

Opening Address

Oi-Hyun Kim
Chairman, KOSHIPA

Distinguished delegates from Asian shipbuilding industries!

On behalf of the Korean delegation, I first of all would like to extend our warmest welcome to all of you to beautiful Jeju Island.

I am also very pleased to see so many distinguished experts from Asia, and to host this 8th ASEF, the third time in Korea.

Dear delegates,

Regarding the global economic situation, the IMF, in its World Economic Outlook last October, announced that global growth for 2014 was projected at 3.3 percent, 0.4 percentage point lower than in its April Outlook. The growth forecast for 2015 also projected to face downside risks largely due to weaker-than-expected global economic growth in the first half of 2014.

Turning to the world shipbuilding market, new orders in 2013 recorded 48.7 million CGT, according to Clarkson's data, which was a remarkable jump compared with the 25.3 million CGT in 2012. However, after a firm result in 2013, new shipbuilding orders of 30.8 million CGT were placed during the first nine months of 2014, leaving the contract volumes down 32% on an annualized basis. It is also worrisome that global shipbuilders are facing downward pressure on newbuilding prices resulting from the slowdown in overall

contracting activity. Furthermore, the continuing tightness in ship financing and decrease in seaborne trade volume, combined with the global economic slowdown, has dealt a severe blow to the global shipbuilding industry.

In the face of the slowdown in shipbuilding activities, Asian shipbuilders are required to make urgent structural reforms and innovation in technology development for more sustainable growth. In particular, environmental measures, among the global issues, remain an important challenge for both shipowners and shipbuilders and dealing with them is an absolute condition of business survival.

As you know well, IMO is taking the lead with various measures to reduce pollution from ships, world shipbuilders are spurring further efforts to develop eco-friendly vessels.

In this regard, ASEF is a timely platform to raise the voice of Asian shipbuilding industries, which account for more than 90 percent of the global shipbuilding market, with regard to the development of maritime rules and regulations as well as standards. I believe that ASEF has built a strong cooperative foundation among shipbuilding experts in Asian countries and emphasized the importance of a common voice to address IMO issues. I also hope that further development will be achieved on the IMO-NGO issue through this forum.

As future rules and regulations have the potential for major impact on our shipbuilders' success and survival, we, as a major stakeholder in the world maritime industries, should do our best to pursue development of the global shipbuilding industries and create new markets by active participation in the

discussions on related rules and regulations.

In particular at this ASEF, I hope we could share information and enhance mutual understanding through discussions on common issues that could impact shipbuilding industries. Based on the established foundation, it, therefore, is urgent that ASEF expand its common voice at international bodies, such as IMO or ISO. I hope this opportunity will contribute to our collaboration and co-prosperity by addressing the immediate pending issues as well as predicting future issues in the global shipbuilding market.

Finally, once again I welcome you to Jeju and sincerely hope you will take this opportunity to enjoy the beautiful autumn in Korea and make many happy memories during your stay n Jeju Island

Thank you very much for your kind attention.