

Market Developments, Challenges and threats for the European Maritime Technology Industry

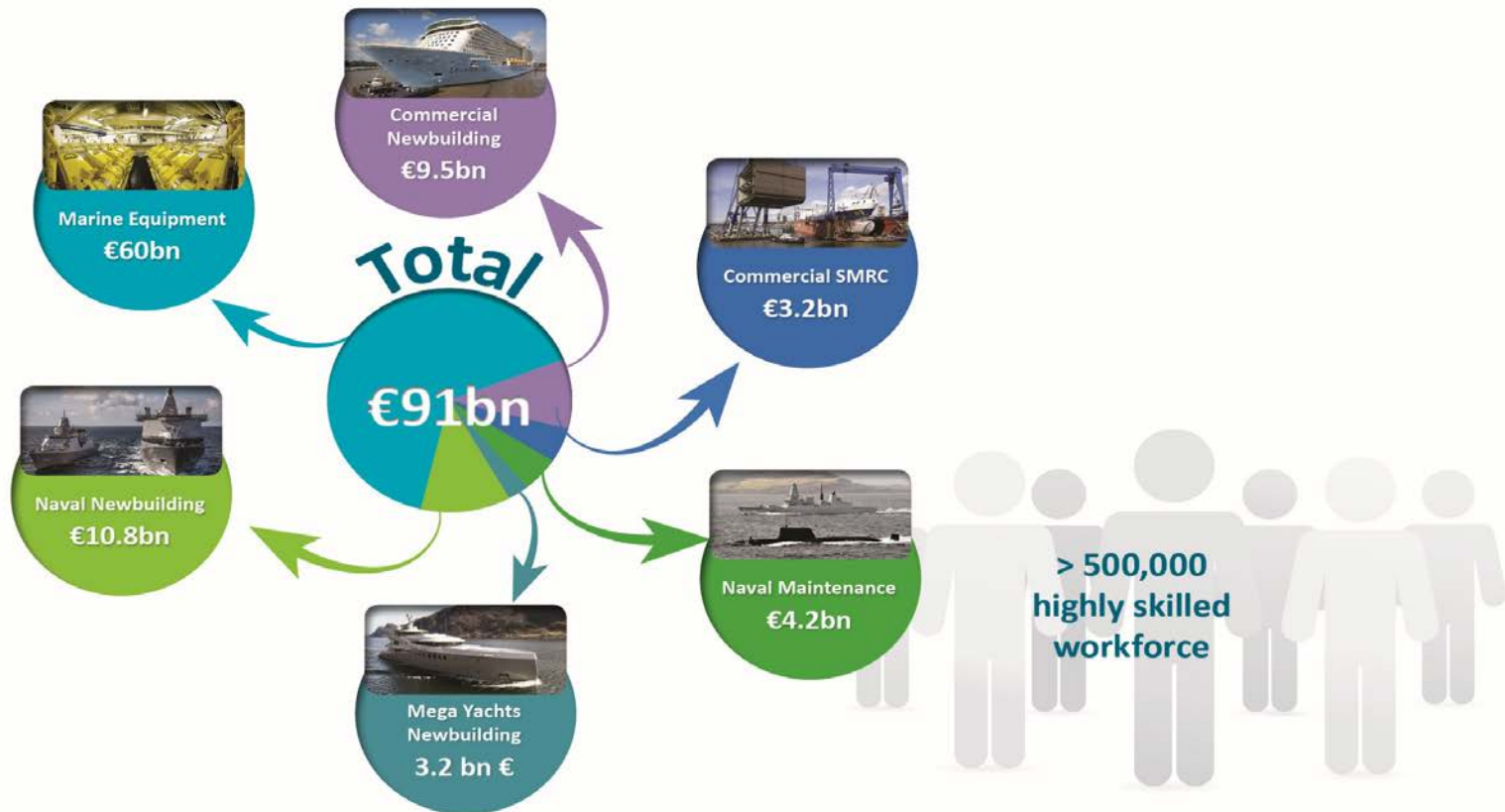
Kjeld Dittmann, Chairman of SEA Europe

General information

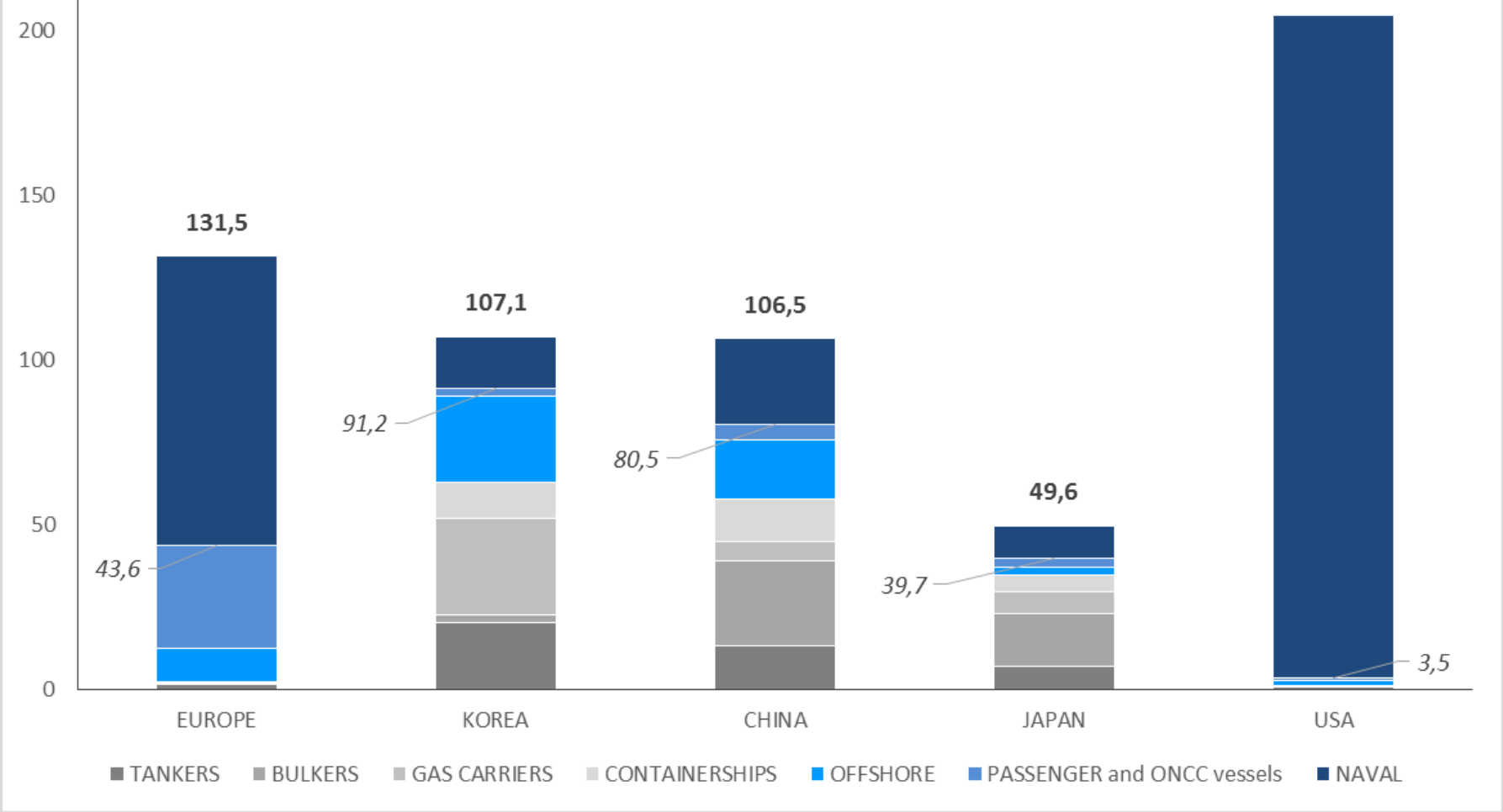
- 22 National Associations in
- 18 Countries representing
- 22.000 companies



The Maritime Technology Sector: A Key Industry for Europe

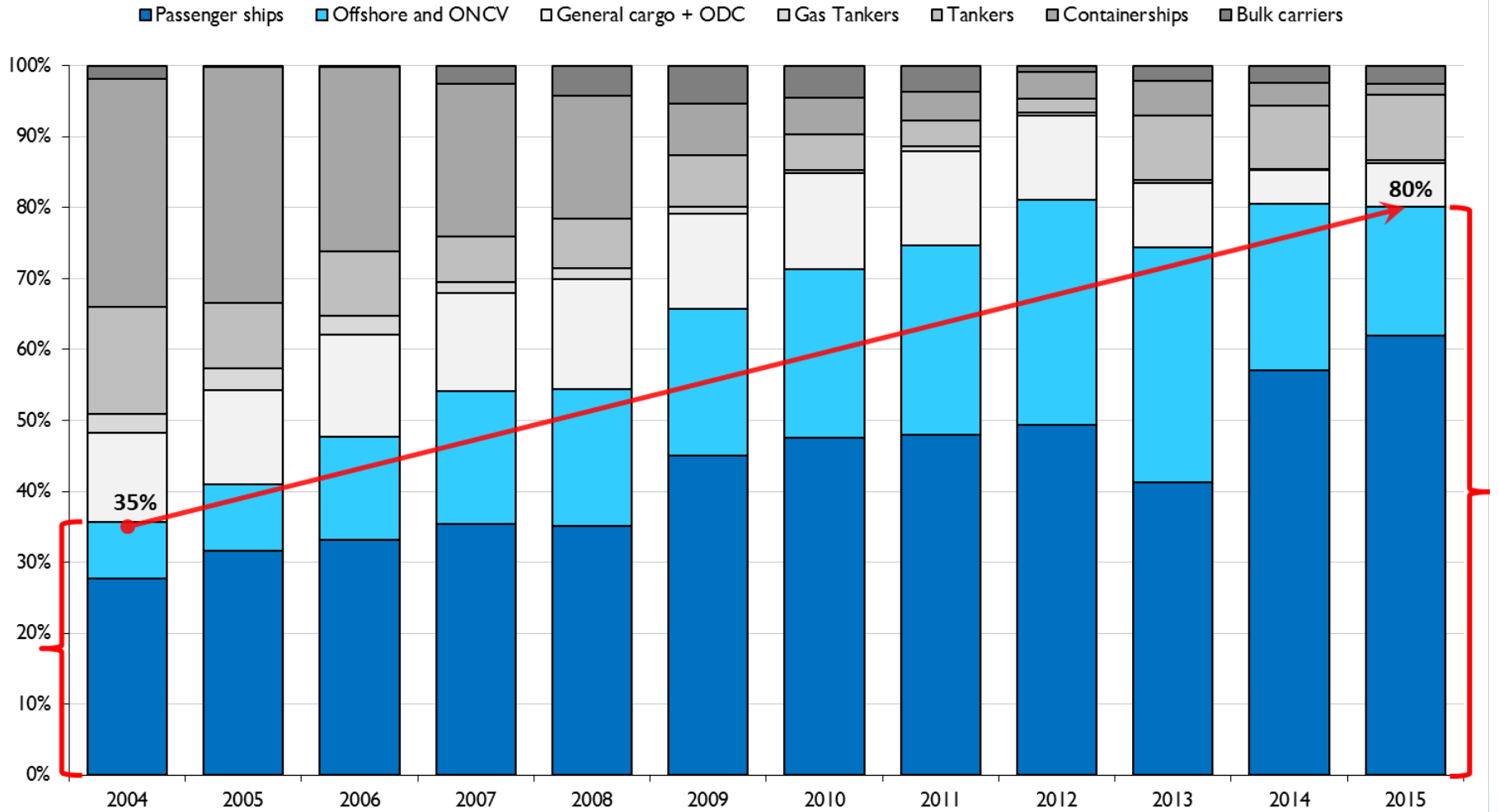


Orderbook Value in Bn \$ by end of 2015



Data source: Clarkson

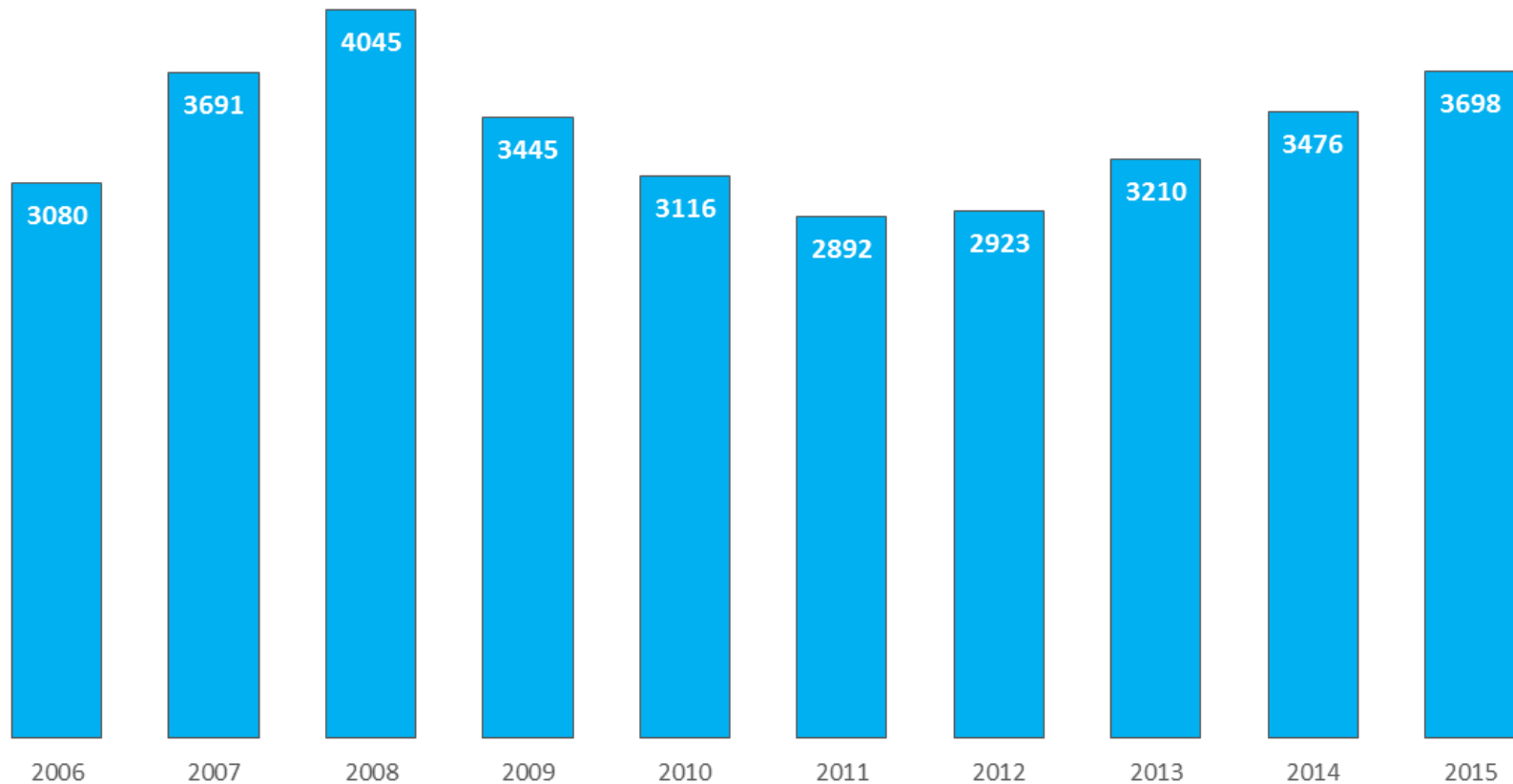
European Orderbook by Ship Types



Data source: IHS Fairplay

Ship Maintenance, Repair, and Conversion

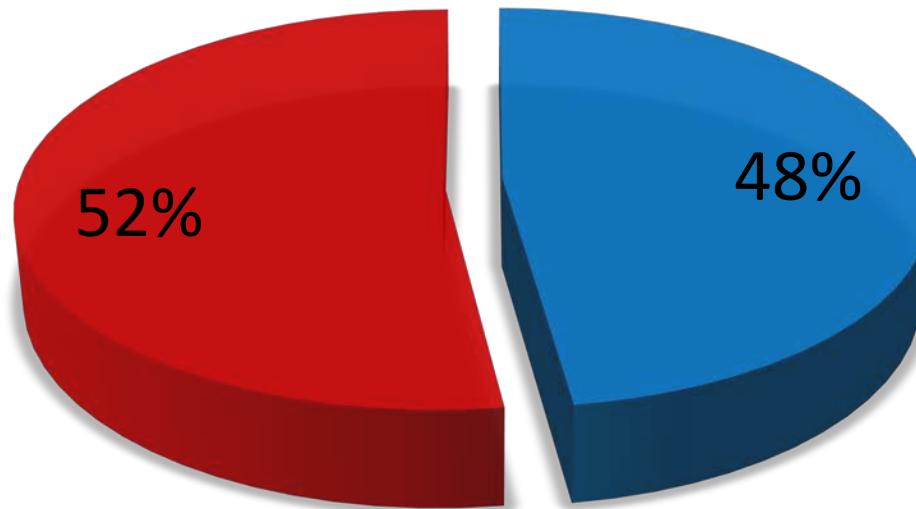
SMRC Turnover in Million Euros



Source: SEA SMRC WG – Ship Maintenance, Repair, and Conversion

Equipment Suppliers

Equipment Suppliers Market Shares
Global production volume average = 125.5 bn €



■ European Companies supplied volume (EU28+Norway)

■ RoW supplied volume

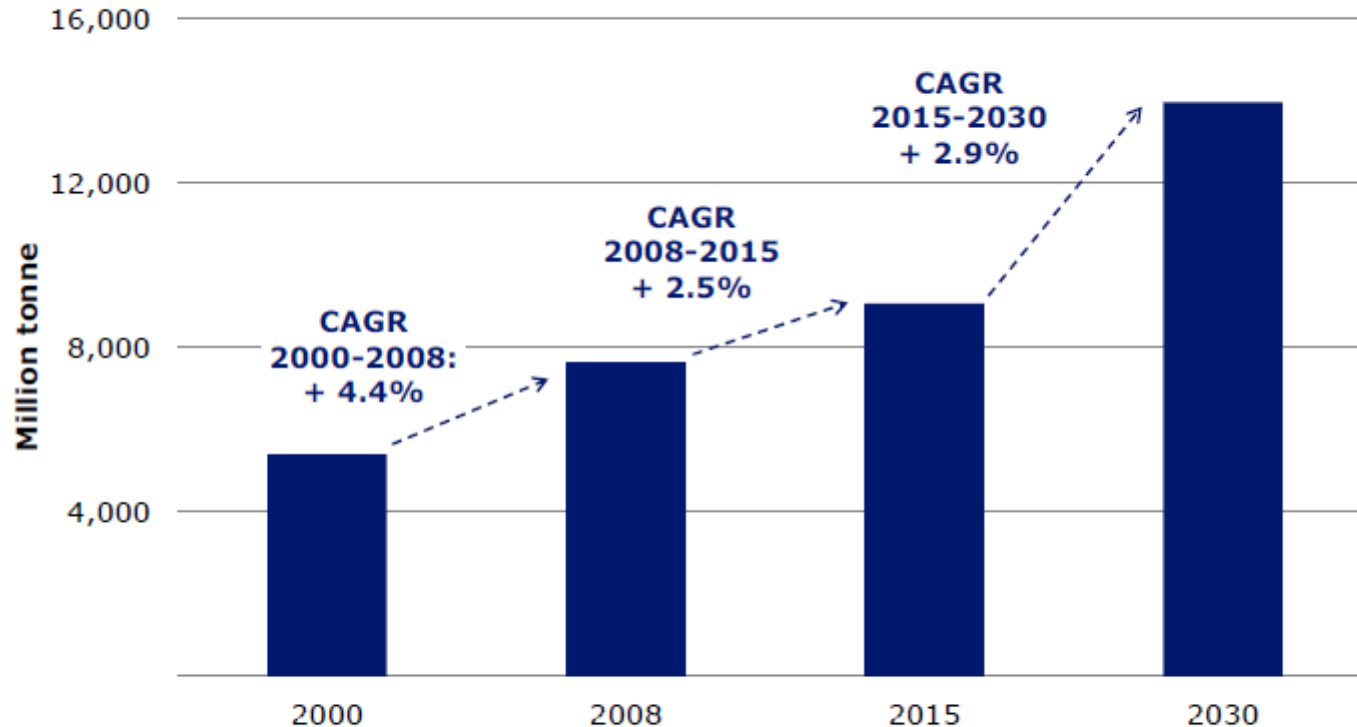
Source: Balance

Challenges & Threats

European Maritime Technology sector

Seaborne trade will continue to grow

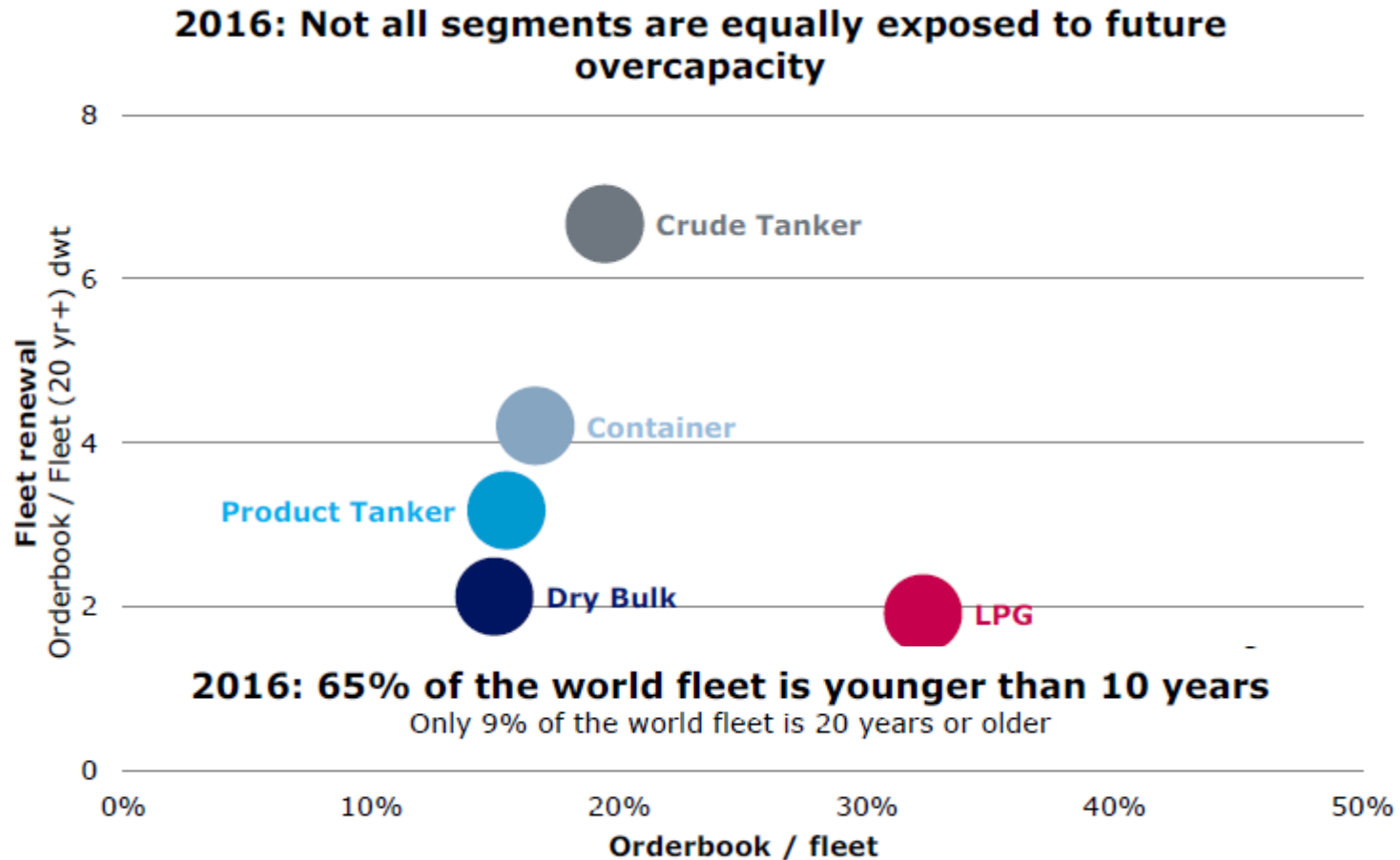
Seaborne import volumes are predicted to grow by 2.9% per annum between 2015 and 2030



Sources: IHS Global Insight, Danish Ship Finance

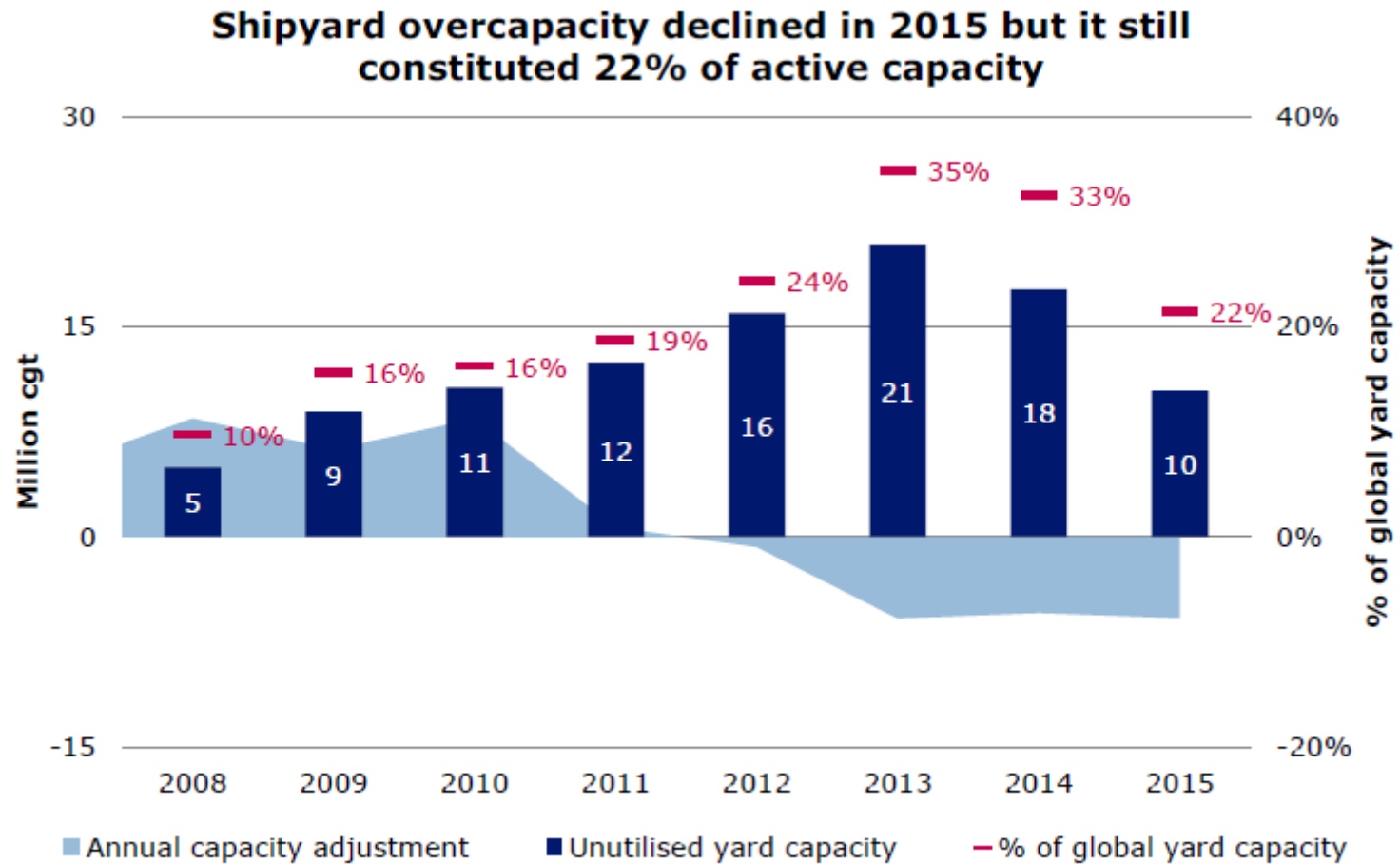
■ Seaborne import volumes

1. Over-capacity in shipping



Sources: Clarksons, Danish Ship Finance

2. Shipyards Overcapacity



Sources: Clarksons, Danish Ship Finance

3. Trade Barriers and Unfair Competition

Lack of level playing field in the world market

- **Government intervention:** South Korea massive state support rescuing its shipyards
=> prolonging market unbalance, hurting entire value chain
- Price war during new order drought /often backed by **state support**
- **Market access:** the US Jones Act and public procurement restrictions
- Discriminatory treatment: **Local content** requirements

4. Access to Finance

- **Access to finance** is one of the main problems affecting the European industry. The difficulties in getting finance puts in risks the uptake of new orders
- Global economic and **financial crisis still affecting the European industry**
- Banks **refusing to take the risk** of long term financing projects
- **Some large European banks left the market** or are reducing their activity, while some Asian banks are more active

5. The Challenge of Skills for Disruptive Innovation

- The European maritime technology industry MUST maintain:
 - ✓ Master in the design, construction and repairs the most advanced and complex technologies and vessels.
 - ✓ Research intensity in the sector is one of the highest = 8-9%
 - ✓ Continuously introducing innovative technologies and processes.
 - ✓ Diversifying into new markets: offshore wind, marine energies, deep sea mining, etc

The competitiveness of the sector relies on its highly skilled workforce!

Objectives of SEA Europe to face the Challenges and Threats

- Ensure **EU financial support** will benefit the production and service abilities in Europe.
- Ensure effective EU financing mechanisms and **policies to stimulate RDI**
- Ensure a **better match between skills** and labour market needs.
- Ensure a **global level playing-field**, without trade barriers and unfair competitive practices
- Implementing a strategic policy for the sector which puts the maritime technology as the core and key enabler of a safe and **sustainable development of Blue Growth activities**

Thank you!

info@seaeurope.eu