German Maritime Industry investing heavily for its future – Chinese shipbuilding important technology partner
“Industrie 4.0” providing new opportunities for German - Chinese shipbuilding cooperation

Shanghai, December 2nd 2015 – The maritime industry in Germany is strengthening its position as technology leader for the worldwide shipbuilding industry. In particular marine and offshore equipment suppliers, who employ approx. 67,000 persons in Germany, boosted their turnover to 12 billion Euro, despite the shipyard crisis in the main Asian markets and the fierce competition in global shipping. The high export rate of 74 per cent confirms Germany’s leading position in the international marine equipment sector.

“For the coming year, we’re seeing no more increase in incoming orders: The forecast consolidation with global ships newbuilding orders is a fact. Investment in the offshore oil and gas area is continuing to decline,” said Dr. Alexander Nürnberg, chairman of Marine Equipment and Systems in the German Engineering Federation (VDMA), at the association’s press conference held in Shanghai, at the German Pavilion at Marintec China. “Nevertheless, the larger part of our companies report further growth and a stable position, based on our strong European technology and R&D networks as well as the strategic focus on the global market opportunities.”

“The sector knows this cyclical pattern, the ups and downs with incoming orders, changing capacity utilisation in production and fluctuations in market prices,” added VDMA executive board member Dr. Andreas Boehme. “We see this development as a chance to expand our leading role on the competitive global stage. We’re investing now to offset the volatility of the markets. An increase in productivity and flexibility, with new approaches such as Industrie 4.0, are the required results.”

China’s shipbuilding industry is still the largest partner of the German marine equipment and systems suppliers. After the boom in merchant shipping had ended, China needed to develop a new strategy for its shipbuilding industry: “As Chinese shipyards are moving towards building energy efficient and technological advanced vessels, there is a great opportunity to create new strategic partnerships between German and Chinese companies”, explains Dr. Nürnberg. “Basic design and life-time service are core competencies of the German industry. Chinese partners contribute with market access and competitive production facilities.”
Leading German engine makers as well as many larger and smaller marine equipment suppliers went into partnerships with Chinese companies.

**Huge potential through Industrie 4.0 in the maritime sector**

The digitalisation of society and the economy is proceeding apace, thereby increasing customer expectations and generating new business ideas. This is resulting in greater fluctuations in incoming orders and shorter cycles for marine and offshore equipment suppliers. Companies use the digital evolution for faster and more targeted R&D to create marketable intelligent products and systems. The customer value is being continuously enhanced by diverse sensor technologies and intelligent controls. German Government and Industry together are promoting this leap forward in technology evolution connected with “Industrie 4.0” with a comprehensive strategy and support programme.

“Industrie 4.0 is in its entirety a good opportunity for the maritime industry to continue to hold its position vis-à-vis competitors worldwide and with new ideas gain market shares,” confirmed Dr. Andreas Boehme.

**Long-term service as competitive advantage**

Global competition is continuing to intensify among marine equipment suppliers, just like in other sectors. German suppliers score with long-term service offers and available-to-promise guarantees. The top-quality German products pay off for operators over the entire lifecycle. The sector uses the close contact to the shipping lines to upgrade their vessels over the entire lifecycle in an environment-friendly and cost-efficient way to meet the latest technical standards and thus secure profitability.

**Green shipping**

“Green shipping” is providing an important push to the market. The demand for efficient and environmental-friendly ship operation has two main drivers: legislation and operational cost. As long as the costs of energy are low, investments in environmental-friendly technologies do not find sufficient interest from the shipbuilding community. Coming under pressure with high operational costs due to high fuel costs (which are expected to last in the coming years) and due to increasing public pressure for clean transportation, the demand for the “green” technologies is steadily increasing.

**Offshore oil and gas – oil price braking investments**

The sales activities of the offshore equipment suppliers are being slowed particularly by order deferrals on the part of the oil and gas groups as a consequence of the low world market price for oil and gas. However, German makers see good opportunities in the medium term. “Reliability, availability, quality and solutions for cost reduction in the processes are the requirements of the offshore oil and gas investors,” emphasized Nürnberg.

If you have any questions, please do not hesitate to contact

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