

Brussels, September 14th, 2009

Shipbuilding: Innovation is the way ahead

Marine equipment, yards, unions and European Union united to face the challenges of the crisis.

The Vice-President of the European Commission, Mr G. Verheugen called for a High Level Meeting last 11 September 2009. The relevant stakeholders i.e. the industry (EMEC for marine equipment and CESA for the yards), the unions (EMF) and the Member States (France, Germany, Italy, Spain, Poland, Sweden and United Kingdom among others) gathered in Bremen to debate measures against the present crisis and the future of the shipbuilding industry in Europe.

Preliminary conclusions of the Study on the Competitiveness of the EU Shipbuilding Industry¹ were presented at the High Level Meeting.

In 2002-2003, the European shipbuilding industry initiated the LeaderSHIP2015² strategy. The aim of this strategy was to strengthen the sector's position to ensure its long-term prosperity. A number of important developments have taken place since the introduction of LeaderSHIP 2015.

In particular the world economy has just sailed into one of the worst economic recessions in recent history. The shipping and shipbuilding industry experienced unprecedented growth in recent years, it has been dramatically affected by the current crisis and during the last six months shipbuilding demand (measured as volume of new orders) decreased by more than 90%.

These markets are looking to see a recovery once capital starts flowing again and world trade returns to growth. However, the shipbuilding industry needs the time to prepare for future projects and therefore needs to start work in the coming months to ensure that potentially long term damage for the industry is not realised.

In February 2006 EMEC launched a strategy³, defining the way forward for the industry with the vision of maintaining its pre-eminence and leadership as high-class marine equipment manufacturers. In 2009 it is clear that EMEC and the industry have to revise its strategy. While the economic situation is changing rapidly and dramatically, challenges multiply at political level. The public opinion is demanding immediate actions for solving economic problems and the concerns related to Climate Change. In particular, although

¹ See attached ECORYS abstract for the HLM 11-09-2009

² http://ec.europa.eu/enterprise/sectors/maritime/shipbuilding/leadership2015/index_en.htm

³ See EMEC strategy, February 2006 (EMEC) - http://www.emec.eu/docs/emec_strategy_web.pdf

shipping is the most environmentally friendly mode of transport, it is expected that some actions are taken to minimize the environmental impact of shipping while ensuring safety and performance of ships at the lowest cost as possible.

The European marine equipment industry is constantly focusing on developing parts, materials and services which can perform outstandingly for both transport and the environment. Technology developments are to ensure that there is no contradiction between enhancing safety⁴, environmental efficiency and optimizing the performances of a ship.

We are facing a high level of complexity of the challenges at a global level which need to be tackled with the assistance of technology.

This is true also for the maritime sector and within the sector, the marine equipment industry is the player who have or can provide and develop the best technical solutions; although implementation and application of technology can only be ensured by the participation of the relevant actors within the industry and at political level (in Europe and worldwide).

A continuous renewal of product and process technologies through RDI activities, benchmarking and market research, including improved technical co-operation in the maritime supply chain, is continuously being pursued by the European marine equipment industries.

It is now the time to go a step further by ensuring that the permanent development of products and production processes becomes the pivotal element in the shipbuilding, and particularly for the marine equipment industry strategy in Europe. We have also to ensure that the results of such development become immediately applicable.

It is around this concept that European Shipbuilding and Shipping industries should commit in front of the legislators and the general public to provide the answers for the present and future challenges namely Climate Change and Global warming; Globalisation; Safety and Security and last but not least the Economic and financial crisis.

Press Releases:

European Commission:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/1307&format=HTML&aged=0&language=EN&guiLanguage=en>

CESA:

http://www.cesa.eu/public_documents_site.phtml?sid=&doctype=news

⁴ See Safety and Leadership – 2008 (EMEC) - http://www.emec.eu/docs/emec_safety_and_leadership.pdf

EMF:

<http://www.emf-fem.org/Press/Press-releases/Shipbuilding-That-is-us!-Shipyard-workers-fight-for-their-jobs>

Definition of Marine Equipment

The term 'marine equipment' refers to all products and services supplied for the building, conversion, and maintenance of ships (seagoing and inland). This includes technical services in the field of engineering, installation and commissioning, and ship maintenance (including repair).

EMEC – European Marine Equipment Council

The European Marine Equipment Council (EMEC), which represents the European marine equipment industry, consists of 14 European trade associations from Austria, Croatia, Denmark, Finland, France, Germany (two), Italy, Norway, Poland, Sweden, The Netherlands, Turkey and the United Kingdom.

The undertakings active in this important field, the majority of which are SMEs, are world leaders in many of the activities described in the definition above. They are responsible for 287,000 jobs directly and 436,000 indirectly, qualifying as the most important employer in the maritime industry. They generate a turnover of 26 billion Euro, 12 billion of which relate to the export market, contributing to European economic growth.

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