

GLOBAL SUPERYACHT FORUM 2006

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Shipyard Debate

Michael Breman	Lurssen
Mark Cavendish	Benetti
Hein Velema	Feadship
Theo Hooning	SYBAss

Martin Redmayne

Good afternoon everyone. One of my favourite fish is sea bass, with warm olive oil, rosemary, baked in the oven. But that's not what we're talking about this afternoon, is it.

On my right I have 4 equally esteemed gentlemen—one we've already seen, Michael Breman, the other 3 gentlemen are here to talk about this brand new industry body, the Super Yacht Builders' Association. The first person on my right is Theo Hooning, who's been involved in organisations and association creation for about 15 years. Hein Velema is chairman (is that right?) of Feadship or boss? of Feadship—something pretty important anyway. Mark Cavendish is Sales Director of Azimut Benetti. Mr Breman needs no introduction, he's already had one.

Essentially this is to talk about SYBAss although we may touch on other subjects relating to the shipyard world but I think everyone here is very keen to hear what the objectives and the mission of SYBAss is, after we've spent the last day and a half talking about industry associations and the various governing issues we need to address as an industry. Perhaps SYBAss has the answer. Theo, over to you.

Theo Hooning SYBAss

Thank you Martin. Good afternoon, ladies and gentlemen. I'm pleased to talk here about SYBAss, something which in fact did not exist in January. It all started off in January and in that way I'm very happy that I can present quite a comprehensive idea at this moment as to how we want to carry on. It starts with the basic fact—why to associate? Why companies would like to associate is very simple—it's because they see that if you join forces you are more powerful than doing things on your own. And that was the basic idea of starting the whole idea of SYBAss. It has all to do with developments in the market where yesterday and today we heard quite a lot of discussions about it. It's clear that things are getting more complicated, getting bigger, getting more serious, more legislation so the whole business environment is getting much more complicated for individual shipyards and that is the starting point for an association. If I look at what kind of members; the focus group is shipyards who build absolutely custom built yachts and they do that on a regular basis so the shipyards who are in the industry which is let's say above the 40metres and who have delivered several yachts already. Why are you associating? Because there are 3 major fields of interest. I think it's good to point them out so you get more of an idea of what an association can do for an industry. The first one is to represent the industry to the business of environment around, and I think in that way we have had in the discussions already many points of rules, regulations, certifications etc. If an industry wants to influence that then there must be a central body because it's also

easy for the people who are involved in the business that they can address questions to the central body and therefore all the things that come forwards can be delivered in the right way to the industry. Also what you see is that yes, other groups are organised or are organising themselves and that's also something which is maybe new for this industry but you see that worldwide; you as an industry of superyacht builders are surrounded by other associations and also we look at the structure that our superyacht industry is also part of for example ICOMIA, and I want to address that too, because it was mentioned this morning that for example the cooperation between ICOMIA and SYBAss is already quite firm and we have already decided in our last meeting to have joint operation in the field of the solvent emissions directive. Where we carry on you can say OK another point is the structure of the industry itself. It's also mentioned that when you have to be more and more professional as an industry you have to look at the ways to make this industry more professional and to make means available to do so. We have talked already about training—one of the issues coming forward from SYBAss is also to see if we can have some activities in the field of client representatives to make it also more adjusted to each other. And last but not least the question for individual members—what's in it for me? And that is initially we want to address in a way that we will have promotional activities especially tailor made for the members. And one of the activities will be in December, an event in Moscow. Let's say that gives you a bit of an idea of the different fields of activity representing the industry, structuring the industry in a way that it's becoming more professional and that is in that way more solid basis to work and yes, that members will profit from the association on an individual basis. And that gives you also the goal, the mission of the association is quite clear. It is to represent outside but also be a clubhouse for the members themselves to have open discussion about issues which are of general interest and in that way we want to start the association in an open minded way and I hope also with a lot of input from all the different parties in the industry. Thank you.

Martin

Theo thank you. I'll now ask Hein to give his perspective on why it's come about, what is the *raison d'etre*.

Hein Velema Feadship

Well, I think it's not easy to say it better than Theo just did, because I thought he was going to say a few words and then let me do the talking but he already said everything I think that is to be said.

It started actually a year ago, like today I was sitting next to Mark Cavendish from Benetti—that was not here in Amsterdam, it was in Moscow and we were attending the extravaganza, and it was not the first time that we as Feadship went to Moscow but it was I think the worst event we'd had until then. It was really not very well organised and we were just sitting next to each other and we thought we can do this better. That's actually only a year ago and we started to talk about how can we do that, and then we talked to Michael about it and he had the same type of experience and then in January we came together with about 12 shipyards to discuss this issue—how can we represent ourselves in a better way in Russia. And then certainly the discussion came from an event in Moscow when we thought maybe we can do also other things, on regulations, on making the industry more professional and before we knew it we had an association. Although we have an association we are still in the process of founding it, we tried to found SYBAss in Monaco—I think we're still waiting for some official documents so at this moment we are actually still a virtual organisation, officially we do not exist, but we had our first real big meeting in

October in Fort Lauderdale and there are now almost 20 shipyards very willing to work together on pour 3 different issues. It's the promotion type of things like what we are doing in Moscow, it's working on regulations, to get a better grip on what's happening to us and the third thing is to make our industry more professional. We started a few activities and we are still very open minded because we have still not really decided where it will lead us in the next 5 years. We take it step by step. We took a few activities; we'll see where we go, don't we Michael.

Michael

I agree with you.

Mark

Me too, I guess!

Michael

It was truly a meeting of probably the stars being aligned at the right moment where as we decided to try and solve our problems in Russia the larger picture appeared and if you bear with us for a while you'll probably be able to see that we can make a difference for the builders in representing their interests with the various groups that are trying to regulate our business. It was about high time we did it and I'm very glad that we have done so.

Martin

End of story! I think fair comment, guys, and I understand where you're coming from and what the progress to date is. I want to open the floor now so that the audience here can pose their questions as to what impact the association may have on them. So can we have the light please, and the 3 wonderful girls prepared.

Michael

I have a question. Is Hein wearing a SYBAss tie?

Martin

No he's wearing a kipper tie. Sorry.

Tim Fleming Zodiac

So is the organisation open to other manufacturers of boats, such as tenders, or is it only superyachts?

Hein

No. The answer is no but to give an explanation we were looking to get shipyards together that have the same type of problems or the same issues to deal with. So we were looking for a couple of things—the main thing is we need to have shipyards that also have the experience, that's why we have the rule, you have to have at least built a few boats in the last 10 years. And the other criteria we have is boats over 40metres—the reason for that is that if you are in that region you have a different type of issue to deal with, you have to work with designers, with consultants, with different type of regulations and especially that we want to share this type of

experience and to see how we can cooperate on that and how we can work together to create a better environment for us. To deal with the risks we have in this industry. So we are not open for other manufacturers that are building for example tenders.

Tim

OK, thanks. Pity.

Tork

On regulation, it's very encouraging to see that shipyards are showing an interest in working with regulators. I was quite struck recently by serving on an MCA committee how little interest there was from shipyards who were invited to come along and none did. So clearly it's going to be extremely positive to have SYBAss doing that. Because you choose the cutoff of 40metres and because regulation enters at 24metres and breaks at 500gross tons how are you going to deal with those other yards that aren't suitable to be part of your organisation? How are you going to coordinate your efforts so you don't end up working in opposition, but working rather in harmony to achieve what you all need?

Hein

Well, it's not the idea that SYBAss will do everything on its own, so we will work together with other parties of course to achieve our goals. And we can even work with paint manufacturers to get things done, we can work with other associations to get things done. So on the regulations you say it starts at 24metres but under 24metres there are also regulations of course. We will work with those other associations that are in place and I think we started to do this we have taken the initiative to start an association but we welcome I think also other parties in this industry to get organised, because I think it will help us.

Tork

Yes sure. I'm just thinking there is a slight gap there and it is unfulfilled because unless with the exception of the USSA there is not to the best of my knowledge an association for yards working between 24metres and 40metres, is there.

Hein

No, well all the shipyards are normally also organised within their own countries—there are regional organisations.

Tork

Right. But not a specific shipyard organisation as such.

Hein

But they can do that?

Theo

In that way ICOMIA is representing all the shipyards so in that way the cooperation of SYBAss, ICOMIA also involves the smaller yards. And also the refit, which is also quite a big industry but which is not represented in SYBAss. But why ? SYBAss was

founded from let's say a marketing perspective, it's an idea that the same problems are facing several shipyards and if we unite them we can have a very concrete way of having dealt with their interests and so you see it a lot, that people are thinking of it from a technical point of view and that's not in the question. We can solve that in another way, cooperation with ICOMIA, etc. But it's main thing is that you find a group of shipyards that see they have a lot of things in common and as Hein clearly put it, that are the shipyards who make custom built yachts and they do it on a regular basis and then if you take the technical definition of a superyacht from 24metres then you see that they are in fact different markets.

Martin

Can I see a hand anywhere?

Gerry Butler The Royal Bank of Scotland

Items like insurances and synergies from insurances and pooling insurances and stuff like that, are they forming part of this debate within SYBAss or is it purely a technical point of view, like obviously you've got insurances individually if you pooled your resources together to an insurance company I'm sure that would make a lower premium etc etc and could potentially follow on for benefits for a client as well.

Hein

I think it's a good point. Most of what we do will probably be invented as we go along so to speak. Again, as was explained before, it was not invented, or we didn't come together in order to address specific issues but to address the issue hey, we need to get together and find issues and this may very well be a good one.

Martin

Ken Hickling. You're sitting there typing away. Do you have any opinion on this, being such a luminary in the superyacht society? Can I ask you to come down and talk to Ken, who has a lot of opinions on societies; we've shared them over a beer several times.

Ken Hickling Awlgrip but possibly also the ISS

Thank you for that, Martin. Martin's picking on me because I'm one of the board members of the ISS—for those of you who aren't sure what the ISS stands for it's the International Superyacht Society. We're another association supposing to represent the industry alongside all the other organisations of which SYBAss has just joined the club. As we said at our members' meeting in Fort Lauderdale that we were very pleased to see the manufacturers of the large vessels associating into an organisation—we don't see it as a conflict; the ISS is very much an umbrella organisation with its very broad approach and very global positioning. I guess the question that I have, if I have one at all, given that one has been plucked out of me, is really to understand how an organisation like SYBAss can not only do its primary mission which is to represent the interests of its members, not only on the marketing side but also as you mentioned too, the regulatory bodies, which I think is an essential task for you guys. But how do you see, and I guess it's maybe for Theo who has the most experience in this area, how do you see your organisation working with other organisations, not just the ISS but maybe some of the other interest groups who are not necessarily builders but maybe broker associated or other fields that are out there, like the PYA which is more crew and captain oriented, how in your

experience will you successfully work with these other organisations so that we as an industry can develop forward in a way that is of clear mutual benefit rather than individual self interest?

Theo

A very clear question and the answer is that you have to be careful that you do not think that you can do everything together but you really have to focus on the items that you can do together. I think on the basis of that you have objectives in a special field so you can on that subject really work together and you can even formalise it. One of the examples I got the impression after 2 days here is something about training. Training you can say OK; we are building the yachts and that's it. But if the yachts are sold in an improper way we also have a problem. So one of the things of training, for example, you could think that you make a kind of superyacht academy idea and I can see that the different associations active in the field can contribute to such an organisation. So you can use a foundation— then a very good means of doing such an activity. So what I can see is that you use your association really they are more the core business of the different sections of the superyacht industry and on that you have then links with doing activities together and in different fields. That all starts with communicating with each other and I was very glad to be invited for the ISS breakfast and in that way I got a good feeling of what you are doing, we hope today to give you a good idea of what we are doing and then it's very easy to pick up the telephone or write an email and then yes, you can progress together in this field, and that has all to do with the structure of the industry that you have professional relationships between the different parties within an industry.

Martin

OK, who's going to come back with some questions before I throw one.

Brian Simpson Platinum Yachts, Dubai

I'd just like to know if the association has some kind of prospectus and where they see themselves. Is it going to be a global overview or are they just going to put regulations to the shipbuilders that don't need any more regulations?

Michael

We don't want to make any regulations. The whole point of the organisation should be, or theoretically is, to deal with those people that make the regulations to do it in an intelligent way or in a way that doesn't set us back in time or set us back in money. And to be perfectly honest we haven't been very successful at that in the past and this is one of the reasons to change it. So don't expect from us rules and guidances or whatever. When I say us, I mean SYBAss, which is a living organism which is taking shape. So don't worry. No rules.

Brian

But is there any outline of where you're going to be, or what your objectives are?

Michael

The objectives, the middle and short term objectives have kind of been highlighted by Theo and Hein; I think there will be other objectives which will become apparent as we invent ourselves as we go along. We will be based hopefully if all goes well,

(thanks to the help of good friends in Monaco) in Monaco; and will take it from there. Our first mission is to organise this event in Moscow and we're all very confident that it'll be a great success and it'll scare the living daylights out of every show organiser because now we're doing it on our own.

Hein

At this moment we don't have a brochure, a website or something; we are just in the process of founding ourselves. but we have intentions to set up a website in a few weeks' time when there's more information about exactly the goals and also who will be members, hopefully. Because we still officially have no members since we are not officially founded.

Tork

Can I just clarify something. My understanding is that the basis of qualification is that you have to have built 3 yachts over 40metres within the last 10 years. Is that yachts or fully custom yachts. Because a couple of times you've said fully custom and I'm a little confused as to whether it's length or custom.

Hein

Well, it's not very—you can't make a very clear definition of what is a custom boat and what isn't, so we are not going into that. We think about yachts—at this moment what we decide because we had a lot of discussions who can be a member or not, the idea is to have shipyards together with the same type of issues and things that they have to deal with, so we said well you have to make a cutoff somewhere and if you go too long then you have also a lot of real production shipyards; they are in a different field, so we said it's 40metres. And we also want to have experienced shipyards who know what it is not only to sell a boat because that's the easy part, sorry Hank, but also what they really know what it is to finish a boat and we think if they finished 3 boats in 10 years and they're still in business they can be members. We had a lot of discussions on the 40metres —there are a few shipyards that actually have not really built 3 boats over 40metres in the last 10 years, so we made the following decision, let's first found SYBAss and have these initial members and then they can decide if they want to also have other members in there. But it will be shipyards with experience, and then maybe the 40metres is not that strict.

George Nicholson Camper & Nicholsons

I was intrigued by Michael's phrase just now—a show of our own. We all know the pressure for space in the big mega yacht shows of Monaco and Fort Lauderdale. Is SYBAss planning to have its own show, new boats only, and divorce itself from the secondhand boats and brokerage community?

Martin

Thank you for that question, George. You beat me to it.

Mark

The answer is at the moment we're not planning to boycott any boat shows. We have the Moscow show, we discussed with our potential members the idea of an in water

show in 2008 but as regards the other boat shows no, we have no intentions of moving away from that.

Martin

So what about the issue of only new boats?

Mark

Sorry I missed that one. Well of course by definition of what we do we're shipyards so therefore we are only exhibiting our—

Martin

A shipyard that owns a brokerage house.

Mark

We're not having brokerage boats in the show. I mean again, these details are not cast in stone because the association as we've said repeatedly is not fully formed and at the end of the day we can take different directions later if that's the way the members choose. But for the moment, as far as we're concerned, no that isn't the plan.

Martin

Is part of this process of an association a consolidation of business to let's say protect the future? I say protect carefully, but I mean look at the future at the top tier of the market.

Mark

Sorry, how do you mean protect the future?

Martin

Well, let's say looking at the future more closely as an industry from the shipyard point of view; we talked about this morning being—let's say we're growing too fast and what's over the horizon etc now. Is that something you discuss in your meetings at this stage?

Mark

No, at the moment our meetings as you know have been almost entirely committed to discussing legislation that affects the business as a whole. I mean that's really the intention of the association. It's twofold; one is to be a body that will speak as one for the biggest shipyards when it comes to debating issues of legislation regulation and so on, and the other of course is to do our own unique marketing let's say for the type of members we have.

Martin

So unique marketing includes me?

Mark

Always!

Hein

Martin, just one thing—technically George—there was a mistake in my statement, because the show's not really our own. There are some brokers represented in Moscow as well. So we are really trying to create something that works for our segment of the industry and that of course includes brokers to ensure our wellbeing.

Martin

Are Camper & Nicholsons there?

Hein

Absolutely.

Brian Simpson

I'd just like to pursue this SYBAss thing again. Is there any reason why it couldn't be integrated with the ISS? I mean is it totally different? Are we going to have too many associations then?

Theo

Everybody looks at me so OK. No, you can work together; but as you see we are looking at a specific part of the market and then they want to work together with themselves. In that way you can see it as balance; you can make a lot of members and then the cohesion in your association is gone. Or you have just a few members then you have a lot of cohesion but no influence. So it's a balance question and it's quite clear that the potential members as I have to say of SYBAss —they see that very clearly as they have common interests and they want to openly discuss that with all the parties involved but they have not the intention to be part of some kind of organisation and to be under an umbrella of some kind of organisation with their whole activities. Of course there was also discussion of let it be part of ICOMIA and also that was denied. We said no, we will work together with ICOMIA but we will not be part of ICOMIA because it gives some kind of dilution of our interests. So in that way I do not see SYBAss as a part of a big organisation except as I said on subjects where we can work together to make more unity against let's say outside enemies of the industry, that's great. But I think every part of the industry has to organise that for themselves and the superyacht society is some organisation which when you look at their goals etc it's much broader than what we are doing.

Brian

Are we still going to be pulling in different directions?

Martin

There's a potential?

Tork

Can I throw something in here? I raised this subject at the ISS meeting, if you recall, Theo. To do with how do we all—and now I'm speaking as PYA—how do we all cooperate when we find an area of common ground? What is the actual mechanism for it, because you know you have SYBAss, you have PYA, you have ISS, ICOMIA—a whole diversity of different associations, which actually I think is a good thing, not a bad thing. But we will pull in different directions sometimes, and we'll pull in the same directions at others. What are your thoughts on the strict mechanism for doing that amongst all these diverse organisations. How do we have—you can almost say—an IMO? God forbid. But you know what I mean.

Theo

You can have a look at to have a kind of body which is representing everybody and in that way you have the ISS, invent something new, you can say that there was already talk of having a meeting of the associations next year that you can have an open discussion on the several subjects which are of interest for your different associations and then if you meet common ground you can act on that. I think that would be the best way. I absolutely do not support the idea to have more and more organisations or to have ad hoc organisations but if you can make a forum, actually as this is also called, where once or twice a year you will meet and put forward the issues which are important to you at that moment. I think you really can work out very well coalitions to work together.

Brian

Do you think ICOMIA could fill that role at all?

Theo

If you look at ICOMIA you see that it's an association of associations, so there are many steps till you are at the bottom line, the members who are represented. So ICOMIA has a very good infrastructure of influencing legislation etc and I think we have to use it but to give straight input into ICOMIA and to have ICOMIA do all the work I think that ICOMIA is an organisation which represents from the smallest dinghy to the biggest superyacht and that causes problems because there are too many different parts of the market are represented there and you can use it very well on some legal topics but really as an association it doesn't work that way, especially as it's an association of associations and sometime behind that you have also associations, so it's too many layers.

Norma Trease

Yes I just wanted to let you know, to answer Tork's comment and so on that you're invited and all your members are invited and the PYA members are invited and the International Superyacht Society members and probably MYBA and anyone else is invited to a meeting of the associations next year; the first day of the Monaco yacht show in Monaco we're going to have a big wine tasting so that can be our first meeting of the associations—next Wednesday during the Monaco yacht show.

Martin

That sounds highly productive. All get drunk and then discuss the issues.

Theo

Do we first taste wine or do we first discuss things?

Hein

But to be honest, before we talk about all kind of associations of associations and meetings we just got started; we ought to be very practical. So before we start to over organise the whole thing we want to have a few very practical steps and activities to show that we can be successful and the first thing that we are doing now is the event in Moscow; it's the idea of SYBAAss but in this case we also invited 5 brokerhouses to join us so it shows that we are not completely closed.

Tork

Will that be an annual event?

Hein

Well, I'll tell you on the 9th! We don't know. If it's successful we probably will do it again but we don't know that. Also to give you the perspective of the shipyards of course we have already events like the Monaco boat show and the Fort Lauderdale boat show that in themselves are very good boat shows but if you see for example the Monaco boat show, there are more than 500 exhibitors, at Fort Lauderdale more than 1000, and only less than 20 shipyards building boats over 40metres. So we are a very very small minority in those boat shows. And what we'd like to do at those boat shows is to sell boats. That sounds maybe very simple but if you are there with a client on the T dock in Monaco or you're on one of the boats in Fort Lauderdale and you are walking with your client on a boat and you step off the boat and come into the boat show you see a huge business to business event where 99% of the people are selling stuff to other businesses and the clients feel quite awkward there, and they don't see it as a show really for the owners. We don't want to change all the shows and we don't want to create defence of ourselves but we want to show our interests and it's our interest to have boats there and to show them to clients and to give also the clients, that at the end of the day pay all the bills, also get the right attention. That is maybe how a shipyard looks in a different way to a boat show than a supplier or maybe a consultant or all the other 972 other companies that are exhibiting.

Martin

I know it's early days in the life of SYBAAss — sorry, there's a hand in the middle there—it looks like Ben Doof.

Ben Doof Hill Dickinson

Just a very short question and perhaps it hasn't been discussed yet amongst the members, but what sort of sharing of commercial information will there be amongst the members?

Martin

The same as there ever was!

Michael

Ben. None.

Ben

And how can owners and people acting on behalf of owners be assured that's that the case.

Michael

I guess proper ethics. What you suggest is illegal. Therefore it doesn't even come to mind. I think the issues that we'd like to address are the ones that regulate, that are related to things that are connected to how you build the boat so regulations, maybe even problems in systems and dealing with certain problems that seem to be universal to all boat builders. It's relatively naïve if you wish; nothing as smart and cunning as what you suggest.

Martin

But from that point of view Michael one of the questions that's come in on SMS is will you look at commercial issues in the brokerage world, for example, relating to shipyards or even build contracts.

Michael

These are all ideas. We have not discussed this before. As we said before, we are inventing ourselves as we go along. I guess some things we will pick up, other things we will not. These are clearly very sensitive issues. They were attempted before. We haven't discussed it.

Martin

I think one of the problems is though that this industry sees these associations and I'm not digging at Ken Hickling at ISS too much but it's about how much power you can create and how much information you can share with the market and how effective you can become. That surely is the key issue here? Because there's no point in having an association that has no strength or ability or way of changing the market—do you think such a small group of shipyards can have that impact?

Hein

It's a very small group of shipyards but for the superyacht industry we're covering I think a huge part of the market, so theoretically we can be powerful. But we can only be powerful if we get all our strength; we have to do little steps, we are not going to focus on commissions or those big issues to begin with. We want to have small reasonable good activities where we can show our success and I think based on that success we can build up our power. And maybe later we will address other things. But I can also imagine that other groups come to us to discuss these things. It's not necessarily that SYBAss has to take the initiative to start activities.

Martin

So starting small and grow from there and then have the teeth later on. So change from SYBAss to SHARK? Sorry.

Michael

A manatee is big too.

Martin

We have one in the front here—

Gerry Butler

Surely one of the great commercial advantages, I think this is a fantastic idea for these yards would be things like steel, teak, bulk buying then coming together, something like that. Which has benefits for the client but also for the yard. I know it's in your early days and we talked about insurances and stuff and what hasn't come across is something like that of interest to the yards, because that could make a significant difference?

Mark

You are correct; I mean these are all interesting points; maybe at some later date in the future they will be reviewed but at the moment it's just not even on the agenda. It's not even on our radar screen to look at these issues. As Hein says, and I think we've all pointed out quite clearly, the organisation does potentially have a lot of power and its power will be shown initially in the boat show in Moscow which will be a very focussed boat show for clients interested in buying yachts at the bigger end of the boat building industry and secondly in our ability to be able to negotiate with one voice, to speak with one voice, to the government and other regulatory authorities that control our business. So for the first time the superyacht industry will be able to get together and come head to head, negotiate, discuss, debate, whatever's necessary, these issues. In terms of things like contracts, commissions, prices, buying paint, buying steel, buying wood or paper or whatever they're not on the horizon at the moment. Who knows? We're not able to answer that at the moment.

Martin

Do you think they should be on the immediate horizon, after all we've heard?

Mark

No. Not at the moment.

Tork

I've got an SMS question here which is to do with the fact that you've included brokers in the Moscow show. It asks how were the brokers selected, in effect, how were the others excluded. It asks is this not running the risk of being as exclusive as MYBA?

Martin

It's friends and family!

Michael

We had them all appear one day and selected them carefully. No seriously, global players was the kind of brief. We invited more than responded is actually true. And the people that responded are actually quite well represented as a percentage of the overall people that are there.

Tork

Actually I'm interested as to why—I mean it sounds a golden opportunity. Why any of them would actually choose not to go?

Michael

It's not as golden as you may think because the customer walks around and is walking in a shop full of boutiques that all look exactly the same so it's not very exclusive from the perspective of a broker. He might look at it that way.

Celine Renaud ALCAN Aerospace

You say that you are interested to have information from the class and non technical side and do you intend to contact for example the aluminium supplier as we are, to have some technical information during your annual show or to organise some training. I ask that because we are used to organise some seminar to explain how to use the aluminium on yachts and our big programme is usually to have all the most interesting shipyards to this meeting. So it can be worth working with you and with us on that.

Michael

We would be very interested to do that. Absolutely. The person to contact is Mr Hooning. He can give you his address when you leave and will be glad to come and have a look how you make aluminium.

Martin

I have one more SMS to throw at you. Very simply, given the concerns expressed earlier by Michael in relation to pricing, to what extent does an association of the most powerful bodies involved in the construction process undermine the owners ability to negotiate with yards?

Mark

I think Michael has already quite clearly answered that question, hasn't he.

Michael

We are putting together at the table people that, when we leave this meeting, we'll compete fiercely. That's the reality of it.

Martin

One comment came in just now. *Interested that a new organisation one of whose objectives is to facilitate intelligent regulation has introduced arbitrary limits on membership.* These are regular comments from out there, not me. I think one of the things we had discussed before, whether this is to be discussed, is we have talked

about education. Is that still on the agenda? And you can enlighten everyone on the education aspect.

Hein

We had a meeting in October where we discussed different activities and one of the subjects is to make the industry more professional. We discussed the possibility of doing education there, not on our own but together. Maybe with other parties. At this moment we decided not to take that as the first activity but probably we will have some ideas about that later in 2007. And it will be then focussed what we are now thinking on project management.

Martin

An education process for project managers?

Hein

Yes, that's the idea. But we still have to work it out if that's a good idea.

Martin

Can we just throw that to the audience here?

Tork

Can I just get one clarification? Are you talking about training project managers to work for yards or project managers who work for owners, or for project managers who do both? Or either?

Hein

Well, we discussed both. It's for project managers for shipyards but also for owners' representatives. And one of the issues is should you have one programme for both, or separate programmes and that's one of the things we were discussing.

Martin

Any comments from the floor on that?

Andy from Tectonic

If you did open up an education for project managers would this be for the entire industry or just select people? The entire industry obviously being people that were interested in doing it.

Theo

Well as far as we have ideas it would be for the entire industry, not for a selective group.

Andy

So it would be sort of a certificate or some sort of recognition that you could go and work at certain shipyards and have an understanding of their processes etc?

Theo

Exactly.

Tork

On the subject of education, one of the things that at PYA we found a great problem with our diploma system is that it's not economic. It's essentially something whereby the cost of training is simply not profitable, as it was looked at. I wonder what your feeling as an organisation is about the possibility of putting some money basically towards the concept of education within the industry because basically it needs funding. I'm speaking generally, this also includes extra training for as has been discussed before to make better crew, to make better project managers, and everything. I wonder if it's something that the builders and everyone else in the industry as well by the way, including brokers, ISS et al can contribute something financially to some sort of fund aimed towards promoting education.

Hein

Well I can imagine it but specifically if you're talking about training and education that you can work together with all groups, also if it's not economic we haven't looked into that yet so that's new for me. But I can imagine that if you can set up with a larger group then you have economics of scale.

Tork

It's one of those cross association issues.

Hein

Yes, it can be.

Mark

I think in principle you're right but I don't see that the burden of training should fall solely on the shipyards—I mean it's something that as you say should be shared amongst the industry as a whole. I don't know how best to do it, perhaps through the raising of some type of levy or something of that nature for an international training academy. I think this is one of the subjects we discussed this morning, wasn't it.

Tork

Yes, I was thinking of something more voluntary than a levy.

Mark

Do you think it would work if it were voluntary?

Tork

Actually to be honest I actually think it would. Having listened to people speaking in the last 2 days I think if it were credible then I don't think it is then incredible that industry would be willing to contribute to making it work. Maybe I'm naïve.

Martin

Any further comments out there? Alright, one more SMS and then we'll have some tea. Is SYBAss going to protect the European ship building market against things like Asian ship building subsidies? Is that a future objective, potentially?

Hein

Well first, SYBAss is not a European organisation. It's a world wide organisation so if we have to protect ourselves it's more from aliens maybe, but at this moment the way we are organised, the Chinese can be members if they have built 3 boats in the last 10 years.

Martin

They can build 3 boats in one month!

Hein

That's OK.

Theo

It's not building, it's delivering.

Hein

Yes, and if they still want to be in the market after that then they are welcome.

Martin

Allright, any further questions on the SYBAss issue? Gentlemen, thank you very much for your time. I think we'll leave it at that and have some tea.
