

G R A I G S H I P P I N G P L C

Building Ships in China A Shipowners' Viewpoint

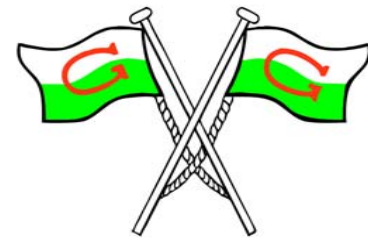
Hugh Williams

CEO



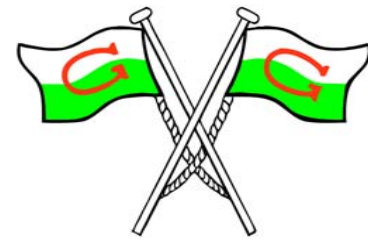
Graig Shipping plc

Where people make
the difference



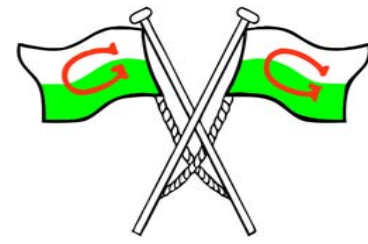
Experience

- 1996
- 25 ships
- 5 European shipowners
- Project Management role
- Experience in context -
concerns governing global ship
design and building standards



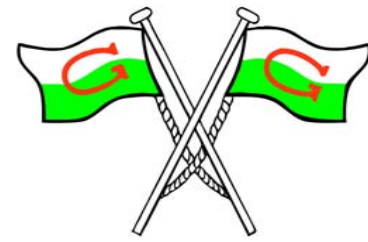
Misconceptions

- Build quality poor
- Late deliveries
- Lower resale value
- Build costs with the additional costs the same as Korea



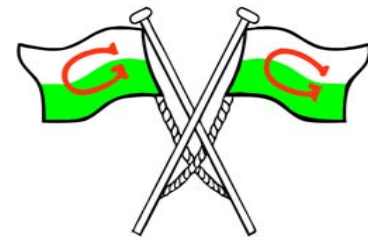
Misconceptions wrong

- High quality
- Resale values
- Delivered on time
- Significant cost savings



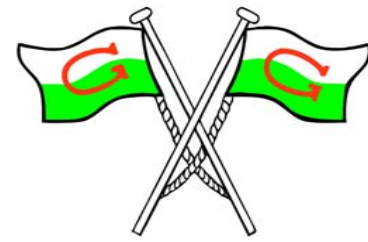
Strengths

- Labour/steel cost low
- Flexibility
- Capacity
- Few labour disputes
- Willingness to work together



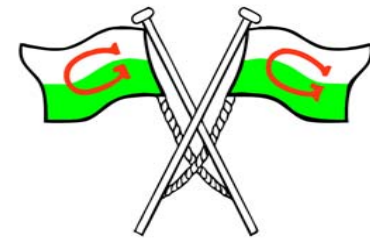
Weaknesses

- Quality control
- Focus on customer needs
- Weak standard designs
- Management process
- Financing experience
- Local suppliers underdeveloped



Trust Relationships Guanxi

- Order a series of ships
- Work closely with yard
- Institute clear controls
- Raise the quality standard
- Confrontational approaches do not work
- Employ strong supervision
- Employ good class



The future

- Moving up the quality curve
- Strong support for selected yards / expansion of facilities
- Emphasis on local suppliers / cooperation with foreign groups
- Improved designs
- Increased demand for good quality supervision teams



Graig Shipping plc

Where people make
the difference