

## **The 27<sup>th</sup> JECKU Top Executive Meeting**

Shima, 25 October 2018

### **Chairman's Note**

The 27th JECKU Top Executive Meeting was held in Shima City, Mie Prefecture, Japan on 25 October 2018, attended by representatives from major shipbuilders in Japan, Europe, China, Korea and the United States.

In traditional fashion, each of the delegations provided a report on shipbuilding and economy in their respective regions, then individual market briefs by ship types were reported as well as review of global shipbuilding supply and demand. The report of CESS (Committee for Expertise on Shipbuilding Specifics) included a discussion of the ongoing efforts to improve the effectiveness of JECKU and specific information on how shipbuilders will address new environmental regulations.

Participants noted the outlook that while the global economy is showing signs of recovery, world seaborne trade is not likely to grow at a much higher pace than world GDP growth as seen in the past. In addition, all delegations shared the view that world seaborne trade could be severely affected by development of trade issues which are currently taking place.

In the shipbuilding situation briefs, although some improved trends in new orders were pointed out, it was noted that orderbooks are not yet at a satisfactory level in the regions mainly building merchant vessels. On the other hand, the briefs reported that a relatively stable business environment is seen in the regions that specialize in building complex ship types. Regarding the ongoing urgent challenges in the shipbuilding market (i.e. the imbalance between supply and demand and low ship prices), the Top Executives in general acknowledged that both seem to have come through the worst times. However, the Executives are still not confident that both will follow the trends to full improvement and showed a need for continued appropriate responses to the causes of these challenges.

Individual market briefs and the review of newbuilding supply and demand indicated that a significant increase in newbuilding demand based on an increase in seaborne trade is not expected. In this context, it was mentioned that some publicly reported ship prices seem to indicate spreading of loss making levels, which could cause major damage to the recovery of markets to sustainable levels. On the other hand, the delegations showed some expectations that the strict environmental regulations will accelerate the replacement of older fleets and lead to newbuilding demand.

All delegations agreed that it is imperative to reflect a common voice amongst shipbuilders in the decision making process at the International Maritime Organization (IMO). As represented by the strategies on GHG reductions set at IMO, the ambitious requirements in environmental regulations for international shipping are gradually intensifying. Participants shared the view that these will naturally deliver opportunities to shipbuilders for the introduction of innovative technologies and also shared the spirit of a role that we have to fulfill.

In parallel, it is important that the shipbuilding industry closely cooperate with related industries. For that purpose, it is essential that ASEF (Active Shipbuilding Experts' Federation) and SEA Europe jointly cope with environmental challenges. As endorsed last year, the participants confirmed that JECKU will support activities of both ASEF and SEA Europe through the channel of CESS.

In keeping with the new JECKU element, so called "JECKU Evolution" agreed to last year, several topics relating to the environmental regulation and related impacts on shipbuilding business were reviewed. In this session, the Top Executives welcomed and endorsed the moves toward seeking realistic solutions that can be adopted by the key players. Additionally it was recognized that "any measures that may disturb the level playing field in the global shipbuilding market are not helpful in creating a healthy market situation and the global discipline on business practices is essential for fair competition" which had been indicated in last year's Chairman's Note.

The 28th JECKU Top Executive Meeting will be hosted by the European shipbuilders in 2019. All delegates agreed to meet in Viareggio, Italy in October 2019.

(End)

### List of Participants (Japan)

	#	Name	Position	Affiliation
Japan	1	Mr. KATOH, Yasuhiko	Senior Advisor (SAJ Chairman)	Mitsui E&S Holdings
	2	Mr. KANEKO, Kenichi	Assistant General Manager	Mitsui E&S Shipbuilding
	3	Mr. SHIOKAWA, Kenichi	Manager	Mitsui E&S Shipbuilding
	4	Mr. NAKAMURA, Yoshinobu	Chairman	Sumitomo Heavy Industries
	5	Mr. MIYAJIMA, Koichi	Director and Acting Chief General Manager	Sumitomo Heavy Industries Marine & Engineering
	6	Mr. OMIYA, Hideaki	Chairman of the Board	Mitsubishi Heavy Industries
	7	Mr. TSUCHIYA, Takashi	Senior Manager	Mitsubishi Shipbuilding
	8	Mr. SAITO, Tamotsu	Chairman of the Board	IHI
	9	Mr. TERASAWA, Nobuhiko	Associate Director	IHI
	10	Mr. MAEJI, Kazuto	Secretary to the Chairman	IHI
		Ms. TAKAHASHI, Yuri	Secretary to the Chairman	IHI
	11	Mr. MURAYAMA, Shigeru	Chairman	Kawasaki Heavy Industries
	12	Mr. FUJITA, Shoichiro	Senior Manager	Kawasaki Heavy Industries
		Mr. TASAKA, Hideki	Senior Manager	Kawasaki Heavy Industries
	13	Mr. MISHIMA, Shinjiro	Executive Advisor	Japan Marine United
	14	Mr. IWAMOTO, Hiroshi	Counselling Staff	Japan Marine United
	15	Mr. YAMAMOTO, Atsushi	Deputy General Manager	Japan Marine United
	16	Mr. HIGAKI, Yukito	President	Imabari Shipbuilding
	17	Mr. HIGAKI, Kazuyuki	Executive Senior Managing Director	Imabari Shipbuilding
	18	Mr. KASHIWAGI, Yoshinobu	Director	Imabari Shipbuilding
	19	Mr. MINAMI, Sho	CEO	Oshima Shipbuilding
	20	Mr. KAMICHIKA, Yoshinori	Executive Senior Managing Director	Oshima Shipbuilding
	21	Mr. UEDA, Takashi	President	Sanoyas Shipbuilding
	22	Mr. MIZUTANI, Keisuke	General Manager	Sanoyas Shipbuilding
	23	Mr. KIUCHI, Daisuke	Executive Managing Director	SAJ
	24	Mr. TERAKADO, Masashi	Managing Director	SAJ
	25	Mr. TSUCHIYA, Toshifumi	General Manager	SAJ
		Mr. MUNESHIKA, Hidenori	Deputy General Manager	SAJ
26	Mr. SUZUKI, Takeo	Manager	SAJ	
27	Mr. GON, Narihiro	Assistant Manager	SAJ	
	Ms. AZUMA, Kazumi	Staff	SAJ	
28	Mr. MINATO, Takuya	Director	JETRO London	

## List of Participants (Europe and China)

	#	Name	Position	Affiliation
Europe	29	Mr. DAMEN, Kommer	Chairman	Damen Shipyards Group
	30	Mr. BRONSCHER, Jason	Managing Director Offshore & Transport	Damen Shipyards Gorinchem
	31	Mr. HENDRIKX, Michiel	Regional Sales Director Asia Pacific	Damen Shipyards Gorinchem
	32	Mr. MÄKINEN, Eero	Advisor	Meyer Werft
	33	Mr. RECAMÁN RIVAS, Manuel Ángel	Vice President	Navantia
	34	Mr. LE JONCOUR, Arnaud	SVP Sales and Marketing	Chantiers De L'atlantique
	35	Mr. CENI, Paolo	CEO	CETENA
	36	Mr. LÜKEN, Reinhard	General Managing Director	VSM
	37	Mr. DEN HEIJER, Sander	Sector Manager	Netherlands Maritime Technology
China	38	Mr. CHEN, Minjun	Executive Vice Chairman	CANSI
	39	Mr. ZHENG, Yiming	Vice Director	CANSI
	40	Mr. SUN, Wei	Vice President	CSSC
	41	Ms. XU , Miao	General Manager Assistant	CSSC
	42	Mr. ZHENG, Chengrong	Senior Operations Manager	CSSC
	43	Mr. CHEN, Jun	President	Hudong-Zhonghua
	44	Mr. ZHANG, Heng	Deputy Director of Business and Marketing Dept.	Hudong-Zhonghua
	45	Mr. LU, Zixue	Translator	Hudong-Zhonghua
	46	Mr. LIU, Bo	Technical Expert	China Shipbuilding Power Engineering Institute
	47	Mr. HONG, Fangzhi	Director	China Institute of Marine Technology & Economy
	48	Ms. HU, Yongxiong	Vice-chief	Guangzhou Shipyard International
	49	Mr. WANG, Qi	Chairman	Shanghai Waigaoqiao Shipbuilding
	50	Mr. TAO, Ying	Senior VP	Shanghai Waigaoqiao Shipbuilding
	51	Mr. YANG, Weizan	Deputy Director	CSIC
	52	Mr. DENG, Changlian	Vice President	Dalian Shipbuilding Industry
	53	Mr. ZHANG, Yuhuan	Vice President	Bohai Shipbuilding Heavy Industry
	54	Mr. WANG, Guohai	General Manager	Wuchang Shipbuilding Industry Group
	55	Mr. LI, Shengjiang	Director	China Shipbuilding Information Center

## List of Participants (Korea and the United States)

	#	Name	Position	Affiliation
Korea	56	Mr. KANG, Hwan Goo	President & CEO	Hyundai Heavy Industries
	57	Mr. KA, Sam Hyun	President & COO	Hyundai Heavy Industries
	58	Ms. KIM, Eun Ji	General Manager	Hyundai Heavy Industries
	59	Mr. KIM, Kwang Woo	General Manager	Hyundai Heavy Industries
	60	Mr. SEO, Mingi	Officer	Hyundai Heavy Industries
	61	Mr. NAM, Joonou	President & CEO	Samsung Heavy Industries
	62	Mr. KIM, Kyoung Hyeok	Executive Vice President / Marketing Division	Samsung Heavy Industries
	63	Mr. OH, Seong Il	Vice President / Marketing Planning	Samsung Heavy Industries
	64	Mr. TAKITA, Kyoichi	Chief Representative Tokyo Office	Samsung Heavy Industries
	65	Mr. MIN, Kwanjoon	Senior Manager	Samsung Heavy Industries
	66	Mr. JUNG, Sung Leep	CEO	DSME
	67	Mr. PARK, Hyung Gun	Vice President	DSME
	68	Mr. CHOI, Weon Seock	Director	DSME
	69	Mr. KIM, Pyeong Yeon	General Manager	DSME
	70	Ms. BOK, So Young	Manager	DSME
	71	Mr. HAN, Young Seuk	President & CEO	Hyundai Mipo Dockyard
	72	Mr. PARK, Tae Yung	General Manager	Hyundai Mipo Dockyard
	73	Mr. YOON, Moon Kyoon	President & CEO	Hyundai Samho Heavy Industries
	74	Mr. EUN, Hee Suck	Executive Vice President	Hyundai Samho Heavy Industries
	USA	75	Mr. CHUNG, Seok Joo	Managing Director
76		Mr. KIM, Sung Hyun	Team Leader	KOSHIPA
77		Mr. HA, Sung Eun	Staff	KOSHIPA
78		Mr. GRANEY, Kevin	President	General Dynamics NASSCO
79		Mr. WETHERALD, Tom	Director	General Dynamics NASSCO