

EMEC

European Marine Equipment Council

“The current and future challenges the marine equipment industry is facing in light of the global economic downturn”

Paola Lancellotti – Secretary General

What will be looked at...?

- Definition;
- Quantifying the sector;
- Challenges;
- Conclusion.

Definition of Marine Equipment



- ME* 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).
- Definition is by no means the only one...it varies from source to source.

Ship Value



60%

40%



90%

10%

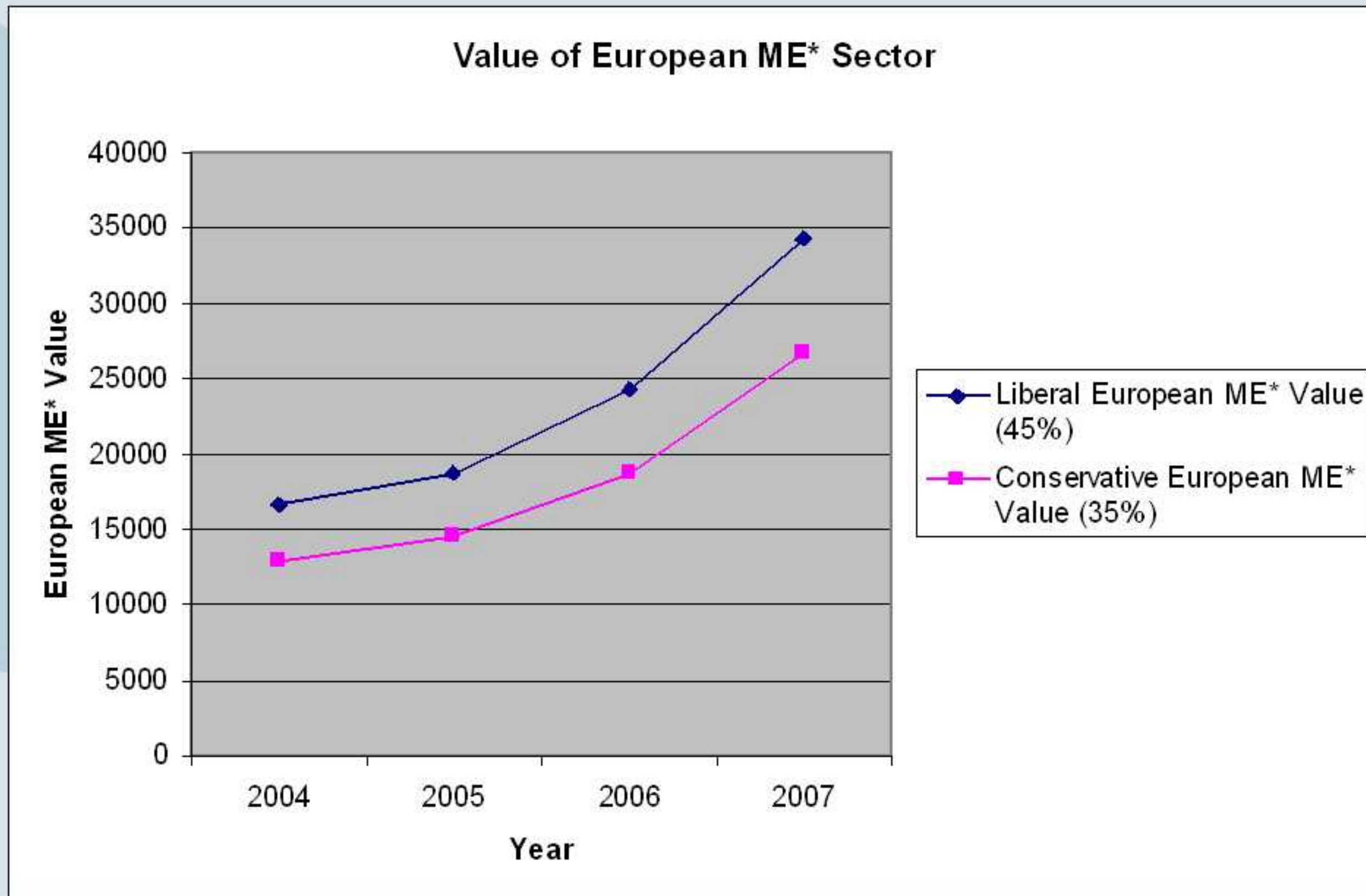
Up to 60% of the total value of a medium/complex ship (90% for cruise ships) is produced by the Marine Equipment Industry

Quantifying the Sector I

	2004	2005	2006	2007
Value Of Global Newbuilds (million euros)	73 700	83 600	107 600	152 600
Global ME* Estimate	36 900	41 800	53 800	76 300
Conservative European ME* Value (35%)	12 900	14 600	18 800	26 700
Liberal European ME* Value (45%)	16 600	18 800	24 200	34 300

Source of Figures: Clarkson

Quantifying the Sector II



Challenges...

- Employment;
- Environment, innovation and safety;
- IPR Infringement.

Employment

- Employment is a challenge, after all business is global and therefore the crisis will be global as well;
- Work has to be done to 'update' the image of the sector as an innovative one with a high technology content;
- Investment has to be made in a new generation of workers to ensure that they can fill the gap left by the ageing workforce.

Environment, Innovation & Safety

- EU 20/20/20 targets by 2020;
- How to innovate and develop new technologies in order to meet the goals the EU has set out and make our own contribution to the prevention of global warming;
- Global standards and targets for shipping should be achieved;
- Better cooperation between suppliers, shipyards and ship-owners means the supply chain could be optimised; harmonisation of rules with the most rigorous standards.

IPR Infringement

- Damage caused and loss of value to the whole Industry by the counterfeiting and piracy of Intellectual Property Rights;
- IPR infringements approximately cost the European ME* sector a further 7 billion Euros per annum;
- Needs to be tackled to ensure the competitiveness of the ME* market;
- The presumption that infringement of IPR could lead to safety being compromised on those vessels carrying counterfeited goods.

Conclusion

- High productivity;
- Increased focus on specialisation and keeping the market edge in certain technologies;
- Honing current workers skills and ensuring that there is a future group of graduates ready to be employed by the sector;
- Increased innovation and cooperation on a regional and international scale creating a level playing field for all players to meet targets and help tackle climate change;
- Increased cooperation between the ship owners, shipbuilders and suppliers to ensure a harmonisation between parties based on the most rigorous safety standards;
- Lobbying at a European and International level to develop a policy to tackle the problems of IPR infringement.

Thank you for your
Attention



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