

**Instilling the Spirit of Cooperation and Joining Forces to Face Global Challenges
2015 EU-China Shipbuilding Dialogue**

Copenhagen, 6 October 2015

The 5th meeting of the EU-China Shipbuilding Dialogue, hosted by the European Commission, was held in Copenhagen on the 6 October 2015. Official delegations consisted of representatives of the Chinese Ministry of Industry and Information Technology (MIIT); the Directorate of Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) of the European Commission; and industry representatives from both the EU and China.

Both parties shared the view that the shipbuilding industry is still facing difficulties such as overcapacity, weak demand, low prices, financing problem, trade barriers and local protectionism. Policy measures have been taken to support the industry's diversification and promote technological innovation. The top priority from Europe is to enhance its shipbuilding skills and jobs. From China the market objective is to upgrade the industry and transform it from being 'big' to being strong.

The delegates agreed that the challenges that the industry is facing are global challenges and need all parties to work together to solve them together. Wolfgang Hehn, European Commission said "on the whole the European industry with its long heritage of diversification is doing rather well looking at the 2013 and 2014 figures, however, increasing macro-economic challenges is making business difficult and should be a reason for intensifying further EU-China cooperation". Cooperation at policy level is important to address market failures and create a more rule-based market environment.

At a business level, new collaboration and partnership projects between European and Chinese companies are being launched. It is expected that due to the complementary nature of the shipbuilding industry in Europe and China, such cooperation should bring win-win situation to both parties.

While confirming the good experience and achievement in the past cooperation, concerns such as ownership restrictions, harmonisation and clarification of regulations, local content requirement, and IPR protection issues were raised by the participating European companies which have already business activities in China and hoped that these would be addressed.

The head of the Chinese delegation from MIIT, Mr Zhang Xiangmu appreciated the openness of the company representatives and said that "to improve the shipbuilding industry in China the way ahead is to open the market and encourage international cooperation. As long as European companies are established in China and comply with Chinese rules and regulations, they should be treated as Chinese companies".

The next EU-China Shipbuilding Dialogue will take place in China in autumn 2016. Companies from both sides are welcomed to give inputs and suggestions concerning its content.



Background Note

SEA Europe brings together CESA and EMEC and represents an industry which generates more than €91 billion turnover annually and offers employment in high profile jobs for more than 500 000 Europeans. The association represents close to 100% of the European shipbuilding industry in 18 nations, encompassing the production, maintenance, repair and conversion of all types of ships and floating structures, commercial as well as naval including the full supply chain with the various producers of maritime systems, equipment material, and services.

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