



China comes to SMM 2010 as the new number one

**SMM 2010 – 24th International Shipbuilding Fair
at the Hamburg Fair site
from 7 to 10 September 2010**

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The People's Republic of China has overtaken South Korea in ship building and will come to SMM 2010 as the industry's new number one. SMM 2010, the 24th shipbuilding, machinery & marine technology, international trade fair hamburg is the industry's leading event. It will be held from 7 to 10 September, giving some 2,000 exhibitors from all continents a platform to present their latest developments to more than 50,000 trade visitors.

The latest status of China's shipbuilding industry is also reflected in the interest shown in SMM 2010. "Logically enough, participation from China is up at SMM 2010," says Peter Bergleiter, SMM Project Director at Hamburg Messe. Alongside the two major groups China State Shipbuilding Corporation (CSSC) and China Shipbuilding Industry Corporation (CSIC), which have exhibited at SMM for many years, there are now many more shipyards and equipment suppliers there. "At present we cannot meet all the requests from Chinese companies for more exhibition space," he adds, "but we are looking forward to the exchanges with the international industry – the exhibition halls are fully booked." The run on space at SMM is a good indicator of the brighter horizons ahead for the world's shipbuilding industry.

From the beginning of this year, China has taken the lead in the global shipbuilding league table, according to Clarkson Research Services Ltd., a London based market analyst, both in terms of new orders received in 2009 and current order book. Clarkson's figures for 1 January 2010 show a global order book of 7,954 new ships with tonnage of 152.5 million CGT. China accounts for 3,144 of these orders, with 53.2 million CGT, corresponding to a world market share of 34.9%. Korea's shipyards have an order book of 1,843 ships, with 52.8 million CGT (34.6%).

China's lead is even greater in terms of newbuilding orders received last year. In 2009, in a context of economic crisis, shipping companies ordered only 401 newbuildings worldwide, with 7.9 million CGT. China's market share was 191 newbuildings with 3.5 million CGT, a market share of 44.4%, while South Korea took orders for 113 ships with 3.2 million CGT (40.1%).

Last year the world's shipyards completed a total of 2,515 ships with 43.5 million CGT.

South Korea completed 511 ships with 15.4 million CGT, which was still ahead of China in terms of newbuilding tonnage – China completed 809 ships with 11.6 million CGT. This change in the number one ranking has happened sooner than China's shipbuilders were planning just a few years ago. Speaking at SMM 2002, when China was the focus country, Zhang Xiao Shan, who was Chief Representative of China Shipbuilding Trading Co. for Europe at the time, said that the growth target for 2010 was a world market share of 25%. At the end of 2003, Clarkson Research put China's share of the order book at 12.8%. The "great leap forward" was achieved much sooner than could have been predicted then.

The global marine equipment industry has long since adjusted to the new situation. "China has been a more important market than South Korea for some years now, because the number of newbuilds is more important than simple tonnage for the volume of orders placed with equipment manufacturers," said Hauke Schlegel, Executive Director of the VDMA working group of the Shipbuilding and Offshore Equipment Industry. "Further changes may occur quickly when demand picks up again, as expected."

Following the two leaders, Japan takes third place (15.2% of CGT order volume). The rest of the Top Ten in world shipbuilding are well below that volume, at roughly the same level – Vietnam (1.5%), India (1.4%), the Philippines (1.4%), Germany (1.2%), Brazil (0.9%), Turkey (0.8%) and the Netherlands (0,5%). Alongside China, India is the second growth engine for the global economy and, following the first SMM India in 2009, intends to demonstrate its increased shipbuilding expertise at a national pavilion at SMM 2010.

The increased demand by Chinese shipyards and marine equipment suppliers for exhibition space at SMM is matched by the increased interest in SMM by senior management of Chinese companies and administrations of central government and the provinces. A large number of delegations from China have indicated that they will attend this annual meeting point of the world shipbuilding industry, and combine this with participation in CHINA TIME Hamburg 2010, to be held in Hamburg for the third time this year, from 9 to 25 September 2010. This wide ranging initiative, addressing trade, industry and politics, and further issues of mutual interest, underlines Hamburg's excellent relations with China, unmatched elsewhere in Europe.

In the context of SMM 2010, the first global maritime environmental congress (gmec) will be held on 7 and 8 September 2010. This conference brings together more than 700 high-ranking representatives from industry, government, academia, navies and environment protection organisations, to elaborate and present practical solutions for environmentally sound, sustainable shipping.

Info: www.smm-hamburg.com.

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