



# Questions&answers

## Ballast Water Convention

*Lund, September 8, 2016*

### **1. Today IMO ratified the Ballast Water Convention. What will happen now? And when will we see the effects of the decision?**

The Convention will enter into force 12 months after ratification, which will be September 8, 2017. On this date, newly built vessels must have a ballast water treatment system on board while existing vessels need to install a ballast water treatment system during their next dry-dock (which will be within a five-year period). We expect to see a gradual increase in activity as ship owners awaiting the IMO's decision must act, place orders and secure supplies of water treatment systems for their vessels.

### **2. What will this mean for Alfa Laval?**

The total market for ballast water treatment products, including newly built and existing vessels, is estimated to amount to EUR 12 billion over the next ten years. Out of this, just over EUR 8 billion is relevant for the UV-based technology that Alfa Laval offers. Thus, the decision means better business opportunities for Alfa Laval.

### **3. Alfa Laval PureBallast is one of many ballast water treatment systems. What are the benefits of your system? Which system is preferred by the marine industry and why?**

The flexibility of the Alfa Laval ballast water treatment system allows it to be adapted to individual customer needs. The system can, for example, be installed on board existing ships with limited space; it is energy efficient and has a superior performance in all waters. The system also offers attractive life cycle costs, which when combined with Alfa Laval's global service network, project handling and production capacity ensures a cost-effective and secure operation throughout the ship's lifetime. Our clients are major ship owners in Europe, Asia and North America and the leading shipyards in South Korea, China and Japan.

### **4. How is Alfa Laval prepared to meet the expected increase in demand due to the ratification of the IMO Ballast Water Convention?**

In recent years, we have worked actively alongside our suppliers to be able to adjust the capacity to meet an increase in customer demand. We have also added resources to our service organization. We are thereby well prepared to handle an increase in volume.

### **Short background**

The "International Convention for the Control and Management of Ship's Ballast Water & Sediments." will enter into force one year after ratification by 30 states, representing 35 percent of the world's tonnage. Today 52 states have ratified, representing 35.1441 percent of the world fleet. Alfa Laval estimates that 35,000 ships will be equipped with ballast water treatment systems during the following ten years – of which 15,000 are newly built vessels and 20,000 are existing vessels. The estimated average order value per ship is € 200-225,000. During the first six months (2016) Alfa Laval had an order intake related to ballast water treatment systems, of SEK 150 million.