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leading international
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Press Release · Pressemitteilung

The leading international maritime trade fair: SMM 2020 publishes motto and Maritime Industry Report

“Driving the maritime transition”: In times of the global climate debate and the digital transformation, SMM 2020 will once again be the focal point for decision-makers in the maritime industry. Topics that are currently high on the industry's agenda are highlighted in the new issue of the SMM Maritime Industry Report: Shipping, shipbuilding and supplier companies are especially interested in alternative propulsion technologies and attractive niche markets.

Hamburg, 3 September 2019 - The year 2020 marks a major turning point in international shipping: On January 1, a lower global limit for the sulphur content of ship fuels will enter into force. Instead of 3.5per cent, the allowable maximum will be 0.5per cent. For decades heavy fuel oil (HFO) was the fuel of choice for ship operators. Once the so-called Sulphur Cap enters into force, HFO will be restricted to ships equipped with expensive exhaust gas cleaning systems, also referred to as scrubbers. Another major milestone the International Maritime Organization (IMO) has set is that greenhouse gas (GHG) emissions from shipping should be cut in half by the year 2050. With its motto "SMM 2020 – Driving the Maritime Transition" the leading international maritime trade fair follows up, showing all of the industry's the new trends and innovations in the context of environment protection and the digital transition.

Maritime Industry Report confirms technology race

From liquefied natural gas (LNG) as a ship fuel and battery hybrid systems to fuel cells, synthetic fuels and power-to-X technology, a number of promising solutions have reached the market, or at least, an advanced developmental stage. "The race for the best concepts has barely begun," says Dr. Uwe Lauber, CEO of MAN Energy Solutions, and Chairman of the Engines and Systems division of the German Mechanical Engineering Industry Association VDMA.

But which technology is preferred by shipping companies? What fuels will we rely on? And what about shipowners' readiness to invest? To find answers to these questions, the fair organiser Hamburg Messe und Congress GmbH (HMC) conducted its second survey among shipowners, shipbuilding companies and suppliers around the world, asking them to assess the current economic and technological developments. More than



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1,400 industry players, most of them company executives, took part in the survey for the **SMM Maritime Industry Report (MIR)**. This makes the SMM MIR 2019 one of the world's most comprehensive maritime industry surveys ever conducted.

Retrofits preferred over newbuilds

One of the results is that more ship operators prefer LNG (45per cent) over any other ship fuel. This is especially true for cruise operators who are determined to live up to their environmental responsibility. According to the cruise industry association CLIA, the current orderbook lists 26 LNG-powered vessels.

Hybrid solutions are being considered by a growing number of owners, in particular, battery technology combined with marine diesel oil (MDO; 48per cent) as well as LNG (39per cent). Both are suitable to meet the increasingly stringent environmental restrictions. All in all, more than two thirds of responding shipowners indicated their intention to retrofit their fleets in service. Only 29per cent intend to replace tonnage with newbuilds. The general interest in building new ships is relatively low among owners: Fewer than one third intend to order new vessels before the end of the coming year. LNG carriers (15per cent) top the list of ship types.

Booming segments boost volume of new orders

Installing scrubbers, ballast water management systems and new propulsion technology, shipyards specialising in commercial ships are staying busy mainly thanks to the demand for overhauls, repairs, retrofitting and conversion jobs. 53per cent of yard operators are expecting an increased need for tanker repairs between now and the end of 2020, and 48per cent are anticipating the same for containerships. As for the newbuilding market, however, other segments are expected to grow: 64per cent of shipbuilders believe orders for RoPax ferries and expedition cruise ships will increase, and 59per cent see the demand for naval vessels growing. The well-filled orderbooks benefit the supply industry, as well. Among all the participating stakeholder groups, the outlook of suppliers is brightest, with more than one third anticipating excellent sales opportunities. 74per cent say they are able to sell their innovative technologies at least occasionally. An outcome that affects the Maritime Industry Score: The improved mood in the industry compared to 2017 (from 54.6 to 56.8) is mainly a result of the supply industry's positive expectations.

SMM: a platform for innovation

With environment protection and the digital transformation as key goals of the global shipping community, the industry's ecological footprint is under scrutiny, and enormous



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structural changes are taking place. From 8 to 11 September 2020, SMM, the leading international maritime trade fair, will showcase all that is technically possible to ensure the industry's long-term success and ecological sustainability. Whether hardware or software, more than 2,200 exhibitors from all segments of the maritime business will present their future-looking technologies and services. More than 90,000 square metres of exhibition floor will be available to global leaders, start-ups and 'hidden champions'. Claus Ulrich Selbach, Business Unit Director – Maritime and Technology Fairs & Exhibitions at HMC, points out that Green Shipping has been playing a major role in recent years: "Whether you go to the gmc conference, take the Green Route through the exhibition, or visit Hall A5 which is entirely dedicated to sustainable propulsion technologies – as the leading international maritime trade fair we highlight the industry's key business drivers every two years, showcasing all the state-of-the-art solutions for a greener shipping sector."

A special trade fair for the cruise segment

Hamburg's exhibition centre HMC again demonstrates its understanding of the trends of the time, now staging the new SMM spin-off **MARINE INTERIORS Cruise & Ferry Global Expo**. Focusing on interior design and outfitting of cruise ships, this exhibition takes place in parallel with the Seatrade Europe conference from 11 to 13 September 2019. It is SMM's response to the booming cruise market and the industry's strong interest in specialised suppliers, some of whom were part of the new Cruise & Ferry Route at SMM 2018. The strong demand is also reflected in the results of the new SMM MIR survey which included interior design as an additional category for the first time: More than one third of respondents declared an interest in products and services for ship interiors, with turnkey solutions being especially popular. "With MARINE INTERIORS we now have a new exhibition that is a perfect fit for the profile of Hamburg Messe und Congress. Combined with SMM 2020, the shipping hub of Hamburg can look ahead to a fascinating and insightful twelve-month period. I am sure many market stakeholders will benefit enormously, especially in view of the shipping industry's pathway towards becoming climate-neutral," Selbach added.

From MARINE INTERIORS straight to SMM: The 29th issue of the leading international maritime trade fair will take place from 8 to 11 September 2020 exhibition complex.

About the SMM Maritime Industry Report

The SMM Maritime Industry Report (MIR) is prepared jointly by Hamburg Messe & Congress GmbH (HMC), the organiser of SMM, and the market research institute mindline GmbH. It is a comprehensive study that reflects how SMM exhibitors and visitors assess



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the sector's economic and technological development. The Maritime Industry Score summarises the economic expectations. The SMM MIR was conducted for the first time in 2017. This year's participant profile again reflects the full breadth of industry segments, with 62per cent of respondents representing suppliers, 18per cent shipowning companies, 13per cent shipyards, and 7per cent interior designers. Nearly one third of respondents are exhibitors at SMM, and the remainder are visitors. To read the SMM MIR go to www.smm-hamburg.com/mir.

About SMM

The leading international maritime trade fair takes place in Hamburg every two years. From 8 to 11 September 2020 more than 2,200 exhibitors and roughly 50,000 visitors are expected to come to the famous port city. Covering more than 90,000 square metres of exhibition floor, SMM reflects the entire value chain of the maritime industry. Decision-makers, experts and multipliers from all parts of the world will gather at the exhibition, making SMM the foremost innovation platform of the maritime sector.

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