

SMM 2010 booked out

SMM 2010 will be booked out. Some 2,000 exhibitors and over 50,000 trade visitors will make the 24th shipbuilding, machinery & marine technology, international trade fair hamburg the centre of the world shipbuilding industry from September 7th–10th 2010.

The flagship event of global shipbuilding has attracted exhibitors from 50 countries, including the foremost shipyards of the leading shipbuilding countries, the top marine equipment suppliers as well as numerous innovative small and medium-sized companies, which with their creative commitment and technological and product innovations were a focus of attention at previous SMMs. The world's leading shipbuilding fair is the trendsetter and trend accelerator of maritime technologies.

As numerous international regulations make the development of new products necessary, precisely SMM 2010 will become a platform for the latest marketable innovations. This applies particularly for environmental technologies for climate and environmental protection and energy efficiency. The traditionally well-represented areas of the shipyard industry, propulsion technology, electronics and electrical engineering will also be contributing new developments in these focal areas of this year's SMM, at which more space will be devoted to the offshore sector. Marine equipment suppliers that used to be otherwise almost exclusively active in shipbuilding are expanding the range of products and services in the offshore market.

SMM 2010 – connecting people and ideas

SMM 2010 will match the record results of the last SMM: the entire exhibition area of approx. 90,000 sq.m. is again completely booked out, reflecting a spirit of confidence after a difficult year not only for shipbuilding. In particular the exhibitors from the leading shipbuilding countries were eager to enlarge their exhibition areas.

The experts concur that the financial and economic crisis has bottomed out. In October 2009 the International Monetary Fund (IMF) forecast that in 2010 the world economy will grow by 3.1%, due mainly to the dynamic development in Asia, especially in China and India.

SMM 2010 is the place to be

Although there is still no euphoria noticeable in the board rooms of shipbuilding companies, a cautious optimism is gradually spreading in the expectation that the industry will recover in 2010. The boom sector of recent years will benefit from the ongoing process of globalisation and the need for environmentally compatible transport. The Community of European Shipyards' Associations (CESA) also expects demand for ship newbuildings to surge this year.

This prospect no doubt also prompted more countries to present themselves with joint stands at SMM 2010. This year there will be about 30 national pavilions, including those of the "long-established" countries Denmark, Finland, the Netherlands, Norway, Russia and the USA. After SMM Istanbul 2009, Turkey will also be represented with a large contingent. The newcomers will be Argentina, Sweden and Singapore. Thanks to the success of SMM India 2009, India is also highly motivated to have its first national pavilion at SMM 2010.

SMM 2010 and the first international maritime environment congress gmec will be ceremoniously opened in CCH-Congress Center Hamburg on the evening before the first fair day, September 6th 2010.



World shipbuilding order book on January 1st in the SMM year 2010: 7,954 newbuilding orders, totalling 152.5m cgt (Source: Clarkson Research Services)



Global shipbuilding picking up speed

gmec promoting green shipping



First maritime environment congress in Hamburg

Top decision-makers of the maritime sector will meet with political, scientific and community leaders at the first global maritime environmental congress (gmec) in Hamburg from September 7th–8th 2010 to discuss progress to date and set the course for the future of maritime environmental protection. The focus will be on ensuring further reductions in all types of emissions at sea and on land. The congress will take place to coincide with the world's top shipbuilding trade fair SMM in CCH-Congress Center Hamburg. The patron is Chancellor Angela Merkel.

Thanks to innovative technologies in shipbuilding and internationally binding regulations and laws, the maritime sector has done a great deal in recent years to promote the cause of environmental protection. Ships represent a particularly environment- and climate-friendly means of transport. But the swift growth of the world merchant fleet and the boom in the cruise industry have been confronting the sector with fresh challenges. This is exactly where the first global maritime environmental congress (gmec) comes in: "We want to show the world the achievements of the maritime industry in the past 30 years, where we stand today and how we can protect our environment even more effectively in future," explains Jochen Deerberg, Organiser's Office / Congress Programme

The sector is concerned especially with further cutting emissions. It is vital, for instance, to reduce shipping's share of global CO₂ emissions and nitrogen oxide (NO_x) and sulphur dioxide emissions (SO₂) injurious to health as well as appreciably reduce fine dust. Sustainable waste management and sensitive handling of ballast water are also crucial for preserving an intact maritime environment.

The organiser of the congress is Hamburg Messe und Congress GmbH (HMC). Leading representatives of the sector – including Micky Arison, Chairman and CEO of Carnival Corporation, Corrado Antonini, CEO of Fincantieri, and Spyros Polemis, Chairman of the International Chamber of Shipping (ICS) – are playing an active role in the run-up to gmec and will also provide substantial support during the congress.

Registration for gmec 2010

If you wish to participate in the congress, you will be able to obtain all necessary documents from:

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Messeplatz 1
20357 Hamburg

Phone: +49 40 3569 2083
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www.gmec-hamburg.com

100 newcomers at SMM 2010

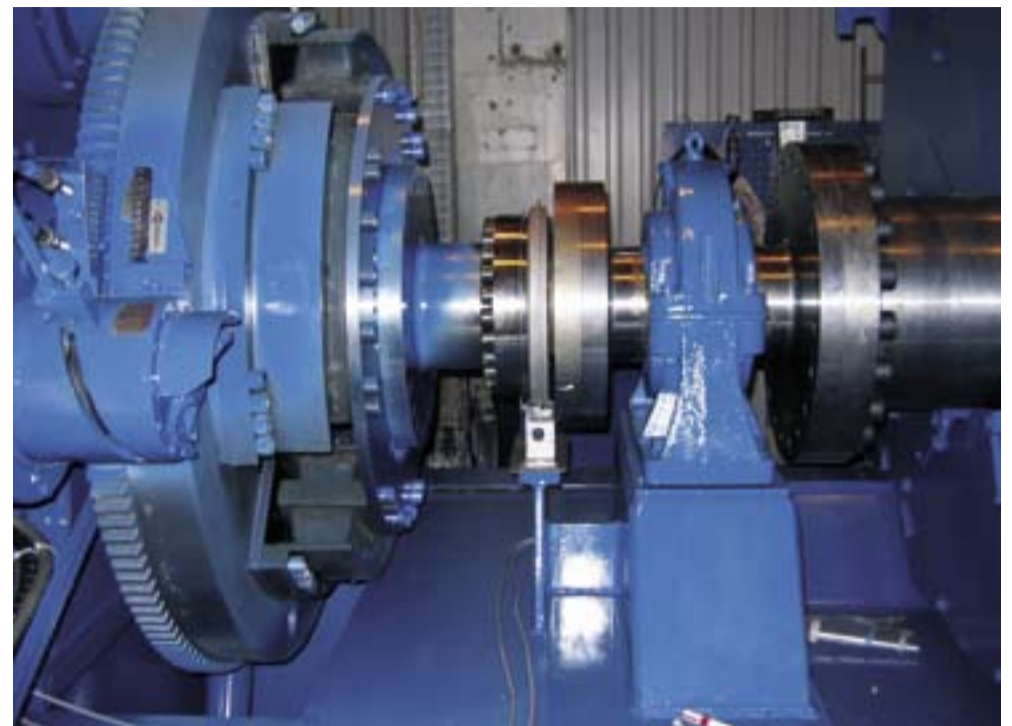
The SMM is a regular "port of call" for the global maritime sector and a priority event in the appointment calendars of decision-makers at shipping lines, shipyards, suppliers, service providers as well as government organisations and navies. A stand at the SMM is thus essential for companies eager to play a role in maritime business. Some 100 firms from all product areas could be admitted as new exhibitors to SMM 2010.

In the shipyard industry area, the Indian private-sector Pipavav Shipyard Ltd. thus selected SMM 2010 for its first international

presentation. India's largest and most up-to-date yard builds cargo ships, units for the offshore sector and naval vessels. Pipavav's vision is to join the ranks of the world's top ten shipbuilding companies by 2015.

John Deere Power Systems from France will present itself as a new supplier of marine diesels in Hall A4.

In the offshore sector, Zamil Offshore Services from Saudi Arabia aims to establish new international business contacts at SMM 2010.



On the test stand: The torque flange T10FH from HBM for high torques up to 300 kNm can also be used for ship propulsion plants.

Moving into the maritime market

When SMM India 2009 closed, the management of the exhibitor Hottinger Baldwin Messtechnik GmbH (HBM) knew that it had to devote more attention to the shipbuilding industry as business area in future. The Darmstadt-based company has selected SMM 2010 as the prime platform for this.

HBM, a leading maker of sensors, measurement amplifiers, software and accessories for the electrical measurement of mechanical values such as force, weight, expansion, pressure and torque, used to be active mainly in the car sector. That could now change.

Demand for highly precise torque measurements also in other branches of industry and particularly in shipbuilding has been boosted by the development of innovative marine propulsion systems and alternative fuels, as well as the ongoing requirement for cutting fuel consumption and increasingly stringent regulations concerning emissions. HBM, which claims to be now the world's largest supplier of torque transducers up to

nominal measuring ranges of 10MNm, has also developed sensor systems for ships. HBM maintains that the digital torque transducer T12 is currently the world's most accurate torque meter.

Andreas Hüllhorst, CEO of HBM, has a good reason for the company's new maritime course: "The solutions for torque measurement presented by HBM for marine propulsion systems have already demonstrated their efficiency in various projects. This success has encouraged HBM to serve the specialists of the shipbuilding industry on a broader basis. HBM's participation in the SMM is a logical step that above all promises

good results, as we could already experience at the SMM in India."



Andreas Hüllhorst,
CEO of HBM

Outstanding supporting programme

SMM 2010 will be accompanied by a superb supporting programme. More than 150 workshops, meetings and conferences will be held on the four days of the world's top shipbuilding fair in Hamburg.

Topical subjects will be dealt with, for example, by the **Ship Finance Forum**, taking place on September 6th 2010, the day before the first fair day.

Several workshops of the **Offshore** area will be held on September 8th and 9th 2010. This two-day event will reflect the increasing importance of the offshore sector also at the SMM.

More details on conferences and workshops will be given in the next SMM NEWS and on the SMM website:

www.smm-hamburg.com

CIMAC Circle concentrating on costs

CIMAC, the International Council on Combustion Engines, will focus on costs at this year's CIMAC Circle, traditionally staged during the SMM. The general subject will be "Total cost of ownership". Experts will discuss aspects such as low load operation, fuel saving, maintenance and cost-efficient design at the event on September 9th 2010.

More details are available at:
http://www.cimac.com/congress_events/Index1-events.htm

HMC service for SMM events

Companies and associations planning to hold their own events during SMM 2010 should contact the SMM Project Management (Phone: +49 40 3569-2142).

Information on the facilities available is provided at the SMM website:

www.smm-hamburg.com



New international business contacts were made by the approx. 100 exhibitors of the first SMM India in Mumbai from November 12th-14th 2009.

Successful start of SMM India



SMM India 2009 was very well received by all participants. The second HMC foreign shipbuilding fair after SMM Istanbul was held for the first time last November under the brand name of the top shipbuilding trade fair SMM in Mumbai. The approx. 100 exhibitors, including leading Indian shipyards and marine equipment suppliers, presented state-of-the-art technologies and products for all areas of the shipbuilding and marine technology industry to the 2,800 visitors from 30 countries.

"The successful premiere of this Indian subsidiary of SMM as leading trade fair of the world shipbuilding industry shows the great

growth potential of SMM India for the next few years," confirms Bernd Aufderheide, President and CEO of Hamburg Messe und Congress (HMC).

Staging a shipbuilding fair under the seal of quality SMM in the up-and-coming shipbuilding country India was a strategically important step. It also has a positive effect for the fair in Hamburg, as shown by registrations from India for SMM 2010.

Preparations for the next SMM India have begun. It is scheduled to take place in Mumbai from April 7th-9th 2011.

SMM Istanbul 2011 in new halls



Exhibitors and visitors of SMM Istanbul 2011 will be delighted. The second SMM shipbuilding, machinery & marine technology trade fair Istanbul is to be held from January 26th-28th 2011 in the modernised and expanded exhibition centre Lütfi Kırdar Convention & Exhibition Centre (ICEC), which

was opened last September. The central location and converted halls of the trade fair centre of the metropolis on the Bosphorus will certainly enhance the quality of the next SMM Istanbul in terms of accessibility, logistics and presentation possibilities.



Expanding offshore market

The offshore sector will be more in the spotlight at SMM 2010 than at earlier fairs. The reason is that it is playing an increasingly important role for special-purpose shipbuilding. Moreover, last year the offshore market proved to be far more robust than the shipbuilding sector and has excellent prospects.

The market analysts at Douglas-Westwood forecast ongoing growth and global investments of approx. US\$330 billion for offshore operations and maintenance for the next five years. "The research also highlights the fact that the Subsea Inspection, Repair & Maintenance (IRM) market will outgrow all other sectors – with a compound growth of more than 10% between 2010 and 2015," comments Thom Payne, lead report analyst at Douglas-Westwood.

Numerous exhibitors of SMM 2010 have already promptly identified the opportunities offered by offshore business in the area of oil and gas production as well as with wind power and achieve a considerable share of their sales in this segment. The offshore sector provides for shipyards and suppliers a certain compensation for the slump in demand in global shipbuilding.

"About 30% of Siemens Marine Solutions business worldwide is generated in the sector of the offshore construction, platform supply and support industry," says Eberhard Becker, head of marine business at Siemens. The group supplies the sector with diesel-electric drives, as recently for the offshore ship "Skandi Acergy", automation, electronics, communications and safety solutions as well as water treatment systems for various drilling platforms, FPSOs, etc.

The TKMS subsidiary Blohm + Voss Repair has distinguished itself in the business area with the conversion of the cable layer "Kraka" into a complex offshore vessel.

Vincenzo Spitaleri, Managing Director of GEA Westfalia Separator, does not see any great differences between the sectors: "The synergies between shipbuilding and the offshore area are considerable. Firstly, the markets overlap and we have to some extent the same customers. Secondly, the technology on the offshore and the ship plants is also comparable." GEA Westfalia Separator's projects include very recently major orders for delivering the centrifugal technology for oil/water separation for drilling ships and the conversion of two supertankers into FSOs (Floating Storage and Offloading Units).

Schottel also sees "in the medium term a large and sustained growth potential in the market segment of offshore ships." The offshore market has developed "as stable additional core business".



Vincenzo Spitaleri, Managing Director of GEA Westfalia Separator: "The synergies between shipbuilding and the offshore area are considerable."



Full speed ahead: The offshore market has great demand for special-purpose ships and the know-how of innovative marine equipment suppliers.

The company achieves a high share of total sales with special drives or Platform Supply Vessels (PSV), Offshore Support Vessels (OSV), Anchorhandling Tugs (AHTS), Jack Up Platforms and other special-purpose ships.

Electronics suppliers such as the L3 company SAM are also busy in the offshore sector. SAM has supplied offshore vessels with integrated navigation systems and diesel-electric drives, for instance to the Indian Bharati Shipyard, as well as delivering automation, communications and dynamic positioning systems.

The winch maker HATLAPA realises a third of its sales in the offshore market, including a major share in the area Offshore Wind Power. The North German company fitted out

the "Windlift I", an ultra-modern special-purpose ship for the installation of wind power plants at sea, with automated mooring winches.

There are also good opportunities in the area offshore wind energy parks for maritime suppliers in the future. According to Douglas-Westwood's "The World Offshore Wind Report 2009-2013" from last year, €21.6 billion will be spent on offshore wind plants globally up to 2013.

In Europe, the EU directives up to 2020 envisage a minimum share of renewable energies of 20% of electricity generation. A lot of wind power is required with special-purpose vessels for the installation and maintenance of the turbines.

2010 - a decisive year for the shipbuilding industry

September 2008, just at the time of the last SMM, marked the end point of an unprecedented boom for maritime industries. The world shipbuilding orderbook went from one record-breaking level to the next, quarter after quarter. Then weak demand paired with record production volumes and countless order cancellations rapidly melted down orderbooks of shipyards and their suppliers around the globe.

For 2010, CESA expects some improvements on the demand side. With financial markets gradually returning to more normal functioning, ordering in market segments with sound earning prospects will pick up again. However, owing to the excessive ordering during the boom and continuous oversupply, large parts of the shipbuilding market will recover rather slowly. In total, the order volume for the next two to three years will

stay significantly below global production capacity.

Shipyards that can ride out the order drought and offer attractive products when the market recovers will be able to benefit from bright medium- to long-term market prospects, especially considering the fast-growing need for environment-friendly and energy-efficient vessels. The extent to which governments will allow the market to correct



imbalances will determine the future market structure.

Dr. Reinhard Lünen, Secretary General, Community of European Shipyards' Associations (CESA)

China new no. 1 in world shipbuilding

The People's Republic of China has overtaken South Korea as the leading shipbuilding country in terms of both newbuilding orders received in 2009 and orders on hand. According to Clarkson Research, 7,954 vessels totalling 152.5m cgt were on order worldwide on January 1st 2010. Of these, Chinese yards alone accounted for 3,144 newbuilding orders/53.2m cgt, corresponding to a world market share of 34.9%. Korean shipbuilders have orders on hand of 1,843 vessels/52.8m cgt (34.6%). The gap at the top for newbuilding orders

received last year is more striking. In the crisis year 2009, shipowners worldwide ordered only 401 newbuildings/7.9m cgt. China accounted for 191 newbuildings/3.5m cgt (44.4% market share) and South Korea 113 ships/3.2m cgt (40.1%). Chinese shipbuilders have thus assumed leadership in their industry sooner than they had envisaged a few years ago. Of the 2,515 ships/43.5m cgt delivered in 2009, South Korea was nevertheless in terms of completed newbuilding tonnage (511 vessels/15.4m cgt) ahead of China (809 ships/11.6m cgt).

"For many years, China has been a more important market for European marine equipment suppliers than South Korea, as for component makers the number of ship newbuildings means a higher order volume than pure tonnage. There can also quickly be changes here again when demand recovers as expected," notes Hauke Schlegel, Managing Director of the VDMA (German Engineering Federation) – Marine and Offshore Equipment Industries, in commenting on the change of leadership in world shipbuilding.

The strong growth of the Chinese shipbuilding industry has boosted demand from China for exhibition space at SMM 2010.

Japan (15.2% of cgt orders on hand) comes third in the rankings. The other countries in the top ten follow at a considerable distance with nearly identical market shares: Vietnam (1.5%), India (1.4%), the Philippines (1.4%), Germany (1.2%), Brazil (0.9%), Turkey (0.8%) and the Netherlands (0.5%).

World shipbuilding						
Data by ship type						
Ship type	Orderbook at end December 2009		2009 Contracts		2009 Deliveries	
	No.	CGT	No.	CGT	No.	CGT
Tanker	1,340	32,438,343	72	2,040,137	573	13,023,125
Bulker	3,120	61,135,052	194	4,160,986	531	9,899,087
Containership	803	26,247,739	7	252,913	271	6,892,215
Gas carrier	179	4,764,940	12	118,705	98	4,527,760
Other	2,512	27,868,339	116	1,299,638	1,042	9,176,254
Total	7,954	152,454,413	401	7,872,379	2,515	43,518,442

Data by builder country						
Ship type	Orderbook at end December 2009		2009 Contracts		2009 Deliveries	
	No.	CGT	No.	CGT	No.	CGT
China P.R.	3,144	53,225,664	191	3,492,435	809	11,613,020
South Korea	1,843	52,838,998	113	3,154,721	511	15,357,500
Japan	1,151	23,215,562	8	175,635	453	9,262,965
India	221	2,190,219	2	9,503	29	151,169
Vietnam	178	2,283,815	4	34,824	15	133,487
Netherlands	152	760,858	7	66,594	72	303,590
Turkey	142	1,274,138	11	65,529	83	674,888
Brazil	91	1,426,185	22	349,297	13	95,500
Philippines	89	2,169,569	0	0	19	350,317
Germany	84	1,916,490	4	25,302	41	732,948
Other	859	11,152,915	39	498,541	470	4,843,058
Total	7,954	152,454,413	401	7,872,379	2,515	43,518,442

Data is correct as of 1st January 2010 Source: Clarkson Research Services

World Shipbuilding Data



Premiere: First commercial voyage through the Northeast Passage with a preceding icebreaker

Arctic breakthrough

The Swedish explorer and geographer Adolf Erik Nordenskiöld did not wait for climate change when he navigated his ship "Vega" through the Northeast Passage from the Norwegian Sea to the Bering Strait in 1878-79. Though without freight. The first cargo shipment was made in August and September last year by the two multipurpose freighters MS "Beluga Fraternity" and MS "Beluga Foresight", transporting several heavy cargo modules from Ulsan, South Korea, direct to Novyy Port/Yamburg on the River Ob in Siberia. With the passing of the symbolic point Nowaya Semlja in Northwest Russia, they left the so-called northern sea route.

3,000 nautical miles shorter sea route

The now open passage along the North Russian coast through the Bering Sea, Bering Strait, Laptev Sea, Wilkitzki Strait and Kara Sea as a result of global warming and melting ice in summer for a time window of six to eight weeks reduced the travel distance by about 3,000 nautical miles compared with the approx. 11,000 nautical miles required by a ship using the traditional sea route through the Suez Canal and the Gulf of Aden. Overall Beluga saved with the use of the Northeast

Passage approx. US\$300,000 per ship, according to Niels Stolberg, managing partner of Beluga Shipping GmbH – even though two Russian icebreakers accompanied the vessels. The Bremen-based company wants to cover the northern sea route with up to six multipurpose heavy-lift ships in 2010.

Freight voyages through the Northeast Passage are regarded more sceptically in the board rooms of other shipping lines. It is stated that only vessels with ice strengthening can be deployed for the route, thereby increasing the investment requirement. The period in which this region can be used is too short. "The Northeast Passage is still in the distant future for liner service," says the manager of a container shipping company, but adds that the route is definitely interesting for project cargo.

The International Maritime Organization (IMO) in London sees other still unsolved problems for the Northeast and Northwest Passages, as bad weather and lack of good nautical charts, lack of coverage with communications systems and other navigation aids place special requirements on seafarers.



Ice transit without icebreaker assistance: Stena Arctica

Ship Model Basin with world reputation

The SMM success story is closely connected with the development of Hamburg's maritime industry. Among the numerous international maritime heavyweights such as shipyards, marine equipment suppliers, service providers and research facilities, one company stands out: Hamburg Ship Model Basin (HSVA), one of the world's top research institutes.

Jürgen Friesch, Managing Director of HSVA, needs just one sentence to describe his company's core competence: "Designing the complex system ship more efficiently and reliably." 84 highly qualified employees are currently working to achieve this aim. They are provided with state-of-the-art facilities, including the large towing tank, with a length of 300m and width of 18m the largest in the world, ice tank, large cavitation tunnel HYKAT and computer systems with simulation tools.

HSVA, founded back in 1913 by German shipyards and shipping lines, achieves annual sales of approx. €10m. It generated 75% of its sales last year with projects for foreign customers.

HSVA is one of the three largest shipbuilding research institutes in the world. "We compete mainly with the research institutes in the Netherlands (MARIN) and Sweden (SSPA), particularly for merchant ships. For ice trials, the ice tanks in Finland and Canada are our main competitors," explains Friesch.

The work of HSVA concentrates on vessels and structures for the open sea and in Arctic Sea regions. The simulation and model trials

ensure not only more efficient vessels but also more safety. The Arctic is increasingly becoming a focal shipping region in the wake of climate change. Highly complex trials for drilling and special-purpose ships as well as floating anchored oil production systems in ice are carried out in the HSVA ice tank.

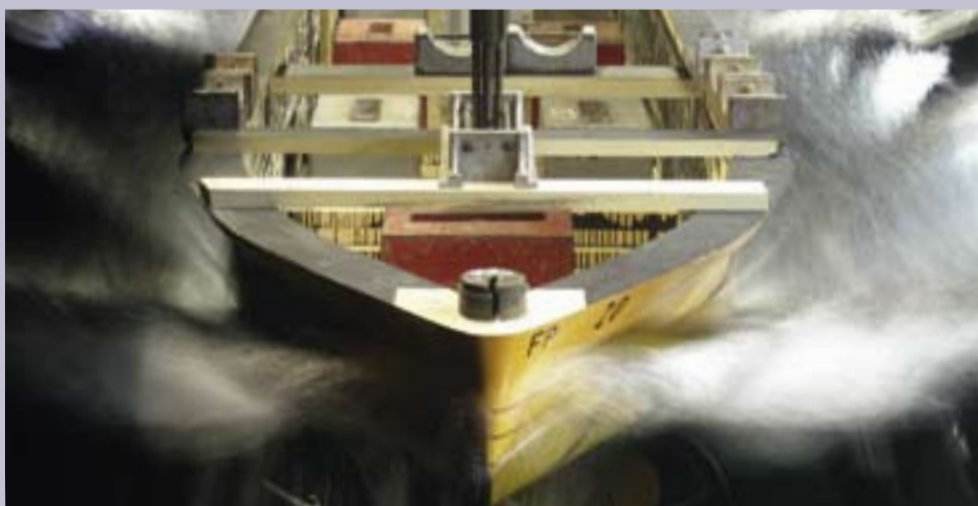
The HSVA team also has to concern itself with the increasingly stringent requirements of the International Maritime Organization (IMO) for the environmental compatibility of ships. "The trend is in any case to energy-saving, low-emission and slower vessels," notes Friesch. And this involves not only reducing CO₂ emissions. The assumption that propeller cavitation noises disturb communication between marine mammals has prompted the IMO also to limit the noise level of oceangoing ships in future. And



the know-how of HSVA is very much in demand when determining the limit values.

Jürgen Friesch,
Managing Director
of HSVA

And how does HSVA see the future for wind energy as supplementary propulsion for ships? Friesch is convinced of its potential: "Wind energy will succeed in the long term at least as additional drive source." However, he explains that it is necessary to develop not only a "propulsion system" but also an entire logistics chain. A link in this chain will be vessels specially designed for wind propulsion.



Promoting greater efficiency and reliability: Model trial in towing tank

New opportunities in the far north

The Arctic is an up-and-coming region, boasting a wide range of raw materials, including oil, gas, diamonds, ores and minerals. As world market prices of these important industrial resources are likely to increase in the medium and long term, the development of Arctic resources will become increasingly profitable. Climate change is also playing its part to open access to the hitherto ice-covered parts of the Arctic. There will be a significant increase in the already surprisingly brisk shipping in the Arctic.

Initially, bulk, tanker and heavy cargo services will benefit. Industrial sites will have to be built and workers equipped and supplied. The raw materials extracted would be transported away mainly by ship. Tramp shipping will also be the first to benefit from using the Arctic sea routes as an occasional alternative to the Suez or Panama Canal. However, it does not look as if there is a realistic chance of establishing a normal liner

service between for instance Europe and Asia in the foreseeable future.


The development of northern sea routes opens up new prospects for shipping, shipbuilders and marine equipment suppliers: enhanced hull and propulsion forms, new navigation and communications equipment and safety and environmental protection technology adjusted to weather conditions will be required for services in the Arctic. Shipping also wants to live up to its reputation as an environment-friendly and efficient means of transport in the Arctic. It is up to



the community of states to create the suitable parameters for this today.

Ralf Nagel
General Manager, VDR

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Successful segment: Cruise ships, such as the first vessel delivered in January 2010 by Meyer Werft, "AIDAbLu", remain in demand. The 71,100 gt "AIDAbLu", the fourth club ship for AIDA Cruises, has a length of 252m and a beam of 32.2m.

Cruise segment staying successful

Shipyards specialising in the construction of luxurious cruise ships could hold a very steady course through the demand crisis last year, the reason being that the cruise industry has not yet been buffeted by stormy seas. New players have even been entering the market alongside the previous main operators such as AIDA Cruises, Carnival Cruises, Royal Caribbean, Celebrity Cruises, Costa Crociere, MSC and Norwegian Cruise Line.

For instance, TUI Cruises last year acquired the first cruise ship of its own, "Mein Schiff" though not as a newbuilding: the vessel was originally built as the "Galaxy" at Meyer Werft and underwent comprehensive conversion and modernisation at Lloyd Werft. And more ships are to come. Richard J. Vogel, CEO of

TUI Cruises, confirms: "We plan to expand our fleet in the next few years."

According to the Swedish specialist magazine ShipPax, the cruise sector registered 20m passengers in 2008. Growth was 6% last year despite the economic crisis and is to reach as much as 6.5% in 2010.

The order books of yards building cruise ships are thus well filled. According to Seatrade Insider, the order list in early January 2010 comprised 28 cruise liners totalling 2.2m gt capable of accommodating close on 60,000 passengers and worth US\$16.4 billion. The lion's share of orders is claimed by the big three in Europe. Up to the end of 2012, Fincantieri has to deliver 11 ships, Meyer

Werft 8 luxury liners and STX Europe only 3 vessels, though the two largest with the "Allure of the Seas" (225,000 gt), sister ship of the "Oasis of the Seas", and the "Norwegian Epic" (153,000 gt).

Newcomer Korea?

It is in no way certain that the small but lucrative segment of cruise shipbuilding will remain dominated by the Europeans. At the beginning of last December, Samsung Heavy Industries (SHI) was the first Korean yard to announce it would start constructing cruise ships. It stated that this would at the same time mark the dawn of a new shipbuilding era in Korea and herald the end of the Europeans' long-standing supremacy in this

segment. The Korean yard had been selected by the US company Utopia to build an apartment cruise ship for US\$1.1 billion. According to SHI, the contract will be finalised in the first half of 2010. The vessel is due for delivery in 2013.

Vice Chairman of Samsung Heavy Industries Kim Jing-wan had this to comment on the pre-contract: "As the Korean shipbuilding industry needs to advance into the cruise ship market if it is going to maintain its No. 1 position in the global shipbuilding sector, Samsung Heavy Industries aims to surprise the world with the exceptional quality of this apartment-type cruise ship and lay a foundation for new growth of the Korean shipbuilding industry."

Focusing on high-tech ships

German merchant shipbuilding is undergoing a restructuring process that is already well advanced. During the years of the shipbuilding boom, it still held market shares for high-quality variants of standard ship types. Because of the adverse parameters in these segments due to overcapacities and a state-subsidised price strategy, particularly on the part of Asian competitors, many German yards have already successfully diversified in recent years, switching their product range mainly to high tech ship types of high value and packed with sophisticated equipment.

Cruise ships and ferries, mega yachts and special-purpose vessels for marine technology meanwhile account for over two-thirds of future production. The high tech vessels also include tugs, floating dredgers, patrol boats, pilot and work boats and rescue cruisers. Despite all the gloomy signs, we are thus justified in believing that German shipbuilding, hitherto claiming technological leadership in wide areas, will also be able to weather the current crisis by focusing more

on these technically sophisticated niche markets. Apart from special-purpose shipbuilding, however, offshore technology will also certainly gain in significance.

The same applies for maritime climate protection, which will become more important in future, as well as the repair and conversion area. Despite the current slowdown, the world merchant fleet will continue to grow in the long term. This presupposes further repair capacities. Particularly as oceangoing and inland shipping has to adjust increasingly to the fact that in future environmental protection requirements have to be realised in new ships and the operating fleet also has to be retrofitted.



Werner Lundt,
Managing Director
of the German
Shipbuilding and
Ocean Industries
Association (VSM)

Innovative ship management

It is vital for the ship's command team on the bridge to have all data and information collated there available at a glance in order to be able to respond fast and initiate the correct manoeuvres. Makers of integrated ship's bridges such as SAM Electronics and Northrop Grumman have thus focused on integration. SAM has launched with SSC NACOS (Navigation Automation Control system) Platinum an innovative integrated

ship's command system on the market. The new platform system includes all requisite functions such as radar, Ecdis, heading and track control, integrated alarm management, automation and control functions, propulsion control and cargo management. The NACOS Platinum series derives from a joint development between SAM, the Danish company Lyngsø Marine and L-3 Valmarine from Norway.





Super yachts such as the "Northern Star", delivered by Lürssen in October 2009, are among the top projects of European and German shipyards. The sophisticated equipment for the 75.4m long luxury ship was delivered by prestigious companies, Caterpillar supplying the main and auxiliary machines, Reintjes the gear boxes, Piening the propellers, Rolls-Royce the steering gears and Schottel the pump jet.

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Night life in the Port of Hamburg: Work proceeding round the clock on two cruise ships in the dry dock

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SMM 2010 hall plan

- Hall A1 Ship Operation Equipment, Environmental Technologies
- Hall A1 Deck Equipment, Cargo Handling Systems
- Hall A2 Pumps, Valves, Compressors
- Hall A3-A4 Lubrication
- Hall A3-A4 Prime Movers and Propulsion Systems
- Hall B1, B7 National Pavilions
- Hall B2-B4 Ground Floor Shipyards, Shipbuilding Industry
- Hall B2-B4 Upper Floor National Pavilions
- Hall B2 Production Equipment
- Hall B2 Ship Engineering & Design
- Hall B7 Shipbuilding Material
- Hall B5 General Outfitting / Interior Outfitting, Heating, Ventilation, Air Conditioning
- Hall B5 Safety Equipment, Fire Protection, Marine Coatings / Corrosion Protection
- Hall B6 Navigation and Communication
- Hall B6 Electric Drives, Automation, Light, Sensors & Indicators, Software & EDP, Electric Equipment
- Hall B6 Marine Technology



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