

FACTORS IMPACTING PRICES AND COSTS FOR SHIPBUILDING: TOWARDS SMOOTHER SAILING?

Latest input market developments, role of decarbonisation policies, actions taken by key stakeholders and market & policy perspectives

C-WP6 and Steel Committee Joint Workshop

Tuesday, 29 November 2022

9:30 – 17:15 (CET)

OECD Headquarters, Paris (with possibility of Virtual Participation)

Background

At its 20-21 April 2022 meeting, the OECD Council Working Party on Shipbuilding (C-WP6) agreed that its next workshop would focus on recent trends in the price of steel and other raw materials and their impacts on the shipbuilding industry.

The workshop does not intend to focus on any agreement or understanding that unduly reduces competition or unreasonably restrains trade. A statement of Compliance with Anti-trust and Competition Laws will be read at the beginning of the Workshop.

Objective

In a broader context, the workshop will provide an opportunity for a range of stakeholders and policymakers to discuss the developments and increases of input prices to the shipbuilding industry and their impact, as well as possible ways of addressing them.

Registration

To register for the workshop, please send an email to Shipbuilding@oecd.org.

Programme

9h30 - 10h00

Introduction

Opening remarks by **Jens LUNDSGAARD**, *Deputy Director of the Science, Technology and Innovation Directorate, OECD*.

Note of caution by the **OECD Secretariat** on competitive issues.

Presentation by **Luisa RODRIGUEZ**, *Economic Affairs Officer, UNCTAD*, on UNCTAD's Review of Maritime Transport 2022.

10h00 - 11h15

Session 1: Overview of the Current and Upcoming Drivers of Ship Prices

Moderator: **Stephan RAES**, *Head of the Structural and Industry Policy Division of the Science, Technology and Innovation Directorate, OECD*.

1.1. Shipbuilding Cost Index

Presentation by **Paul STOTT**, *Senior Lecturer in Marine Production and Shipping Market Analysis, Newcastle University, Marine, Offshore and Subsea Technology, School of Engineering*, on a cost index for the shipbuilding sector.

1-2. Steel and Key Raw Materials for the Shipbuilding Industry

Presentation by **Matthew WATKINS**, *Principal Analyst on Steel, Commodities Research Unit (CRU)*, on the latest developments in the steel markets and notably regarding steel plate prices.

Presentation by **Fabien MERCIER**, *Economist, Structural and Industry Policy Division of the Science, Technology and Innovation Directorate, OECD*, on the latest developments of the steel markets and of related policies.

1-3. Marine Equipment & Supply Chain

Presentation by the **Shipbuilding Unit** of the Structural and Industry Policy Division, OECD, on marine equipment and related policies.

1-4. Labour

Presentation by **SEA Europe**, on labour issues in the shipbuilding sector. (TBC)

11h00 - 11h15 **Coffee break**

11h15 - 12h30

Session 2: Energy Markets, Environmental Regulation and Technological Change

Moderator: **Olaf MERK, Administrator Ports and Shipping, International Transport Forum (ITF).**

2-1. Fuelling the Transition: the Impact of New Technologies and Alternative Fuels on Ship Prices

Presentation by **Elizabeth CONNELLY, Energy Technology and Transport Analyst, International Energy Agency**, on future fuel demand for the shipping industry.

Presentation by **Tristan SMITH, Associate Professor in Energy and Transport, University College London**, on cost of reducing GHG emissions in shipping.

2-2. Financing the Transition: Investments to Adapt to Environmental Regulation

Presentation by **Cochin Shipyard**, on financing the transition - investments to adapt to environmental regulation.

12h30 - 14h00 Lunch break

14h00 - 15h15

Session 3: Impact on Shipyards and Shipowners and Their Responses

Moderator: **Hiroshi (Dave) IWAMOTO, Advisor, The Shipbuilders' Association of Japan (SAJ).**

3-1. Impact of Input Price Developments on Ship Prices and Freight Rates

Presentation by a **Professor of Korea Maritime and Ocean University**, on the Impact of Input Price Developments on Ship Prices and Freight Rates. (TBC)

3-2. Actions Taken by Shipyards to Address Recent Price and Volatility Increase in Key Input Markets and Decarbonisation Policies

Presentation by the **Chinese Shipbuilding Association (CANSI)**. (TBC)

Presentation by **Arda Ozan DEMIRCELIK, Turkish Shipbuilders' Association (GISBIR)**, on the access to technology and retrofitting.

3-3. Actions Taken by Shipowners for the Decarbonisation of Shipping

Presentation by **Georgia SPENCER-ROWLAND, Senior Adviser on Shipping Policy, International Chamber of Shipping**, on the actions taken by ship owners for the decarbonisation of shipping. (TBC)

Presentation by **Jim CORBETT, Environmental Director for Europe, World Shipping Council**, on shipping decarbonisation in the liner sector.

15h15 - 15h30 Coffee break

15h30 - 17h00

Session 4: Looking Forward: Implications for Policy and Future Work

Moderator: **Halvor HVIDEBERG, *Ambassador and Chair of the C-WP6, Permanent Representative of Norway to the OECD.***

4-1. Outlook for the Shipbuilding and Shipping Markets / Environmental Policy Prospects

Presentation by **Jenny N. BRAAT, *Chair of the Working Group on market forecasts, SEA Europe,*** on the outlook for ship requirements.

Presentation by **Camille BOURGEON, *Technical Officer, Marine Environment Division, International Maritime Organization,*** on environmental policy prospects.

4-2. Policy Perspectives

Interventions by **WP6 Delegates** on shipbuilding policy perspectives.

17h00 - 17h15

Concluding remarks by **Halvor HVIDEBERG, *Ambassador and C-WP6 Chair, Permanent Representative of Norway to the OECD.***