

19th JECKU Top Executive Meeting

2010

October 28th, 2010, Nantong

Chairman's Note

The 19th JECKU Top Executive Meeting was held on Oct. 28th, 2010 in Nantong, China. 125 presidents and senior managers from the leading shipbuilding companies in Japan, Europe, China, South Korea and the United States attended the meeting.

The meeting covered presentations and comprehensive discussions on the global economic environment and the development of shipbuilding industry. The delegates reviewed market situation of various ship types and offshore structures, and estimated the future of shipbuilding demand and world shipbuilding capacity. Responding to the concerns expressed by some delegates, for the long-term tendency, over capacity could be a real obstacle for recovering of shipping and shipbuilding market. Also, the meeting introduced the influence of raw material cost, labor cost, exchange rate fluctuation and other factors on shipbuilding industry.

As the global economy is recovering, world shipbuilding industry is slowly turning out of the ebb. Although the confidence of related sectors

is gradually coming back; it may take some time for world shipbuilding industry to pick up since uncertainties still exist not allowing us to be too optimistic about the global economic recovery.

All delegations shared the efforts made on global basis to cope with the crisis and progress they've gained. Most delegates believe that the price of raw material will still be kept to a high level. The depreciation of the US dollar made a significant influence on earning capacity of shipbuilding.

Most delegates agree that the global economy recovery so far is better than initially predicted, and the emerging economies are contributing to the global economy and shipping trade development. The demand from China is still robust. And India is developing very fast which is seen as another key factor that may positively influence the market.

All participants realized that the environmental protection will impact the shipbuilding and shipping industry greatly. Less efficient ships may be abandoned which may enlarge the demand of high efficient ships and meanwhile arouse new challenges for ship design and construction. All delegates agreed that shipbuilding industry should make contributions to world environmental protection, focusing on quality and green-growth

technology. A wide range of technologies is available to reduce greenhouse gas emissions and other air and water pollutants. The shipbuilding industry therefore jointly advocates a change of mind set in the shipping industry to embrace the advances.

The attendees demonstrate the high emphasis attached to global information, opinion exchange and maritime issues discussion which can help to tackle the challenges ahead.

The participants endorsed the proposal to continue the cooperation through the JECKU meeting process and arrange the next meeting in the fall of 2011 in South Korea