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SMM 2018: Leading international maritime trade fair launches with high-profile guest speakers

At today's opening press conference of the leading international maritime trade fair in Hamburg, political and business leaders discussed current challenges facing the shipping industry. The focus of the debate was on the 0.5per cent sulphur limit for ship fuels which will take effect on 1 January 2020, and the industry's goal to cut greenhouse gas emissions from global shipping in half by the year 2050. Roughly 2,300 exhibitors and the extensive conference programme accompanying the trade fair will deliver answers to the industry's complex questions. Roughly 50,000 visitors are expected to attend. SMM is open to the international industry audience from today until Friday 7 September.

Hamburg, 04/09/2018 – A press conference featuring a panel of highly distinguished speakers opened the leading international maritime trade fair today.

The expert panel included:

- Kitack Lim, Secretary General of the International Maritime Organization (IMO);
- Esben Poulsen, Chairman of the International Chamber of Shipping (ICS);
- Frank Starke, Global Product Manager Medium Speed Engines, Caterpillar; and
- Bernd Aufderheide, President and CEO, Hamburg Messe und Congress GmbH, which organises SMM.

SMM an important driver for the maritime sector

In his opening address, **Bernd Aufderheide** emphasised the great importance of SMM as an international and interdisciplinary platform for decision-makers and experts from the maritime world to share thoughts, ideas and experiences. In challenging times such as these, he said, the industry demonstrates its determination to pull together, discuss solutions for the future, and deliver impetus for long-term political decisions. The 13 exhibition halls present a wide range of current technologies and tangible innovative solutions for greener as well as more efficient ship operations, he pointed out: "Apart from digitalisation, green shipping is one of the main themes at SMM 2018. Exhibitors offering 'green' products cannot only be found in Hall A5, which is entirely dedicated to green propulsion. The Green Route likewise includes a very large number of 'green' companies, and many of them present innovative products that can truly make a difference in helping shipping become more eco-friendly," said Aufderheide.



The exhibition is accompanied by segment-specific conferences, such as the global maritime environmental congress (gmec), the Offshore Dialogue, or the Tradewinds Shipowners Forum which focuses specifically on the challenges facing shipowners and is held in conjunction with SMM for the very first time this year.

International cooperation of all stakeholders is essential

Kitack Lim stressed the importance of the International Maritime Organization's ambitious ecological agenda: As soon as 2020, the global 'Sulphur Cap' will come into effect, limiting the sulphur content in ship fuels to 0.5 per cent, said Lim: "The entry into force of the sulphur limit on 1 January 2020 is a landmark decision for both the environment and for human health. It demonstrates a clear commitment by IMO to ensuring shipping meets its environmental obligations. The major focus for IMO and the industry now is to ensure consistent, global implementation of the new limit," Lim added. By 2050 the industry wants to cut its CO₂ emissions in half, and by the end of the century ships are to operate entirely without emissions to contribute their fair share to the implementation of the Paris Agreement. Lim commented: "To have this overall international framework within which the technical discussions can now take place is a truly historic breakthrough. The next step is to agree the precise measures that will enable these ambitions to be achieved. Communication and collaboration among Member States and all stakeholders is essential."

Shipowners must invest enormous amounts of capital to meet the stricter emission limits and the ambitious climate protection goals, from scrubbers and other filter technologies to alternative propulsion technologies which will be needed in the medium term. At the same time, more than 50,000 oceangoing ships around the world are required to install ballast water management systems, as well.

Enormous investments

Esben Poulsen, Chairman of the global shipowners organization International Chamber of Shipping (ICS), took up the issue of the 'Sulphur Cap', highlighting the challenges the new limit brings about for the shipping industry: "ICS fully supports the implementation of the sulphur limit and accepts that postponement is not an option." What is crucial now is careful planning, he said. "It is important to consider that shipowners must begin purchasing compliant fuels as early as the middle of next year." A recent survey by the Swiss investment bank UBS among ship managers revealed what all this means: From 2019 until 2023, more than \$250 billion of equipment investments and operating costs will have to be shouldered by owners to comply with green shipping requirements.

The IMO's climate protection strategy will require an even greater effort: "The goal for 2050 can only be achieved with radically new propulsion systems, such as hydrogen and batteries," said Poulsen. Engine manufacturers play a key role in making the maritime energy transition happen; and all the major players are exhibiting at SMM. **Dr. Frank Starke**, Global Product Manager Medium Speed Engines at the engine manufacturer Caterpillar, is well aware of the challenge. "The ambitious 2050 greenhouse gas target can only be achieved by combining several



technologies, including innovative engine technology, various fuels, new fuel production methods – such as Power to X – and exhaust gas aftertreatment," the engineer predicted. Special applications will require special solutions, such as battery operation in short-sea shipping, he added. It is of paramount importance that all stakeholders act in concert, Starke stressed: "The required massive investments of creative intelligence and capital can only be justified if there is a predictable, globally harmonised emission regulation regime. Adherence to these regulations must be monitored effectively and enforced strictly to create a level playing field around the world."

Bernd Aufderheide then invited the panellists and journalists to join him for a tour of the exhibition halls: "Experience an industry that utilises all of its accumulated engineering prowess to steer shipping towards a sustainable future." He said he was confident SMM would deliver the necessary encouragement. "I have no doubt that both, visitors and exhibitors will leave the trade fair with a sense of optimism after four information-filled days – and that they will return in 2020."

The kick-off event for SMM 2018, the Maritime Future Summit, was held one day ahead of the fair, followed by a festive evening reception at the Hamburg City Hall. Apart from the official host of SMM, Hamburg First Mayor Tschentscher, speakers at the reception included State Secretary Dr. Ulrich Nussbaum from the German Federal Ministry for Economic Affairs, and IMO Secretary-General Kitack Lim. **Dr. Peter Tschentscher** described how Hamburg's vibrancy as a maritime hub benefits from SMM: "The 28th SMM brings all major engineering innovations of the value chain together under one roof, and its overarching themes are once again right at the core of the debate about the future of shipping, of ports and the oceans."

From Tuesday 4 September until Thursday 6 September, SMM opens from 9:30 am to 06:00 pm. On Friday 7 September the fair closes at 04:00 pm. Journalists may obtain an online accreditation by going to <https://www.smm-hamburg.com/en/press-service/press-service/accreditation>.

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