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## Press Release

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### **FSS Held 2019 Busan Financial Hub Convention on International Marine Finance**

The Financial Supervisory Service held the 2019 Busan Financial Hub Convention on International Marine Finance jointly with Busan Metropolitan City at the Westin Chosun Busan on May 17, 2019, with aims to discuss how the shipbuilding and shipping industries would respond to changes in regulations on the global marine environment and talk about the role of ship finance.

The international conference marked the seventh year, attracting nearly 300 attendees including senior executives and employees from financial companies, shipbuilding and shipping companies and marine finance experts. Among high-profile participants were Oh Keo-don, Mayor of Busan Metropolitan City, and Kim Jung-Hoon, member of National Assembly.

Yoon Suk Heun, Governor of the FSS, said in his opening remark that regulations on marine finance are generating new demand for ship finance at a rapid pace, but policy loans alone are not enough to satisfy the growing demand. In this regard, Governor Yoon asked the private sector to take the lead to establish a viable system for ship finance and stressed that the FSS would help to facilitate financing not only from ship finance but also from capital markets. Furthermore, Governor Yoon did not forget to mention that if Busan seeks to grow into an innovation cluster, the city should explore strategies to prosper together with major financial hubs around the world.

In the first session, James Frew, Director of Consultancy at Maritime Strategies International (MSI), spoke of three factors which would have influence on the shipbuilding and shipping industries in the future: China's economy, advances in technologies used for producing oil and natural gas, and environmental regulations. Particularly, he focused on advantages slow steaming has. Next, Heo Youn, Head of Technology Planning at Daewoo Shipbuilding & Marine Engineering (DSME), said in his presentation that regulations on the global marine environment prompted a wide-ranging discussion on green fuels. Since European countries have carried out pilot projects regarding alternative fuels, Korea's shipbuilding companies need to prepare measures, he added. The third speaker was Simon Neo, Regional Manager Asia at the International Bunker Industry Association (IBIA). He explained how the shipping industry should preemptively prepare for the IMO 2020 implementation, emphasizing that market participants have to cooperate in a consistent way.



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In the second session, Klaus Schmidberger, Vice President at KfW IPEX-Bank, firstly gave a presentation about trend and outlook in the maritime industry and finance. He focused on digitalization and eco-friendly technology for investment and regarded growing volatilities in the global shipping industry as a major risk. Next, Daniel Xu, Head of Tanker Sector at ICBC Financial Leasing, mentioned that Chinese leasing were playing a leading role in the global ship finance market and also highlighted the importance of bilateral cooperation between China and Korea. Finally, Ju Sang-jin, Head of Maritime Project Finance Department at Export-Import Bank of Korea, compared domestic shipping companies' financing and restructuring procedures to international standards.

Ahead of the implementation of the IMO 2020 next year which limits SO<sub>x</sub> emissions, domestic shipping companies should come up with counterplans. Against this backdrop, the 2019 Busan Financial Hub Convention on International Marine Finance received high praise for providing invaluable opinions of experts from home and abroad. In addition, participants regarded the annual event as a chance to promote Busan Metropolitan City and expected that it would contribute to developing the city into a marine finance hub in Northeast Asia.

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