INDUSTRY UPDATES

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INMEX CHINA

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1. Baltic routes: DFDS orders ro-pax ships in China
By DFDS
Posted on February 12, 2018

DFDS just signed a contract with the Guangzhou Shipyard International (GSI) in China for the delivery of two ro-pax ships for our Baltic route network in 2021. The ships will enable us to support our customer’s future growth on routes between Klaipeda and Kiel/Karlshamn.

DFDS continues to modernize and increase its fleet to be prepared for our customers’ future needs and demands. Today, DFDS signed a contract for the delivery of two large ro-pax ships from the Guangzhou Shipyard International (GSI) in China. Ro-pax ships are combined freight and passenger ships, and the 230 metres long vessels will each have a capacity of 4,500 lane metres and will be able to carry 600 pas`. The ships will be delivered from the yard during the first and second half of 2021 respectively and are intended for one of our services between Klaipéda and Germany or Sweden.

“The two ships represent a total investment of about DKK 1.75 billion and will be another welcome addition to our newbuilding programme that already counts four large ro-ro vessels, of which the first is expected to join our network in one year’s time. With their 250 passenger cabins and large, comfortable public areas, the ships will offer a new state-of-the-art travel experience for our tourist and driver passengers crossing the Baltic Sea,” says Peder Gellert, EVP and Head of the Shipping Division.

“The large cargo capacity will enable us to support our customers’ future growth in the Baltic region”.

The ships will be equipped with scrubbers and built to the newest, environmental standards offering the lowest possible fuel consumption and exhaust emissions.

“I would like to extend a warm thank you to the DFDS team involved for a remarkable – but also very hard – piece of work securing this contract in China. It has been negotiated for a year with many ups and downs in the process,” says Peder Gellert who was in China along with other members of the negotiations team.
DFDS’ new ro-pax vessels:
Length, overall: 230.00 m
Length, between perpendiculars: 224.50 m
Breadth, moulded: 31.00 m
Breadth, including fenders: 31.60 m
Draught, summer loadline: 7.00 m
Passengers: 600
Crew: 62
Lanemeter: 4500 for trailers and cars
Service Speed: 23 kn
Passenger cabins: 250 pcs
Passenger berths: 690
Crew Cabins: 62 pcs
GT: 54,900
Stern ramps and internal ramps
Scrubber
EEDI compliant
Ice 1c

The contract was signed on Monday 12 February at 20:58 2018 Chinese time. According to Chinese tradition this is quite lucky as the figure 8 should bring luck. We certainly hope so.
2. MSC Group and Onorato to build mega cruise ferries in China
By The Medi Telegraph
Posted on February 11, 2018

Genoa - MSC Group and Onorato Armatori signed a contract today with Guangzhou Shipyard International Co. GSI and China Shipbuilding Trading Co., CSTC to build four 2,500-passenger, 3,765-lane meter luxury roll-on/roll-off luxury cruise ferries. The contract includes an option for four additional vessels.

GSI and CSTC are subsidiaries of the China State Shipbuilding Corporation (CSSC). Of the initial order for four: GNV, MSC Group’s Genoa, Italy-based ferry business and the leading operator in the Mediterranean, will receive the delivery of the first and third vessel, a statement said. Onorato Armatori will receive the second and fourth.

Additionally, the two companies will hold options for an additional two vessels each. The first vessel will come into service in 2020. The official signing ceremony, which took place on Sunday at CSSC headquarters in Beijing, was attended by Dong Qiang, chairman of CSSC, Pierfrancesco Vago on behalf of MSC Group, Achille Onorato of OnoratoArmatori and ship owner, Matteo Catani, CEO of GNV, HAN Guangde, chairman of GSI, and LI Hongtao, general manager of CSTC.

The luxury roll-on/roll-off passenger cruise ferries are 229.50 meters in length and 32 meters wide with 534 cabins for up to 2,500 people, and can travel at a speed of 23.5 knots. They have been classed by RINA. Additionally, the vessels will feature a variety of environmentally friendly features including LNG-ready engines. Vago said: “For MSC Group, the order of these highly-innovative, luxury cruise ferries marks yet another milestone in our commitment to China. A country in which we opened our first office in 1998 and today we have 24. Where over the years we built over 70 of our cargo vessels and most of our three million container boxes, all of which while investing over $10 billion in this and other manufacturing. A market in which we partner with some of the best companies in our industry to today handle 10 million TEU’s a year. And where, starting this May, will homeport one of our largest and most modern cruise ships: the MSC Splendida. "We are particularly pleased to see that the Chinese shipbuilding industry has made such a significant step change over recent times," added Vago. “It is for this reason that the time has now come for MSC Group to partner with China and its shipbuilding industry also with our ROPAX business. This starts with the construction of the magnificent vessels that we are announcing today.”

Onorato added: “With this signature we have taken another important step towards the creation of a RO-PAX class of ships, something inconceivable until a short time ago, something that is avant-garde and projected towards the future. These two new vessels will not only be the biggest RO-PAX ever built but will also have comfort and technology that will be difficult to copy and we are sure that they will represent the benchmark for the entire sector. Innovation has always been an objective to which the Onorato family has attached great importance, and the ships are the demonstration of how much we desire to improve and make more efficient the transport of people and cargo in the Mediterranean basin.”

http://www.maritimeshows.com/china/
3. Bulker Owner Signs for Two Cruise Ships from Chinese Yard
By The Maritime Executive
Posted on February 1, 2018

Wuchang Shipbuilding, a unit of state-owned conglomerate China Shipbuilding Industry Corporation (CSIC), is about to enter a new line of business: the construction of cruise ships. Bulker operator Fujian GuoHang Ocean Shipping recently placed an order with Wuchang for two 70,000 gt luxury vessels, which would be among the first of their kind built in China.

Wuchang is a conglomerate within a conglomerate, with 11,000 employees in its steel structures, bridges, defense and merchant vessel divisions. On the maritime side, it has built over 1,400 workboats, bulkers, offshore vessels, frigates, submarines and surveillance ships. Wuchang is also an international property developer: in conjunction with Sino Great Wall International Engineering Co., it is providing EPC services for the new Thai Boon Rong Twin Towers in Phnom Penh, joining in Cambodia's growing rush for luxury properties.

Like other CSIC units, Wuchang Shipbuilding has recently undergone a series of restructuring initiatives. In 2016, it merged with CSIC subsidiary Qingdao Beihai Shipbuilding, a large yard that is best known for building large bulkers and jumboizing container ships. Last year, CSIC recapitalized Wuchang and sister firm Dalian Shipbuilding Industry Co. by taking in $3.3 billion from eight Chinese investors in a series of debt-for-equity swaps and cash-for-equity transactions. According to one analyst interviewed by China Daily, the transaction could be a precursor to a merger with China State Shipbuilding Corporation (CSSC) - the only other Chinese shipbuilder with a large cruise ship on its books.

The buyer of the two new cruise ships at Wuchang, Fujian GuoHang, has historically focused on China's domestic coastwise dry bulk trade, and it controls over two million dwt of bulker capacity. It also has experience with passenger vessels: in 2010 it co-founded the Fujian Cross Strait Ferry Corporation, which runs high-speed ferries between mainland China and Taiwan.

Other recent attempts to build full-size cruise ships outside of the major centers of excellence in Europe have faltered, due in part to the complexity of the vessels and in part to the limited availability of specialized suppliers. In 2016, Mitsubishi Heavy Industries withdrew from the cruise ship market after losing billions on the construction of AIDA's new flagship, AIDAprima. MHI head Shunichi Miyanaga told the Financial Times that supplier difficulties put Asian yards at a disadvantage relative to their European peers. "We have been having difficulty finding an appropriate supply chain for Asia, especially in Japan, for some of the specifics, for some of the equipment and some of the systems for cruise ships," he said.

For its own cruise ship partnership with Carnival and Fincantieri, China State Shipbuilding Corporation is setting up a special-purpose district for cruise ship suppliers on the outskirts of Shanghai. The district's developers told media that they intend to invest nearly $750 million in the project, which could circumvent some of the difficulties encountered in previous attempts at non-European yards.
Chinese shipbuilders have beaten their Korean counterparts this year having snapped up the biggest share of orders, totaling in 290 vessels, data from VesselsValue shows.

The country’s orderbook has hit USD 10.2 billion mark.

South Korean builders are lagging behind considerably behind their Chinese competitors having collected orders for 170 ships. However, the ships ordered at Korean yards have attracted an investment of USD 11.8 billion, due to the fact that the Big Three builders- DSME, HHI, and SHI- specialize in constructing more technologically advanced ships.

Korean shipbuilders have held the top spot on the global shipbuilding scene for years, in particular during the 2011-2015 period.

Attractive pricing has been one of the key strategic advantages employed by the Chinese shipbuilders, who have also made strides in acquiring the required know-how for the construction of ultra-large containerships.

A testament to this is CMA CGM’s decision to order nine 22,000 TEU giants at China’s Hudong-Zhonghua Shipbuilding and Shanghai Waigaoqiao Shipbuilding (SWS), which raised many eyebrows in the market, including that of the Korean yards.

What is more, these will be the largest containerships to be powered by liquefied natural gas, a major technological undertaking for Chinese shipbuilders as well.

Japan has secured the third place in the ranking, having received newbuildings orders for 97 ships, worth USD 2.6 billion.

The Philippine and Vietnamese shipbuilders are ranked as the fourth and fifth shipbuilding nations respectively based on their newbuilding tally for this year.

Owners have placed orders for a total of 27 ships with Philippine shipyards, while their Vietnamese counterparts won orders for 13 ships, totaling in USD 370 million, according to VesselsValue.
5. Brokers: Chinese Yards Take the Bulk of Last Week’s Bulker Orders
By World Maritime News
Posted on December 12, 2017

Chinese shipbuilders have secured the majority of last week's reported orders, bolstering further China’s status as a top shipbuilding nation.

New Times Shipbuilding has won a contract for the construction of eight 63,000 dwt bulkers from Cyprus-based Frontmarine, according to Allied Shipping Research.

The ships are slated for delivery in 2020 and are valued at USD 26.5 million apiece, pushing the total value of the deal to USD 212 million. The deal is said to include additional options.

Qingdao Wuchuan Heavy Industries has been tied to an order for up to eight 86,000 dwt bulkers. Chinese owner Fujian Quohang Ocean is said to be behind the contract, which includes three firm ships and options for five newbuilds, Asiasis said.

The trio is scheduled for completion in 2019 and is estimated to have fetched around USD 90 million in investment.

South Korean counterpart Hyundai Heavy Industries has reportedly won an order for two 400,000 dwt bulkers from compatriot Hyundai Glovis, while Japanese yards, including Tsuneishi, Sasebo Heavy Industries, and Mitsui Engineering nabbed orders for one small bulker each.

Separately, Chinese Chengxi Shipyard has been linked to an order for up to four 56,000 dwt tankers, placed by HK Kai Sheng International Shipping, data from Allied Shipping shows.

Under the terms of the deal, the Chinese yard will build two tankers, scheduled for completion in 2019 and 2020 respectively. Two additional units are optional.

The newbuildings are priced at around USD 30 million apiece.

http://www.maritimeshows.com/china/
Chinese Yards Step Further into Cruise Shipbuilding
By The Maritime Executive
Posted on August 3, 2017

China State Shipbuilding Corporation (CSSC) is preparing to set up a major supply chain hub for cruise ship construction in Baoshan, an industrial area on the outskirts of Shanghai. The development authority for the district recently told Reuters that it will commit about $740 million to develop the new supply hub.

The investment is significant, as the highly-specialized supply chain required for cruise ship construction is a major barrier to entry for the sector; several non-European yards have tried and failed to build cruise ships profitably, in part because of the difficulty in finding high-quality suppliers.

CSSC, leading cruise shipbuilder Fincantieri and Baoshan signed an agreement for the new supply chain site in May, a part of the Fincantieri / Carnival / CSSC deal for the construction of two Vista-class cruise ships. The $1.5 billion contract includes options for an additional four vessels. Fincantieri reportedly has hundreds of employees on site at CSSC's Shanghai Waigaoqiao Shipyard advising on the construction, and the Export Import Bank of China has agreed to guarantee a $38 million payment for access to Fincantieri's technology.

Inside sources told Reuters that the Chinese government had pressured Carnival to build in China; in turn, these sources allege, Carnival asked Fincantieri to partner with CSSC. Fincantieri denied this account.

The deal was not Fincantieri's first in Shanghai. In early 2016, the firm signed a technical assistance agreement with the Shanghai-based repair yard Huarun Dadong Dockyard (HRDD) for service and conversion of cruise ships. The agreement gives Fincantieri a regional service center in the growing Chinese cruise market.

However, the Italian shipbuilder may have created political challenges for its European ventures by doing more business in China. The French government recently withdrew an agreement to let Fincantieri buy the cruise/ naval shipyard STX France, calling for a 50/50 ownership structure instead. Paris' concerns are related to a desire to retain national control, but the yard's unions also worried that Fincantieri's technology transfers to a competitor in China would undercut STX France's business. In addition, CSSC is China's top defense shipbuilder, and Paris was reportedly concerned at the possibility that a foreign power might access STX France's naval technology.

CSSC, Fincantieri and Carnival are not the only parties interested in Chinese cruise ships. Reports suggest that many Chinese shipbuilders – whose orderbooks have been hard-hit by the downturn in merchant shipbuilding – have been offering steep discounts to cruise operators in hopes of new orders. Cruise ship lessor SunStone Ships made headlines in March when it signed for as many as ten expedition-size vessels from China Merchants Industry Holdings. SunStone did not specify the price, but it did name the suppliers: the design, equipment package and construction supervision will be provided by Ulstein Group, and cabins and interiors will be by Mäkinen.

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The End
INMEX China is the largest and most established international maritime event in the South China Sea region. The 8th edition of the exhibition will feature a greater range of cutting-edge marine technologies and equipment presented by both local and international exhibitors. The biennial maritime exhibition is the ideal platform for the maritime community in Asia.

Latest Extension of Exhibit Showcase in INMEX China 2018: Cruise Build

Dedicated to the cruising community, INMEX China - Cruise Build, a new extension of exhibit brings together leading cruise companies and suppliers for opportunities of networking events, educational seminars and conferences and exhibitions.

With strong industry partners and an evolving event, our dedicated exhibit space provides a central platform for industry leaders to engage with a lucrative audience, reach your top prospects, cultivate leads, and explore trends and insights in all verticals of the maritime world.

Exhibitors’ Profile

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