Global and Regional Commercial Shipbuilding
Market situation (FY 2020)
Evolution of Global Commercial Shipbuilding Market

Data source: IHS Fairplay
Evolution of Global Commercial Shipbuilding Activity

Global Commercial Shipbuilding Activity in CGT

Data source: IHS Fairplay
Newbuilding Prices historically low (despite uptick in 1Q 2021)

Chinese shipyards slash prices in post-lockdown bid to woo buyers

Newbuildings on offer at 20% discount from prices seen six months ago

Data Source: Clarksons
Newbuilding Prices vs Cost Inflation

Data Source: Clarksons/OECD CPI
Global New Orders by Market Segment (Value of New Orders in $bn)
Global New Orders by Market Segment (% in $ bn) 2019 vs 2020

Data Source: Clarksons
European Commercial Shipbuilding

EU27 + UK & Norway, Commercial Shipbuilding Activity in CGT

Data Source: IHS
European Product Portfolio, Orderbook evolution (,000 CGT)

Data source: IHS Fairplay
European Product Portfolio, Orderbook end 2020 in CGT

Source: IHS Fairplay
European Product Portfolio, Orderbook end 2020 in **No of Units**

Source: IHS Fairplay
New Orders 2019 v 2020

EU+N+UK

-64%

2,578

926

China

+15%

6,428

7,443

South Korea

-23%

7,429

5,744

Japan

-37%

3,276

2,065

Global

-12%

21,084

18,627

Data Source: IHS Fairplay
Deliveries 2019 v 2020

Data Source: IHS Fairplay
Evolution of Shipbuilding Market across regions

Comparative Evolution of New Orders and Delivery patterns across main shipbuilding regions (in m CGT)

Source: IHS Fairplay
Loyal customers (domestic demand) 
FY 2020, in CGT

Data source: IHS Fairplay
Chart: VSM
Government Interventions abroad
China's state-backed shipbuilders overcome coronavirus slump

DALIAN – China’s government-backed shipbuilders are busy despite the hammering the global shipping market has taken from the novel coronavirus pandemic.

By orders, China State Shipbuilding Corp., the country’s top shipbuilder, was the global leader in the first quarter of this year, securing orders for 31 vessels. CSSC beat out Korea Shipbuilding & Offshore Engineering, a formidable South Korean rival whose units include Hyundai Heavy Industries. Hyundai Heavy was still the top shipbuilder on an annual basis in 2019.

CSSC’s advance comes despite a slump in the global shipbuilding market brought on by the pandemic. The Chinese government is believed to have ordered state-owned shipping companies to place orders with CSSC and other domestic shipbuilders. CSSC and others also receive financial support from the government because of President Xi Jinping's ambition to make China a maritime power.

Competition between Chinese and South Korean shipbuilders is likely to intensify.

According to Chinese media reports, CSSC received orders for 31 vessels between January and March worth a total of 9.4 billion yuan ($1.3 billion). The value of CSSC’s orders in the quarter reportedly rose year on year, although the previous year’s figures have not been made public.

“On the shipbuilding side, we have seen a very dynamic Chinese industry develop over the years. Deliveries peaked in 2010-12 and since then we have seen a massive yard consolidation forced by the government. Now China has several ‘national champions’ ready to support the idea of Chinese imports on Chinese-owned and Chinese-built ships.

“I am absolutely certain that China is not going to allow its yards to die. It has built the yard capacity and it might as well make good use of it.

China’s shipbuilding industry bounces back from coronavirus — and comes out on top

Domestic orders and bulkers make up more than half of this year’s newbuilding contracts
South Korea, Japan, Singapore

**South Korea unveils massive shipbuilding stimulus package**

Funds to help mitigate Covid-19 problems could provoke competitors

28 May 2020 5:00 GMT  UPDATED 28 May 2020 11:24 GMT

By Detlev Weinrich

**Seoul hands out billions to yards and lines**

Japan pushes new form of ship financing to get more orders

**Japan lines up tax breaks for struggling shipyards**

Fiscal measures intended to promote investment and encourage restructuring of the national industry

29 September 2020 9:40 GMT  UPDATED 29 September 2020 16:58 GMT

By Adam Corbet in London

1. **Singapore offers more help for struggling shipyards.** Singapore’s shipyards are set for further government support as part of a larger package designed to help labour-intensive industries defray staff costs. The city state will waive more months of the foreign worker levy and give more rebates on the tax as part of an SGD 320m ($233m) package that will also be shared with the construction and process sectors. Source: TradeWinds, 07.08.20.
DBP signs multi-billion credit deal with local ship building firm

Government readies aid for shipyards

By Genivi Factao  September 9, 2020
Move to develop indigenous shipbuilding, ministry orders only ‘Make in India’ tug boats


Priority in chartering to be given to ships built, flagged in India and owned by Indians: Govt

NEW DELHI, OCTOBER 22, 2020 16:09 IST
UPDATED: OCTOBER 22, 2020 16:08 IST
Malaysia’s state energy firm Petronas recently launched a tender for the construction of 16 offshore support vessels (OSV), The Edge Weekly reported on Saturday.

The newspaper reported, citing sources, that the invitation to bid is for the first batch of contracts and Petronas has plans to build 100 vessels in four years as it phases out its old vessels.

The sources said Petronas has set a few requirements for the new OSV contracts, among them that the vessels will have to be built in local shipyards and bidders have to obtain financing from Malaysia-based banks.
Russia’s State Duma approved in first reading draft law on import substitution in shipbuilding


The State Duma says its deputies have approved in the first reading the draft law “On introduction of amendments into Article 4 of the Merchant Shipping Code of the Russian Federation” (concerning certain works that can be conducted involving ships built exclusively in the Russian Federation), which is to encourage shipping, leasing and shipbuilding companies, including foreign ones, to place orders for construction of ships and supply of components in the territory of Russia.

Vladimir Putin insists on consistent and targeted effort towards enhancing local content in shipbuilding

USC estimates the current level of localisation at 25 percent

Russian Gov’t approves regulation on crab boats construction incentives

Russian fishing companies will receive compensation from the Russian government for the construction of crab catching boats at domestic shipyards based in the Far East region. The corresponding decree has been signed by Prime Minister Mikhail Mishustin, the government’s press office reported.

The subsidy will cover 20% of the order value, not exceeding RUB 340 million. The programme envisages that subsidies will be granted to organizations who have received fishing quotas in crab quota electronic auction. As part of the agreement on securing the share, they pledged to purchase medium-tonnage vessels built at Russian shipyards.
Canada’s B.C. Ferries, which promotes itself as one of the largest ferry operators in the world, has presented a bold plan for the electrification of a third of its fleet in support of Canada’s environmental goals and shipbuilding industry. The plan, which would take up to seven years to complete, focuses on the company’s routes that operate along Vancouver Island.

Saying that the effort could be one of the most significant carbon-reduction programs in the maritime industry and a major boost to Canadian industry, B.C. ferries proposes with government support to carry out both the conversion of existing ferries as well as the construction of new vessels domestically in Canada.
“Whoever controls the sea controls everything.”

Themistocles, 524 - 459 BC

71%