

MESSAGE FROM THE CHAIRMAN AND PRESIDENT



From beginning to end, 1993 posed challenges for the maritime industry as a weakening of shipping activity, brought on by the global recession, curtailed trade and led to a surplus in the world fleet. Despite this sluggish operating environment, there was a steady rise in new ships built and ordered throughout the world. Demand for new ships was supported by two factors: increasingly tougher criticism of substandard ships that precipitated replacement of aging merchant fleets; and the prevalent opinion that ship prices had bottomed out.

Consequently, NK recorded a rise in the number of ships added to its register in 1993. The Society classified 476 ships, totaling 6.3 million GT, including 379 newly built ships, totaling 5.8 million GT. A total of 375 ships, totaling 2.3 million GT, were

removed from the register. Thus, at 1993 year-end the number of NK-classed ships stood at 6,081, up from 5,980 at the end of 1992, and total gross tonnage reached a new high, climbing to 84.6 million.

In view of the current recession, we believe these statistics indicate our solid reputation as a major international ship classification society. We are pleased that so many shipowners and shipbuilders value our technical expertise and dedication to safety at sea and protection of marine environment.

As the voices calling for ship safety and preservation of the environment grow louder, demands on ship classification societies and client expectations of ship classification societies are increasing and diversifying. Consequently, NK put great effort into its activities as an international classification society, and regards the following as particularly noteworthy.

For example, our Quality Assurance Division, which began work in 1993, provides quality assurance certification of suppliers based on ISO 9000 series standards, as well as certification of ship management systems. During 1993 we also concentrated on Enhanced Survey Programmes for oil tankers and bulk carriers, and established new rules for double-hull oil tankers as a means to prevent cargo oil spillage.

In research and development, NK enhanced its capabilities with the

opening on July 1 of the new Research Center in Greentec Chiba, an industrial park on the outskirts of Tokyo. NK's computer systems were centralized in the center.

To meet growing demand for our technical services, we extended our service network by opening offices in Kuwait and Johor Bahru, Malaysia.

NK had no trouble passing a recent audit to comply with the Quality System Certification Scheme (QSCS), which was introduced by the International Association of Classification Societies (IACS) to enhance the profile of ship classification societies.

In 1993, two new members were elected to the Board of Directors. These gentlemen are committed to the Society, joining me and the other continuing directors in seeking new opportunities to promote our goals of total marine safety and protection of marine environment.

In addition to effectively conducting classification services, we aim to augment all services to fulfill our clients' ship-related needs.

On behalf of the entire Board, I would like to thank our clients, business partners and employees for their support and ask for their encouragement of our efforts in 1994.

March 1994

Mitsuo Abe
Chairman and President