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## Industry Snapshots

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## GERMANY SHIPBUILDING

14 September 2016

### This Week's News

- **Reuters – Thyssenkrupp's Atzpodien to lose job after submarine tender loss - sources – 09/09/2016**  
Thyssenkrupp manager Hans Christoph Atzpodien is expected to lose his job after failing to win the \$40 billion Australian submarine tender, two sources familiar with the matter told Reuters.  
For the complete story, see: <http://www.reuters.com/article/thyssenkrupp-industrialsolutions-atzpodien-idUSL8N1BL40A>
- **Reuters – Shipyard groups Damen, Fincantieri potential STX France buyers: paper – 08/09/2016**  
Dutch group Damen shipyards and Italian group Fincantieri are the two potential buyers that have emerged for STX France, French daily Le Monde said on Thursday. Germany's Meyer Werft had previously been discussed as a possible buyer.  
For the complete story, see: <http://www.reuters.com/article/us-france-stx-bidders-idUSKCN11E1L8>
- **NDR – FSG workers vote for negotiations – 12/09/2016**  
Despite having a full orderbook until mid-2018, FSG has recorded double-digit losses in the millions of euros for four straight years. With creditor banks demanding the yard return to profitability by next year, FSG management is seeking to let go of 100 of the 750 workers at the yard, in addition to reviewing collective wage agreements. Recognizing the difficult business situation, 90% of the workers at the yard who belong to a trade union voted on Monday to begin negotiations with management over planned cuts. The goal is to finish negotiations within a month.  
For the complete story, see: <https://www.ndr.de/nachrichten/schleswig-holstein/FSG-Mitarbeiter-stimmen-fuer-Tarifverhandlungen,fsg152.html>

### Other Stories

- NDR – Nordseewerke to build blocks for Meyer – 09/09/2016
- DefenseWorld – ThyssenKrupp to modernize four Peruvian submarines – 08/09/2016

### Media Releases

- MEYER WERFT – Carnival Corporation to Build Three New LNG-Powered Cruise Ships with Meyer Werft and Meyer Turku – 06/09/2016
- MEYER WERFT - e4ships – Fuel Cells in the Maritime Sector – 07/09/2016
- MEYER TURKU - Carnival Corporation orders two new ships from Meyer Turku – 06/09/2016

### Leading Company Overview

Blohm+Voss  
Fassmer  
Flensburger Schiffbau-Gesellschaft (FSG)  
German Naval Yards Holdings  
Lloyd Werft  
Lürssen  
Meyer Werft  
MV Werften  
Thyssenkrupp Marine Systems (TKMS)

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## News and Commentary

### **Reuters – Thyssenkrupp’s Atzpodien to lose job after submarine tender loss - sources – 09/09/2016**

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<https://www.ndr.de/nachrichten/schleswig-holstein/FSG-Mitarbeiter-stimmen-fuer-Tarifverhandlungen,fsg152.html>

### **NDR – Nordseewerke to build blocks for Meyer – 09/09/2016**

The abundance of commissions at Meyer Werft is having its effects lower down the supply chain: the Nordseewerke in Emden, together with the service firm Dirks, has concluded a 3-year contract for the construction of 15 cruise ship blocks annually for Papenburg’s Meyer Werft. After years without commissions, the Nordseewerke – with a more than 100-year history – should begin construction on the blocks in 3 weeks. Over 100 jobs will be created.

For the complete story, see:

[http://www.ndr.de/nachrichten/niedersachsen/oldenburg\\_ostfriesland/Nordseewerke-bauen-Schiffsteile-fuer-Meyer-Werft,nordseewerke216.html](http://www.ndr.de/nachrichten/niedersachsen/oldenburg_ostfriesland/Nordseewerke-bauen-Schiffsteile-fuer-Meyer-Werft,nordseewerke216.html)

### **DefenseWorld – ThyssenKrupp to modernize four Peruvian submarines – 08/09/2016**

ThyssenKrupp Marine Systems (TKMS) has won a contract worth an approximate \$44.7 million to provide engineering and technical services for the modernization of Peruvian Navy submarines.

For the complete story, see:

[http://www.defenseworld.net/news/17029/ThyssenKrupp\\_To\\_Modernize\\_Four\\_Peruvian\\_Submarines#.V9fBgPkrLIU](http://www.defenseworld.net/news/17029/ThyssenKrupp_To_Modernize_Four_Peruvian_Submarines#.V9fBgPkrLIU)



Details of our newly released 74-page Global High-Tech Market Research Report on the world's high-tech shipping market and its leading companies, including Daewoo Shipbuilding & Marine Engineering Co Ltd, Fincantieri SpA, General Dynamics Corporation, Havyard Group ASA, Hyundai Heavy Industries Co Ltd, Mitsubishi Heavy Industries, Ltd Samsung Heavy Industries Co Ltd, and Ulstein Group ASA among others.



See [http://www.macrosourcemediacom/store/p7/High-Tech\\_Shipping\\_Market\\_Report\\_%2874\\_pages%29.html](http://www.macrosourcemediacom/store/p7/High-Tech_Shipping_Market_Report_%2874_pages%29.html)

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## Media Releases

### **MEYER WERFT – Carnival Corporation to Build Three New LNG-Powered Cruise Ships with Meyer Werft and Meyer Turku – 06/09/2016**

World's largest leisure travel company signs new agreement with leading German and Finnish shipbuilders to deliver two new cruise ships for Carnival Cruise Line and one new cruise ship for P&O Cruises UK through 2022

Carnival Corporation to optimize order book across more brands

New ships will feature the company's exclusive "green cruising" design as part of the first generation of cruise ships to be powered at sea by Liquefied Natural Gas, the world's cleanest burning fossil fuel

Carnival Corporation & plc (NYSE/LSE: CCL; NYSE: CUK), the world's largest leisure travel company, today signed a memorandum of agreement with leading German and Finnish shipbuilders Meyer Werft and Meyer Turku to deliver three additional next-generation cruise ships that will be fully powered by Liquefied Natural Gas (LNG), the cleanest burning fossil fuel in the world. The shipbuilding agreements are subject to several conditions, including satisfactory financing.

Carnival Corporation said two of the new LNG-powered ships are designated for the world's most popular cruise brand, Carnival Cruise Line, and will be built by Meyer Turku at its shipyard in Turku, Finland, with delivery dates expected in 2020 and 2022. The new ship for P&O Cruises UK will be built by Meyer Werft at its shipyard in Papenburg, Germany, with an expected delivery date in 2020. In conjunction with the order, the delivery dates for the new builds for Germany-based AIDA Cruises and Italy-based Costa Cruises for 2020 will shift to 2021 to allow the company to more effectively allocate measured capacity growth across its 10 global cruise brands in more markets throughout the world.

In total, the company now has agreements in place to build seven LNG-powered cruise ships across four of its 10 global cruise brands in coming years. As previously announced, the first of these ships is expected to be in service for AIDA Cruises and Costa Cruises in 2019.

Based on Carnival Corporation's next-generation "green cruising" ship design, these new vessels will be part of the first generation of cruise ships to be fully powered by LNG, which is an industry first and an environmental breakthrough that will produce the most efficient ships in the company's history. Pioneering a new era in the use of alternative fuels that reduce air emissions, these new ships will use LNG to generate 100 percent of the ship's power both in port and on the open sea – an innovation that will significantly reduce exhaust emissions to help protect the environment and support the company's aggressive sustainability goals.

"We are proud to be at the forefront of introducing LNG-powered ships to the cruise industry, working with our partners to achieve shipbuilding breakthroughs like this that will help us produce the most efficient and sustainable ships we have ever built," said Arnold Donald, CEO of Carnival Corporation & plc. "This is also an important step in our fleet enhancement plan that enables us to execute on our long-term strategy of measured capacity growth over time, while delivering innovative new ships that further elevate our already great guest experience. Every time we launch a new ship, we have a new opportunity to create excitement and show consumers why cruising is a great vacation at an exceptional value, especially for those who typically consider land-based vacations."

As part of its fleet enhancement plan, Carnival Corporation has already taken delivery of three new ships in 2016 for its AIDA Cruises, Carnival Cruise Line and Holland America Line brands, and plans to launch the all-new Seabourn Encore in December 2016. Including Seabourn Encore and the three new ships announced today for Carnival Cruise



Line and P&O Cruises UK, Carnival Corporation has a total of 18 new ships scheduled to be delivered between 2016 and 2022.

Bernard Meyer, managing partner of Meyer Werft, with roots dating back to its founding in Germany in 1795, said: "We are excited to welcome P&O Cruises back to Meyer Werft in Germany and Carnival Cruise Line back to Meyer Turku in Finland. These new ships will be built in our most modern and environmentally friendly facilities, and we are very proud to design, build and deliver these ships that provide breakthroughs in innovation and for the environment."

[http://www.meyerwerft.de/en/meyerwerft\\_de/medien/pressticker/pressemitteilung\\_detail\\_23117.jsp](http://www.meyerwerft.de/en/meyerwerft_de/medien/pressticker/pressemitteilung_detail_23117.jsp)

### **MEYER WERFT - e4ships – Fuel Cells in the Maritime Sector – 07/09/2016**

#### Clean Energy Supply on board of Seagoing Vessels

Fuel cells are an environmentally-friendly alternative to conventional aggregates onboard of ships. Today, on the occasion of the international exhibition for the shipping industry (SMM), the summarized results of the lighthouse project e4ships are presented to the public for the first time. With the use of climate-friendly fuel cells on ships the project e4ships aims to reduce pollutant emissions significantly. At the same time, questions regarding efficiency and development of international safety standards and regulations will be answered. This is done by testing fuel cell systems on board of seagoing vessels. The project is funded by the Federal Government under the National Innovation Program Hydrogen and Fuel Cell Technology (NIP).

In two demonstration projects under the lead of Meyer Werft and thyssenkrupp Marine Systems, the e4ships partners have developed fuel cell systems for seagoing vessels for the market, to implement them and to test them under everyday conditions.

In the project e4ships, the use of fuel cells on ships has been successfully demonstrated. The tested systems provide the opportunity of a highly efficient cogeneration (CHP) also on board of ships. Compared with conventional systems that are operated with marine diesel or heavy oil, significant reductions of noise and emissions could be proved. In addition, the modular approach offers a flexible and safe design on board. The results of the project have gone into the international regulation development to enable basically the use of alternative fuels and fuel cells in international shipping in the future.

State Council Dr. Ralf Böisinger, Hamburg Ministry for Economy, Transport and Innovation, Achim Wehrmann, representing the Federal Ministry of Transport and Digital Infrastructure, Bernard Meyer, Managing Director MEYER WERFT, Dr. Reinhard Lüken, Managing Director German Shipbuilding and Ocean Industries Association (VSM) and Dr. Klaus Bonhoff, Managing Director National Organization Hydrogen and Fuel Cell Technology (NOW) present the current state of developments and an overview of the future activities in this sector.

State Council Dr. Rolf Böisinger, Ministry for Economy, Transport and Innovation of the Free and Hanseatic City of Hamburg:

"The project e4ships is an ideal addition to the development of innovative infrastructure for ships in ports like LNG as new technological solutions for the reduction of emissions for ships are tested for the first time. The use of fuel cells results in a significant improvement of the air quality, which is particularly important for ports and coastal areas. Hamburg very much welcomes these activities as they provide a relevant contribution to a better quality of life in the city."

Enak Ferlemann, Parliamentary State Secretary in the Federal Ministry of Transport and Digital Infrastructure:

"The use of fuel cell technology in the shipping industry within the lighthouse project e4ships is another step to answer the question how to reduce emissions of ships. It has become clear that the German shipbuilding industry is



on the right track. With the achieved technological lead the German industry becomes safe and more sustainable. The project e4ships has reached a milestone in the use of climate-friendly systems for ships.”

Bernard Meyer, Managing Director MEYER WERFT:

„In the demonstration project Pa-X-ell methanol operated high temperature PEM fuel cells for seagoing passenger vessels are developed, adapted and tested. A demonstration plant on the premises of the Meyer Werft shipyard has been used for first technical examinations to test reliability and suitability for the maritime sector. For a first maritime demonstration, a 90 kW system has been installed in addition to the conventional energy supply on the Scandinavian ferry MS Mariella. The fuel cell system is based on standardized modular units which can be scaled by connecting to any performance capacities. This way, the new resulting energy modules are supposed to be the basis of a decentralized network on board in the future.“

Keno Leites, Project Manager e4ships at thyssenkrupp Marine Systems:

„The focus of the demonstration project SchIBZ is the development of a diesel-operated hybrid fuel cell system with a scalable capacity of 100 to 500 kW for seagoing ships. As the main power source it is supposed to assume the power supply of all kinds of seagoing vessels. For a practical testing at sea a 50 kW system has been built in a container and is tested on the MS Forester in real operations as a power supply system. Low-sulfur diesel, as already used in road traffic, is employed as a fuel. In the medium term it is aimed to use alternatively natural gas as an energy source too.“

Dr. Reinhard Lüken, General Managing Director German Shipbuilding and Ocean Industries Association (VSM):

„On the international level, shipbuilding and shipping are highly regulated. Therefore the e4ships results have been successfully introduced into the relevant instruments of the International Maritime Organization (IMO). Herewith the international legal basis to use fuel cells commercially has been created. The German shipbuilding industry thrives on environmental innovation and its commercialization. However, in order to fully exploit the potential of the fuel cell technology other alternative fuel sources must be approved.“

Dr. Klaus Bonhoff, Managing Director National Organization Hydrogen and Fuel Cell Technology (NOW):

„The hydrogen and fuel cell technology is developing real alternatives for the specific needs of the shipping industry and is a technologically innovative response to climate protection issues. Especially in ports and coastal areas fuel cell systems on board of ships can contribute significantly to the improvement of the air quality. In the future, it makes sense to use the drive for smaller vessels too. The success of the project is based on the National Innovation Program for Hydrogen and Fuel Cell Technology (NIP). In 2017, the NIP enters a new phase which especially aims to create the framework conditions necessary for the commercial market breakthrough of the technology.“

Dr. Heike Deggim, Deputy Director of International Maritime Organization (IMO):

“Alternative fuels and energy converters as, for example fuel cells, can certainly play an important part in promoting green shipping. The IMO welcomes the technical input of NGOs, as for example the European Shipyards’ Associations CESA, which, with the results of F&E projects, can contribute to an industry-tailored development of regulations.”

[http://www.meyerwerft.de/en/meyerwerft\\_de/medien/pressticker/pressemitteilung\\_detail\\_23118.jsp](http://www.meyerwerft.de/en/meyerwerft_de/medien/pressticker/pressemitteilung_detail_23118.jsp)

### **MEYER TURKU - Carnival Corporation orders two new ships from Meyer Turku – 06/09/2016**

Meyer Turku (Finland) has signed a memorandum of agreement with the world’s largest cruise ship operator Carnival Corporation & plc for two new, 180 000 GT, cruise ships. The Ships will be built for Carnival Cruise Lines with delivery dates expected in 2020 and 2022. With the same agreement, Carnival Corporation & plc also orders one 180 000 GT cruise ship from Meyer Werft (Germany) for P&O Cruises, to be delivered in 2020.



All three ships will be Liquefied Natural Gas (LNG) powered and will be based on the next-generation “green cruising” ship design developed with Carnival Corporation.

“We are proud to be at the forefront of introducing LNG-powered ships to the cruise industry, working with our partners to achieve shipbuilding breakthroughs like this that will help us produce the most efficient and sustainable ships we have ever built,” said Arnold Donald, CEO of Carnival Corporation & plc.

Jan Meyer, CEO of Meyer Turku said: “We are very happy to work again with both Carnival Cruise Lines and P&O Cruises. In Turku we are also very excited as these ships will be the first ones to get full benefit from our investments in next-generation production facilities and IT-systems. Another important aspect is the long-term horizon for our business. It creates an environment where we and also our suppliers can grow and develop. In the end this will lead to a lot of good work for us and other Finnish companies.”, Jan Meyer comments.

In conjunction with the order for Turku, the delivery of the 2<sup>nd</sup> ship for Costa Cruises will shift from 2020 to 2021.

Yet another push for the future of Meyer Turku

The new ships also represent a return for shipbuilding in Turku for Carnival Cruise Line and another push for the future of Meyer Turku shipyard. With the company’s extraordinarily long order book reaching now to 2022, Meyer Turku is growing with modern investments in facilities and people.

“Turku yard has over 200 years of proud heritage. Generations of shipbuilder have continuously pushed the boundaries of what is possible in technology and size. Now we are building a new and modern Turku yard. With our investments in next generation IT-supported production facilities, exceeding 75m€, we are working on a more data-driven production with unprecedented productivity. In order to fully unleash this productivity potential, our ship designers will work even closer with our production using effective processes and modern IT.

Modern facilities are important, yet even more important are the people. Since 2014 we have already created more than 350 jobs – and many more interesting challenges and opportunities lie ahead,” CEO of Meyer Turku Jan Meyer continues.

[http://www.meyerturku.fi/en/meyerturku\\_com/media/pressticker/pressemitteilung\\_detailansicht\\_12628.jsp](http://www.meyerturku.fi/en/meyerturku_com/media/pressticker/pressemitteilung_detailansicht_12628.jsp)

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## Latest Research

### **'Skill relatedness and economic restructuring: the case of Bremerhaven'**

*Regional Studies, Regional Science*, vol. 3, issue 1, 2016.

Jaax, A.

#### **Abstract:**

Evolutionary thinking suggests that past knowledge accumulation influences future growth opportunities. Old industrial regions' inherited knowledge is often described as obsolete. Particularly, blue-collar workers' difficulties in redeploying skills have been stressed. This study examines whether the emerging offshore wind-energy industry in Bremerhaven, Germany, can draw on skills from local declining shipyards. Beyond Germany, this new industry has inspired policy-makers to hope for the renewal of shipbuilding centres. Insights from interviews reveal that the blue-collar skill bases of both industries overlap. Declining shipyards provided much-needed experience and skills to the nascent industry. This contribution underscores the fruitfulness of the perspective of related variety with respect to the development of old industrial regions. An overly sharp distinction between 'old' and 'new' knowledge may obstruct our view of potential growth opportunities.

<http://www.tandfonline.com/doi/full/10.1080/21681376.2015.1116958>

### **'SEA 5000: Future surface combatants'**

*Asia-Pacific Defence Reporter*, vol. 41, issue 8 (October 2015)

Slocombe, G.

#### **Abstract:**

The August announcement by the former Prime Minister, Tony Abbott, of a continuous build program for future naval ships brought forward the replacement of the Armidale patrol boat fleet with construction to commence in 2018, and the Future Frigates to 2020. He also declared that there would be competitive evaluation processes (CEP) to help make choices for these two major projects. That led one leading defence commentator to write an article declaring 'CEP is the new black!'

<http://search.informit.com.au/documentSummary;dn=511199696884448;res=IELAPA>

### **'Opening Australia's "Black Box": The Domestic Debate over Submarine Production'**

*Asia-Pacific Bulletin*, East-West Center, no. 318, August 2015.

Pollmann, M.

#### **Abstract:**

Analysis of the difficult choice Australia's Prime Minister faces in respect of the \$50 billion future submarine project, for which TKMS of Germany is one of three international bidders.

<http://scholarspace.manoa.hawaii.edu/bitstream/handle/10125/36651/apb318.pdf?sequence=1>

### **'Turku to get German makeover'**

*IHS Maritime Fairplay*, vol. 384, issue 6835 (2015)

Pagni, J.

#### **Abstract:**

- STX Finland Oy.
- Meyer Turku Shipyard Oy.
- Shipbuilding industry -- Ownership -- Finland.

<http://www.worldcat.org/title/turku-to-get-german-makeover/oclc/910518788>



**'Replicating German shipbuilding skills in Australia'**

*Asian Defence Reporter*, vol. 41, issue 5 (June 2015).

Slocombe, G.

**Abstract:**

When Defence Minister Kevin Andrews announced the Competitive Evaluation Process (CEP) for potential offers from French, German and Japanese submarine shipbuilders, this created no surprise in Germany, even if it did to the Australian media.

<http://search.informit.com.au/documentSummary;dn=220581244170303;res=IELAPA>

**'Equity Capital Market in Shipping'**

*HSBA Handbook on Ship Finance 2015*

**Markwardt, K., Schroeder, A.**

**Abstract:**

In general, the placement of new equity in shipping falls under the scope of the Alternative Investment Fund Managers Directive ("AIFMD"). The article describes the essentials of the AIFMD, its purpose and scope, the regulatory requirements it contains and, in particular, its provisions regarding the valuation of funds and the appointment of a depository to ensure the proper monitoring of cash flows. In Germany, the AIFMD has been implemented through the enactment of the Investment Code ("Kapitalanlagegesetzbuch"—hereinafter "Code"). The article describes the purpose and the scope of the Code in relation to shipping funds structured as limited partnerships. The different types of AIFs and their requirements as stipulated in the Code are explained. Institutional investors and their needs are classified with reference to the AIFMD and the Code. The article concludes by considering those structures where institutional investors prefer to invest their equity with a focus on private equity investments.

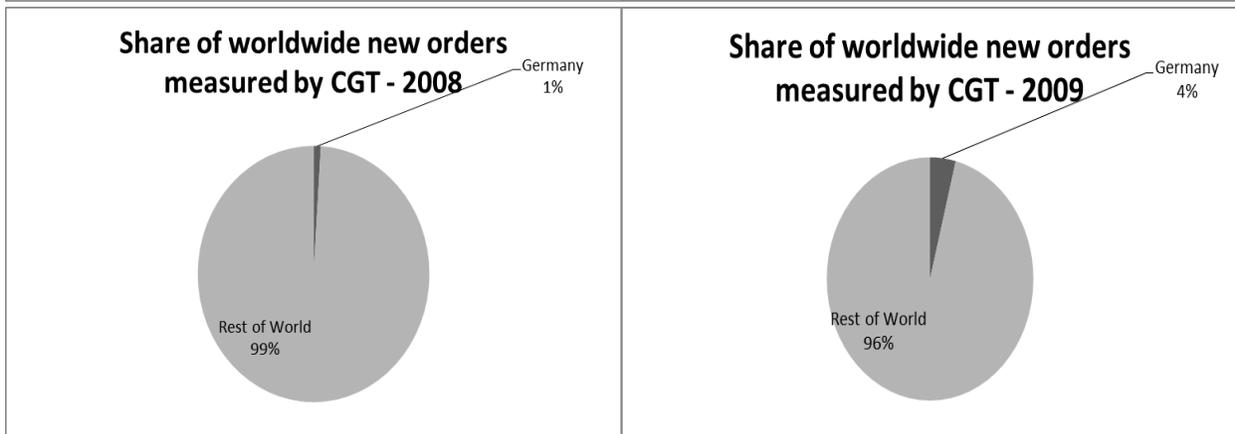
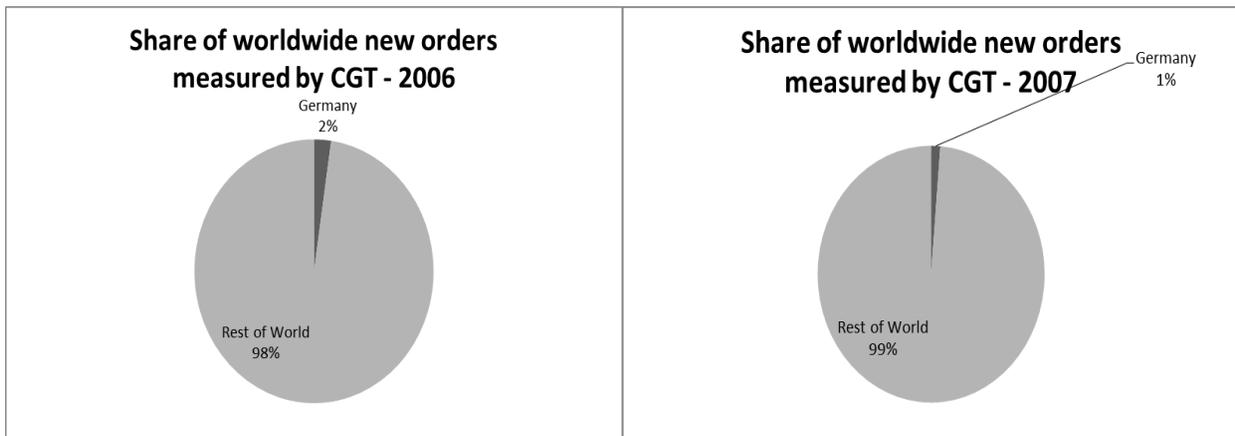
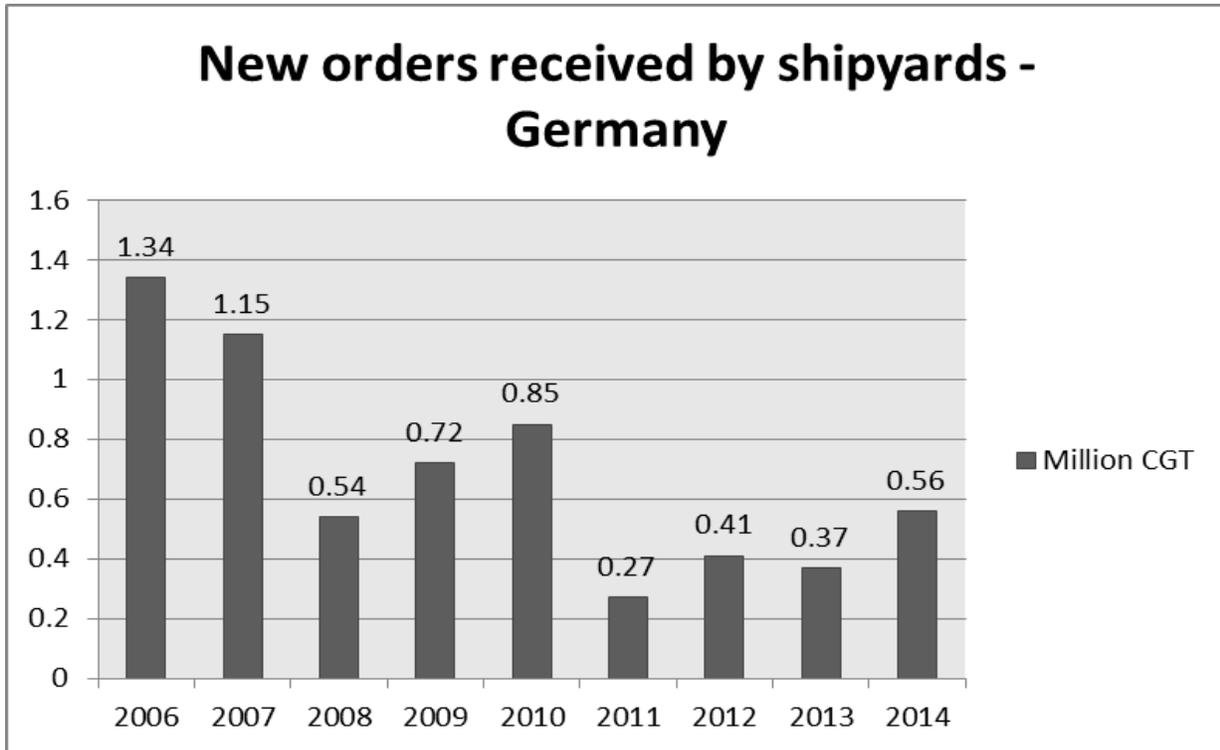
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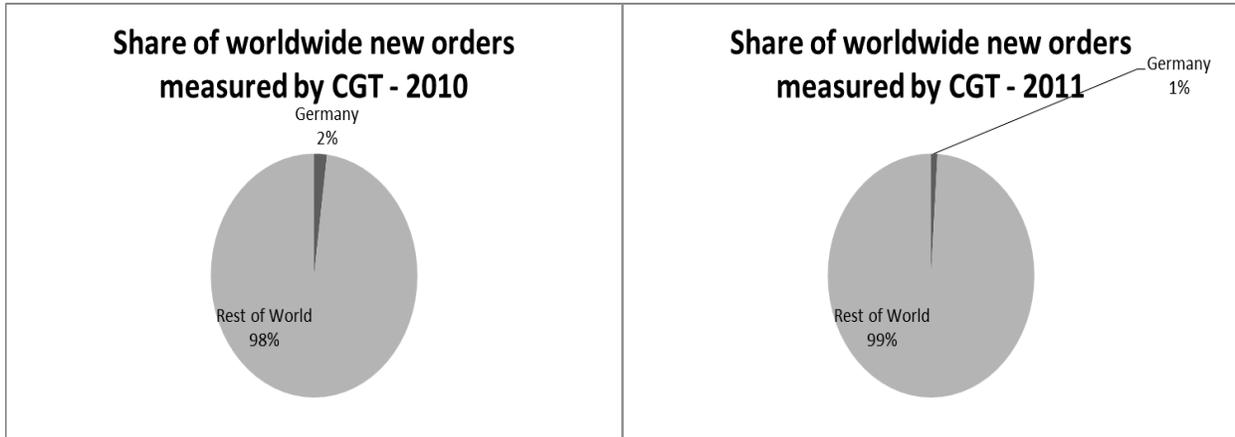
## The Industry

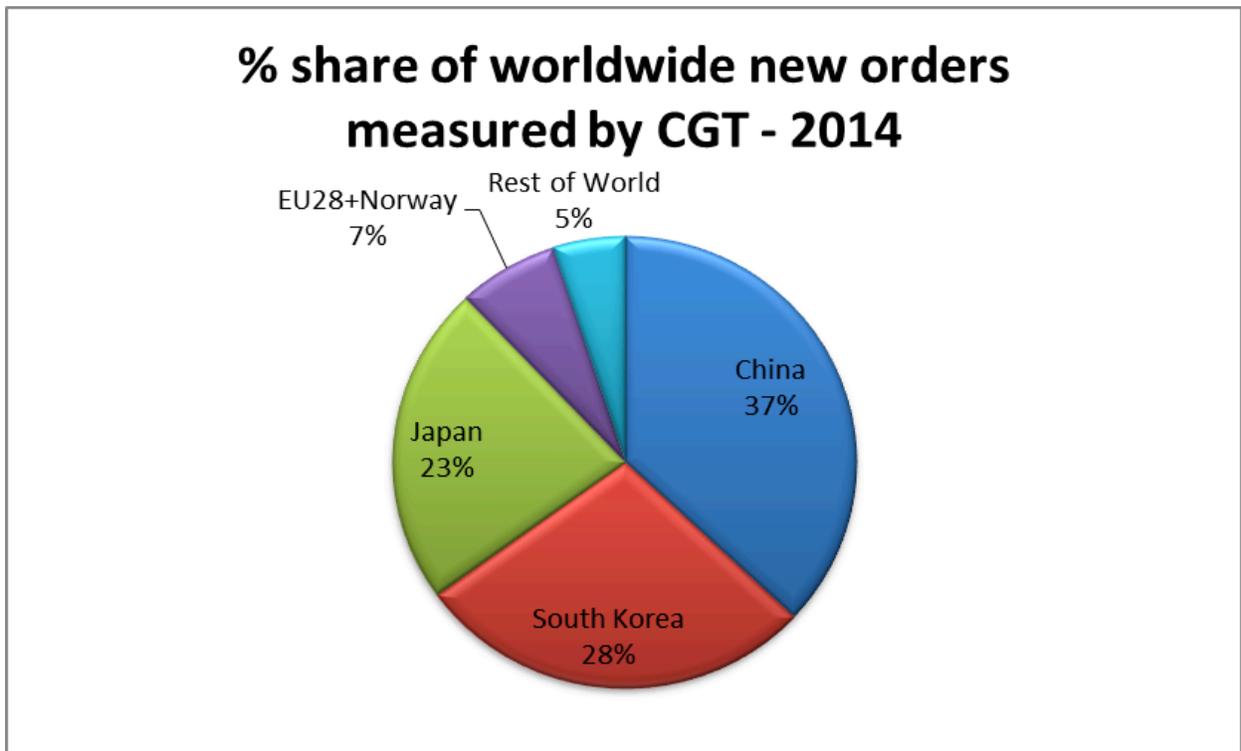
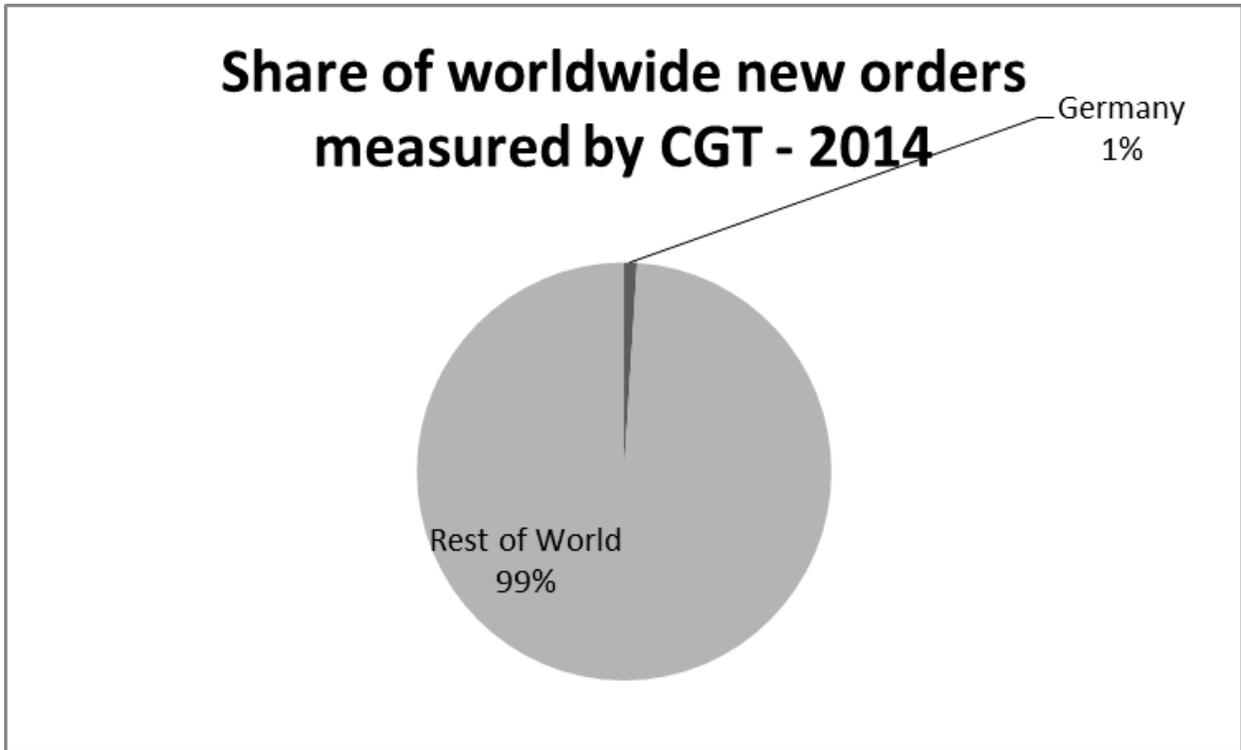
### *New orders received (2006-2014)*

Germany, as with other shipbuilders, has been affected by the significant decline in the annual number of new orders received worldwide (measured by compensated gross tonnage – CGT) since the outbreak of the 2008 global financial crisis. In addition, Germany did not experience a spike in new orders during the upswing over 2013-14. Nonetheless, Germany’s market share has remained at a fairly steady 1-2% of worldwide CGT over the reported period (with the exception of 2009, when it jumped to around 4%). Like other nations, Germany has been dwarfed by the post-WWII emergence first of Japan, then of South Korea, and finally of China as today’s leading shipbuilders measured by CGT.









Data source: IHS Fairplay (via SEA Europe, VSM – Verband für Schiffbau und Meerestechnik e.V.)



### *Value of new orders received (2014)*

Although Germany holds only a nominal share of the worldwide shipbuilding market measured by CGT, the orders that it does receive are generally high value. Thus, Germany received €4.3 billion worth of orders in 2014, a quite significant number considering that China, which was the country with the world's highest order intake in 2014 – equating to an approximate market share of 37% (compared to Germany's approximately 1%), received orders valued at only US\$31.1 billion. Taking the appropriate currency exchange rates into account, it can be seen that contracts with German shipyards are on average of a much higher value than those with Chinese shipyards. The same holds true in relation to the other two powerhouses in worldwide shipbuilding – South Korea and Japan – these countries accounting for about 28% and 23% market share, but with order value at US\$31.8 billion and US\$15.5 billion, respectively.

Data source: VSM – Verband für Schiffbau und Meerestechnik e.V., Clarkson research services (via SEA Europe), IHS Fairplay (via SEA Europe)

### *Product Mix*

As suggested by the very high comparative value of contracts that Germany receives, the products it manufactures are strongly biased towards high-tech, specialised vessels. In 2014, 59.3% of the ships delivered by Germany measured by CGT were passenger ships/yachts (two cruise ships and four yachts), 12.7% ferries, 10.4% RoRo ships, and 17.6% miscellaneous – including high technology vessels such as two marine research ships and an erection and servicing ship for the offshore wind industry. With the Asian giants producing the world's supply of bulkers, tankers, containerships, and gas carriers, Germany, like most other Western nations in recent years, did not deliver any of these ships in 2014. By way of comparison, and as illustrative of the dramatic acceleration in the German industry towards specialised ships and away in particular from the once-dominant cargo/freight ships, in the year 2007 containerships represented over 69% of all CGT produced in Germany.

Data source: VSM – Verband für Schiffbau und Meerestechnik e.V.

### *Workers*

As of October 2015, about 15,000 people were employed in the German shipbuilding industry. In the German shipbuilding supplier industry ('Schiffbauzulieferindustrie') the corresponding figure stood at about 100,000.

Data source: Eckpunkte einer Maritimen Agenda 2025, Maritime Coordinator of the German Federal Government, October 2015

### *Research and Development*

Research and Development in the German shipbuilding industry is fostered through various German Federal Government programmes, including via the German Federal Finance and Energy Ministry's programme "Innovativer Schiffbau sichert wettbewerbsfähige Arbeitsplätze" (Innovative shipbuilding secures competitive jobs). Aimed at commercial shipbuilding/offshore structure projects in which a German shipbuilding, ship repair, or ship conversion firm carries out Europe-first 'innovation measures' (i.e. develops new procedures or new products at an industrial level for the first time in the European Union – e.g. new ship components), the German Federal (and various state) governments had as of October 2015 approved applications for support worth a total of €160.5 million. The VSM stated in its Annual Report of 2014/15 that this support had enabled innovations with a total value of around €775 million.

Data source: Eckpunkte einer Maritimen Agenda 2025, Maritime Coordinator of the German Federal Government, October 2015; VSM – Verband für Schiffbau und Meerestechnik e.V., Annual Report 2014/15; See also: [http://www.bafa.de/bafa/de/wirtschaftsfoerderung/innovativer\\_schiffbau/](http://www.bafa.de/bafa/de/wirtschaftsfoerderung/innovativer_schiffbau/)

*Industry characteristics:*

- *Export-oriented*

As of October 2015, more than 90% of the annual turnover of German shipyards stemmed from exports. In the German shipbuilding supplier industry, meanwhile, the corresponding figure is 75%.

Data source: Eckpunkte einer Maritimen Agenda 2025, Maritime Coordinator of the German Federal Government, October 2015

- *Consolidation in recent years; financing issues*

The significant drop in annual new orders plus cancellations and the difficulty of acquiring means of finance, linked to the credit crunch of the global financial crisis starting 2008 (and to the lack of the same degree of support from the German government as shipyards in other countries receive, especially in Asia), has resulted since this time in the insolvency of a number of German shipbuilders. In 2008-early 2009 alone, orders worth €1.5 billion were cancelled and four shipyards went bankrupt. However, most shipyards have weathered the financial storm (with many insolvent firms having been able to continue operations through new arrangements – for instance, P+S Werften via Nordic Yards and Lürssen), and thanks to massive restructuring efforts, even yards traditionally focused on the once-dominant container/freight-ship segment have managed to adapt to the ‘new normal’ of higher-tech, specialised ships (including offshore). In 2008 there were 66 shipyards in Germany (with at least 50 employees), in 2009 the figure was 69, in 2011 that reduced to 67, and in 2014 the figure was 60.

Remaining challenges for the German shipbuilding industry include a shortage of skilled workers, distortions of competition due to massive state support for Asian shipyards, and the now-constant need to innovate.

A particularly acute challenge, according to the German Shipbuilding and Ocean Industries Association (VSM), is the shortage of financing available to German shipyards since 2008/09. Beginning with the financial crisis, commercial banks have almost completely withdrawn in particular from the financing of ships during the construction phase (‘Bauzeitfinanzierung’). The VSM in its 2014/2015 Annual Report cited German (state and federal) government initiatives such as export credit guarantees and state-government sureties as “helpful, but not sufficient to address the fundamental financing theme of the sector – namely, the availability of outside capital for the construction phase.” To take export credit guarantees by the German Federal Government (‘Hermesdeckungen’) as an example, the VSM identifies a need for far greater flexibility in the conditions to receive such guarantees, especially in light of the industry-wide change in the product portfolio from serial to special ship construction. The German Federal Government, for its part, has asserted that the shipbuilding industry receives with quite some margin the largest proportion of German export credit guarantees – €5.5 billion in 2014 (Eckpunkte einer Maritimen Agenda 2025, Maritime Coordinator of the German Federal Government, p.8, October 2015). According to the OECD Export Credits Secretariat in November 2015, furthermore, Germany was third-placed behind Korea and Norway and ahead of Italy and France between 2004-2014 in the granting of SSU-conform export credits for ships (including not only export credit guarantees but also loans etc.), at about US\$17 billion. In terms of state-government sureties (‘Landesbürgschaften’), the VSM reports that these are often hard to come by and, even if available, presuppose that a commercial bank is willing to dispense credit. One side-effect of the switch in the German shipbuilding product portfolio to high-value special ships has been that new commissions now often require very large investments on the part of shipyards, and therefore very large (and relatively long-term) commitments on the part of banks.

Illustrative of some of these issues has been Russian-owned Nordic Yard’s attempts to acquire an approximately €800 million surety from the Mecklenburg-West Pomerania state government (note: in March 2016 it was announced that Malaysia’s Genting Group would be taking over the three shipyards of Nordic Yards). With the aim of securing a bank loan of up to €1 billion in order to finance construction of up to seven new ships, the shipbuilder was in discussions as of late November 2015 with the state government to supply the bank with the required surety. However, following the loss of €270 million in connection with the P+S Shipyard bankruptcy in 2012, the Mecklenburg-West Pomerania government has set high legal hurdles for the granting of shipyard sureties – including

conditions relating to the financial health of the shipyard in question. In addition, the amount that the government is in principle willing to guarantee has been lowered significantly. Of course, for a shipyard struggling with a lack of commissions – as is the case with many shipyards in Germany in late 2015 – it is unclear whether Nordic will be able to meet the government's strict conditions. Norbert Nieszery of the ruling centre-left SPD stated in relation to the discussions that the government first wanted "to see something. We do not dispense sureties at call."

Contrasting to some degree with the difficulties faced by builders such as Nordic Yards is the situation at yards such as Meyer Werft. As one of Germany's most successful shipbuilders, with an order book stretching into the 2020s, and an annual turnover accounting for a large proportion of the German industry's total, Meyer Werft has continually been able to secure financing for new orders. For instance, it was announced in December 2015 that the 100% subsidiary of the German public-law KfW banking group, KfW IPEX-Bank, would be financing two new Quantum-class cruise ships ordered by Royal Caribbean Cruises Ltd in May and November 2015, respectively. In addition, the financing would be covered by a Federal Government export credit guarantee (Hermesdeckung). According to KfW IPEX-Bank, the financing of these two new orders represented the fourteenth and fifteenth cruise ships that the three business partners (KfW IPEX, Meyer Werft, Royal Caribbean) have together realised.

- *Problems in the offshore segment; healthy niches such as cruise ships, submarines*

With the industry-wide move away from freight/container ship construction to special ships, those shipyards that have chosen to concentrate on the offshore segment (oil, gas, renewables) – such as Nordic Yards and Flensburger Schiffbau-Gesellschaft (FSG) – have, as of late 2015, been hit hard by the collapse in the oil price since 2014. As of October 2015, for instance, FSG was due to complete the last of its commissions by 2016, with no new commissions in the offshore segment in sight. In response to these problems, shipyards such as Nordic and FSG have been making attempts to alter their product portfolio. In October 2015, Managing director of FSG, Ulf Bertheau, stated that he was aiming to move the yard away from the construction of offshore vessels and back into the realm of ferry construction – modern, in-demand Ro/Ro ferries. Negotiations with two potential customers were underway. At Nordic Yards, managing director Herbert Aly announced in November 2015 that the yard was focusing on securing orders for arctic expedition ships, with the aim of addressing the lack of new orders at the yard, and indeed for the next four to five years.

These issues in the offshore segment stand in stark contrast to the healthy market segments such as cruise ships, (mega) yachts, and naval (in particular submarines). Order intakes, turnover, and worker numbers have all experienced growth in these areas, led by companies such as Meyer Werft, Lürrsen, and TKMS. In April 2016, a study commissioned by the trade union IG Metall stated that Germany's Meyer group presently accounted for 40% of global cruise ship orders measured by tonnage – it was thereby the clear global leader in terms of cruise ship orderbook.

- *Strong naval sector, private ownership*

As of October 2015, naval shipbuilding contributed about 25% of total German shipbuilding industry turnover. Companies with particularly strong product portfolios and orderbooks include TKMS and German Naval Yards Holdings. Indeed, as of end 2015, TKMS was in the running alongside DCNS of France and Mitsubishi Heavy Industries and Kawasaki Heavy Industries of Japan for the circa AU \$50 billion Australian Federal Government Future Submarine Project.

One issue that German naval shipbuilders face is that, being all privately-owned, they are at a disadvantage in terms of resources compared to other (large) naval shipbuilders in Europe, which are mostly state-owned. This has been an issue in the discussion around the German Federal Government's decision to invite EU-wide tenders for the German Navy's €4 billion next-generation multi-purpose warship program. German naval shipbuilding industry players such as Lürrsen have expressed their consternation at what is seen as the German Federal Government's unilateral attempt at the Europeanisation of defence procurement.

Data source: Eckpunkte einer Maritimen Agenda 2025, Maritime Coordinator of the German Federal Government, October 2015; Australian Government Department of Defence, SEA1000; TKMS; news outlets; VSM – Verband für Schiffbau und Meerestechnik e.V., Annual Report 2014/15

- *World-leading suppliers; GeMaX initiative*

German shipyard suppliers ('Zulieferer'), strewn across the length and breadth of Germany, command a worldwide market share of over 20% (2014), and are thereby the worldwide leaders (ahead of second-placed Japanese suppliers). The three Asian shipbuilding giants (South Korea, China, and Japan) account for 50% of these suppliers' exports.

In order to strengthen the supplier industry in the face of increased buyer demands for financing options on top of the perennial demands relating to quality and price, a group of German shipbuilding sector companies (e.g. Fassmer, MAN Diesel & Turbo, SAACKE) together with the KfW IPEX-Bank and the VSM founded the German Maritime Export Initiative (GeMaX) in 2014. The aim is to promote German supplier-industry exports (components, systems, and installations) by providing potential buyers with attractive financing options through German financiers. In principle, the buyer of a package of German products receives a long-term financing tranche from KfW IPEX in the range of four times the amount he has invested in German products. In addition, export credit guarantees of the German Federal Government (Hermesdeckungen) can be incorporated into the financing.

Data source: VSM – Verband für Schiffbau und Meerestechnik e.V., Deutsche Welle; German Maritime Export Initiative; Eckpunkte einer Maritimen Agenda 2025, Maritime Coordinator of the German Federal Government, October 2015

(<http://www.vsm.de/de/service/publikation-und-medien/jahresberichte>)  
 (www.easy-content.be/Documents/Open.aspx?guid={33A3DBF3-F88C-4262-B741-42363C097B69})  
 (<http://www.dw.com/en/stormy-seas-for-german-shipyard-suppliers/av-18708571>)  
 ([https://www.kfw-ipex-bank.de/Internationale-Finanzierung/KfW-IPEX-Bank/Presse/Pressemitteilungen/Pressemitteilungsdetails\\_316161.html](https://www.kfw-ipex-bank.de/Internationale-Finanzierung/KfW-IPEX-Bank/Presse/Pressemitteilungen/Pressemitteilungsdetails_316161.html))  
 (<http://www.dvbbank.com/~media/Files/D/Dvb-Bank-Corp/dvb-in-press/2014/Hansa-November-2014.pdf>)  
 (<http://www.oecd.org/sti/ind/supply-demand-shipbuilding-industry-2015.htm>)  
 (<http://www.welt.de/regionales/hamburg/article147938266/Wir-planen-weitere-Investitionen.html>)  
 ([http://www.ndr.de/fernsehen/sendungen/schleswig-holstein\\_magazin/Unsichere-Zukunft-fuer-die-FSG,shmag36122.html](http://www.ndr.de/fernsehen/sendungen/schleswig-holstein_magazin/Unsichere-Zukunft-fuer-die-FSG,shmag36122.html))  
 (<http://www.ndr.de/nachrichten/mecklenburg-vorpommern/Nordic-Yards-will-Polar-Kreuzfahrer-bauen,nordic318.html>)  
 (<http://www.vsm.de/de/service/publikation-und-medien/schiffbau-industrie>)  
 (<http://www.german-maritime-export.de/en/purchasers/about-gemax>)  
 ([http://www.german-maritime-export.de/sites/default/files/Downloads/Dokumente/GeMaX\\_Flyer\\_DE.pdf](http://www.german-maritime-export.de/sites/default/files/Downloads/Dokumente/GeMaX_Flyer_DE.pdf))  
 (<http://www.german-maritime-export.de/de/german-suppliers/news?newsID=188>)  
 (<http://www.german-maritime-export.de/de/german-suppliers/news?newsID=159>)  
 (<http://www.bmwi.de/DE/Presse/pressemitteilungen,did=733586.html>)  
 (<http://www.bmwi.de/BMWi/Redaktion/PDF/E/eckpunkte-maritime-agenda-2025,property=pdf,bereich=bmwi2012,sprache=de,rwb=true.pdf>)  
 (<http://sea1000.gov.au/>)  
 (<http://www.welt.de/regionales/hamburg/article147422550/Schiffbau-fuerchtet-um-Milliardenauftrag-der-Marine.html>)  
 (<http://www.welt.de/regionales/hamburg/article147154207/Deutschland-gefaehrdet-seinen-Schiffbau.html>)  
 (<http://www.welt.de/regionales/hamburg/article154154245/Der-Kreuzfahrt-Boom-rettet-deutsche-Werften.html>)

## Leading Companies

### Blohm+Voss



#### *History*

- Founded 1877.
- Traditional builder of large-scale ships, including merchant vessels such as the container ship 'COSCO BRISBANE' (completed 2004).
- Has significantly reduced production capacities in recent years. Present focus on megayachts and ship repair and conversion. However, does still undertake some production work on naval vessels on a sub-contractual basis, such as on the Type F125 Frigate for the German Navy, being built (as of November 2015) under commission from a consortium of ThyssenKrupp Marine Systems and Lürrsen.
- 2012: ThyssenKrupp AG, owner of Blohm+Voss, splits shipbuilder into two entities, Naval and Civil. Retains Naval branch whilst selling-off Civil branch to Star Capital Partners.

#### *Business Areas*

- Merchant Vessels (repair and conversions)
- Offshore Units (repair and conversions)
- Passenger Ships (repair and conversions)
- Yachts (design and build)

#### *Location*

- St. Pauli Landungsbruecken, Hamburg

#### *Owner*

- Star Capital Partners (since 2012)

(<http://www.blohmvooss.com/en/corporate/content/blohm-voss/company>)

(<http://www.star-capital.com/blohm-voss.htm>)

(<http://www.welt.de/regionales/hamburg/article148833042/Wir-bauen-eine-neue-Grossyacht.html>)

## Fassmer



### *At a Glance*

Fassmer is a dynamic family-owned shipyard in its fifth generation. The internationally successful company is active in six business areas: Shipbuilding, Lifeboats, Deck Equipment, Wind Power, Composite Technology and After-Sales Service. Our clients appreciate the close cooperation with research institutes, innovative in-house design and engineering, modern production facilities and a worldwide service network.

### *We are one team*

Each step within the construction and production process demands maximum performance. This can only be reached with highly qualified employees and regular training sessions. More than 900 people work for Fassmer worldwide, half of them in Germany. Their expert knowledge and motivated attitude to their work reflecting the duties they fulfill represent the company's great potential! Benefit from other business areas.

(<http://www.fassmer.de/company/>)

### *Types of Ships*

- SAR-/Patrol Vessels
- Offshore Survey-/Research Vessels
- Offshore Support-/Service Vessels
- Work Vessels and Pilot Boats
- Yachts
- Ferries
- Naval Vessels

Fassmer is a dynamic family-owned shipyard in its fifth generation. The company's operating goals are top quality and customer satisfaction. An expert in-house design and engineering team backed up by modern production facilities provides Fassmer with an exceptional capacity for innovation and ingenious technical solutions in shipbuilding. Fassmer can look back on a long tradition in the design and construction of one-off custom-built special purpose vessels. Our shipbuilding activities cover a wide range of products

Fassmer also assists customers in building vessels locally anywhere in the world. To this end Fassmer offers material packages or prefabricated shipbuilding kits as well as basic and detailed design in combination with technical assistance and training.

(<http://www.fassmer.de/shipbuilding/>)

### *Locations*

The headquarters of the Fassmer Group is the Fassmer GmbH & Co. KG site in Berne, Germany, on the River Weser. Located directly beside the river, the company site houses the administration offices, our development and

design department and production workshops for all five product divisions – Shipbuilding, Lifeboats, Deck Equipment, Wind Power and Composite Technology. The main offices of our service subsidiary Fassmer Service GmbH & Co. KG are also on this site; Fassmer Service America LLC is located in Miami, our service-company Fassmer Singapore Pte.Ltd. in Singapore

Another member of the group, Fassmer Schiffsservice GmbH & Co. KG, founded in 1996, operates from Rechlin, Germany. This company designs and builds components for our deck equipment division.

Markos sp.z.o.o. in Globino, Poland, is a joint venture with a Polish partner. In modern production halls, we manufacture fibre composite components for lifeboats, wind turbines, yachts and power boats.

Fassmer-Marland in Guangzhou, China, is a joint venture set up in 2005. The newly built and equipped office and production facilities are focused on the production of lifeboats, davits and boarding systems, primarily for the Asian market.

(<http://www.fassmer.de/company/locations/>)

#### *Short History*

In 1850 Johannes Fassmer set up his own business with plenty of shipbuilding competence, energy and perseverance. The company business in those early years focused on small wooden boats and life-boats. Today Holger and Harald Fassmer lead a company with more than 900 employees in the fifth generation and have gained an excellent national and international reputation.

(<http://www.fassmer.de/company/facts/history/>)

(<http://maritime-executive.com/magazine/harald-fassmer-managing-owner-fassmer-group>)

#### **Flensburger Schiffbau-Gesellschaft (FSG)**



#### *About us*

Flensburger ship-owners, like most other German ship-owners at the time, always had their steam ships built in England, but at some point they developed the courage to think about building their own ships. The idea became reality and they founded the Flensburger Schiffbau-Gesellschaft in 1872. Three years after that they delivered their first newbuilding, the "Doris Brodersen", a steel sailing ship, to one of the partners. She was followed a year later by the cargo ship "Septima".

Over the following decades we Flensburg shipbuilders have built up an outstanding reputation with our work. We have delivered nearly 750 ships to date. A wide range of ship types were developed and built in the last century, but today we concentrate on specialised vessels and on tailor-made developments - not only RoRo and RoPax sectors, however, but also naval and offshore ships and cruise liners.

#### *History of FSG in brief:*

1872: Founding of Flensburger Schiffbau-Gesellschaft

1982: Merger of Flensburger Schiffbau-Gesellschaft with the Harmstorffgruppe

1990: Acquisition of „Neue Flensburger Schiffbau-Gesellschaft" by the Lübecker shipping company Egon Oldendorff

2008: Change of ownership: Acquisition of Flensburger Schiffbau-Gesellschaft by a Munich investor group

2014: Change of ownership: Acquisition of Flensburg Shipbuilding Company by SIEM Industries Inc. on 31/10/2014

(<https://www.fsg-ship.de/68-1-History.html>)

#### Products

- Freight Ferries
- Passenger Ships
- Offshore
- Naval

(<https://www.fsg-ship.de/2-1-Products.html>)

#### R&D

- Hydrodynamics
- Design-Engineering

(<https://www.fsg-ship.de/4-1-R-und-D.html>)

#### German Naval Yards Holdings

## GERMAN NAVAL YARDS

German Naval Yards Holdings GmbH (German Naval Yards) is a private, wholly-owned subsidiary of Beirut, Lebanon-based worldwide shipbuilding group Privinvest Holding sal. German Naval Yards owns and jointly manages three German shipyards – Nobiskrug GmbH (Rendsburg), German Naval Yards Kiel GmbH (Kiel-Gaarden), and Lindenau Werft GmbH (Kiel-Friedrichsort). Resources are transferred between the yards as necessary.

Nobiskrug GmbH (Nobiskrug) is primarily focused on superyacht design and construction, in particular on yachts of over 60 meters in length. Notable products include *Mogambo* and *White Pearl*. It also constructs, modifies, and repairs naval and commercial vessels, as well as building steel structures such as lock gates and products for the offshore industry. The yard was founded in 1905, and as of October 2015 had built over 750 ships.

German Naval Yards Kiel GmbH (GNY Kiel) is specialised in the design and construction of large naval vessels such as frigates, corvettes, and offshore patrol vessels – both for the German and for overseas navies (e.g. Israeli Navy). As of June 2015, two frigates were being constructed for a foreign navy. GNY Kiel also fulfills tasks such as hull construction on a sub-contractual basis for fellow Kiel shipbuilder TKMS (e.g. hulls for Algerian Navy corvettes). GNY Kiel has been in operation for over 100 years.

Lindenau Werft GmbH (Lindenau) has been active for a number of decades in the construction and repair of ships of all types. Today it is active in the repair, refit, and conversion of commercial, government, and naval vessels.

In 2014, German Naval Yards had a turnover of approx. €250 million.

(<http://www.germinaval.com/index.php?id=14>)

(<http://www.germinaval.com/index.php?id=140>)

(<http://privinvest.com/index.php/our-group-2/index.html>)

(<http://www.nobiskrug.com/superyachts/cmsUploads/86.att>, p. 2)

(<http://www.germinaval.com/index.php?id=143>)

([http://www.germinaval.com/fileadmin/user\\_upload/Presse/Pressemeldung\\_German\\_Naval\\_Yards\\_eroeffnet\\_Repraesentanz\\_in\\_Berlin\\_final.pdf](http://www.germinaval.com/fileadmin/user_upload/Presse/Pressemeldung_German_Naval_Yards_eroeffnet_Repraesentanz_in_Berlin_final.pdf), p. 2)

(<http://www.abendblatt.de/wirtschaft/article128925185/German-Naval-Yards-ist-die-neue-Kraft-im-deutschen-Schiffbau.html>)

(<http://www.nobiskrug.com/superyachts/cmsUploads/86.att>, p. 2)

(<http://www.germinaval.com/index.php?id=140>)

(<http://www.germinaval.com/index.php?id=141>)

([http://www.germinaval.com/fileadmin/user\\_upload/Presse/Pressemeldung\\_German\\_Naval\\_Yards\\_eroeffnet\\_Repraesentanz\\_in\\_Berlin\\_final.pdf](http://www.germinaval.com/fileadmin/user_upload/Presse/Pressemeldung_German_Naval_Yards_eroeffnet_Repraesentanz_in_Berlin_final.pdf), p. 1)

(<http://www.germinaval.com/index.php?id=143>)

([http://www.germinaval.com/fileadmin/user\\_upload/Presse/Pressemeldung\\_German\\_Naval\\_Yards\\_eroeffnet\\_Repraesentanz\\_in\\_Berlin\\_final.pdf](http://www.germinaval.com/fileadmin/user_upload/Presse/Pressemeldung_German_Naval_Yards_eroeffnet_Repraesentanz_in_Berlin_final.pdf), p. 2)

(<http://www.kn-online.de/News/Nachrichten-Wirtschaft/Aktuelle-Nachrichten-Wirtschaft/Fregatten-fuer-Algerien-und-Korvetten-fuer-Israel-TKMS-und-German-Naval-Yards>)

## Lloyd Werft



### *Company statement*

Lloyd Werft Bremerhaven AG was founded in 1857 and initially focused on the general ship repair business, moving into the conversion and newbuilding businesses in the 1970s.

Lloyd Werft has had its headquarters at the 260,000-square-metre site for 110 years. This site is located in the heart of the international port of Bremerhaven, while being protected and accessed by two powerful locks located directly at the Outer Weser.

Our name stands for top-class quality, experienced employees and absolute punctuality. Lloyd Werft Bremerhaven is your partner of choice for new construction, repairs, conversions, modernisation and completion of ships of every kind, in record time.

National and international shipping companies rely on our company, which has an excellent reputation. Famous ships like the “Norway”, “Norwegian Sky”, “Queen Elizabeth II”, “Costa Victoria” and the “Europa” are some of the numerous ships that our shipyard services have already worked upon. We offer short docking times, all the services of a modern shipyard and service teams available for operations worldwide.



Our employees are some of the best and most experienced in the international shipbuilding market. Thanks to our engineers, foremen and skilled workers, we have already completed complicated repair, conversion and prefabrication projects with great success.

We would be glad to welcome your business in the near future, too!

(<http://www.lloydwerft.com/en/company/lloyd-werft.html>)

(<http://www.lloydwerft.com/en/current-topics/press-releases/press-release-detail-view/meldung/genting-hong-kong-erwirbt-lloyd-werft-bremerhaven.html>)

#### *Recent change in ownership and new ship orders*

In July 2015, Lloyd Werft announced that it had signed a letter of intent with Crystal Cruises, a subsidiary of Malaysian conglomerate Genting Group, to build three new cruise ships and two river cruise vessels. For over a decade, Lloyd Werft had restricted itself to the modification and repair of cruise ships, after the ill-fated build of the “Pride of America” resulted in insolvency in 2004.

In September 2015, it was announced that Genting Group would pay €17.5 million for a 70% stake in the shipbuilding facilities and a 50% stake in Lloyd Werft’s land. A considerable investment program was scheduled to commence in order to facilitate the new build program for Crystal Cruises.

In November 2015, it was announced that Crystal Cruises had increased its river cruise vessel order from two to four ships.

On December 31<sup>st</sup> 2015, it was announced that Genting would exercise its option to purchase the remaining shares in the Lloyd Werft companies, for a 100% ownership stake in both.

#### *Acquisition of Nordic Yards, new ship orders, creation of ‘Lloyd Werft Group’*

In March 2016, it was announced that Genting would acquire the three shipyards of the Russian-owned Nordic Yards group – in Wismar, Rostock, and Stralsund – for €230.6 million. In addition, two new ships were to be added to the orderbook of the in-total 4 German shipyards now owned by Genting – taking it up to 10 ships (four cruise ships, four river cruise vessels, two unspecified). Finally, the set of four shipyards owned by Genting was to operate under the name ‘Lloyd Werft Group’, with leadership by a four-member board based in Bremerhaven.

In July 2016, Genting made a surprise announcement in relation to the creation of the MV Werften group, including a corresponding decrease in the importance of the role of Lloyd Werft (please see the MV Werften Company Overview).

(<http://www.radiobremen.de/politik/nachrichten/lloydwerftbremerhaven102.html>)

(<http://www.lloydwerft.com/en/current-topics/press-releases/press-release-detail-view/meldung/partnerschaft-crystal-cruises-und-lloyd-werft-bremerhaven-ag.html>)

(<http://www.lloydwerft.com/en/current-topics/press-releases/press-release-detail-view/meldung/genting-hong-kong-erwirbt-lloyd-werft-bremerhaven.html>)

([http://www.marinelog.com/index.php?option=com\\_k2&view=item&id=10001:crystal-ups-river-cruise-orderbook-buys-mozart&Itemid=230](http://www.marinelog.com/index.php?option=com_k2&view=item&id=10001:crystal-ups-river-cruise-orderbook-buys-mozart&Itemid=230))

([http://www.welt.de/print/die\\_welt/hamburg/article152865648/Genting-kauft-Nordic-Yards-Werften.html](http://www.welt.de/print/die_welt/hamburg/article152865648/Genting-kauft-Nordic-Yards-Werften.html))

(<http://www.noz.de/deutschland-welt/niedersachsen/artikel/679938/lloyd-werft-gruppe-auftrage-und-arbeit-fur-zehn-jahre>)

(<http://www.lloydwerft.com/en/current-topics/press-releases/press-release-detail-view/meldung/mit-einem-vorstands-quartett-in-die-zukunft.html>)

## Lürssen



Fr. Lürssen Werft GmbH & Co. KG is a private, family-owned company founded in 1875 by Friedrich Lürssen in Aumund, near Bremen, Germany. Its primary business is building and maintaining both naval vessels and luxury yachts for private use. The company has 8 locations in Germany – Vegesack, Lemwerder, Aumund, Rendsburg, Wilhelmshaven, Berne, Hamburg, Wolgast.

In 2013, Lürssen delivered the longest private yacht in the world, *Azzam*, at 180 meters.

In terms of naval vessels, the company builds vessels for defence forces around the world, with products including fast patrol boats, OPVs, corvettes, frigates, minesweepers and minehunters, and fleet support vessels. It also licenses construction of vessels to third parties. Over the past fifty years, the naval segment has delivered 170 ships for Germany, 158 for export, and licensed out the construction of 85 further ships.

(<http://www.luerssen-defence.com/en/company>)

(<http://www.luerssen-defence.com/en/company/locations>)

(<http://www.luerssen-defence.com/en/naval-vessels/deliveries>)

(<http://www.luerssen-defence.com/en/naval-vessels>)

(<http://www.luerssen-yachts.com/#en/company/past-and-present>)

(<http://www.luerssen-yachts.com/#en/company/locations/overview>)

## Meyer Werft



### *At a Glance*

The company MEYER WERFT GmbH & Co. KG, in Papenburg on the river Ems, was founded in 1795 and has been owned by the Meyer family for seven generations. Bernard Meyer is the managing partner at the helm of this well-established shipyard. Other managing directors include Dr. Jan Meyer, Lambert Kruse, and Tim Meyer.

MEYER WERFT has achieved an excellent worldwide reputation in recent decades for the construction and building of special-purpose ships. Long-standing experience in the construction of passenger vessels gained in the 1980s has been the basis for a successful entry into the market of large, modern cruise ships. To date, the shipyard has delivered 39 luxury liners of different tonnages to customers all over the world. The latest highlight was the delivery of the Anthem of the Seas to Royal Caribbean Cruises Ltd. in April 2015. The sister ship Ovation of the Seas is under construction.

Today, with its more than 3,000 employees, MEYER WERFT is one of the biggest employers in the region. In the family-owned company about 300 apprentices are trained in twelve different professions. Over and above this, MEYER WERFT cooperates with numerous suppliers, which ensures employment in local companies and beyond.

With four ships for Norwegian Cruise Line, two cruise ships for Royal Caribbean International, two ships for the Asian shipping company Star Cruises and two ships for AIDA Cruises, the shipyard's order book now includes ten cruise ships which will all have been completed by 2020.

([http://www.meyerwerft.de/en/meyerwerft\\_de/medien/unternehmensprofil\\_/unternehmensprofil.jsp](http://www.meyerwerft.de/en/meyerwerft_de/medien/unternehmensprofil_/unternehmensprofil.jsp))  
([http://www.meyerwerft.de/en/meyerwerft\\_de/medien/pressticker/pressemitteilung\\_detail\\_21377.jsp](http://www.meyerwerft.de/en/meyerwerft_de/medien/pressticker/pressemitteilung_detail_21377.jsp))

In June 2016, Meyer Werft released a press statement announcing that the Meyer family had transferred its ownership shares in the shipyard business into two family foundations; for the purposes of securing stable family ownership of the business into the future.

[http://www.meyerwerft.de/en/meyerwerft\\_de/medien/pressticker/pressemitteilung\\_detail\\_23040.jsp](http://www.meyerwerft.de/en/meyerwerft_de/medien/pressticker/pressemitteilung_detail_23040.jsp)

### MV Werften



*Acquisition of Nordic Yards, new ship orders, creation of 'Lloyd Werft Group', subsequent creation of 'MV Werften'*

In March 2016, it was announced that Malaysia's Genting Group would acquire the three shipyards of the Russian-owned Nordic Yards group – in Wismar, Rostock, and Stralsund – for €230.6 million. In addition, two new ships were to be added to the orderbook of the in-total 4 German shipyards now owned by Genting – taking it up to 10 ships (four cruise ships, four river cruise vessels, two unspecified). Finally, the set of four shipyards owned by Genting was to operate under the name 'Lloyd Werft Group', with leadership by a four-member board based in Bremerhaven.

In July 2016, Genting Group changed tack on its previous Lloyd Werft Group structure, announcing the consolidation of the three former shipyards of the Nordic Yards group into a new group known as MV Werften. The three yards – in Wismar, Rostock, and Stralsund – will no longer be managed from the Lloyd Werft yard in Bremerhaven, but instead from the Wismar yard. Lloyd Werft has in this way been precluded from its short-lived leadership position.

In addition, Genting announced that Lloyd will no longer build the vessels for Genting's various cruise lines which had previously been promised to it. Instead, MV Werften will solely construct the 10 new ships – including the 3 new ocean-going cruise vessels – with Lloyd to focus on obtaining repair and conversion contracts, and on building mega yachts.

As part of its mandate to build cruise ships, MV Werften was to receive €100 million in investment from the Genting Group. The money was to be used for, for instance, a new thin plate laser welding line. The yard aims at an average output of two Neo-Panamax and one Panamax cruise ships per year – thereby making it a leading constructor of ocean-going cruise vessels, and a significant rival to domestic cruise ship-building giant Meyer Werft..

<http://www.mv-werften.com/inhalte/mv-werften-shipbuilding.pdf>

## ThyssenKrupp Marine Systems GmbH



### *About*

ThyssenKrupp Marine Systems is one of the leading system providers for non-nuclear submarines and high-end naval vessels. The company stands for marine competence, innovative technologies and comprehensive and reliable service. ThyssenKrupp Marine Systems with its premises in Kiel, Hamburg and Emden (Germany) is part of the Business Area Industrial Solutions of the ThyssenKrupp group.

A new nameplate for two internationally renowned shipbuilding companies with a long tradition but for whom the future clearly lies ahead. Since the merger of

- Howaldtswerke-Deutsche Werft GmbH and
- Blohm+Voss Naval GmbH

in January 2013, ThyssenKrupp Marine Systems GmbH stands for more than 300 years of accumulated cutting-edge technology and art of engineering "Made in Germany".

In order to stay abreast of the long tradition and success, the new umbrella preserves former company names in the designation of its business units and brands for the naval surface and submarine products.

ThyssenKrupp Marine Systems comprises the three Operating Units Submarines, Surface Vessels and Services.

Today this naval system house is a powerful, specialised global player exclusively acting in the naval shipbuilding field and possessing outstanding expertise in system integration and in the prime contractor role. More than 3,200 highly qualified and motivated employees in Germany are passionate about the customer-oriented advancement of submarine and naval surface vessel technology. For naval assets to be built in the own premises or in selected shipyards worldwide.

Note: in recent times, TKMS has concentrated on the development and design of marine ships, leaving construction to partner shipyards, such as Lürssen of Germany.

### *The ThyssenKrupp Group*

ThyssenKrupp has around 157,000 employees in just under 80 countries working with passion and expertise to develop solutions for sustainable progress. Their skills and commitment are the basis of our success. In fiscal year 2012/2013 ThyssenKrupp generated sales of around €39 billion.

Innovations and technical progress are key factors in managing global growth and using finite resources in a sustainable way. With our engineering expertise in the areas of "Mechanical", "Plant" and "Material", we enable our customers to gain an edge in the global market and manufacture innovative products in a cost and resource efficient way.

<b>ThyssenKrupp Group</b>					
<b>Corporate headquarters</b>					
ThyssenKrupp AG					
<b>Business areas</b>					
Components Technology	Elevator Technology	Industrial Solutions	Materials Services	Steel Europe	Steel Americas*

([https://www.thyssenkrupp-marinesystems.com/en/company\\_2.html](https://www.thyssenkrupp-marinesystems.com/en/company_2.html))

*ThyssenKrupp AG Interim Report 9 months 2014/2015*

[https://www.thyssenkrupp.com/documents/investor/Finanzberichte/eng/ThyssenKrupp\\_2014\\_2015\\_Q3.pdf](https://www.thyssenkrupp.com/documents/investor/Finanzberichte/eng/ThyssenKrupp_2014_2015_Q3.pdf)

*ThyssenKrupp AG Charts on 3rd Quarter 2014/2015 – 13/08/2015*

[https://www.thyssenkrupp.com/documents/investor/Finanzberichte/eng/charts/ThyssenKrupp\\_2014\\_2015\\_Q3\\_Chart.pdf](https://www.thyssenkrupp.com/documents/investor/Finanzberichte/eng/charts/ThyssenKrupp_2014_2015_Q3_Chart.pdf)



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