

## Germany's Role in the Maritime Industry

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**International Offshore  
Mechanics and Arctic  
Engineering Conference –  
OMAE 2006**  
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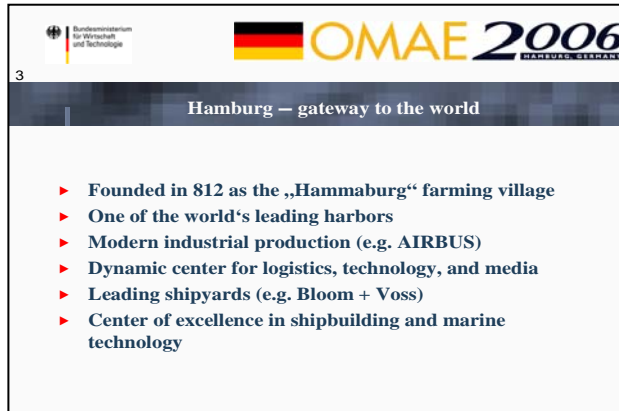


Thank you for inviting me to address the OMAE here at the CCH in the Hanseatic City of Hamburg. I am pleased to see that this year is not only a "time to make friends" in Germany for the FIFA World Cup matches, but also for the maritime industry and sciences.



It is a great honor for Germany to host the OMAE in the year of its twenty-fifth anniversary. It all began as an American conference, launched by the initiative of the Ocean Offshore and Arctic Engineering Division (OOAE) of the American Society of Mechanical Engineers (ASME). Since its establishment in New Orleans back in 1982, the OMAE Conference has developed into the world's most important offshore conference. It now has the support of thirty-three sponsoring organizations from all over the world, including the German Society for Maritime Technology. Four years after its start, the OMAE Conference was held in Tokyo, for the first time outside the United States. And we are happy to have you here in Germany this year as our guests in Hamburg. Hamburg, the gateway to the world and one of Europe's most important metropolises, is particularly well suited to host the twenty-fifth OMAE.

The growth of Hamburg from the "Hammaburg" farming settlement - set up in the year 812 at the confluence of the Alster and Elbe rivers - into one of the world's foremost ports is a historical success story. Modern services in the logistics, technology, and media branches - alongside



modern industrial production and traditional commerce - now define the profile of one of Europe's most dynamic economic centers. Leading shipyards such as Blohm+Voss continue to put their stamp on the port of Hamburg and we look back fondly on the visit here by the world's largest passenger liners: the *Queen Mary II* and the *Freedom of the Seas*.

Hamburg is also home to some of the world's leading shipping companies and it is one of the most important ship financing sites. With the Technical University of Hamburg-Harburg and the Hamburg Ship Model Basin, the city is a center of maritime research and development with excellent credentials in maritime and polar technologies.

This year, Hamburg is again hosting the Shipbuilding, Machinery, & Marine Technology International Trade Fair - SMM 2006. With 42,000 specialist visitors<sup>1</sup>, a third of whom come from outside Germany, and more than 1,400 exhibitors, SMM 2006 is **t h e** leading fair in the maritime shipbuilding industry with a growing share of marine technology. This year, the OMAE 2006 and SMM 2006 make Hamburg the world's central meeting place for the maritime industry and scientific community.




The strategic importance of the maritime industry for Germany was clearly outlined in the "German Government's Guidelines for the Promotion of the Maritime Economy" of June 2000. With more than 220,000 jobs throughout Germany, it is of central importance for a broad range of areas in our economy and public sector. This will increase in the future.

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<sup>1</sup> in the year 2004


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 **OMAE 2006** WIRTSCHAFTSBEREICH

### Maritime industry in Germany – a strategic sector

First National Maritime Conference June 2000 in Emden:  
**Guidelines of the Federal Government to Promote the Maritime Industry in Germany**



- ▶ Strategic importance for Germany as a whole
- ▶ 270 000 employees throughout Germany
- ▶ Maritime sector growing faster than overall economy

Since demand for transport services continues to expand, sea lanes and inland waterways will have to be used more intensively to move cargo. As an export nation, Germany therefore sees the maritime industry as an economic sector of great importance for shaping the future. The maritime industry in Germany embarked on a path of growth several years ago, and the trend is going to continue.

Germany's port sector showed sharply rising figures in 2005, with an increase of total cargo of some 5% to more than 280 million tonnes. Forecasts by the German Transport Minister indicated that the average annual increase at German ports will amount to 4.4%.

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 **OMAE 2006** WIRTSCHAFTSBEREICH

### Maritime industry in Germany – success story I

Maritime Ports 2005:



- ▶ 5% growth up to 280 million tonnes
- ▶ Future growth roughly 4.4% a year
- ▶ New deep-water ports for world's largest vessels
- ▶ Automatic port handling system

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 **OMAE 2006** WIRTSCHAFTSBEREICH

### Maritime industry in Germany – success story II

Maritime transport 2005:



- ▶ world's largest and most modern container fleet
- ▶ German fleet comprises more than 2.700 ships
- ▶ 50 million registered tonnes – ranks 3rd in the World
- ▶ 100% growth since 1999
- ▶ Leading role of German ship brokers in freighting merchant vessels
- ▶ German banks finance roughly 50% of merchant vessels

In the maritime shipping area, the merchant fleet controlled by Germany shipping companies comprises some 2,700 vessels. With a registered tonnage of some 50 million, our merchant marine is the third largest in the world. Since 1999, its registered tonnage has more than doubled.

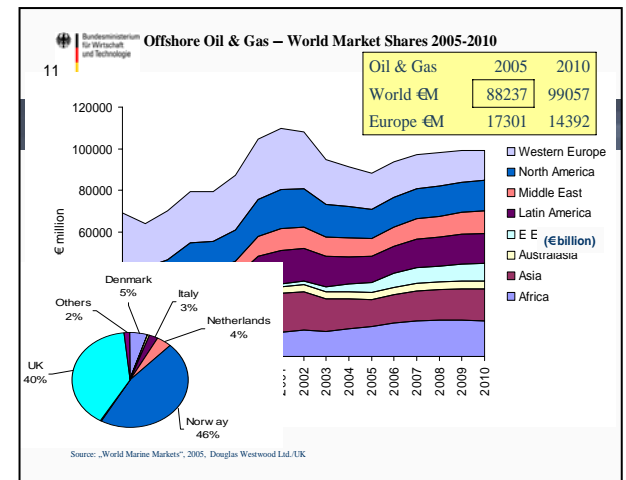
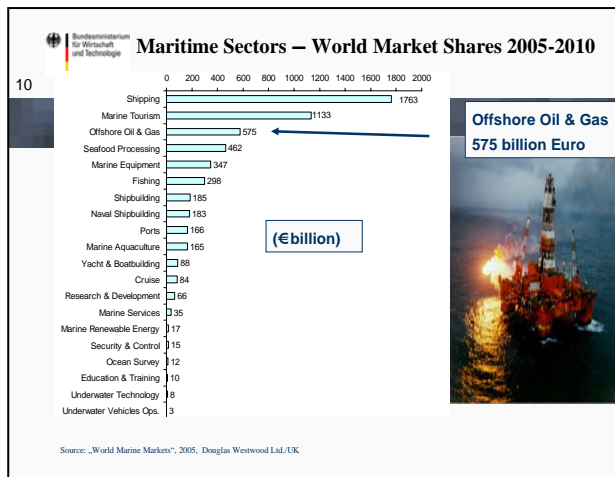
German had an order backlog shipyards and their subcontractors are booming. At the end of 2005, the shipyards of more than 11 billion Euros. In value terms, Germany accounts for some 10% of world shipbuilding turnover. The order books are filled up to and partially beyond 2008.



Various branches of our offshore technology have also developed in a positive manner. German suppliers to the international offshore market have been successful, above all in the areas of drilling and production, underwater and pumping technologies, control engineering, and inspection and intervention.

Offshore technologies for oil and gas, the main topic of the OMAE Conference, are the third largest market segment, worldwide, of the global maritime economy - after shipping and maritime tourism:

Their market volume amounted to just under 90 billion Euros in 2005. This gives offshore technologies a market potential that is considerably larger than that of worldwide shipbuilding, including both civil and military shipbuilding. With the global rise in energy demand and the unavoidable price increases, this trend will persist into the years to come.



Maritime economic and technology policy is a task of national importance in Germany. By drafting its Guidelines for the Promotion of the Maritime Economy, the government in Berlin inaugurated a comprehensive national maritime economic policy in the year 2000. Since then, the Federal Ministry of Economics and Technology has coordinated our maritime economic policy. As the responsible State Secretary, I have been in charge of these activities.

In Germany we have organized an exemplary dialogue among all of the maritime players from the business, scientific, and government communities. A keystone of these efforts is provided by our National Maritime Conferences. Federal Chancellor Dr. Angela Merkel will soon extend invitations to the Fifth National Maritime Conference - to be held on December 4, 2006 here in the CCH in Hamburg. Hamburg and the CCH are a veritable center of the maritime industrial and scientific communities this year.

The German government sees greater innovation and more investment as the most important keys for achieving higher growth and employment levels in Germany. Innovation is becoming the guiding idea of public and private action, particularly in the maritime business and scientific communities.

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**German maritime policy framework: the Lisbon Strategy**

- ▶ Increased investment in research, development, and innovation
- ▶ 3% of gross domestic product by 2010
- ▶ High-tech strategy plan for Germany in summer of 2006
- ▶ Federal government invests 6 billion Euro, 800 million in 2006
- ▶ Maritime technology is part of the high-tech strategy plan

The goal of the government in Berlin is to increase by the year 2010 joint outlays in the public and private sectors on education, research, and development to 3% of gross domestic product, as agreed by the Member States of the European Union in Lisbon. This target was elaborated in specifics in a comprehensive High-Tech Strategy for Germany, that Chancellor Merkel will announce this summer. The maritime technologies are one of the promising sectoral high-tech areas that will provide positive impulses for Germany as a competitive location for economic activities and jobs. The German government is investing an additional six billion Euros in the present legislative period on the High-Tech Strategy. Out of this amount more than 800 million Euros have already been invested this year.

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**5th National Maritime Conference 4 December 2006, Hamburg**

- ▶ The maritime sector is a key focus of the economic policy of the German government
- ▶ Permanent dialogue between federal government, Länder, business associations, companies, unions, and science
- ▶ National Maritime Conferences – started in Emden 2000, continued in Rostock 2001, in Lübeck in 2003, and in Bremen in 2005

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**Integrated funding and promotion of research, development, and innovation in the maritime sector**

- ▶ Research and development: „Shipping and Maritime Technology for the 21st Century“
  - ▶ 2006 -2009: roughly 90 million Euro
- ▶ Innovation: „Innovative Shipbuilding ....“
  - ▶ 2006-2009: roughly 60 million Euro
- ▶ Integrative innovation strategy executed by the Ministry of Economics and Technology
- ▶ Overall funding 2006-2009: 150 million Euro

At the focus of efforts are two assistance programs of the Federal Ministry of Economics and Technology: The R&D program "**Shipping and Maritime Technologies for the 21st Century**" has been funded with some 90 million Euros for the 2006-to-2009 period and chiefly finances industry-led collaborative projects in which commercial firms carry out joint research with universities or research centers and focus on common development objectives.

Proceeding from those measures, the efforts embodied by the program "Innovative Shipbuilding Safeguards Competitive Jobs," which is funded with some 60 million Euros for the 2006-to-2009 period, supports the industrial application of R&D results along with the application of new ideas, strategies, products, and methods in shipbuilding.

Activities concerning both programs have been concentrated in the Federal Ministry of Economics and Technology in the interest of ensuring a single and coherent innovation-promotion strategy to serve as a bridge from the basic research in universities to industrial research and innovative development activities and on to application in marketable products and new production techniques. The German government is thus boosting its assistance for offshore R&D and innovation in 2006 to almost 30 million Euros and up to 2009 to some 46 million Euros. Altogether the new government in Berlin will be investing roughly 150 million Euros in support of maritime R&D and in innovation in the maritime sector during the present legislative period.



Technological R&D aiming at systems approaches for the development and environmentally friendly extraction of energy and mineral deposits from the seas is one of the focal points for support in the program of "Navigation and Offshore Technologies for the 21st Century." To guarantee secure energy supplies, especially for European consumers, we must not

only implement market measures but must take correct and timely decisions on technological R&D to shape the future. The extraction of oil, gas, and mineral deposits is increasingly shifting from the land to sea and ocean-covered areas. Deep-water production of oil and natural gas (below 500 meters, and in the future below 1,500 meters) will more than double in the 2005-to-2009 period. The exploitation of these resources entails extreme engineering problems and is viewed worldwide as one of the most demanding high-tech challenges. This is documented at our Conference by the Special Workshop on the Pendulous Installation Method (PIM) for Development of Heavy Hardware in Ultra Deepwater.

In the decades ahead, the oil and gas resources especially from ice-covered Arctic areas and above all from the Barents Sea will play an increasing role for energy supplies in Europe and the United States. For this reason we have made polar technologies a focus of R&D support in the larger area of offshore technologies. Germany's offshore industry is



known for the efficiency and high quality of its components, which operate successfully both in the oil and gas industry and in deepwater engineering. You have the opportunity to become acquainted with our leading companies and products at the Conference. Germany's offshore industry is now concentrating on developing technology systems approaches for the tapping and environmentally friendly extraction of energy and mineral deposits from the seas. At the Offshore Technology Workshop to be held at the Fifth National Maritime Conference in Hamburg on December 4 later this year, this topic and the "Go Subsea Mission - Resources from the Seas" will be a central topic.

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 **OMAE 2006** OFFSHORE TECHNOLOGY

**Systems competence in exploration and production of oil and gas in deep sea and ice covered areas**

 Mission „Go Sub-Sea – Resources of the Sea“

Workshop 2

5th National Maritime Conference,  
4 December 2006

countries that have a strong need for technology as the prime users. And it is just these players that have been brought together in Hamburg by OMAE 2006: representatives of science just as representatives of all of the major branches of the world's offshore industry. OMAE 2006 is the ideal forum to discuss new and advanced technological developments and their applications in industry. This will foster progress and deepen international cooperation.

The technological challenges involved in developing offshore fields at great depths requires the bundling of international competencies. To solve the existing problems, early R&D cooperation is needed with countries that have the corresponding know-how alongside the economic capacities for the immense investments. Partners are also

I thank and congratulate the Conference hosts for this excellent event. The International Conference Committee chaired by Dr. Walter Kühnlein has put together an impressive Conference with twelve symposia, more than 400 technical papers, and over 500 participants - an achievement that amounts to a "World Championship in Offshore Technology." My appreciation once again goes to Ladies and Gentlemen from the local organizing committee and all of the energetic helpers without which this year's OMAE would not have been able to be prepared so well Your work has been excellent and I am proud of you! You represent the German offshore industry and science in a self-confident and convincing manner, and you have played a key role in making sure that the offshore-engineering community has had "time to make friends" here in Hamburg.

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 **OMAE 2006** OFFSHORE TECHNOLOGY

**Thanks on behalf of German government**

**Conference hosts**

- ▶ Ocean Offshore and Arctic Engineering Division (OOAE) of the American Society of Mechanical Engineers
- ▶ the International Petroleum Institute (IPTI)
- ▶ Deutsche Gesellschaft für Maritime Technik (GMT)

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 **OMAE 2006** OFFSHORE TECHNOLOGY

**Thanks on behalf of German government**

**International Conference Committee**

- ▶ Dr. Walter Kühnlein, Conference Chair
- ▶ Daniel Valentine, Technical Program Chair
- ▶ John Halkyard, OOAE Division Chair
- ▶ Denby Morrison, OOAE Representative
- ▶ Lisa Elliott IPTI
- ▶ Sarah Lewis, Conference Manager

**Local Organizing Committee**