This will also ensure that the European industry stays one step ahead of competition.

- How can ME* contribute?

General slide with the title

- Applying existing systems and technologies, the following problem areas can be tackled:

1. Air Emissions (NOx, SOx, CO²)
2. Water emissions (Ballast, Bilge, Black Grey)

Slide with emissions

3. and other areas like Underwater coatings (a new chapter in the 2nd edition of the GSTB) and garbage disposals

- If technology, already in existence, could be integrated in today's ships then they could become 15-20% greener and cleaner. If there is further demonstration of newly researched and developed technology then a 33%+ eco-friendliness could be achieved ultimately leading to the zero emissions ship in the not too distant future⁴.
- Looking at the table one can see that if these technologies are introduced on board, the reduction of CO² can be immediate

Slide with emission reduction table.

- The overall ship building process needs to be made more efficient from the very start. Equipment manufacturers should be involved at the design stage of shipbuilding to ensure that their products can be holistically integrated with the latest design of hull, innovative materials, etc.
- In order to stay ahead of the competition we cannot rest on our laurels. Therefore it is essential that investment in innovation and development of new technologies is maintained to ensure an efficient and greener industry for the future.

2. What Can We Expect at SMM 2010?

Slide with title and Green Ship Technology Book cover

- Green theme: business opportunities and showcasing of equipment
- EMEC's 3rd edition of the Green Ship Technology book
- EMEC's conference on research and development
- It will complement nicely the GMEC conference

⁴ For more information please consult EMEC's 'Green Ship Technology Book'. It can be downloaded at:

www.emec.eu/green

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3. The International Competitive Situation, Strengths of the European Maritime Supply Industry, Perspectives?

Slide on Leadership in technology and

- The European marine equipment manufacturers are world leaders in technology innovation, safety and the greening of products.
- They are global champions when it comes to excellent labour conditions and years of investment in knowledge and expertise.
- Although they export a large percentage of products overseas, Europe remains the brains and knowledge powerhouse of the industry.
- If European marine equipment suppliers are world leaders in propulsion, cargo handling, communication, automation and environmental systems, representing a high value added sector, this is definitively not sustained on prices only. The industry derives its competitiveness through innovative and reliable high quality products.

Slide on Global presence

- European manufacturers will endeavour to remain competitive, whilst offering high tech products and services, maintaining a leading edge over foreign counterparts.

4. What Shifts are Taking Place in Market Shares in Europe – Asia - USA?

Slide on the Regional segmentation 2008

- Asian shipyards, and possibly owners, are and will dominate shipbuilding, and therefore try and obtain the lead also in marine equipment in the not too distant future. Although we advocate an international level playing field, this is not an easy task and to ensure fair competition remains a challenge which needs to be overcome.
- Emerging markets, such as offshore wind energy, ocean energy dictate new demand and we European marine equipment suppliers have a technologically strong position to meet this. In order to remain world leaders and dominate these new fields we must invest in know-how. Competitors will always try and copy something which is successful and therefore the protection of IPR is also a key to ensuring that market shifts do not take place and disadvantage Europe through its own successes.
- Generally when looking at shipbuilding nations, we can consider that the US has declined in importance although they produce some quality equipment.
- International focus is more on Asia (which holds nearly 90% of the shipbuilding) and emerging countries like e.g. Brazil, India and Russia.

We must focus on the opportunities, face the future and safeguard knowledge for a greener, safer and more innovative industry for this decade and beyond.

Slide 'thank you for your attention'

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