

SEA EUROPE SHIPBUILDING MARKET MONITORING REPORT No 43 (SEPTEMBER 2017)

1ST HALF 2017

SUMMARY:

- In 1H 2017, global newbuilding order intake is slightly up (compared to 2016) but remains at a low level. From January to June, new orders were estimated to reach 7.2 M CGT (496 units).
- Ordering in the crude tanker market experienced strong recovery during the first six months of 2017. Contracting activity in the cruise segment continued to be very strong, while the offshore market remained extremely poor.
- After the dramatic decrease in 2015-2016, ordering levels at South Korean yards increased significantly y-o-y on an annualised basis reaching at the end of June a combined 2.69 M CGT which placed Korea first in the global ranking. China's orders intake dramatically decreased in 1H 2017, while over the same period European Yards' contracting reached 1.7 M CGT. Japanese shipyards won a reported 0.5 M CGT, continuing the downward trend started last year.
- In 1H 2017 shipyards delivered globally 1,250 vessels of a combined 20.4 m CGT, with China taking the lion's share in completions.
- At the end of June 2017, global newbuilding orderbook stood at 80.2 M CGT (4,743 units), a 10% decrease since the start of the year. In CGT terms China leads the orderbook (27.5M CGT) followed by Korea (17.9M CGT), Japan (16.8M CGT) and Europe (9 M CGT). Tankers lead the orderbook in CGT terms, followed by container ships and bulk carriers. Despite the order intake being lower compared to 2016, the European orderbook was the only one growing in 1H 2017.
- After the decline in total estimated investment in 2016, global newbuild investment is up across most vessels sectors, reaching at end of June an estimated \$ 27.7 bn, according to Clarkson. This represents an increase of 53% year on year on annualised basis but it remains significantly below the historical average. Outside of the tanker and cruise ship sectors, investment has remained limited. European new contracts accounted 11.7 bn \$, 42% of the total value of global new orders, mainly thanks to passenger ships and ONCCV.
- Demolition volumes are down. 401 vessels of 10.8m GT (average age 26.6) were sold for demolition, a 29% decrease y-o-y.
- With a decrease in new orders globally, there is an impressive competition on newbuilt prices taking place. The Clarkson's Newbuilding Price Index stood at 123 points at the end of June, down 3% on its start 2016 level.

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NEWS- MARKET & POLICY DEVELOPMENTS

Japan

1. DEAL SIGNED FOR JAPAN'S FIRST LNG-FUELED TUG

Mitsui O.S.K. Lines (MOL) has ordered Japan's first LNG-fueled tug from Kanagawa Dockyard in Japan (...). The new tug will be deployed in Osaka Bay in April 2019. She will be the first LNG-fueled tug to escort large-scale cargo vessels in Osaka Bay and the Seto Inland Sea. The construction of the tug is expected to spur the development of an LNG fuel supply system for vessels in Osaka Bay. [Source: MarEx 2017-05-23](#)

2. JAPAN'S TOP YARDS AND LINES COLLABORATE ON TECH RESEARCH

In a bid to stay competitive Japan's top shipbuilders and lines are coming together to share technology development. A new organisation will be developed, led by Japan's National Maritime Research Institute. [Source: Splash 24/7 5.5.2017](#)

3. KAWASAKI HEAVY INDUSTRIES MOVES MERCHANT SHIP CONSTRUCTION TO CHINA

Japan's Kawasaki Heavy Industries (KHI) is to shift merchant ship construction from Japan to China and reduce the scale of its domestic business by 30% while trying to establish itself as a specialist for gas carriers and gas-powered vessels. [Source: World Maritime News 3.04. 2017](#)

4. JAPAN TO LAUNCH SELF-NAVIGATING CARGO SHIPS 'BY 2025'

Japanese shipping companies are working with shipbuilders to develop self-piloting cargo ships. The "smart ships" will use artificial intelligence to plot the safest, shortest, most fuel-efficient routes, and could be in service by 2025. [Source: BBC 9.6.2017](#)

5. MHI, OSHIMA REACH DEAL ON SHIPBUILDING ALLIANCE

Japanese shipbuilder Mitsubishi Heavy Industries, Ltd. (MHI) has reached a basic agreement with its compatriot Oshima Shipbuilding as part of efforts to form an alliance in the commercial ship business. [Source: World Maritime News 14.6.17](#)

6. JAPANESE FIRMS JOIN FORCES ON LNG-FUELED FERRY

Japan-based K Line Kinkai and Kawasaki Kisen Kaisha (K Line) have decided to team up in a joint study related to a newbuilding passenger ferry being fueled by liquefied natural gas (LNG).(...).The company's collaboration with K Line is expected to accelerate this study in order to introduce Japan's first LNG-fueled passenger ferry. [Source: World Maritime News 06.09.17](#)

7. JAPANESE GROUPS TEAM UP FOR WIND-SHIP ORDER

Power companies looking at yards to boost domestic offshore fleet. A group of Japanese companies is plotting a deal for two wind farm installation vessel newbuildings. [Source: Tradewinds, 12.09.17](#)

8. JAPANESE LINES TO ORDER UP TO 20 LNG POWERED CAR CARRIERS FOR TOYOTA

Prompted by the upcoming environmental regulations set to enter into force in 2020, Japanese car manufacturer Toyota Motor Corporation is said to be turning to LNG-powered ships to transport its cars across the globe. According to a report from Japanese daily Nikkei, the company is backing an investment in up to 20 LNG-powered car carriers with the capacity to carry 7,000 vehicles each. The order, priced at USD 1.83 billion, would be split between three car carrier owners entrusted with shipping Toyota's cars; NYK Line, K Line and Toyota's Toyofuji Shipping, the daily reported. [Source: World Maritime News, 14.09.17](#)

South Korea

9. HYUNDAI MERCHANT MARINE TO ORDER UP TO TEN VLCC'S AT DSME

South Korea's Hyundai Merchant Marine (HMM) has signed a letter of intent (LOI) with Daewoo Shipbuilding & Marine Engineering (DSME) for the construction of five 300,000 dwt VLCCs with an option of five more vessels. [Source: qCaptain 10.04.2017](#)

10. ULSAN PROMOTES PRESIDENTIAL PLEDGE PROJECT

Ulsan City of Korea is promoting the establishment of the Korea Shipbuilding & Offshore Plant Research Institute as a 19th Presidential pledge project to re-establish itself as a shipbuilding powerhouse. A total of KRW 400bn (circa 331 miljoen Euro, RD) will be invested in the institute with 100,000 m² in Ulsan. [Source: Asiasis 5.4. 2017](#)

11. JAPAN AND THE EU FILE COMPLAINT WITH THE OECD OVER DSME'S BAILOUT

Japan and the European Union have filed a complaint with the OECD, maintaining that the Korean state-run banks' bailout of Daewoo Shipbuilding and Marine Engineering (DSME) violates World Trade Organization regulations. [Source: Splash 24/7, 19.04.2017](#)

12. NEW LOANS

After getting court approval for the latest revamp, Daewoo Shipbuilding will qualify for an additional 2.9 trillion won in new loans from Korea Development Bank and Export-Import Bank Korea. This will give the world's largest shipbuilder more time to repay debt amid a cash shortage and regain confidence of customers. [Source: Bloomberg, 27.04.17](#)

13. SUNGDONG CREDITORS RELAX NEWBUILD RESTRICTIONS Yard to be allowed to sign contracts that will make less operating profit.

Creditors of Korea's Sungdong Shipbuilding will relax restrictive guidelines governing the price of new orders. Currently the creditor-run yard can only book vessels when it can guarantee an operating profit, according to the Asiasis website. [Source: Tradewinds News 17.5.2017](#)

14. FROM NUCLEAR TO RENEWABLES

South Korean President, Moon Jae-in, announced a major shift towards renewables, including offshore wind, and a phasing out of nuclear and coal generated power (...). The government of Jeju plans to build five more offshore wind farms by 2022. [Source: Maritime Executive 20.6.2017](#)

15. KOREA TO SET UP EVALUATION MODEL FOR SHIP PRICE

With a view to blocking low price orders in shipbuilding industry and promote the healthy loans of financial policy institutes, the Export Import Bank of Korea (Korea Eximbank) has set out on the establishment of 'evaluation model for reasonable ship price' (...). [Source: Komec 23.5.2017](#)

16. ULSAN EXTENDS TAX SUPPORT

Ulsan metropolitan City of Korea has recently announced that it will extend the period of its tax support solution for its local shipbuilding industry for another year to June 30, 2018, from July 1, 2017. [Source: Asiasis, 29.6.17](#)

17. KOREAN GOVERNMENT TO SET UP A SUPPORT BODY FOR SHIPPING INDUSTRY

Korea Maritime Promotion Corporation, a dedicated support organization for the shipping industry, will be established in Busan in June of next year with capital of 5 trillion won (US\$4.5 billion). [Source: BusinessKorea](#)

18. 100 BLN-WON RESERVE SET UP FOR REFUND GUARANTEES FOR SMALL AND MID-SIZED SHIPBUILDERS

South Korea set up a 100 billion-won (US\$88.7 million) reserve for policy banks to issue refund guarantees (RGs) for small and mid-sized shipbuilders, officials said. The fund is aimed at supporting small and midsized shipbuilders, which are struggling with prolonged losses amid expectations that new orders may rise. About 30 small and mid-

sized shipbuilders are expected to benefit from the fund, which will be offered over the next four years. [Source: Yonhap, 26 August 2017](#)

19. BUSAN PROMOTES GOVERNMENTAL SHIP REPLACEMENT

Busan Metropolitan City of Korea has recently announced that it prompted the government to inject budgets into a verification project for LNG-fueled governmental ships on September 1. [Source: Asiasis, 06.09.17](#)

20. S. KOREAN SHIPPING RESTRUCTURING DEGRADES INTO DEALS AMONG INSOLVENT COMPANIES

There is growing concern that the restructuring of the shipbuilding and shipping industry has been transformed into deals among companies controlled by state-run banks as Hyundai Merchant Marine recently decided to buy very large crude oil carriers (VLCCs) and an 11,000 TEUs (one TEU: one six-meter container box) from Daewoo Shipbuilding & Marine Engineering and Hanjin Heavy Industries, respectively. [Source: Hellenic Shipping News, 12.09.17](#)

21. SOUTH KOREA EYES LOOKING TO BUILD WORLD'S LARGEST LNG-FUELED SHIP

South Korea intends to launch a pilot project to build a 180,000 gross ton LNG-fueled vessel in an effort to reduce pollutants emitted from ships and promote environmentally friendly industries, the country's Ministry of Oceans and Fisheries (MOF) informed; The ministry said it will collaborate with Korean shipyards, private/public companies and financial institutions to develop the new class of LNG-powered ships. [Source: World Maritime News, 25.9.2017](#)

China

22. SUNSTONE EYES UP TO TEN EXPEDITION CRUISE SHIPS

Miami-based expedition vessels provider SunStone Ships has reached an agreement with China Merchants Industry Holdings (CMIH) for the construction of up to ten expedition vessels. Under the framework agreement signed between the parties, the Chinese shipbuilder would construct four expedition ships for SunStone with options for six more vessels. [Source: World Maritime News, 20.3.17](#)

23. NEW BUSINESS MODEL BOOSTS CHINESE YARDS' CRUISE AND FERRY CONSTRUCTION

The entry of Chinese shipyards into cruise and ferry shipbuilding is being aided by an innovative business model that helps passenger ship owners place contracts for newbuilds. Tillberg & Reyes Group president Carlos H Reyes and general manager Andrew Zhang brokered the SunStone Ships new contract with China Merchants Industry Holdings via the business model and resources they put together. Mr Reyes' business model includes the support of companies in Europe and the USA and innovative supportive financial tools. [SOURCE: Passenger Ship Technology 10.08. 2017](#)

24. FIVE CHINESE COMPANIES SET UP FLOATING NUCLEAR POWER PLANT JV

Chinese companies China National Nuclear Power (CNNP), Jiangnan Shipyard, Shanghai Electric Power, Shanghai Guosheng Group and Zhejiang Zheneng Electric Power have established a joint venture to develop floating nuclear power stations. [SOURCE Splash 24/7 14.08. 2017](#)

25. CHINESE YARDS STEP FURTHER INTO CRUISE SHIPBUILDING

China State Shipbuilding Corporation (CSSC) is preparing to set up a major supply chain hub for cruise ship construction in Baoshan, an industrial area on the outskirts of Shanghai. The development authority for the district recently told Reuters that it will commit about \$740 million to develop the new supply hub.(...) Reports suggest that many Chinese shipbuilders – whose orderbooks have been hard-hit by the downturn in merchant shipbuilding – have been offering steep discounts to cruise operators in hopes of new orders. [Source: Maritime Executive 3.8. 2017](#)

26. YANGZHOU DAYANG SHIPBUILDING GOES INTO LIQUIDATION

Yangzhou Dayang Shipbuilding, a subsidiary yard of Sinopacific Shipbuilding, has been declared bankrupt and started a liquidation process due to a long-standing debt crisis. [SOURCE: Splash 24/7, 25.7.2017](#)

27. THE OPENING UP OF CHINESE FINANCIAL LEASING TO WESTERN SHIPOWNERS

China's financial leasing institutions are stepping up their game in shipping becoming more flexible and competitive in their deal terms compared to traditional bank lendings, according to Western shipowners. (...) According to estimates, traditional banks have gone from financing around 80% of the shipping industry in 2008 to about 60% in 2016, while Chinese leasing firms have grown their market share to about 20% last year. [SOURCE: SEATRADE Maritime News, 9 May 17](#)

28. CHINESE LESSORS NOW CONTROL FLEET IN EXCESS OF 1,000 SHIPS

Chinese lessors are now thought to control a fleet in excess of 1,000 ships, making them one of the most powerful new forces in shipping. According to a recent report from the Korea Maritime Institute (KMI), China's ship lease industry owned 989 ships, worth RMB113.9bn (\$16.7bn), up 58% year-on-year, as of the end of the first quarter of 2017. [SOURCE: Splash 24/7 5.07.17, 2017](#)

29. BASSOE SHOWS OFF EXPEDITION CRUISE CONCEPT

Another new player has entered the expedition cruise world as Sweden's Bassoe Technology is now moving into expedition cruise ships having made its name in the offshore sector. The marine engineering outfit has come together with Yantai CIMC Raffles Shipyard to offer a designed-in-Scandinavia, **built-in-China** 240passenger turn-key expedition vessel. [Source: Cruise Industry News 9.08.2017](#)

30. RISING WIND POWER GROWTH TO BE LED BY CHINA OVER NEXT FIVE YEARS

China will lead growth in global wind power capacity of almost 65 percent over the next five years, with other Asian countries also developing more renewable energy according to the Global Wind Energy Council. [Source: Reuters 25.04.2017](#)

31. CHINA REMOVES SEVEN YARDS FROM WHITE LIST AND ADDS SIX

China's Ministry of Industry and Information Technology (MIIT) has announced changes to the country's white list shipyards with the removal of seven yards and the addition of six. [Source: Seatrade Maritime, 28.04.17](#)

32. GSI CLINCHES ORDER FROM ALGÉRIE FERRIES

Algerie Ferries (ENMTV) has finally announced the winner of their newbuild tender. The contact goes to a Chinese group consisting of Guangzhou Shipyard and the China Shipbuilding Trading company. A 1,800 passenger and 600 car ferry will take 26 months to build and cost \$175 million. The company is also looking a secondhand vessel, less than 5 years old. [Source: Shippax, 10.04.17](#)

33. FINCANTIERI SIGNS A LETTER OF INTENT WITH CHINA STATE SHIPBUILDING CORPORATION

Fincantieri signed a letter of intent (LOI) with China State Shipbuilding Corporation (CSSC), China's largest shipbuilding conglomerate, and with Shanghai City's district of Baoshan, aimed at creating a cruise ship industrial park, the company said in its press release. [Source: PortNews 31/5/2017](#)

34. CHINA: CENTER CENTRAL TO GREEN SHIPPING

A technical center to promote green shipping and looking at how to reduce greenhouse gas emissions from Asian shipping sectors was established at Shanghai Maritime University. The Maritime Technical Cooperation Center for Asia is one of five regional technical centers under the auspices of the International Maritime Organization. The role of the centers is to improve shipping energy-efficiency technologies and operations, and to reduce harmful emissions from ships. The project is funded by the EU. [Source: Hellenic Shipping News 16.5.2017](#)

35. WARTSILA POISED TO RAMP UP BALLAST WATER SYSTEM PRODUCTION CAPACITY IN CHINA

Finland's marine equipment manufacturer Wartsila is poised to ramp up the capacity of its annual production of ballast water management systems (BWMS) at its China facility in Suzhou, in anticipation of increased demand ahead of the IMO regulation. [Source: Seatrade Maritime News 19.6.2017](#)

36. DFDS ORDERS TWO MORE FREIGHT RO/RO NEWBUILDS

Denmark's DFDS has ordered two additional RO/RO freight ship newbuildings from Jinling Shipyard on China for delivery in early 2020. [Source: Marine Log 16.6.2017](#)

37. VIKING LINE'S SHIPBUILDING CONTRACT WITH XIAMEN SHIPBUILDING INDUSTRY CO., LTD, HAS NOW ENTERED INTO FORCE

Today Viking Line informed the Chinese company Xiamen Shipbuilding Industry Co., Ltd that all conditions in the shipbuilding contract for which a stock exchange release was published on April 5, 2017 have now been met and the contract thus enters into force. The shipbuilding contract is for a new passenger cruise ship on the Turku (Finland)–Åland Islands–Stockholm (Sweden) route with planned delivery in 2020. The total contract amount is about 194 million euros. The agreement also includes an option for another vessel. [Source: Viking Line, 3 July 2017](#)

38. CHINESE SHADOW CAST OVER BIG CRUISE COMPANIES

Booms in Northern Europe, Australia and Alaska force a change of strategy. As the Asian market is struggling to take off, many companies revisit their schedule. Bayley (Royal Caribbean): "Short-Term Decisions". But perplexities remain. [Source: The MediTelegraph, 29/8./17](#)

39. EIGHT STATE-OWNED COMPANIES TO INVEST USD3.2 BILLION IN CSIC

China Shipbuilding Industry Corporation (CSIC) said that it has signed RMB21.87 billion (USD3.28 billion) debt-to-equity swap framework agreement with eight (state-owned financial) investors in a bid to deleverage. Under the agreement, the eight institutions will invest up to RMB21.87 billion into CSIC's two subsidiary shipyards, Dalian Shipbuilding Industry and Wuchang Shipbuilding Industry. [Source: IHS Fairplay 17.08. 2017](#)

40. MSC FERRY SUBSIDIARY TO BUY FOUR SHIPS PLUS OPTIONS

Italian shipping company MSC has signed a letter of intent (LoI) with Guangzhou Shipyard International for four new ro-pax ships, plus four options, for its subsidiary ferry company, Grandi Navi Veloci (GNV). The company, who has ordered container ships from Guangzhou in the past, told *Fairplay* that it "is not in a position to provide further comment". However, market sources suggest the new ferries will have a capacity of 2,500 passengers and 3,000 lane metres for cargo. The four newbuildings will cost around USD110 million each, with deliveries likely starting in 2019. [Source: Fairplay IHS, 1.9.2017](#)

41. FOURTH LNG CARRIER FOR SINOPEC LNG PROJECT DELIVERED

Chinese shipbuilder Hudong-Zhonghua Shipbuilding delivered the fourth LNG carrier intended for SINOPEC's LNG project in Australia on September 26. The vessel, named CESI Tianjin, was ordered by the joint venture between Japan's Mitsui O.S.K. Lines (MOL), China COSCO Shipping Corporation and China Petroleum & Chemical Corporation (SINOPEC) (...). **Total consideration for the construction of the six ships was set at approximately USD 1.5 billion.** [Source: Worldmaritimenews.com, 27/9/2017](#)

Europe

42. FINNISH CONTAINERSHIPS RECEIVES ALMOST EUR 17 MILLION GRANT FROM THE EU AND NEFCO

Containerships has been granted substantial funding for its liquefied natural gas (LNG) project by the European Union and the Nordic Environment Finance Corporation (NEFCO). With the grant, the Finnish shipping company will implement its eco-friendly strategy, which is based on using LNG throughout the Company's logistics supply chain. [Source: Setcorp 7.4.2017](#)

43. EIB, ABN AMRO TO BOLSTER GREEN SHIPPING IN EUROPE

The European shipping industry is set to receive further support in the sustainable projects field as the European Investment Bank (EIB) and Dutch bank ABN Amro plan to sign an agreement to support investments for greening the fleet on April 21. [Source: Worldmaritimenews.com, 21. 4. 2017](#)

44. VARD ADDS RESEARCH EXPEDITION VESSEL TO ORDERBOOK

An advanced diesel-electric, battery assisted vessel for Norwegian environmental project Rosellinis Four-10 is to become one of the largest ships ever designed and built by Vard. [Source: Motorship 2/52017](#)

45. MEYER TURKU CONFIRMS MAJOR ORDER FOR TWO LNG-POWERED CRUISE SHIPS

Meyer Turku has agreed to deliver two massive liquefied natural gas-powered cruise ships to Royal Caribbean Cruises by 2024. The fourth-generation cruise ships will also feature a number of innovations, including a fuel cell-based power generation system, designed to reduce greenhouse gas emissions dramatically. [Source: Helsinki Times 7.5.2017](#)

46. YBORG SHIPYARD AND ROSETTI MARINO SIGNED MEMORANDUM OF COOPERATION

On 27th April 2017, Vyborg Shipyard PJSC, part of United Shipbuilding Corporation, signed a Memorandum of Cooperation with Rosetti Marino S.p.A.. The signing of this Memorandum will allow the Parties to assess the possibility of implementing joint projects and offer to potential Customers the most attractive operational schemes in both offshore exploration and oil & gas production. [Source: PortNews 3.5. 2017](#)

47. COMBI LIFT ORDERS 19 VESSELS FROM DAMEN

Damen Shipyards Group said it has secured an order with German heavy lift company Combi Lift to build a total of 19 specially customized shallow draught vessels. [Source: Marine Link 21/6/2017](#)

48. BRITTANY FERRIES CONFIRMS LNG FERRY ORDER

France-based shipping company Brittany Ferries has confirmed the order for a new LNG-powered cruise ferry to be built at German Flensburger Schiffbau shipyard. [Source: World Maritime News 27/6/ 2017](#)

49. RITZ-CARLTON LAUNCHING LUXURY CRUISE LINE WITH THREE NEW SHIPS

As part of the newly minted Ritz-Carlton Yacht Collection, the five-star hotel brand will launch three small, ultra-luxury ships with laid-back itineraries and spacious, open-concept design schemes [Source: qCaptain 22/6/2017](#)

50. STATOIL AWARDS CONTRACTS FOR SEVEN SUPPLY VESSELS TO BE FITTED WITH BATTERY-POWER

Norwegian oil major Statoil has awarded contracts to five shipowners covering a total seven supply vessels and requiring each to be equipped with hybrid battery power, and the possibility of shore power connection. The total value of the contracts amounts to NOK 3.1 billion, or about USD \$366 million. [Source: Gcaptain 28.06.2017](#)

51. DISNEY CRUISE LINE ORDERS LNG-POWERED SHIPS

Disney Cruise Line, a unit of the US-based Walt Disney Company, has ordered three ships powered by liquefied natural gas (LNG) at the Meyer Werft shipyard in Germany. The new delivery is scheduled for 2022, with the two previously announced ships due in 2021 and 2023. [Source: LNG World News, 17.07.17](#)

52. FOSEN YARD SIGNS LETTER OF INTENT WITH GLOBAL INDUSTRIAL PARTNER

Fosen Yard, Rissa, Norway and Hantong Shipbuilding, China have on 7th July 2017 agreed to form a Joint Venture for building RoPax, RoRo and Cruise vessels. [Source: Shippax, 10.07.2017](#)

53. MYSTIC CRUISES CONFIRMS EXPEDITION NEWBUILD PROGRAM

Mystic Cruises confirmed a newbuild under construction at Portugal's WestSea Yard, part of Martifer Group. The ship will be built on a Rolls-Royce technical platform and is the first in a planned series of cruise ships. [Source: CruiseIndustryNews, 24.07.2017](#)

54. CHINESE OWNER ORDERS ICEBREAKER FROM DAMEN

A Chinese company has ordered an icebreaker that will be the country's first privately owned polar research vessel. Hadal X will be built by Dutch shipyard Damen Group and owned and operated by Shanghai-based Rainbowfish Ocean

Technology, the Xinhua news agency said. Construction will start in 2018 and the icebreaker will be put into operation in 2021. [Source: TradeWinds, 10.07.17](#)

55. MV WERFTEN BREAKS GROUND ON NEW FACILITY

The expansion of MV Werften is continuing at full steam as the shipyard broke ground on a massive new building hall that may usher in the next generation of cruise-ship building globally.(...) In total, over 100 million euro will be invested in the Rostock yard within the shipbuilding group's comprehensive investment program [Source: Cruise Industry News 9.08.2017](#)

56. MEYER TURKU TO DOUBLE YARD INVESTMENTS

Meyer Turku shipyard is more than doubling its investment in its facilities from the previously published 75 million euro to 185 million euro, according to a statement. The new investments include a new plate cutting line, a new profile cutting line and a new panel line to the steel hall of the shipyard. These new investments will be ready by end of 2018 and will boost the steel production of the shipyard in order to fulfil the record breaking cruise ship orderbook. Meyer Turku will have the most modern steel production facilities in the world with laser-hybrid, digitally controlled welding technology, according to the yard (...) The investments are part of a long term plan of Meyer Turku to ramp up the production to three times the value the shipyard produced in 2014 when the Meyer family took over. Source: [Cruise Industry News, 06.09.17](#)

57. FINCANTIERI GROWS HIGH VALUE-ADDED BUSINESS

Having turned in a profit for 2016, and with a huge backlog of cruiseship and naval work, Fincantieri is sanguine about its prospects and is pursuing selective business and industrial expansion. David Tinsley reports. Testament to an effective business expansion strategy and robust performance in target market sectors, Fincantieri has strengthened the workload throughout its worldwide shipbuilding network and increased the headcount at its Italian shipyards over the first half of 2017. [Source: Motorship 11.9.17](#)

58. VARD WINS EXPEDITION CRUISE CONTRACT

Vard Holdings Limited said it won a contract for the design and construction of an expedition cruise vessel for Coral Expeditions of Australia. Newly developed by Vard Design in Norway in cooperation with the customer, the vessel is specially designed for small ship expedition cruises to remote and exotic destinations in the regions of Asia-Pacific. The vessel of VARD 6 01 design, measuring 93.5 x 17.2 meters, with room for 120 guests. [Source: MarineLink](#)

59. FRANCE, ITALY STRIKE DEAL ON STX FRANCE TAKEOVER

The French and Italian governments have hammered out a deal on the future shareholding structure of STX France, enabling Fincantieri's takeover of the yard to move forward. Namely, the two governments agreed to launch a joint process paving the way for the future creation of an alliance in the naval defence sector that is expected to result in the merger of French military shipyards company Naval Group with Fincantieri. [Source: World Maritime News, 28.09.2017](#)

Equipment and Materials

60. ABN AMRO PROVIDES WORLD'S FIRST FINANCING FOR BALLAST WATER TREATMENT SYSTEMS

ABN AMRO Transportation has successfully concluded the world's first financing for the installation of a Ballast Water Treatment system on several vessels for its Danish client, Celsius Shipping. [Source: ABN AMRO 2.5.2017](#)

61. ESL SHIPPING TO TEST AUTONOMOUS DISCHARGING ON NEW BULK CARRIERS

Equipment manufacturer MacGregor and ESL Shipping, a subsidiary of diverse Finnish conglomerate, Aspo, have agreed to jointly develop and test an autonomous discharging feature on MacGregor bulk handling cranes. [SOURCE: Splash 24/7 28.6.2017](#)

62. SHIPOWNERS' APPETITE FOR SCRUBBERS GROWS: ALFA LAVAL

Alfa Laval predicts that by 2025 around 5,000 vessels will have scrubbers fitted, although current levels of interest for the technology means that this figure is likely to be revised higher. There are currently only around 370 vessels with scrubbers installed or on order. [SOURCE: Argus news, 30.06.17](#)

63. RESEARCH INTO ALTERNATIVE SHIPBUILDING MATERIALS

A four-year project funded by the EU is seeking to research alternative lighter weight shipbuilding materials to reduce energy and maintenance costs for operators. The Realisation and Demonstration of Advanced Material Solutions for Sustainable and Efficient Ships (RAMSSES) project involves 36 partners from 12 countries, which began working together in June 2017. The project consortium includes of the speciality chemicals company, Evonik, but also includes leading shipbuilders Meyer-Werft, Papenburg, and Damen Shipbuilding. They are joined by established parts and equipment manufacturers including Becker Marine Systems. Part of the Horizon 2020 research and innovation programme, the project will run until 2021 and receive €10.8 million in EU funding. [SOURCE: The Motorship 6.7. 2017](#)

64. NEW GLOBAL PROJECT TO ADDRESS BIOINVASIONS VIA SHIPS' HULLS

A new global project to help protect marine ecosystems from the negative effects of invasive aquatic species has been given the go-ahead for preparation. The GloFouling Partnerships project – a collaboration between the Global Environment Facility (GEF), the United Nations Development Programme (UNDP) and the International Maritime Organization (IMO) – will address the transfer of aquatic species through biofouling, in other words, the build-up of aquatic organisms on a ship's underwater hull and structures. The project will focus on the implementation of the IMO Guidelines for the control and management of ships' biofouling. [Source: IMO News, 07.08.17](#)

65. WÄRTSILÄ TO EQUIP NEW LNG BUNKER BARGE

Finnish technology group Wärtsilä has been hired to supply the cargo handling system and cargo tanks for a new 3000 cubic metre capacity LNG bunker barge. The vessel will be owned by LNG Shipping, a consortium between Belgium based Victrol and CFT Corporation based in France. The barge is being built in Romania and will be outfitted in the Netherlands. When delivered, it will be chartered by Shell Western LNG B.V. [Source: Worldmaritime News, 07.09.17](#)

66. 3D PRINTED SHIP'S PROPELLER TAKES STEP CLOSER TO COMPLETION

A prototype of the world's first class approved ship's propeller has been produced using 3D printing techniques. The 1,350mm diameter propeller - named WAAMPeller - is the result of a cooperative consortium of companies that includes Damen Shipyards Group, RAMLAB, Promarin, Autodesk and Bureau Veritas. The WAAMPeller was fabricated from a Nickel Aluminium Bronze (NAB) alloy at RAMLAB (Rotterdam Additive Manufacturing LAB) in the Port of Rotterdam. [Source: Damen, 12.08.17](#)

Policy and Regulation

67. PASSENGER VESSEL STABILITY REQUIREMENTS BOOSTED

IMO's Marine Safety Committee (MSC 98) has adopted amendments to SOLAS2020 that raise the damage stability requirements for passenger vessels in the event of flooding caused by a collision. These changes used as a basis a series of E.U. and EMSA funded cooperative research projects conducted by academics, shipyards, ship operators, owners, classification societies and ship design consultants over several decades. The amendments raise the 'required index R', the damage stability requirement representing the ship's capability to remain stable and afloat in the event of flooding after a collision. The requirement is based on a probabilistic damage stability methodology for passenger ships that was developed in the partially E.U. funded research project HARDER and mandated in SOLAS2009. [Source: Maritime Executive, 13.06.17](#)

68. IMO AGREES NEW CLIMATE PLAN FOR SHIPPING

The UN's shipping body has settled on the main elements of an interim strategy aiming to decarbonise the sector. Over 170 countries meeting at the International Maritime Organisation in London had some substantive discussion

on objectives and ways to decarbonise shipping, resulting in a 7-step outline that now needs to be developed into an interim plan due in 2018. [Source: Hellenic Shipping News 8.07.2017](#)

69. NEW EMISSION CONTROL NORMS FROM 2019 IN HONG KONG

Hong Kong will introduce their own regulation to require vessels plying Hong Kong waters to use cleaner fuel from January 2019 to complement the efforts under the PRC's Ministry of Transport's action plan for the Hong Kong, Macau and PRD (Pearl River Delta). [Source: UK P&I Club SOURCE, 13.07. 2017](#)

70. BUSAN PUSHES FOR ECA STATUS

South Korea's top port is planning an emissions control area (ECA) ahead of the 2020 mandated sulphur regulations coming into place. [SOURCE: Splash 24/7, 29.06. 2017](#)

71. IMO IMPOSES CYBER SECURITY ON SHIP ISM

IMO has given shipowners and managers until 2021 to incorporate cyber risk management into ship safety, giving the industry another issue to deal with. Owners risk having ships detained if they have not included cyber security in the ISM Code safety management on ships by 1 January 2021. [Source: MarineMEC, 20.06.17](#)

72. IMO PUSHES BACK BALLAST WATER COMPLIANCE DATES

The IMO's Marine Environment Protection Committee (MEPC) finished up its 71st meeting with new resolutions on ballast water management and carbon dioxide emissions. The most noteworthy resolution to emerge from MEPC 71 was a new implementation scheme for ballast water management (BWM) requirements. The new plan requires compliance with the Ballast Water Management Convention standards at the first or second IOPP renewal survey after September 2017, subject to certain conditions. This will allow existing vessels to continue operating without a retrofitted ballast water treatment system until as late as 2024, depending upon the particular timeline of their IOPP surveys – up to two years later than previously. [Source: Maritime Executive, 07.07.17](#)

73. BALLAST WATER CONVENTION DELAY MAY INCREASE SHIPPING OVERCAPACITY

A two-year extension to the implementation of the IMO's Ballast Water Management Convention (BWMC) to the second half of 2019 may help owners to cope with meeting the deadline. However, it could also reduce the pace of demolition sales of ageing vessels, such as tankers, and thereby sustain tonnage imbalance. (...). The tanker market is an example of a sector that would benefit from accelerated scrapping. The DNB figures show that weakness of shipping markets continues to affect other parts of the value chain too. Against this background, the decision regarding the BWMC is a double-edged sword. [Source: IHS Fairplay, 12.07.17](#)

74. STATE AID: COMMISSION AND CHINA START DIALOGUE ON STATE AID CONTROL

European Commissioner Margrethe Vestager, in charge of competition policy, and He Lifeng, Chairman of China's National Development and Reform Commission, signed in Brussels a Memorandum of Understanding to start a dialogue on state aid control. The State aid dialogue creates a mechanism of consultation, cooperation and transparency between China and the EU in the field of state aid control. [Source: European Commission, 2.06.2017](#)

75. INDUSTRY ALLIANCE TO SUPPORT DECARBONISATION

Thirteen leading shipowners and operators, classification societies, engine builders and suppliers, big data providers and oil companies have signed up to a new Global Industry Alliance (GIA) to support transitioning shipping towards a low carbon future. The GloMEEP Project is a Global Environment Facility (GEF) United Nations Development Program (UNDP) IMO project aimed at supporting developing countries in the implementation of energy efficiency measures for shipping (...). Together, the GIA partners will focus on a number of priority areas including energy efficiency technologies and operational best practices, alternative fuels and digitalisation. The 13 members of the GIA are: ABB Engineering Ltd, DNV GL, Lloyd's Register EMEA, MarineTraffic, MSC Mediterranean Shipping Company, Ricardo UK Ltd, Royal Caribbean Cruises Ltd, Shell International Trading and Shipping Company Limited, Silverstream Technologies, Stena, Total Marine Fuels Ltd, Wärtsilä Corporation and Winterthur Gas & Diesel Ltd. [Source: Motorship, 03.07.17](#)

76. ASIAN SHIPBUILDING FEDERATION GETS A SEAT AT THE IMO TABLE

The Asian Shipbuilding Experts' Federation (ASEF), which applied for consultative status at the International Maritime Organization (IMO), has been given a seat at the table following a decision by the IMO Council on 27 July. The group, which currently consists of 10 Asian shipbuilders' organisations representing shipyards that account for 90% of vessels built globally, believes that it can make a positive contribution to the IMO's deliberations in what is becoming the ever more complex field of maritime regulation. Up until now, the Community of European Shipbuilders and the Superyacht Builders Association were the only shipbuilding bodies to be represented at the IMO. [SOURCE: IHS Fairplay, 28.07.17](#)

77. NEW ATTEMPT TO REPEAL US JONES ACT

SENATOR John McCain has introduced new proposals to repeal the US Jones Act. The Jones Act, its formal name the Merchant Marine Act of 1920, requires that all goods shipped between ports of the US be carried by vessels built in the US, and owned, operated, and crewed by Americans.(...). In a press statement released on his campaign website earlier this month he wrote:"I have long advocated the repeal of the Jones Act, an archaic and burdensome law that hinders free trade, stifles the economy, and ultimately harms consumers." [Source: FathomNews, 31.07.17](#)

78. CALIFORNIA MOVES AHEAD ON BIOFOULING REGS

(...) California is set to tighten up its regulations on biofouling to, among other things, include a requirement of mandatory biofouling management of the vessel's wetted surfaces (...) These biofouling management regulations have also been approved by California's Office of Administrative Law and are now set to become effective on October 1, 2017. [Source: Marine Log 16.8.2017](#)

79. NEW IMO GUIDELINES WILL HELP REDUCE ACCIDENTS DURING LIFEBOAT DRILLS

IMO has agreed new guidelines developed by shipowner organisations to tackle the problem of lifeboat accidents. Proposals put forward by Intertanko and others to IMO's Maritime Safety Committee (MSC) should reduce the risks faced by seafarers during lifeboat drills. [Source: IMO News 28.08.17](#)

80. US OFFSHORE WIND INDUSTRY ANNOUNCED TO BUILD FIRST JONES ACT COMPLIANT INSTALLATION VESSEL

Zentech Inc. (Texas) and Renewables Resources International (Virginia) just announced to build the first Jones Act compliant U.S. installation vessel. (...) The U.S. Jones Act requires for all vessels that are transporting goods to and from U.S. ports, such as components for an offshore wind farm, to be U.S. built and operated. [Source: Offshore Wind Industry 28.8. 2017](#)

Innovation

81. FIRST ZERO-EMISSION, FULLY-AUTONOMOUS CONTAINER SHIP PLANNED FOR 2020

Norwegian fertilizer producer Yara and maritime technology firm Kongsberg Gruppe are teaming up to build what they say will be the world's first fully-electric and autonomous container feeder ship. The planned autonomous container feeder ship, to be named YARA Birkeland (...) is expected to reduce emissions and boost safety by removing up to 40,000 truck journeys per year. YARA Birkeland will initially operate as a manned vessel before moving to remote operation in 2019, and later to fully-autonomous operations from 2020 onwards. [Source: gCaptain 9.5. 2017](#)

82. ROLLS-ROYCE DEMONSTRATES WORLD'S FIRST REMOTELY OPERATED COMMERCIAL VESSEL

Rolls-Royce and global towage operator Svitzer have successfully demonstrated the world's first remotely operated commercial vessel in Copenhagen harbour, Denmark. [Source: Setcorp 20/6/2017](#)

83. SHORESIDE SCRUBBER WATER TREATMENT FOR SCANDLINE HYBRIDS

Scandlines' new hybrid ferries 'Berlin' and 'Copenhagen' are to employ an innovative treatment that will simplify the disposal of water used by their scrubbers to remove sulphur from exhaust. As reported, the ferries are driven by a

hybrid propulsion system which combines traditional fuel with electric battery power. The two new ferries have also both been fitted with closedloop scrubbers to meet sulphur regulations. The ferries, which operate on the RostockGedser route, will pump scrubber water saturated with exhaust residue into a shore-based MarinePaq system from Luxembourg supplier APATEQ. [Source: Motorship, 19.06.17](#)

84. LEGAL QUESTIONS AROUND UNMANNED WORKBOATS

According to Charles Hattersley, Partner and Head of Marine at Ashfords, a Law practice in Exeter, UK, unmanned workboats are quickly appearing over the horizon, but the legal framework may end up playing catch-up with the rapid technological progress. The International Maritime Organisation will shortly consider changing the international Convention for the Safety of Life at Sea (SOLAS) to allow ships with no captain or crew to become operational. (...). [Source: Maritime Journal 25.08.2017](#)

85. BOURBON JOINS AUTOMATED OFFSHORE VESSEL PROJECT

Offshore services company Bourbon has signed a memorandum of understanding to support Automated Ships' project to build the world's first automated offshore vessel. In collaboration with the project's primary technology partner, Kongsberg, Bourbon will provide input into the development and design of automated light duty utility vessel Hrönn. In the second phase of the project, Bourbon and Automated Ships will jointly seek grants to finance the construction of a prototype. [SOURCE: The Motorship 11.07.2017](#)

86. WÄRTSILÄ DESIGN FEATURES THE WORLD'S FIRST HYBRID PROPULSION SOLUTION FOR FISH FARMING INDUSTRY

The technology group Wärtsilä has been contracted to deliver the ship design for a new processing and transportation vessel to be built at the Balenciaga shipyard in Spain on behalf of Hav Line AS of Norway. In addition to the design, Wärtsilä will also supply an integrated solution comprising a 10-cylinder Wärtsilä 31 main engine, auxiliary engines, propulsion machinery, the propulsion remote control system, and the electrical & automation system. The delivery of the Wärtsilä solutions will be during autumn 2017 and the vessel is scheduled for delivery in summer 2018. [SOURCE: Wärtsilä 16.8.2017](#)

87. AMBITIOUS SAIL-POWERED CAR CARRIER MOVES A STEP CLOSER TO REALITY

An ambitious project to develop a hybrid car carrier with four sails capable of transporting up to 2,000 cars has moved a step closer. Classification society Lloyd's Register (LR) has joined the Quadriga sustainable shipping project – an initiative from Hamburg-based Sailing Cargo, which aims to build the world's biggest sailing cargo ship. The project aims to build a 170 m long car carrier, capable of carrying between 1,700 and 2,000 cars, which will be equipped with four DynaRig masts and will operate on hybrid propulsion with sails and diesel-electric engines, and an optional battery system for peak loads. The vessel will be capable of sailing at 10-12 knots. [Source: Splash 24/7 17.08. 2017](#)

88. NYK TO TEST AUTONOMOUS BOXSHIP IN 2019

Japanese shipping company Nippon Yusen Kabushiki Kaisha (NYK) intends to test an autonomous containership in the Pacific Ocean in 2019. The ship would sail from Japan to North America with a crew on standby, Hideyuki Ando, a senior general manager at Monohakobi Technology Institute, part of NYK, told Bloomberg. The boxship, the size of which has not been specified yet, would be remotely controlled. NYK joins a myriad of companies that have been venturing into autonomous technology for ships. As disclosed in an interview with World Maritime News, Rolls-Royce envisages a remotely operated vessel in local waters as the first stage and in operation by 2020. By 2030, remotely operated ships are expected to become a common sight on the ocean. According to a report published by insurance company Allianz in 2012, between 75 and 96 percent of marine accidents are a result of human error, equivalent to USD 1.6 billion. This is often as a result of fatigue. Remotely controlled and autonomous ships are expected to reduce the risk of injury and even death amongst ship's crews and the potential loss or damage of valuable assets. [Source: WorldMaritimeNews, 06.09.17](#)

89. WÄRTSILÄ: TURNING RAW DATA INTO MEANINGFUL INSIGHT

Capitalizing on big data is a hot topic within the marine industry, and skilled data scientists are one of the most sought after professionals in the job market. Hardcore data analysis knowledge materializes at expertise centers, where hundreds of ships sailing on the seas of the world are tracked, monitored and supported. Big data combined with analytics and human expertise results in optimized ship lifecycle efficiency - and better performance for marine industry players. [Source: MarineLink, 12.09.17](#)

90. NEW REPORT EXAMINES FUTURE OF AUTONOMOUS MARITIME SYSTEMS

Maritime activity over the next decade will be dominated by unmanned surface and underwater vessels, according to a report on the future of autonomous maritime systems launched today. Written and researched by Lloyd's Register, QinetiQ and the University of Southampton, the report is a follow-up to Global Marine Technology Trends 2030, looking at how technology trends will impact upon the regulatory and social aspects of maritime operations. [Source: Hellenic shipping news, 13.09.17](#)

Global

91. RUSSIA: FINANCING OF SHIPBUILDING PROJECTS

Eternal problem of Russian economy is the inaccessibility of "long" and cheap money, which has the highest impact on industries with long payback periods. Shipbuilding is among them. Starting from 2009, the problem has been handled through subsidies provided to cover the leasing interest rates, budget financing of manufacturers and leasing companies with preferential interest. Now the discussion has unfolded around an even larger leasing program. [Source: PortNews, 18.04.2017](#)

92. INDONESIA OFFERS COOPERATION IN SHIPBUILDING TO JAPAN MITSUI

The Marine and Fishery Ministry has offered Japanese shipping giant Mitsui Engineering & Shipbuilding Co. Ltd., cooperation in shipbuilding sector in Indonesia. Development in the sector is needed to replace two-decade-old ships. [Source: Hellenic Shipping News, 18.04.2017](#)

93. IRAN TO IMPORT SHIPBUILDING TECHNOLOGY FROM SOUTH KOREA: OFFICIAL

The managing director of the Islamic Republic of Iran Shipping Lines (IRISL) said the Iran Shipbuilding and Offshore Industries Complex Company (ISOICO) has been introduced to import the technology of building giant ships from South Korea. [Source: Hellenic Shipping News 15.5. 2017](#)

94. INDIAN GOVERNMENT TO SOON UNVEIL NEW SHIPBUILDING POLICY

The government will soon come out with a new shipbuilding, breaking and repair policy with an aim to double the size of the industry to Rs 20,000 crore by 2022. A top government official said the new policy will have a special focus on building a niche capacity and positioning India as a manufacturing hub of LPG, LNG, cruise and chemical tanker ships, besides inland vessels. [SOURCE: Setcorp 16.06.2017](#)

95. BRAZIL'S SHIPYARDS – VICTIMS OF A FAILED REINDUSTRIALISATION PROCESS

"I have lived through three good periods and two bad ones," prior to the present crisis in the Brazilian shipping industry, said Edson Rocha, a direct witness since the 1970s of the ups and downs of a sector where nationalist feelings run high. Now as the president of the Niteroi Metalworkers Union in this city near Rio de Janeiro Rocha has to battle with mass unemployment of shipyard workers, bearing a collective responsibility that he had not faced in previous shipyard crises. "Out of the 14,500 people employed directly by the shipbuilding sector in 2014, only around 1,500 are left," the union leader told IPS. He estimates that 2,500 indirect jobs, beyond the union's control, have been lost out of a total of 4,000 such jobs in that year. [Source: IPSNews, 18.07.17](#)

96. LNG SHIPPING; MORE THAN 500 LNG VESSELS CHASING A GROWING NUMBER OF CARGOES, IN IMPROVING OUTLOOK

The LNG shipping market is gradually returning to form, at least according to major market players. In a recent note on the market's outlook, Cosco Shipping said that at the end of 2016, there were a total of 478 LNG vessels in operation around the world. 'During the first half of 2017, the fleet size has expanded to over 500 LNG vessels, creating certain level of pressure on the balance of demand and supply'. [Source: Hellenic Shipping News, 08.09.17](#)

Naval

97. FRANCE STARTS CONSTRUCTION OF FIVE FTI FRIGATES

French Minister of Defense Jean-Yves Le Drian on Friday authorized shipbuilder DCNS to start the construction of five FTI (Fregate de Taille Intermediaire) medium-size frigates for the French Navy. [Source: Naval Today, 21.04.2017](#)

98. GERMANY TO BOOST NAVAL SPENDING UNDER \$4.3 BILLION WARSHIP PLAN

Germany plans to spend an extra 525 million euros (\$572 million) to boost the capabilities of a new class of combat ships that symbolize the country's readiness to take on greater global responsibility and defend shipping lanes. [Source: Gcaptain.com, 25.04.17](#)

99. PHILIPPINE SHIPBUILDERS TO HELP MODERNIZE MILITARY

Having a budget of \$2.56 billion for military modernization this year, the Philippine Defense Department is seeking the support of the local shipbuilders industry to help develop the country's defense and security sectors. [SOURCE: Maritime Executive, 13.07. 2017](#)

100.FRENCH DCNS CHANGES NAME TO NAVAL GROUP

French state-owned shipbuilder DCNS announced on Wednesday it was changing its name to Naval Group, for better "exposure and credibility in international markets". [SOURCE: World Maritime News 28.06.2017](#)

101.PAKISTAN ORDERS OFFSHORE PATROL VESSEL FROM DAMEN

Pakistan's defense ministry has signed a contract with Dutch ship designer Damen for the acquisition of a locally-built offshore patrol vessel (OPV). The contract was signed on June 12 during an event attended by navy and company representatives and Dutch ambassador to Pakistan Jeannette Seppen. [Source: Naval today, 13.06.17](#)

102.HANJIN HEAVY WINS \$ 230 MLN NAVAL SHIP ORDER

Hanjin Heavy Industries & Construction Holdings said its shipbuilding unit has received a naval vessel order worth 260 billion won (US\$230 million). Hanjin Heavy Industries Co. will build four patrol boats belonging to the PKXB Batch-1 project for the Navy. [Source: The Medi Telegraph 14.06.2017](#)

103.QATAR SIGNS €5 BILLION WARSHIP DEAL AMID SANCTIONS ROW

A €5 billion deal between Italy and Qatar for the construction of seven navy vessels is now official following an announcement made by Qatar's foreign minister (...).Seven surface vessels, of which four corvettes of over 100 meters in length, one amphibious vessel (LPD – Landing Platform Dock), and two patrol vessels (OPV – Offshore Patrol Vessel) are to be built under this contract. Fincantieri said all the units will be entirely built in Italian shipyards starting from 2018, and will take at least six years to complete. [SOURCE: Naval Today 3.08. 2017](#)

104.AUSTRALIA STARTING CONSTRUCTION OF NEW SHIPBUILDING FACILITY IN OSBORNE

The Australian government is starting construction of a new surface shipbuilding yard in Osborne, South Australia, and has unveiled the design of the shipyard. [Source: Naval Today 24.08. 2017](#)

105.NORWAY TO BUY THYSSENKRUPP SUBS

Norway plans to sign a deal to buy four submarines from ThyssenKrupp in 2019, Norwegian defence minister Marie Eriksen Soreide said during a visit with her German counterpart to a German marine base. German media has reported the four submarines will cost 4.3 billion euros (\$5.06 billion). The purchase of the ships is part of a

cooperation agreement between the two countries, under which Germany's armed forces will buy two identical submarines from Germany's ThyssenKrupp and missiles from Norway's Kongsberg. [Source: Marinelink.com, 22.8.17](http://Marinelink.com)

SEA Europe news

106. ENSURING GLOBAL LEVEL PLAYING FIELD IS VITAL FOR THE EUROPEAN MARITIME TECHNOLOGY INDUSTRY

SEA Europe welcomed the European Commission's Reflection Paper entitled "Harnessing Globalisation", which was published on 10 May, and looks forward to supporting the implementation of the paper's policy recommendations. "It is encouraging to note that the Commission's paper explicitly recognises the challenges faced by our industry, which is indeed confronted with unfair trade and other distortive practices and overcapacity", according to SEA Europe. [Source: SEA Europe, 19.05. 2017](http://SEA Europe, 19.05. 2017)

107. CESA AND SEA EUROPE OPPOSED TO ANY ATTEMPTS TO FURTHER DELAY THE IMPLEMENTATION OF THE BALLAST WATER MANAGEMENT CONVENTION

"Both shipyards, repair yards and maritime equipment manufacturers have made significant investments to ensure that ballast water management systems can be installed onboard ships on time", said Christophe Tytgat, CESA/SEA Europe Secretary General. "Another delay by two years would not only extend the implementation of the Convention from 2022 to 2024 – in other words 7 years from today – but it would also give a wrong political signal", he added. [Source: SEA Europe, 30.06. 2017](http://SEA Europe, 30.06. 2017)

108. SEA EUROPE AND DANISH MARITIME JOINTLY HOSTING THE 2017 INTERNATIONAL SHIPBUILDING FORECASTING EXPERTS MEETING

The 16th International Shipbuilding Forecast Expert meeting (ISFEM) was held in Copenhagen on 6-7 June 2017, bringing together regional shipbuilding associations' experts from CANSI, SEA Europe, KOSHIPA and SAI to discuss current trends and outlook for the commercial global shipbuilding market. This year's meeting was held in Europe and was jointly hosted by SEA Europe and Danish Maritime at Man Diesel & Turbo in Copenhagen. [Source: SEA Europe 13.06.2017](http://SEA Europe 13.06.2017)

109. SEA EUROPE GENERAL ASSEMBLY MEETING IN VIGO – A YEAR OF CHANGES

On 23 June, a total of 36 representatives from the most important shipyards and maritime equipment industries from Europe met at the Port Authority facilities of Vigo (Spain) at the occasion of SEA Europe's 2017 General Assembly. The General Assembly was organised by the Galician Naval Cluster, ACLUNAGA, directed by Marcos Freire, in cooperation with NAVANTIA. [Source: SEA Europe, 4.07.2017](http://SEA Europe, 4.07.2017)

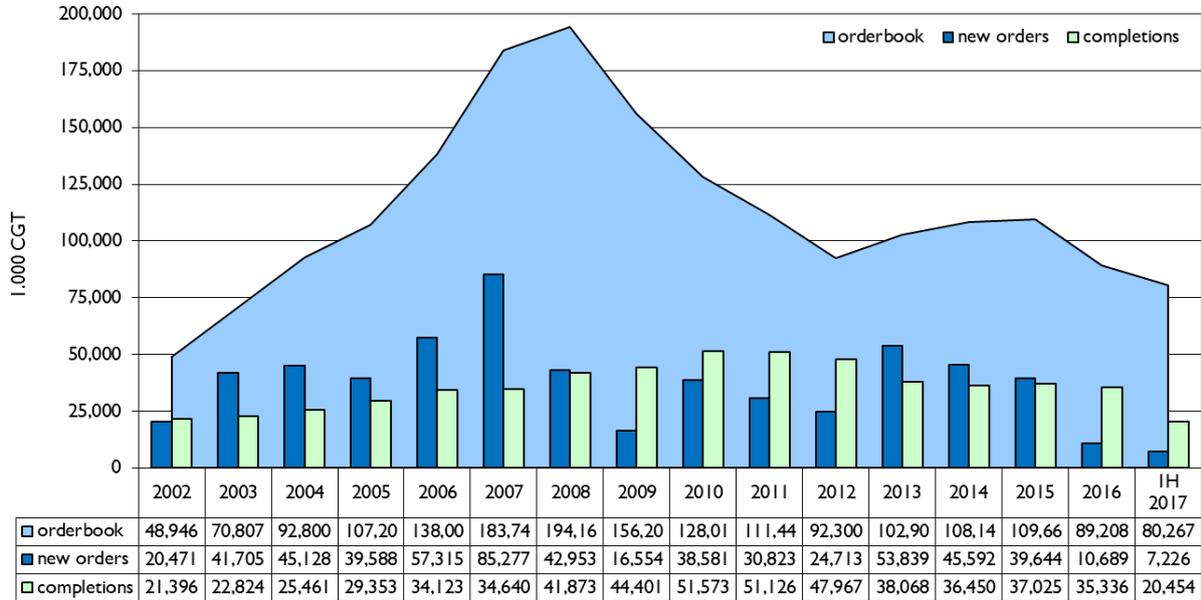
110. KJERSTI KLEVEN APPOINTED AS NEW CHAIR OF SEA EUROPE

At the General Assembly meeting of SEA Europe in Vigo (Spain) on 23 June 2017, SEA Europe appointed Ms. Kjersti Kleven as the association's new Chair for a period of two years, starting on 1 July 2017. Kjersti Kleven is co-owner and Chair of the Board of the Norwegian shipbuilding group Kleven Maritime AS (KLEVEN). At the same General Assembly meeting, SEA Europe also appointed the following new Vice Chairs: Bernard Meyer (Managing Partner Meyer Werft), Kjeld Dittmann (Managing Director, Wärtsilä Lyngsø Marine A/S), Hervé Guillou (Chairman & CEO Naval Group), Kees-Jan Mes (Vice-President Marine, Pon Equipment and Pon Power B.V.), Dirk Lehmann (Managing Director Becker Marine Systems), and Juan Luis Sánchez (SEA SMRC Chairman and Director Astander). [Source: SEA Europe 30.06.17](http://SEA Europe 30.06.17)

SHIPBUILDING STATISTICS

Figure 1 – Summary of activity in World Shipyards

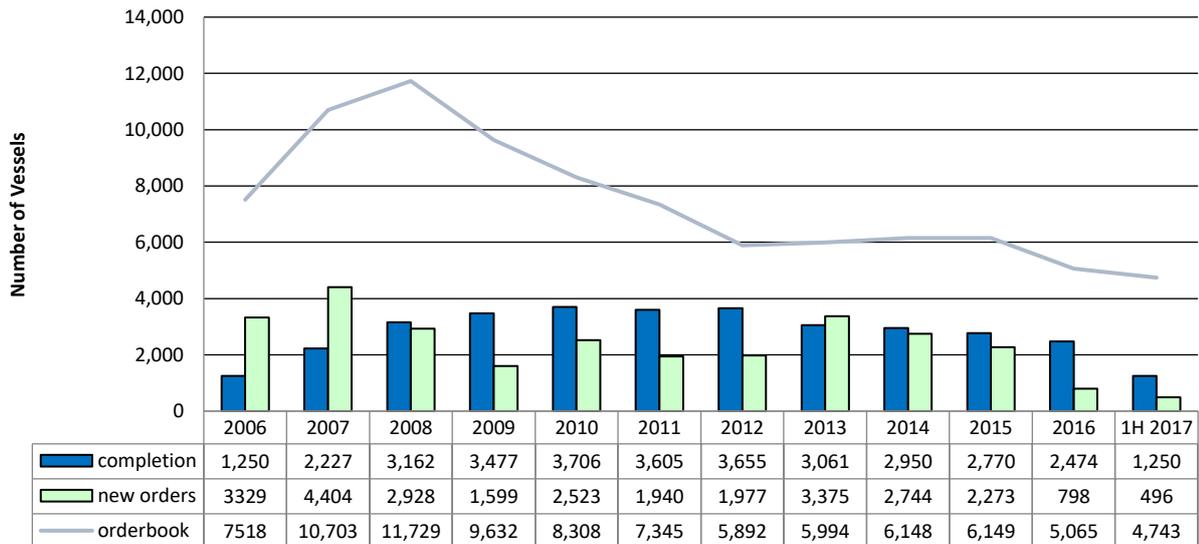
Global Commercial Shipbuilding Activity in CGT



Data Source: IHS Fairplay

2016 was the worst in 20 years in global order intake. In the first half of 2017 newbuilding order intake was estimated to reach 7.2 M CGT (496 units), a slight increase compared to the same period in 2016 (7.09 M CGT, 420 units). In 1H 2017 shipyards delivered 1,250 vessels of a combined 20.4 m CGT, an 8.5% increase y-o-y. At the end of June 2017, global newbuilding orderbook amounted to 80.2 M CGT (4,743 units), which is a 10% decrease since the start of the year.

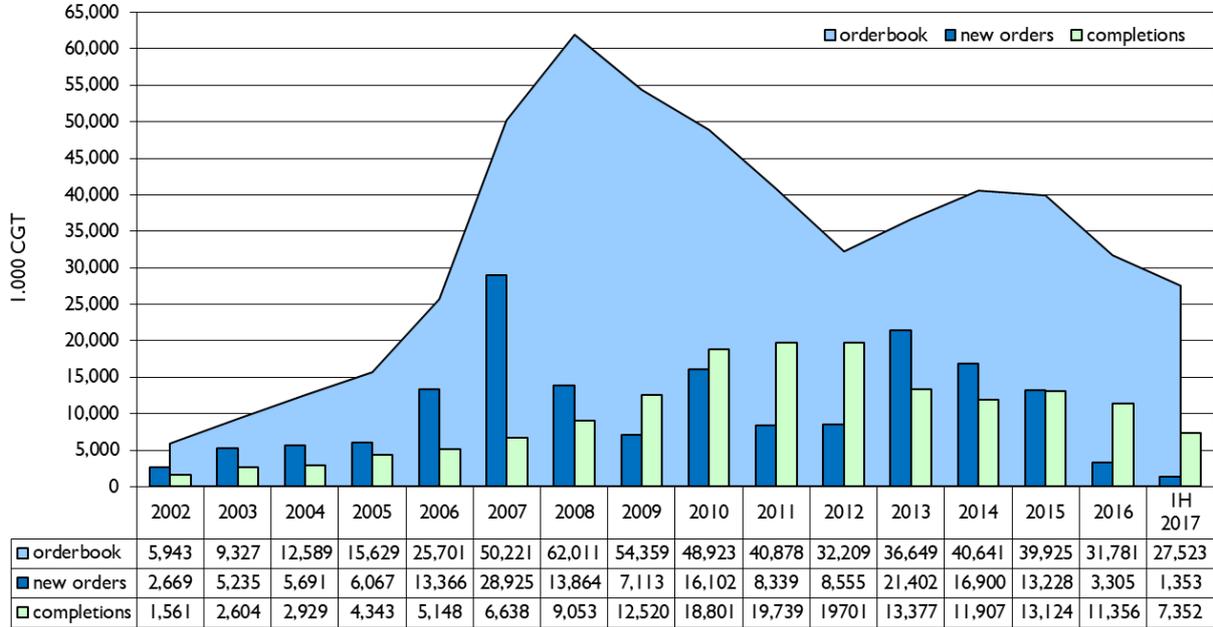
Global Commercial Shipbuilding Activity in Number of Vessels



Data source: IHS Fairplay

Figure 2 – Summary of activity in Chinese shipyards

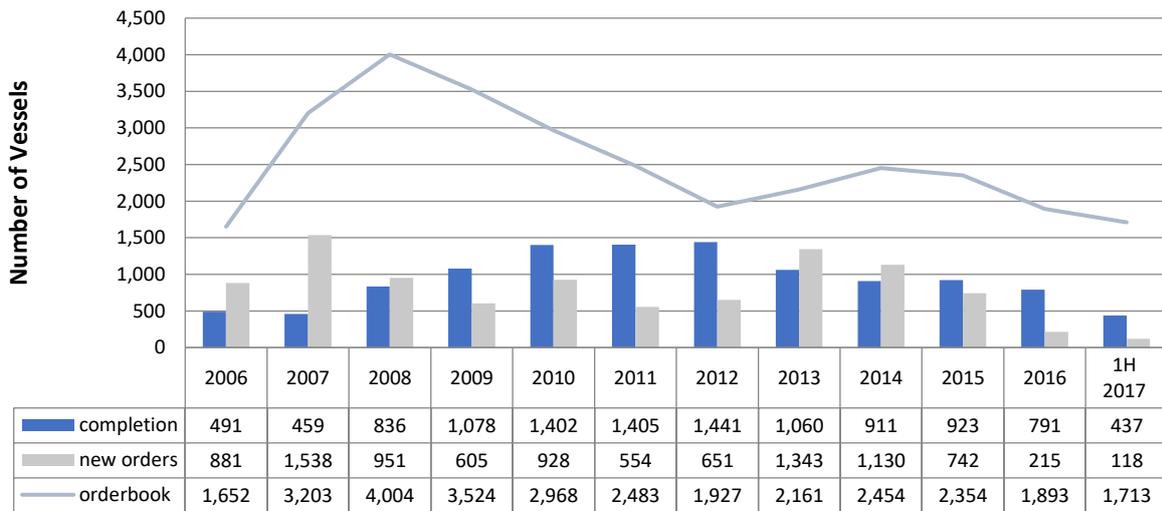
China Commercial Shipbuilding Activity in CGT



Data source: IHS Fairplay

China is still facing challenges to respond to excessive capacity and low profitability. Chinese Shipyards' newbuilding orders intake decreased y-o-y, reaching 1.35 M CGT (118 units) during the first six opening months of 2017. With respect to ship type, bulk carriers, oil tankers and containerships still dominate as the key export products at Chinese shipyards. Completion on the other hand increased, reaching 7.3 M CGT (437 units), the largest volume of any builder country both in CGT and numerical terms. With decreased new orders and increased completions, the total orderbook decreased in the 1H 2017, reaching at end of June 27.5 M CGT (437 units), placing China in the first place at global level followed by Korea, Japan and Europe.

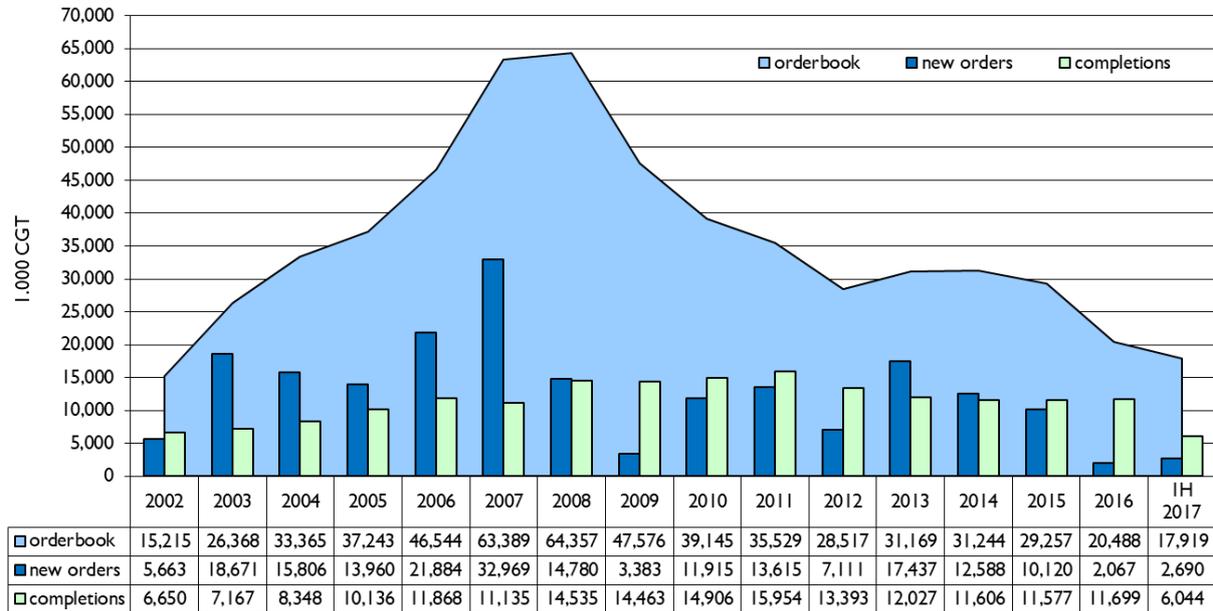
China Commercial Shipbuilding Activity in Number of Vessels



Data source: IHS Fairplay

Figure 3 – Summary of activity in South Korean shipyards

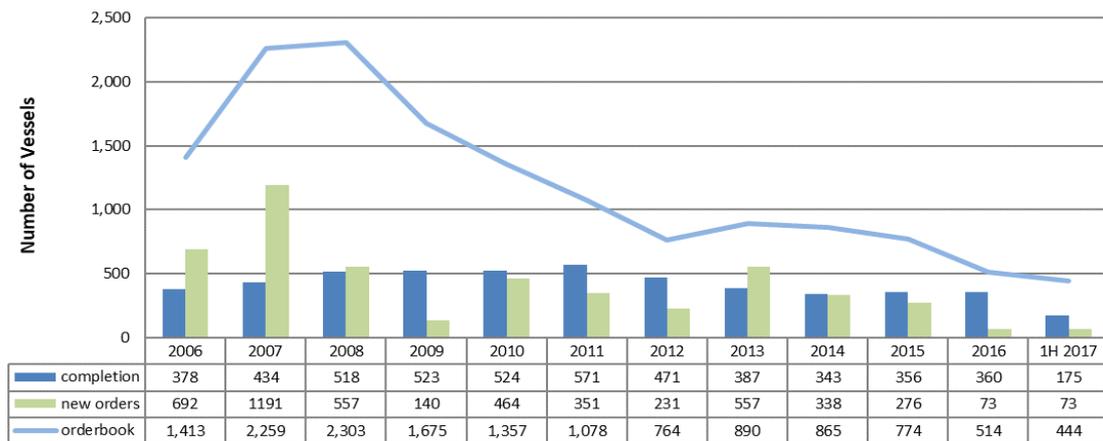
South Korea Commercial Shipbuilding Activity in CGT



Data source: IHS Fairplay

After the dramatic decrease in contracting activity experienced in 2015 and 2016, in 1H 2017 ordering levels at South Korean yards increased significantly y-o-y on an annualised basis reaching at the end of June 2.69 M CGT (73 units) and placing Korea first in the global newbuilding order intake ranking. This surge in contracting activity was mainly driven by the tanker sector. Completions levels remained steady y-o-y, reaching 6 M CGT (175 units) during the first six months of the year. At the end of June, the South Korean orderbook stood at 17.9 M CGT (444 units).

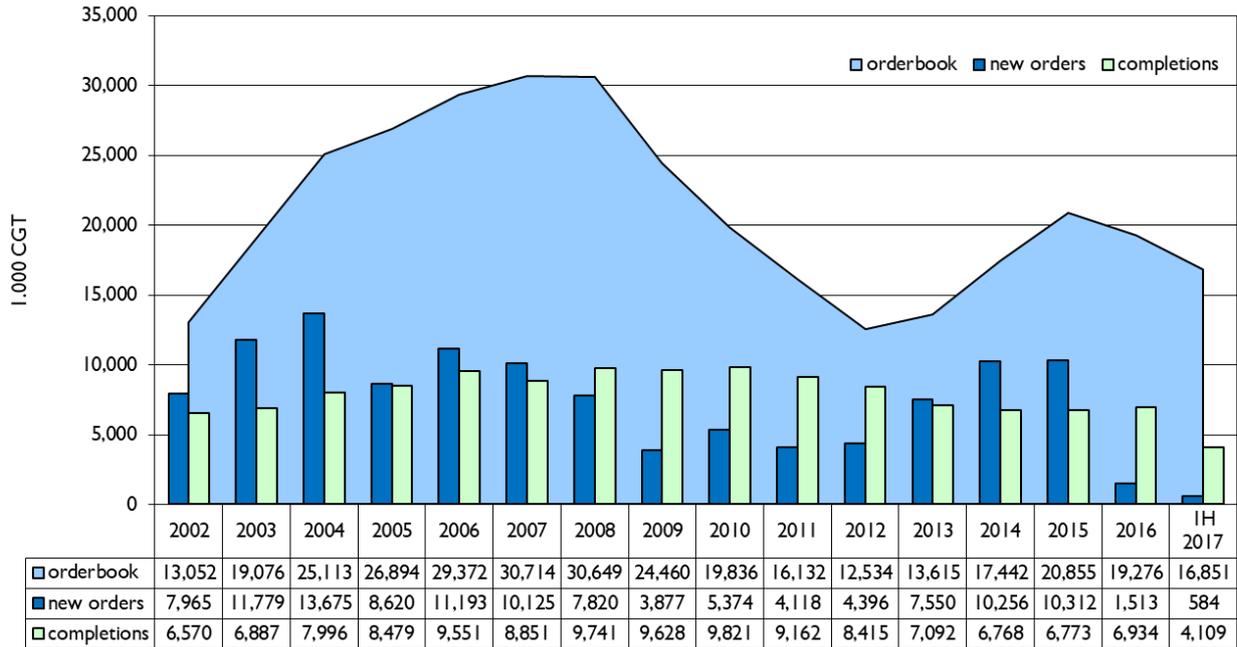
South Korea Commercial Shipbuilding Activity in Number of Vessels



Data source: IHS Fairplay

Figure 4 – Summary of activity of Japanese shipyards

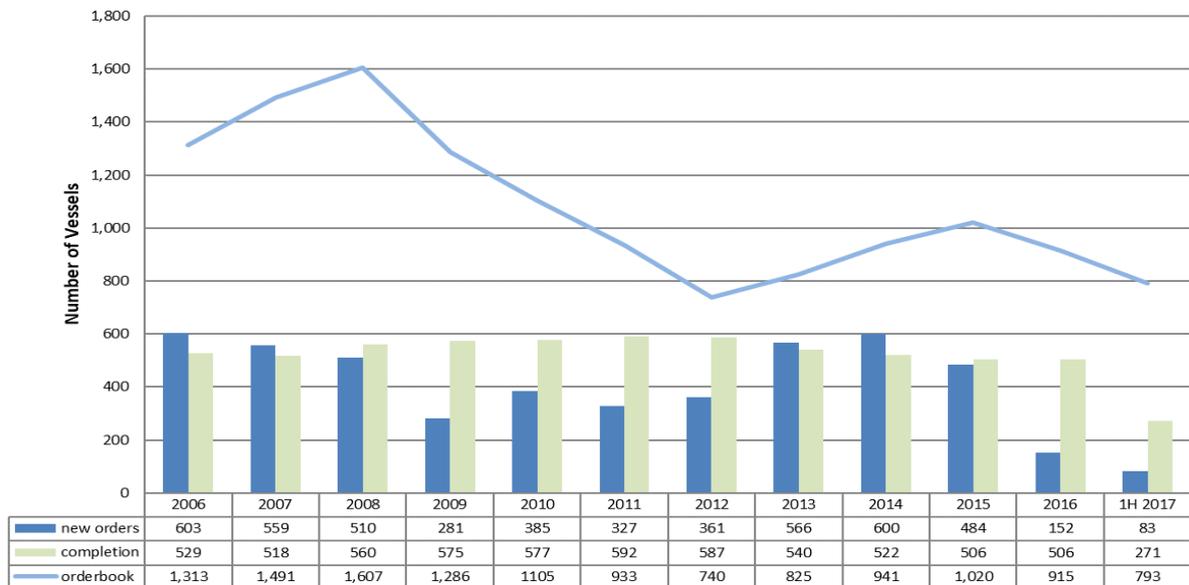
Japan Commercial Shipbuilding Activity in CGT



Data source IHS Fairplay

In 1H 2017, Japanese shipyards won a reported 0.58 M CGT (83 units), continuing the downward trend started last year. During the first six months of 2017 Japan delivered 271 vessels (4.1 m CGT), while the orderbook continued to decrease reaching 16.8 M CGT at the end of June.

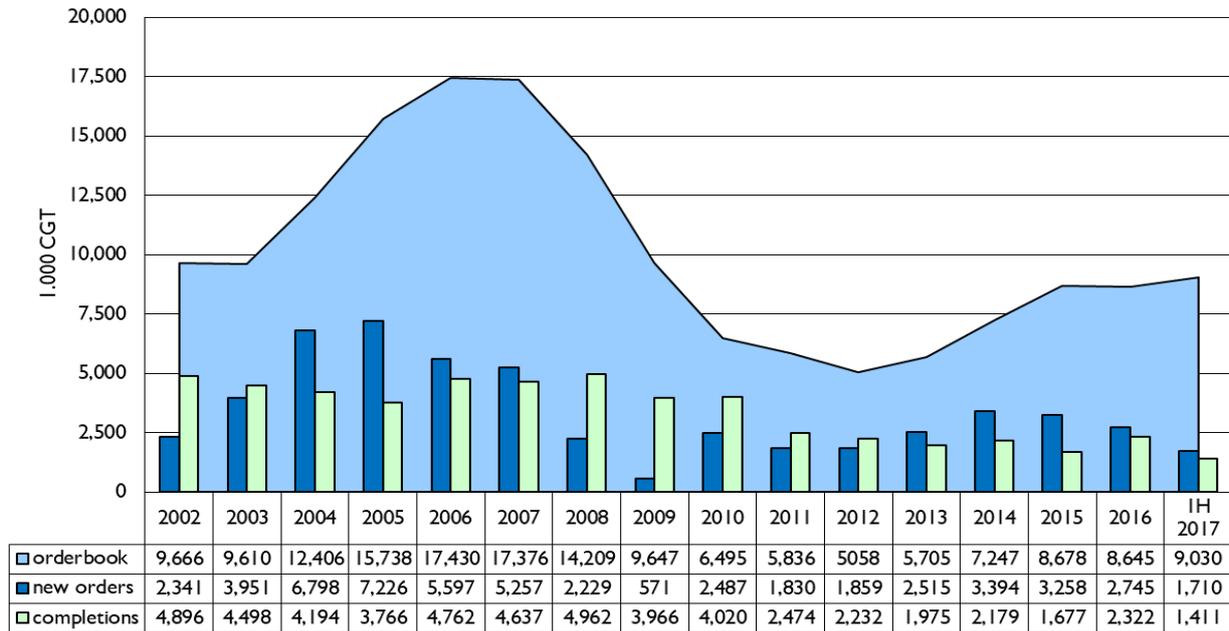
Japan Commercial Shipbuilding Activity in Number of Vessels



Data source IHS Fairplay

Figure 5 – Summary of activity of EU28+ Norway shipyards

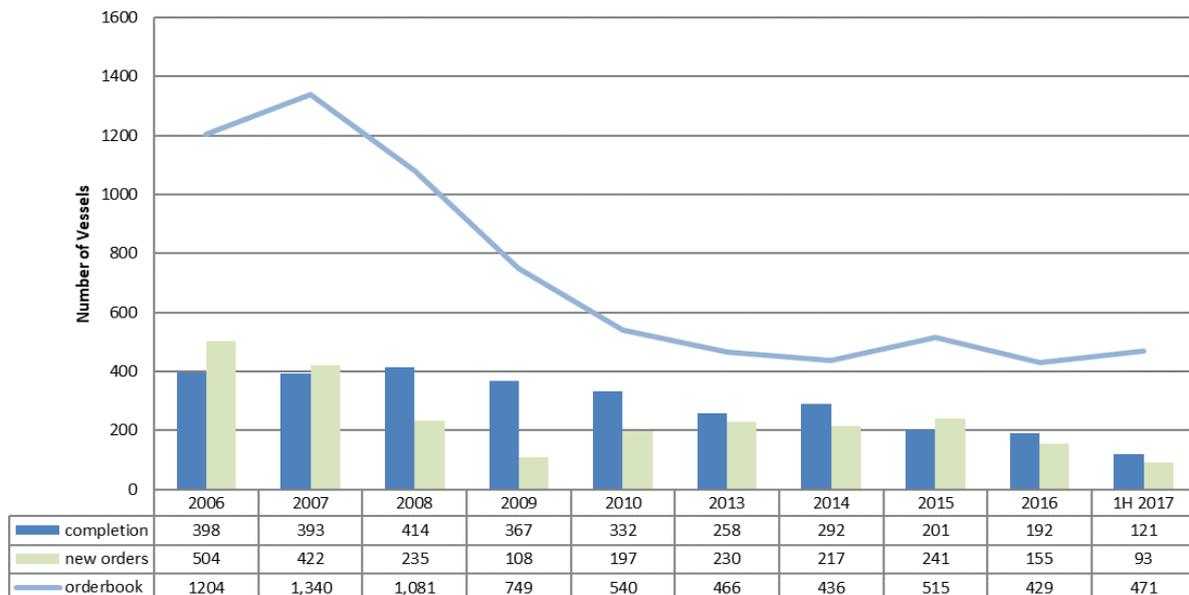
EU28 + Norway Commercial Shipbuilding Activity in CGT



Data source: IHS Fairplay

The European orderbook continues growing since 2012, reaching at the end of June 2017 an estimated 9 M CGT (121 units), thanks to the ordering boom in the cruise segment. In 1H 2017, 93 vessels were contracted accounting for 1.7 M CGT. Despite the order intake being lower compared to the same period in 2016, the European orderbook is the only one growing compared to the Asian countries. Over the last years, the level of deliveries has decreased y-o-y due to an increased complexity of the vessels built, with a high value. The growth in the demand for passenger ships and ONCCV, which has benefited some Yards, is however contrasting with the tough situation that some European companies continue to face due to the dramatic decline in the demand for offshore vessels and equipment.

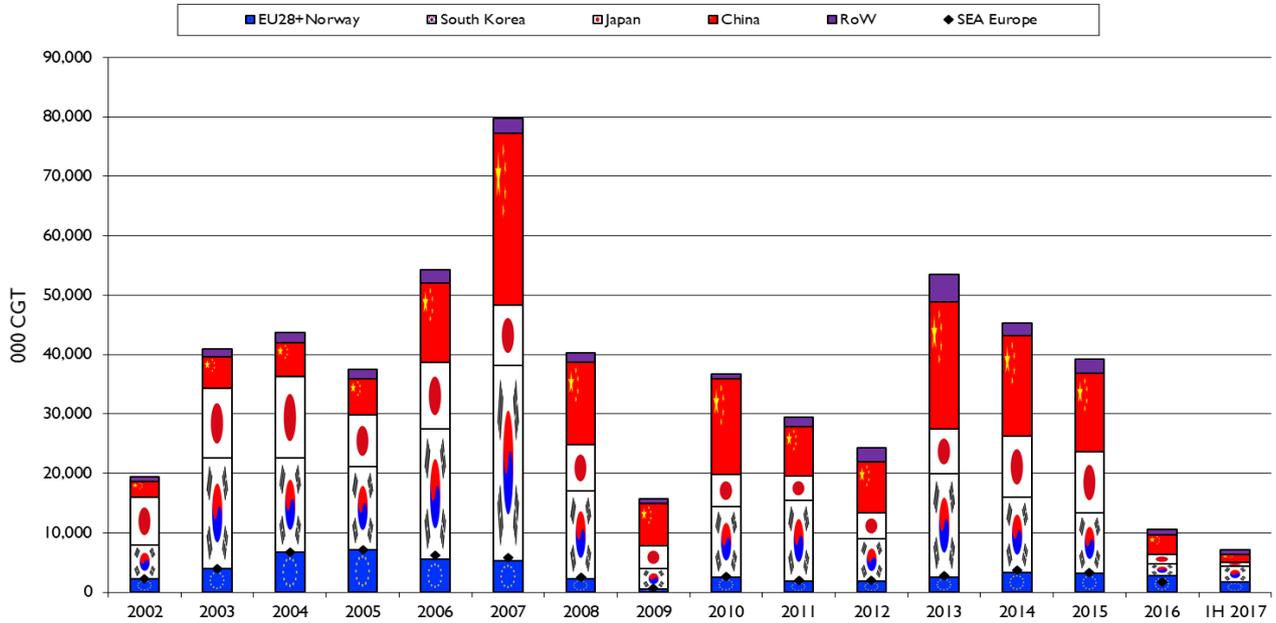
EU28+ Norway Commercial Shipbuilding Activity in Number of Vessels



Data source: IHS Fairplay

Figure 6 – New Orders by Area and Ship Type

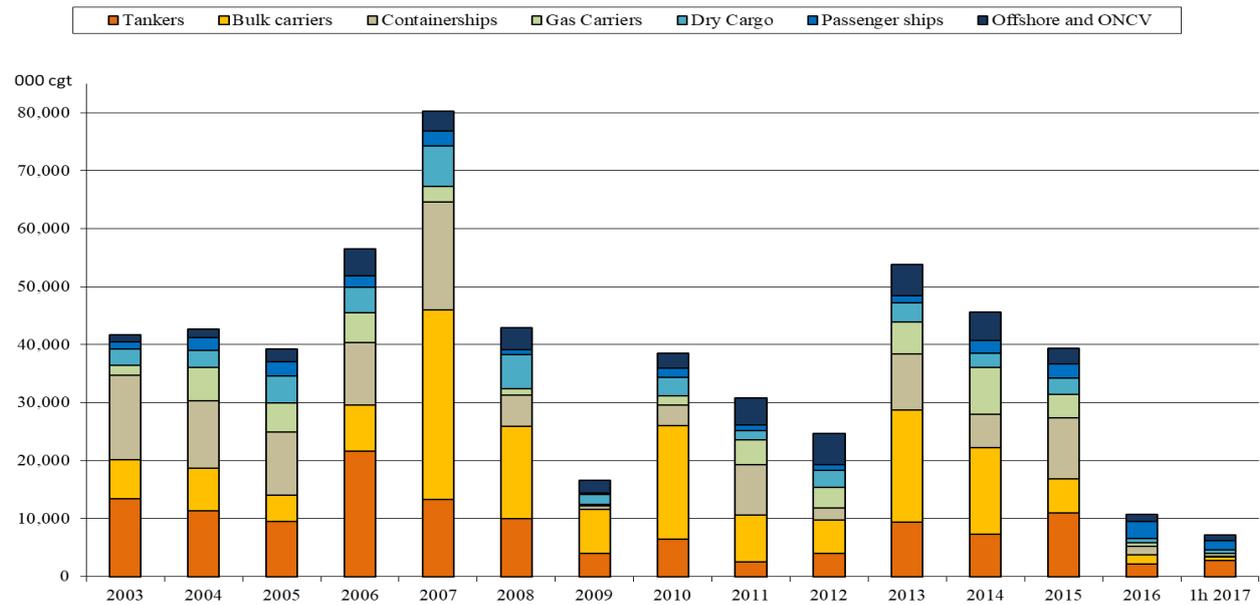
New Orders by Main Shipbuilding Areas



Data source: IHS Fairplay

In 1H 2017, the global new orders intake slightly increased compared to the same period in 2016 (when it shrunk by 73% compared to 2015), mainly driven by strong recovery in crude tanker ordering, but it remains at a low level. At the end of June, South Korea ranked (in CGT terms) as first contractor with 73 vessels accounting 2,69m CGT followed by Europe (1.7m CGT, 93 units), China (1.3 m CGT) and Japan (0.58 m CGT). Tankers accounted for 2.8 M CGT (38.8%), Bulk Carriers 0.58 M CGT (8.1%), containers 0.07 (1%), tankers 0.52 MCGT while Passenger ships and ONCCV accounted together for 1.77 MCGT (37%). In 2016, the decrease in new orders for cargo carriers accounted for more than 80%, while demand for passenger ships and mainly cruise ships almost doubled y-o-y.

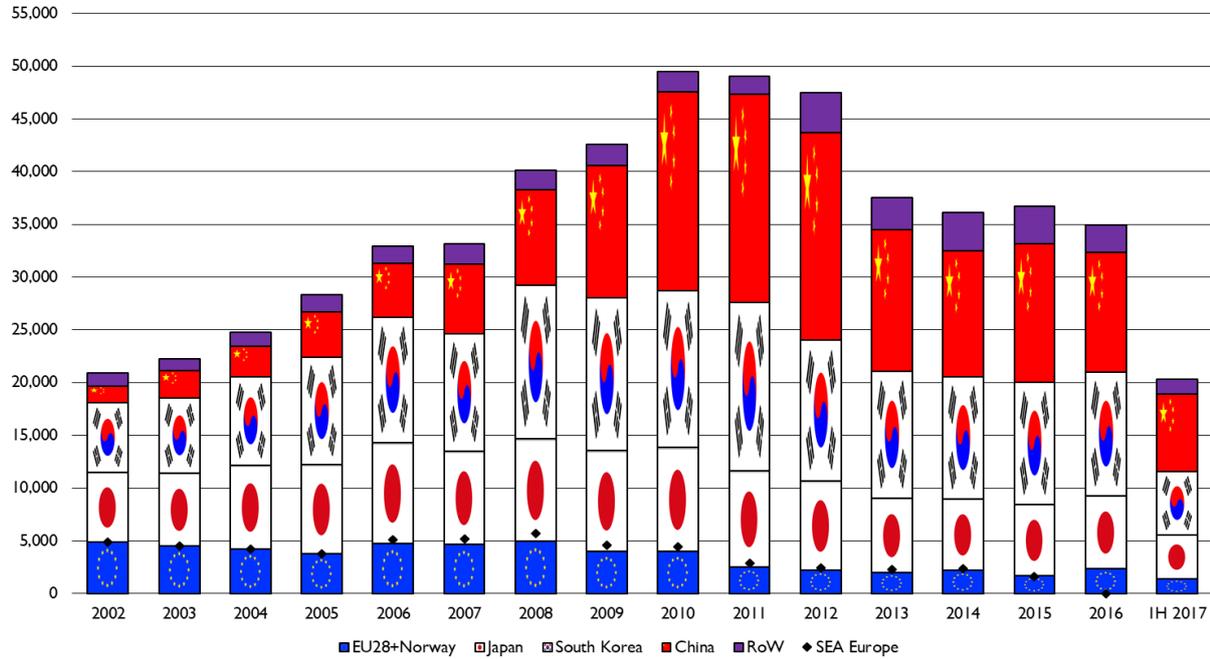
World New Orders by Ship Types



Data source: IHS Fairplay

Figure 7 – Completions by Main Shipbuilding Areas and Ship Types

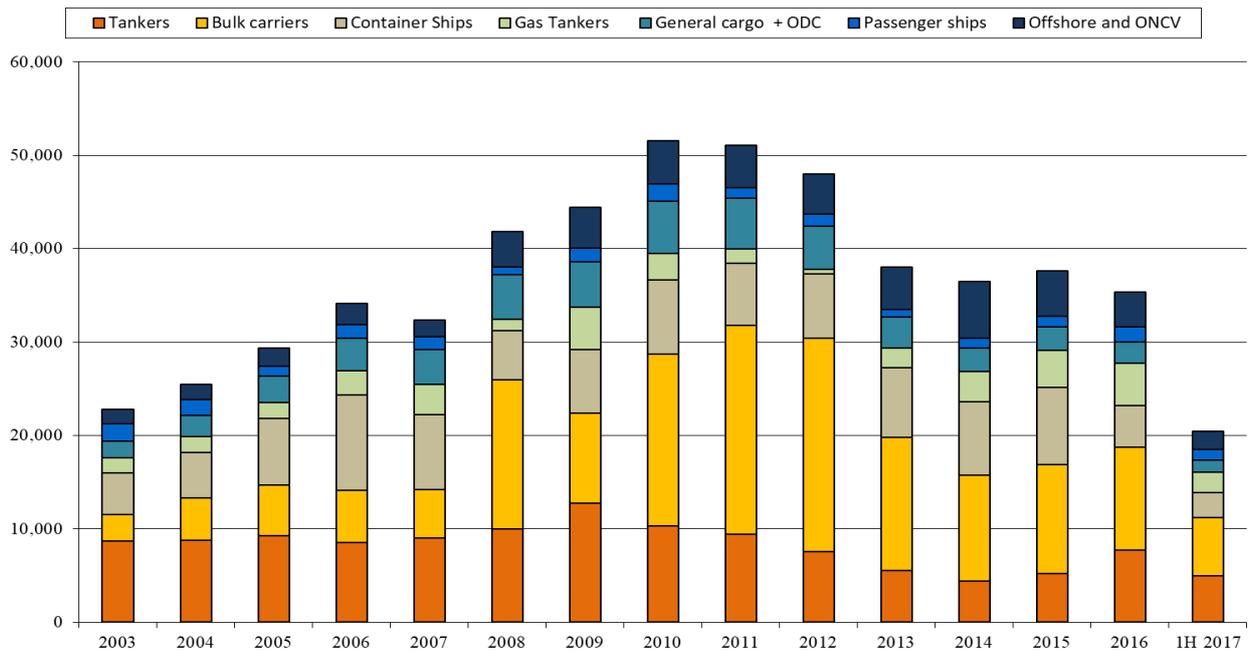
Completions by main Shipbuilding Areas



Data source: IHS Fairplay

Global deliveries remained in the same levels over the 2014-16 period. During the first 6 months of 2017, in CGT terms China led with 7.3 M CGT, followed by South Korean Shipyards (6 M CGT) and Japan (4.1 M CGT). In absolute terms China delivered 437 vessels, followed by Japan (271 units) and South Korea (175 units). European shipyards delivered 121 vessels and a total of 1.4 M CGT. Bulk carriers constituted 30% of the completions in CGT terms, followed by tankers, containerships and gas carriers.

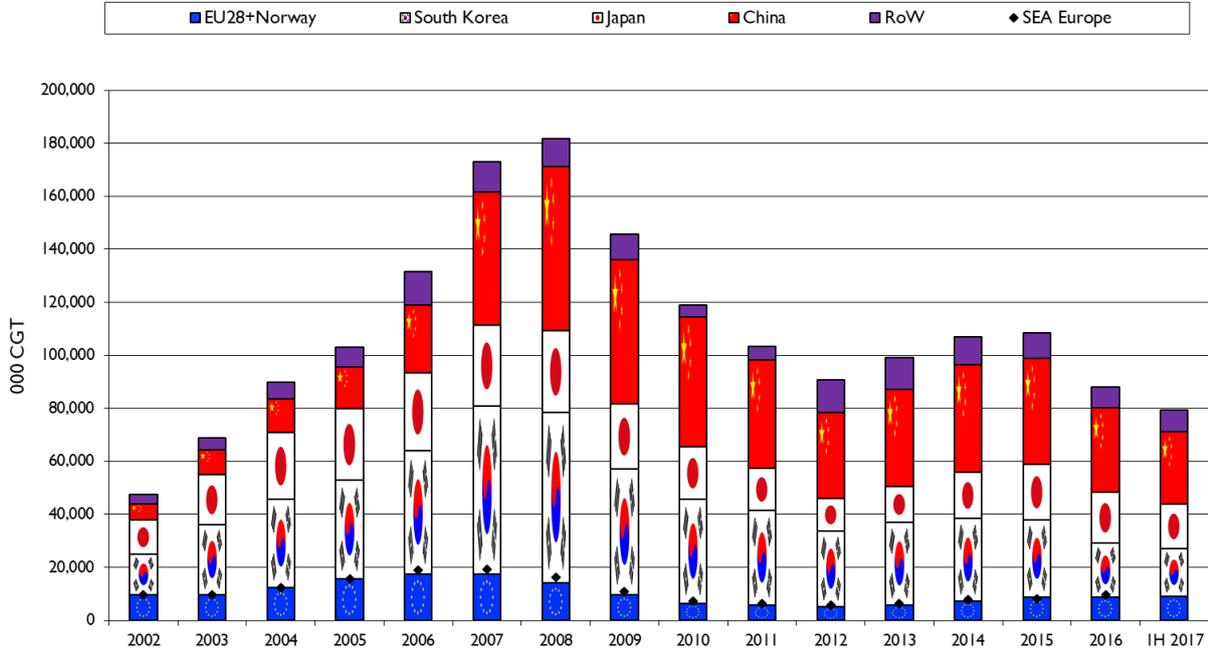
World Completions by Ship Types



Data source: IHS Fairplay

Figure 8 – World Orderbook by Area

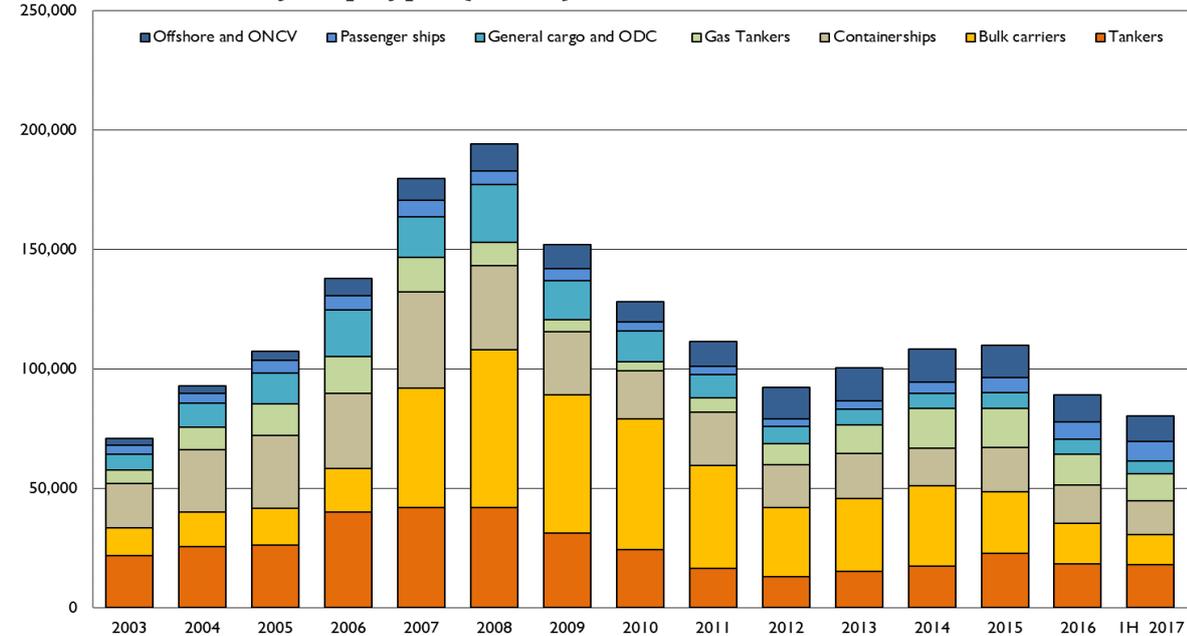
Orderbook by Main Shipbuilding Areas



Data source: IHS Fairplay

The world orderbook decreased compared to end 2016. In CGT terms China leads the orderbook (27.5M CGT) followed by Korea (17.9M CGT), Japan (16.8M CGT) and EU 28+Norway (9 M CGT). Tankers lead the orderbook in CGT terms (22.4%), followed by container ships (17.3%), Bulk carriers (15.8%), Gas tankers (14%) ONCCV and offshore (13 %), and Passenger ships (10%).

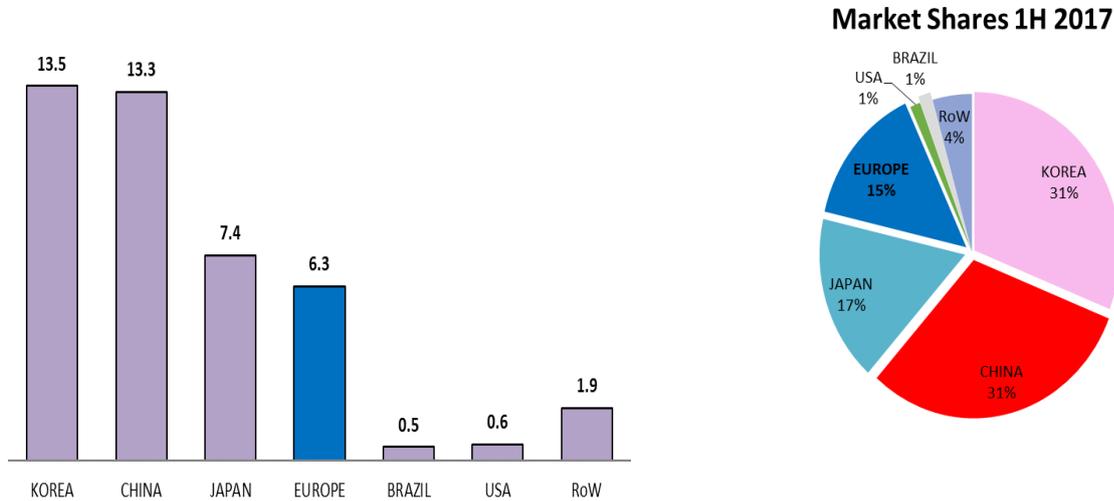
World Orderbook by Ship Types (in CGT)



Data source: IHS Fairplay

Figure 9 – Value of deliveries by main Shipbuilding Areas

1H 2017 Value of Deliveries in bn \$

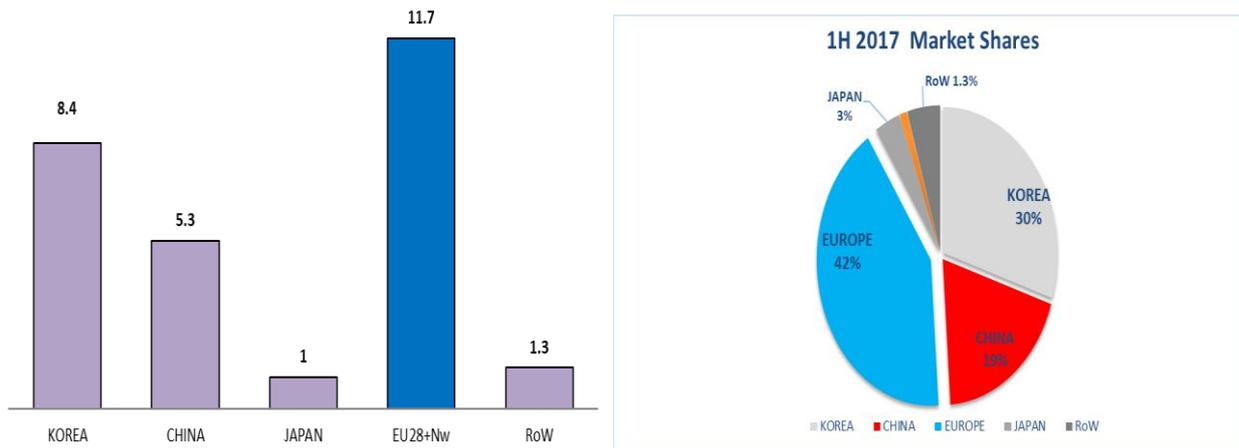


Data Source: Clarkson

Global deliveries in the first H in value terms accounted for 52.5 billion dollar. Only European shipyards have a higher new orders value than deliveries.

Figure 10 – Value of the New Orders by main Shipbuilding Areas

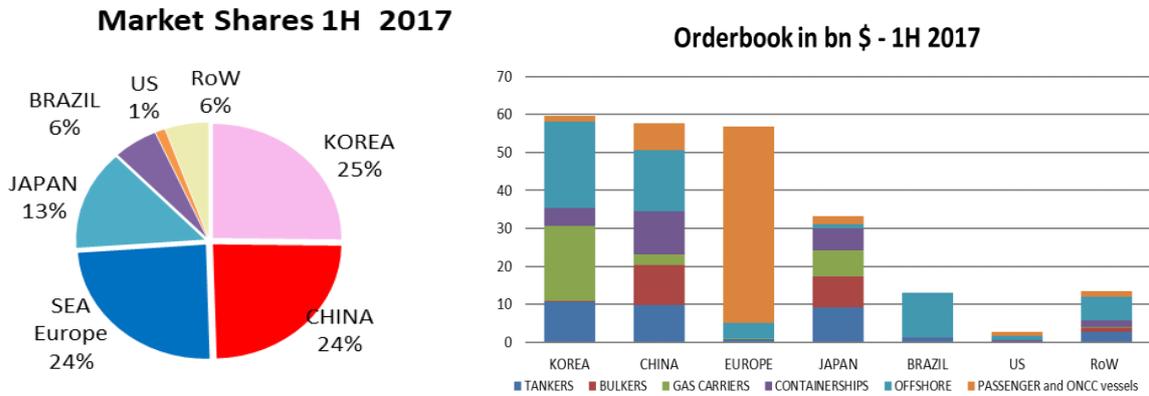
Value of New Orders 1H 2017 (in bn \$)



Data Source: Clarkson

After the decline in total estimated investment in 2016, global newbuild investment was up across most vessels sectors in 1H 2017 reaching an estimated \$ 27.7 bn, which represents an increase of 53% year on year on annualised basis. During the first six months of 2017, European new contracts accounted 11.7 bn \$, 42% of the total value of global new orders

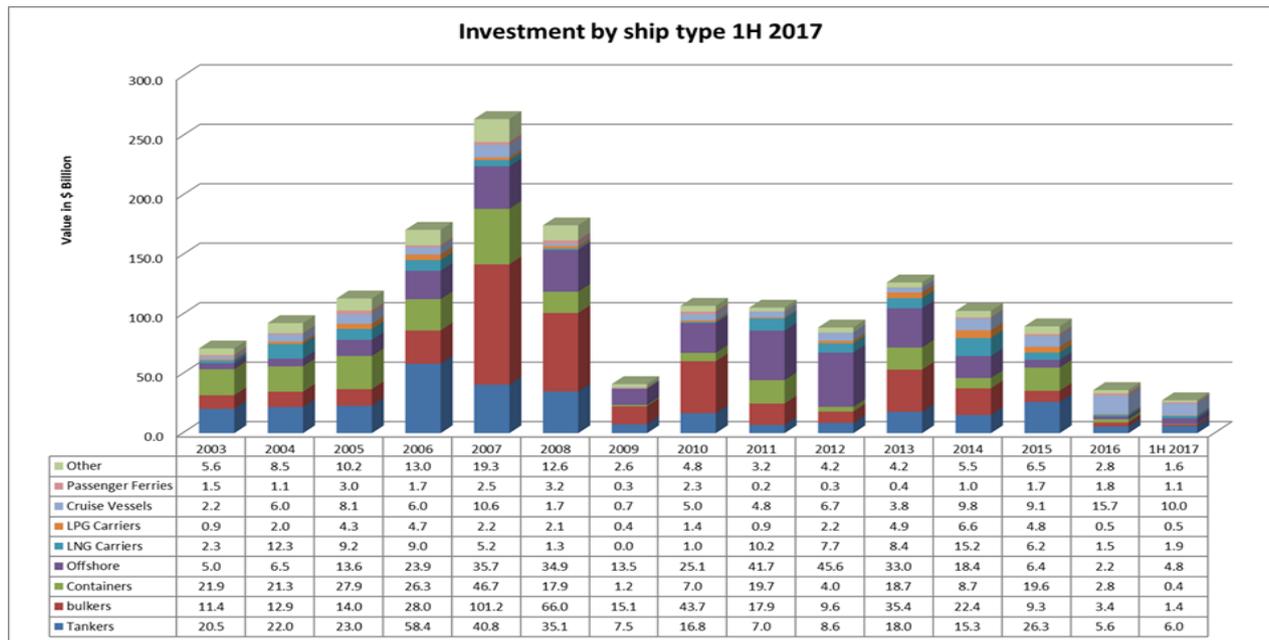
Figure 11 – Value of World Commercial Orderbook by main Shipbuilding Areas



Data source: Clarkson

Investment in global commercial newbuilding has decreased y-o-y since 2013. European orderbook value increases compared to the end of 2016, mainly thanks to passenger ships and ONCCV, and its market share also increases to 24%.

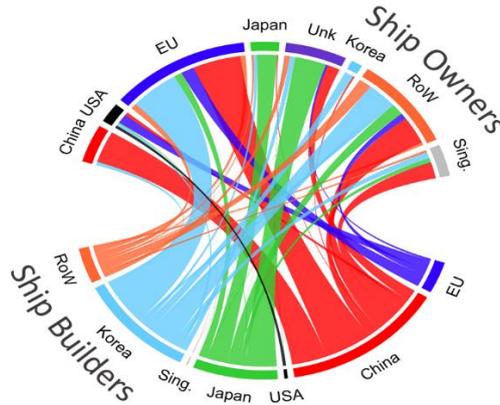
Figure 12 - Evolution of Global Investment in Newbuilding Activity



In 1H 2017, an estimated total of \$27.7bn has been invested in newbuildings, up 55% year-on-year on an annualised basis, but significantly below the historical average. Outside of the tanker and cruise ship sectors, investment has remained fairly limited. In the gas carrier sector, total newbuild investment has reached an estimated \$2.4bn in the year so far, of which 80% is accounted for by LNG carriers. Newbuild investment in the passenger ferry sector has reached an estimated \$1.1bn in the year so far, an increase of 25% year-on-year on an annualised basis. Investment at European yards accounts for around 55% of this total.

Data source: Clarkson

Figure 13 – Investment by Owners and Builders Area (2016)

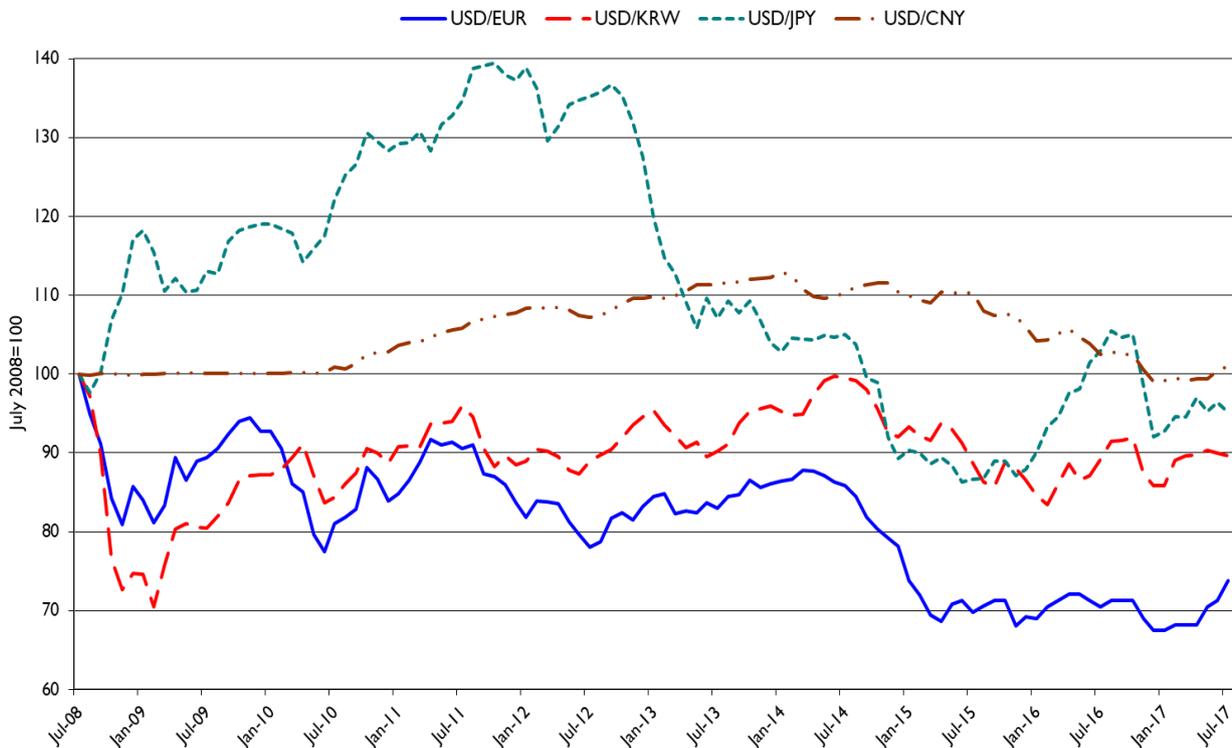


Data source: IHS Fairplay

The existing national policies in China, South Korean and Japan linking strategic sectors like shipping and shipbuilding is reflected in the destination of the orders of Asian shipowners, who place 90% of their new orders in shipyards of their own nationality. It is completely different in Europe, where most of the shipowners order their vessels in Asia, not just for cargo carriers but also for cheaper offshore vessels.

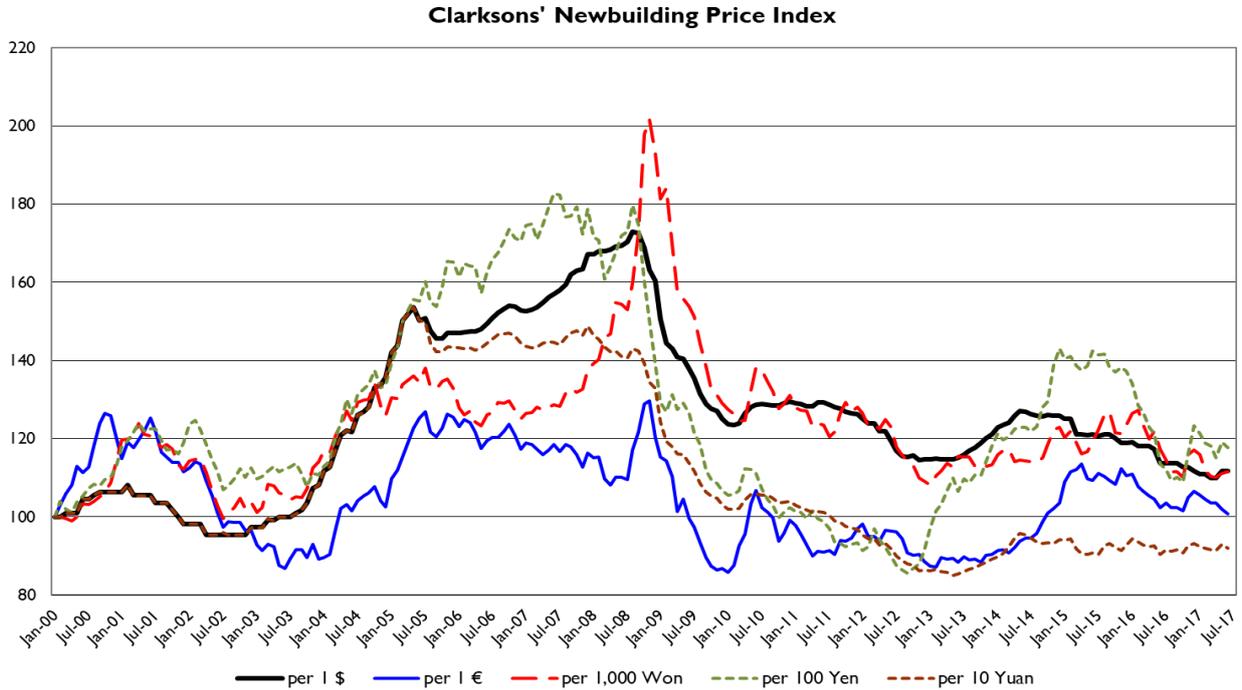
Figure 14 – Exchange Rates pre-Lehman Index

Exchange rates Pre-Lehman Index



Data Source: X-Rates

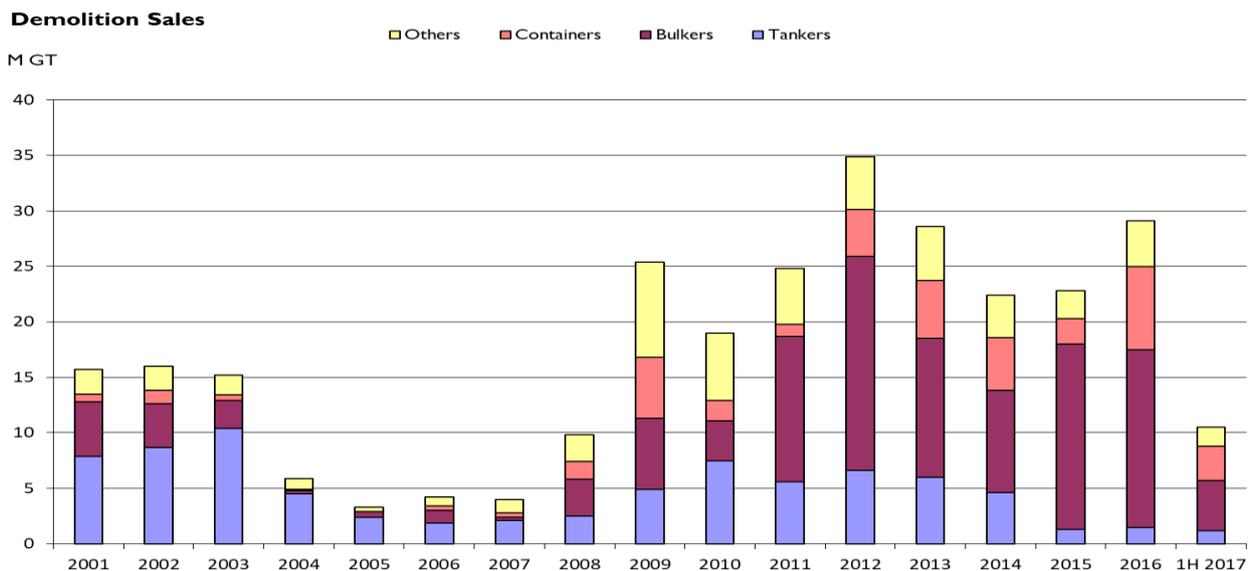
Figure 15 – Monthly Newbuilding Price Index



Data Source: Clarkson

Clarkson's ship prices index shows the evolution of price development. Due to the collapse in new orders for cargo vessels, shipyards have been competing to secure orders to very cheap prices. The Clarkson's Newbuilding Price Index stood at 123 points at the end of June, down 3% on its start 2016 level, showing that prices remain at low levels.

Figure 16 – Ship Scrapping



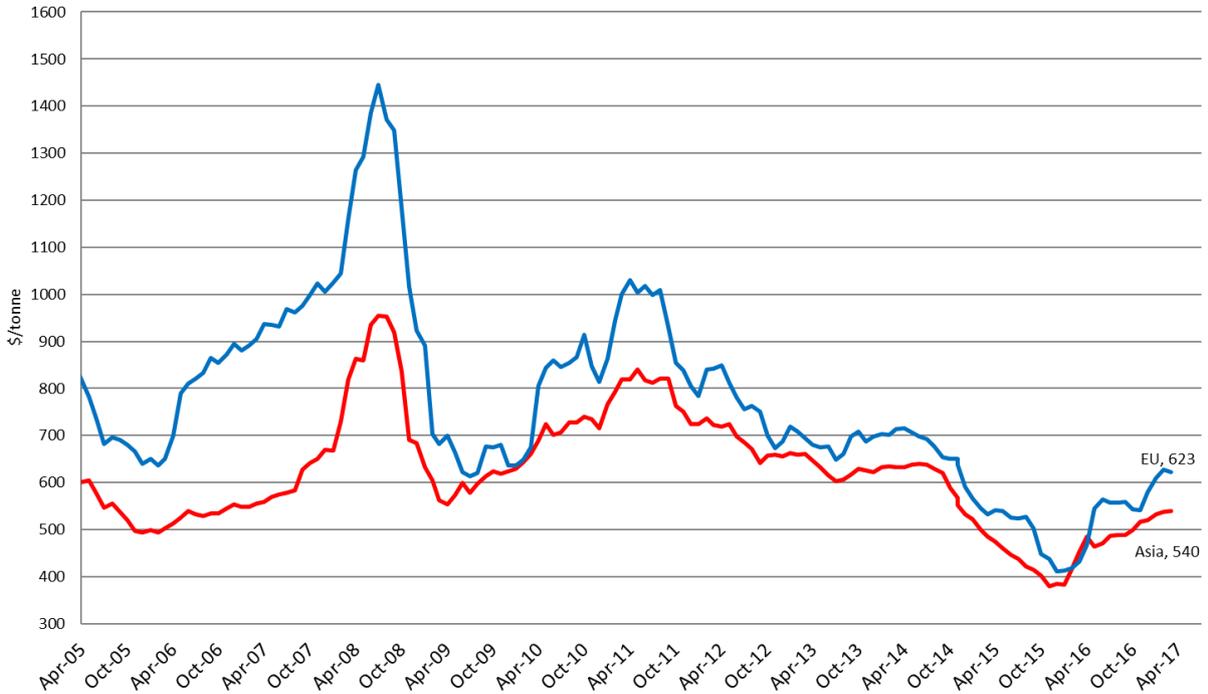
Data source: Clarkson

In 1H 2017, there have been 401 vessels of a combined 10.8m GT (average age 26.6) reported sold for demolition, a 29% decrease y-o-y. -on-year on an annualised basis. The average age of vessels scrapped in 2017 so far is 26.6 years. As in 2015 bulkers lead the scrapping sales (albeit with a decrease of the volumes in both numerical and CGT terms), while in the tanker sector demolition increased during the first six months of 2017. However, this hasn't led an increase of new orders to replace the fleet. This could

be the reflection of a long-term shift in the market: ever-larger ships are going to fulfil the demand for bulk cargo which is decreasing anyway because of the recent economic downturn in China leading to a decreasing demand for materials and commodities.

Figure 17 – Materials Price

Price Comparison for Hot Rolled Plate



Data source: MEPS.co.uk

Since the end of 2015 the price of Hot Rolled Plate has increased both in Asia and Europe, reaching in April 2017 540 \$ (Asia) and 623\$ (Europe). However, steel prices are still at the lowest levels in the last decade.

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Annex Tables - Summary of Shipbuilding Activity*

Table 1 - Orderbook by Ship Types – 30.06.2017

TYPES	NO.	1.000 GT	%	1.000 CGT	%	1.000 DWT	%
Crude Oil Tanker	339	32,306	22.5	10,930	13.6	60,808	31.5
Oil Products Tanker	174	2,255	1.6	1,549	1.9	3,551	1.8
Chemical Tanker	445	7,674	5.4	5,467	6.8	12,373	6.4
Other Liquids	4	6	0.0	10	0.0	5	0.0
A Tankers	962	42,241	29.5	17,956	22.4	76,737	39.7
Bulk Dry	584	31,925	22.3	12,355	15.4	58,960	30.5
Bulk Dry / Oil	0	0	0.0	0	0.0	0	0.0
Self-Discharging Bulk Dry	10	260	0.2	141	0.2	368	0.2
Other Bulk Dry	18	359	0.3	198	0.2	456	0.2
B Bulk Carriers	612	32,544	22.7	12,694	15.8	59,784	31.0
General Cargo	285	2,481	1.7	2,274	2.8	3,522	1.8
Container	390	29,700	20.7	13,918	17.3	30,984	16.0
Refrigerated Cargo	15	105	0.1	162	0.2	110	0.1
Ro-Ro Cargo	124	4,472	3.1	2,616	3.3	1,471	0.8
Other Dry Cargo	22	711	0.5	442	0.6	796	0.4
C Dry Cargoes	836	37,469	26.1	19,412	24.2	36,883	19.1
LNG Tanker	113	12,429	8.7	9,501	11.8	8,789	4.6
LPG Tanker	95	2,538	1.8	1,807	2.3	2,834	1.5
D Gastankers	208	14,967	10.4	11,308	14.1	11,623	6.0
Passenger/Ro-Ro Cargo	120	1,185	0.8	1,411	1.8	261	0.1
Passenger (Cruise)	65	6,393	4.5	6,481	8.1	509	0.3
Other Passenger Vessels/Ferries	59	91	0.1	158	0.2	22	0.0
E Ferries / Passenger Ships	244	7,669	5.3	8,050	10.0	792	0.4
Fish Catching	157	217	0.2	567	0.7	83	0.0
Other Fishing	36	69	0.0	174	0.2	42	0.0
Offshore Supply	513	1,384	1.0	2,983	3.7	1,310	0.7
Other Offshore	232	5,454	3.8	4,423	5.5	4,817	2.5
Research	30	107	0.1	193	0.2	35	0.0
Towing / Pushing	587	241	0.2	1,076	1.3	62	0.0
Dredging	43	226	0.2	353	0.4	267	0.1
Other Activities	283	787	0.5	1,078	1.3	643	0.3
F Other Non Cargo Vessels	1,881	8,485	5.9	10,847	13.5	7,259	3.8
TOTAL	4,743	143,374	100	80,267	100	193,078	100
Source: SEA Europe/IHS Fairplay							
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Table 2 - Orderbook by Country – 30.06.2017

COUNTRY	NO.	1.000 GT	%	1.000 CGT	%
BELGIUM	0	0	0.0	0	0.0
BULGARIA ²⁾	2	2	0.0	5	0.0
CROATIA ²⁾	32	741	0.5	542	0.7
CZECH REPUBLIC	1	2	0.0	4	0.0
DENMARK ²⁾	3	1	0.0	5	0.0
ESTONIA	2	0	0.0	3	0.0
FINLAND ²⁾	10	1,064	0.7	981	1.2
FRANCE ²⁾	11	851	0.6	790	1.0
GERMANY ²⁾	31	1,763	1.2	1,698	2.1
GREECE ²⁾	10	10	0.0	27	0.0
IRELAND	0	0	0.0	0	0.0
ITALY ²⁾	33	2,536	1.8	2,679	3.3
LATVIA	8	3	0.0	13	0.0
LITHUANIA ²⁾	1	2	0.0	5	0.0
NETHERLANDS ²⁾	49	141	0.1	217	0.3
POLAND ²⁾	73	192	0.1	329	0.4
PORTUGAL ²⁾	1	2	0.0	5	0.0
ROMANIA ²⁾	72	684	0.5	689	0.9
SPAIN ²⁾	74	789	0.6	639	0.8
UNITED KINGDOM ²⁾	18	41	0.0	80	0.1
A EU-28	431	8,824	6.2	8,711	10.9
NORWAY ²⁾	40	170	0.1	319	0.4
RUSSIA	49	333	0.2	381	0.5
SERBIA	1	0	0.0	1	0.0
TURKEY ²⁾	156	319	0.2	579	0.7
UKRAINE	14	55	0.0	84	0.1
B OTHER EUROPEAN	260	877	0.6	1,364	1.7
EU-28 + NORWAY	471	8,994	6.3	9,030	11.2
SEA EUROPE²⁾ MEMBERS	616	9,308	6.5	9,589	11.9
C JAPAN	793	33,307	23.2	16,851	21.0
D KOREA (SOUTH)	444	37,282	26.0	17,919	22.3
E CHINA	1,713	52,604	36.7	27,523	34.3
BRAZIL	81	1,879	1.3	1,301	1.6
INDIA	97	269	0.2	458	0.6
INDONESIA	131	215	0.1	369	0.5
MALAYSIA	109	86	0.1	256	0.3
PHILIPPINES	69	3,798	2.6	1,607	2.0
SINGAPORE	36	229	0.2	256	0.3
TAIWAN	30	800	0.6	493	0.6
USA	88	621	0.4	649	0.8
VIETNAM	179	1,284	0.9	1,027	1.3
OTHERS	282	1,298	0.9	1,484	1.8
F REST OF WORLD	1,102	10,479	7.3	7,900	9.8
WORLD TOTAL¹⁾	4,743	143,374	100	80,267	100

1) Differences due to roundings

2) SEA Europe (Ships and Maritime Equipment Association) members

Source: SEA Europe/IHS Fairplay

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Table 3 - New Orders by Ship types: January-June 2017

TYPES	NO.	1.000 GT	%	1.000 CGT	%	1.000 DWT	%
Crude Oil Tanker	56	6,580	49.5	2,044	28.3	12,649	67.0
Oil Products Tanker	14	162	1.2	118	1.6	259	1.4
Chemical Tanker	55	908	6.8	642	8.9	1,481	7.8
Other Liquids	0	0	0.0	0	0.0	0	0.0
A Tankers	125	7,650	57.6	2,804	38.8	14,389	76.2
Bulk Dry	29	1,394	10.5	572	7.9	2,554	13.5
Bulk Dry / Oil	0	0	0.0	0	0.0	0	0.0
Self-Discharging Bulk Dry	0	0	0.0	0	0.0	0	0.0
Other Bulk Dry	3	10	0.1	13	0.2	15	0.1
B Bulk Carriers	32	1,404	10.6	585	8.1	2,569	13.6
General Cargo	35	244	1.8	206	2.9	406	2.1
Container	7	88	0.7	73	1.0	98	0.5
Refrigerated Cargo	1	2	0.0	5	0.1	2	0.0
Ro-Ro Cargo	13	571	4.3	325	4.5	196	1.0
Other Dry Cargo	2	30	0.2	25	0.3	30	0.2
C Dry Cargoes	58	935	7.0	634	8.8	732	3.9
LNG Tanker	8	490	3.7	404	5.6	394	2.1
LPG Tanker	6	182	1.4	123	1.7	209	1.1
D Gastankers	14	672	5.1	527	7.3	603	3.2
Passenger/Ro-Ro Cargo	30	372	2.8	419	5.8	70	0.4
Passenger (Cruise)	10	1,262	9.5	1,238	17.1	95	0.5
Other Passenger Vessels/Ferries	11	9	0.1	23	0.3	1	0.0
E Ferries / Passenger Ships	51	1,643	12.4	1,680	23.2	166	0.9
Fish Catching	46	63	0.5	162	2.2	9	0.0
Other Fishing	6	20	0.2	44	0.6	19	0.1
Offshore Supply	7	9	0.1	21	0.3	6	0.0
Other Offshore	13	717	5.4	389	5.4	282	1.5
Research	4	10	0.1	23	0.3	1	0.0
Towing / Pushing	87	31	0.2	148	2.0	6	0.0
Dredging	19	47	0.4	97	1.3	56	0.3
Other Activities	34	83	0.6	112	1.5	51	0.3
F Other Non Cargo Vessels	216	980	7.4	996	13.8	430	2.3
TOTAL	496	13,285	100	7,226	100	18,885	100

Source: SEA Europe/IHS Fairplay

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Table 4- New Orders by Country: January- June 2017

COUNTRY	NO.	1.000 GT	%	1.000 CGT	%
BELGIUM	0	0	0.0	0	0.0
BULGARIA ²⁾	0	0	0.0	0	0.0
CROATIA ²⁾	0	0	0.0	0	0.0
CZECH REPUBLIC	0	0	0.0	0	0.0
DENMARK ²⁾	2	1	0.0	3	0.0
ESTONIA	0	0	0.0	0	0.0
FINLAND ²⁾	2	400	3.0	349	4.8
FRANCE ²⁾	0	0	0.0	0	0.0
GERMANY ²⁾	2	227	1.7	204	2.8
GREECE ²⁾	0	0	0.0	0	0.0
IRELAND	0	0	0.0	0	0.0
ITALY ²⁾	10	706	5.3	739	10.2
LATVIA	4	2	0.0	7	0.1
LITHUANIA ²⁾	0	0	0.0	0	0.0
NETHERLANDS ²⁾	8	11	0.1	26	0.4
POLAND ²⁾	17	105	0.8	126	1.7
PORTUGAL ²⁾	0	0	0.0	0	0.0
ROMANIA ²⁾	9	28	0.2	53	0.7
SPAIN ²⁾	23	65	0.5	140	1.9
UNITED KINGDOM ²⁾	2	0	0.0	2	0.0
A EU-28	79	1,545	11.6	1,649	22.8
NORWAY ²⁾	14	27	0.2	61	0.8
RUSSIA	0	0	0.0	0	0.0
SERBIA	0	0	0.0	0	0.0
TURKEY ²⁾	34	63	0.5	122	1.7
UKRAINE	1	1	0.0	3	0.0
B OTHER EUROPEAN	49	91	0.7	186	2.6
EU-28 + NORWAY	93	1,572	11.8	1,710	23.7
SEA EUROPE²⁾ MEMBERS	123	1,633	12.3	1,825	25.3
C JAPAN	83	937	7.1	584	8.1
D KOREA (SOUTH)	73	7,193	54.1	2,690	37.2
E CHINA	118	1,994	15.0	1,353	18.7
BRAZIL	4	9	0.1	19	0.3
INDIA	3	7	0.1	12	0.2
INDONESIA	6	7	0.1	13	0.2
MALAYSIA	6	2	0.0	10	0.1
PHILIPPINES	8	765	5.8	235	3.3
SINGAPORE	5	9	0.1	18	0.2
TAIWAN	2	214	1.6	68	0.9
USA	0	0	0.0	0	0.0
VIETNAM	29	474	3.6	297	4.1
OTHERS	31	41	0.3	93	1.3
F REST OF WORLD	94	1,528	11.5	765	10.6
WORLD TOTAL¹⁾	496	13,285	100	7,226	100
1) Differences due to roundings					
2) SEA Europe (Ships and Maritime Equipment Association) members					
Source: SEA Europe/IHS Fairplay					
05/09/2017					

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Table 5- Completions by Country: January- June 2017

COUNTRY	NO.	1.000 GT	%	1.000 CGT	%
BELGIUM	0	0	0.0	0	0.0
BULGARIA ²⁾	0	0	0.0	0	0.0
CROATIA ²⁾	2	38	0.1	26	0.1
CZECH REPUBLIC	1	4	0.0	4	0.0
DENMARK ²⁾	0	0	0.0	0	0.0
ESTONIA	1	1	0.0	3	0.0
FINLAND ²⁾	4	165	0.4	177	0.9
FRANCE ²⁾	3	172	0.4	159	0.8
GERMANY ²⁾	5	217	0.5	199	1.0
GREECE ²⁾	6	4	0.0	12	0.1
IRELAND	0	0	0.0	0	0.0
ITALY ²⁾	7	259	0.6	292	1.4
LATVIA	1	0	0.0	2	0.0
LITHUANIA ²⁾	0	0	0.0	0	0.0
NETHERLANDS ²⁾	13	27	0.1	44	0.2
POLAND ²⁾	24	101	0.3	150	0.7
PORTUGAL ²⁾	0	0	0.0	0	0.0
ROMANIA ²⁾	19	367	0.9	203	1.0
SPAIN ²⁾	19	44	0.1	80	0.4
UNITED KINGDOM ²⁾	5	0	0.0	5	0.0
A EU-28	110	1,399	3.5	1,356	6.6
NORWAY ²⁾	11	28	0.1	55	0.3
RUSSIA	4	21	0.1	25	0.1
SERBIA	1	2	0.0	5	0.0
TURKEY ²⁾	28	61	0.2	120	0.6
UKRAINE	1	0	0.0	1	0.0
B OTHER EUROPEAN	45	112	0.3	206	1.0
EU-28 + NORWAY	121	1,427	3.5	1,411	6.9
SEA EUROPE²⁾ MEMBERS	146	1,483	3.7	1,522	7.4
C JAPAN	271	7,936	19.7	4,109	20.1
D KOREA (SOUTH)	175	13,339	33.1	6,044	29.5
E CHINA	437	15,348	38.1	7,352	35.9
BRAZIL	7	108	0.3	78	0.4
INDIA	12	91	0.2	58	0.3
INDONESIA	30	28	0.1	60	0.3
MALAYSIA	20	13	0.0	40	0.2
PHILIPPINES	17	1,084	2.7	456	2.2
SINGAPORE	11	7	0.0	26	0.1
TAIWAN	18	400	1.0	213	1.0
USA	26	129	0.3	139	0.7
VIETNAM	29	266	0.7	201	1.0
OTHERS	42	51	0.1	118	0.6
F REST OF WORLD	212	2,177	5.4	1,389	6.8
WORLD TOTAL¹⁾	1,250	40,312	100	20,454	100

1) Differences due to roundings

2) SEA Europe (Ships and Maritime Equipment Association) members

Source: SEA Europe/IHS Fairplay

05.09.2017

SEA EUROPE SHIPBUILDING MARKET MONITORING
REPORT 43 1ST HALF OF 2017

Table 6 - Completions by Shiptypes: January- June 2017

TYPES	NO.	1.000 GT	%	1.000 CGT	%	1.000 DWT	%
Crude Oil Tanker	107	10,023	24.9	3,429	16.8	18,740	30.9
Oil Products Tanker	46	450	1.1	348	1.7	655	1.1
Chemical Tanker	92	1,779	4.4	1,153	5.6	2,861	4.7
Other Liquids	0	0	0.0	0	0.0	0	0.0
A Tankers	245	12,252	30.4	4,930	24.1	22,256	36.7
Bulk Dry	313	14,840	36.8	6,234	30.5	27,049	44.6
Bulk Dry / Oil	0	0	0.0	0	0.0	0	0.0
Self-Discharging Bulk Dry	0	0	0.0	0	0.0	0	0.0
Other Bulk Dry	11	94	0.2	69	0.3	123	0.2
B Bulk Carriers	324	14,934	37.0	6,303	30.8	27,172	44.9
General Cargo	73	578	1.4	519	2.5	854	1.4
Container	72	5,597	13.9	2,623	12.8	5,856	9.7
Refrigerated Cargo	3	38	0.1	48	0.2	33	0.1
Ro-Ro Cargo	25	1,136	2.8	623	3.0	416	0.7
Other Dry Cargo	5	90	0.2	67	0.3	99	0.2
C Dry Cargoes	178	7,439	18.5	3,880	19.0	7,258	12.0
LNG Tanker	18	1,576	3.9	1,265	6.2	1,283	2.1
LPG Tanker	48	1,358	3.4	968	4.7	1,505	2.5
D Gastankers	66	2,934	7.3	2,233	10.9	2,788	4.6
Passenger/Ro-Ro Cargo	34	221	0.5	306	1.5	56	0.1
Passenger (Cruise)	7	797	2.0	817	4.0	61	0.1
Other Passenger Vessels/Ferries	24	30	0.1	49	0.2	43	0.1
E Ferries / Passenger Ships	65	1,048	2.6	1,172	5.7	160	0.3
Fish Catching	66	47	0.1	152	0.7	18	0.0
Other Fishing	10	28	0.1	65	0.3	27	0.0
Offshore Supply	62	156	0.4	326	1.6	137	0.2
Other Offshore	40	1,190	3.0	783	3.8	476	0.8
Research	5	37	0.1	54	0.3	19	0.0
Towing / Pushing	135	55	0.1	242	1.2	36	0.1
Dredging	15	133	0.3	191	0.9	183	0.3
Other Activities	39	58	0.1	122	0.6	49	0.1
F Other Non Cargo Vessels	372	1,704	4.2	1,935	9.5	945	1.6
TOTAL	1,250	40,312	100	20,454	100	60,583	100
Source: SEA Europe/IHS Fairplay							
05.09.2017							

Source: SEA Europe/IHS Fairplay

Glossary and Abbreviations:

BDI – the Baltic Dry Index, it tracks changes in freight rates for dry bulk cargoes and is published daily by the Baltic Exchange in London.

Bunker Fuel – type of fuel used aboard ships.

Cabotage - coastal trade, the movement of goods by ship between ports on the same coast or between ports within the same country. Many nations, including the United States, have cabotage laws which require national flag vessels only to provide shipments between domestic ports.

Capesize – a dry bulk vessel around 180,000 dwt or with a beam that prevents passage via the Panama Canal, forcing the ship to pass around Cape Horn.

Cargo (also freight) – in maritime context, goods loaded into a ship and transported over a certain distance usually for commercial gain.

SEA EUROPE members - Croatia (from 2002), Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Norway, Poland, Portugal, Romania (from 2000), Spain, United Kingdom, Lithuania, Bulgaria (from 2009) and Turkey (from 2012)

Charter - hiring out of a ship by a shipowner.

Charterer - the person who has chartered the ship for a specified voyage or period of time.

Charter rate - the tariff applied for chartering tonnage in a particular trade. It depends on the charter type:

- Spot charter – contract for the carriage of a single cargo from one specified port to another in the immediate future (abt. 2 months). Spot charters can be spot voyage charters or spot time charters.
- Voyage Charter - the charterer pays for the use of the vessel's cargo spaces for one or more voyages. Payment is calculated per ton of goods carried. The owner pays voyage expenses.
- Time charter - contract to charter a vessel over a fixed period of time at a set daily rate. Under time charters, the charterer pays voyage expenses.
- Pool charter - a time charter with a floating charter rate. The actual charter hire the pool vessel receives is its corresponding share of all the income generated by all vessels in the pool.
- Bareboat Charter - contract to hire an empty ship, with all operating costs covered by the charterer.

CGT - Compensated Gross Tonnes - International unit of measure that facilitates the comparison of different shipyards' production regardless of the types of vessel produced. The CGT of a ship is calculated using a table of conversion factors published by OECD. The conversion factors vary with ship type.

Classification Society - any organization that certifies seagoing vessels and their equipment for compliance with standardized rules regarding construction and maintenance and carries out surveys at regular intervals of time and acts on behalf of the flag state's maritime authorities.

Clarkson's newbuilding price - The data reported represents the selection of ships covered by the Broker Clarksons. The Ship Price Index of Clarkson's historical data covers various sizes of the standard shiptypes. The Index only presents anticipated prices (ex ante) not effective prices (ex post). The methodology used by the brokers is based on confirmed contracts where they exist and brokers estimations for ship types where no transactions were registered. It should be also noted that the sizes per ship category have increased over time and that this creates as an "inbred inflation". Therefore only the trends should be considered as meaningful.

Deliveries - volume of completed ships.

Demolition – See ship breaking.

Dry dock - a facility for taking a ship out of water, an operation also know as "stemming" a ship. A drydock is normally either a graving dock (a permanent civil engineering structure) or a floating dock.

DWT – deadweight tonnes, roughly equivalent to a ships carrying capacity measured in metric tonnes.

Freight rate - the charge made for the transportation of freight.

Flag of convenience (FOC) - term used about countries allowing unlimited registration of foreign-owned ships in order to achieve low wage levels and low or no taxation payable to the flag state.

GT – Gross Ton; unit of 100 cubic feet or 2.831 cubic meters, used in arriving at the calculation of gross tonnage.

Hot rolled plate – steel plates of the type purchased for building the hull of the ships and other heavy constructions.

Hull - the body of a vessel, a steel structure not including any equipment and machinery.

IHS Fairplay (former Lloyd's Register-Fairplay) – supplier of maritime data, including shipbuilding statistics. The definition of the ships taken into account in the statistics of IHS Fairplay is *commercial, seagoing vessels, self propelled and of more than 100 GT*. The coverage of the mega-yachts in the database is not homogenous due to the fact that registration/classification is not mandatory for a non commercial (private) use. Finally this definition excludes naval ships.

IMO – International Maritime Organization, the maritime authority of UN tasked with the coordination of international maritime safety and related practices.

Keel - the backbone of a ship formed from a series of connected plates running fore and aft on the bottom of the centre line of the ship.

Knot - unit for measuring speed, equal to one nautical mile per hour or 1.852 km/h.

Lay-Up - temporary cessation of trading of a ship by its owner i.e. during a period when there is a surplus of ships (or over-tonnage) in relation to the level of available cargoes.

Liner - A vessel, usually containership advertising sailings on a specified trade route on a regular basis

Merchant shipbuilding – building of commercial vessels

New Order – announcement and confirmation of a firm newbuilding contract

Orderbook – the vessels on the shipyards' books between the new order and delivery stages.

Owner – in the maritime context, the owner of a ship, or shipowner.

Ship delivery – handover of a vessel by the yard to the owner after the completing the construction

Ship Types – by segments or main shiptypes used in CESA Market Monitoring Report:

1. Mass segments - refers to standard vessels characterized by large market volumes, series production, standardization, limited engineering content and a more limited number of subcontractors. Typical vessels:

Bulk carriers – all vessels constructed and equipped to transport dry, homogeneous, unpacked cargo in its holds, for example Iron ore, limestone, grain, coal, fertilizers.

Containerships - ships equipped with container cells for the purpose of transporting cargo.

Oil Tankers - ships fitted with tanks to carry carrying either crude oil or oil derivatives.

2. Niche segments – refers to complex vessels characterized by smaller market volumes, small series with less repetition and more prototypes and sister ships, tailor-made production, substantial engineering content, knowledge-based production and a relatively large number of subcontractors. Typical vessels:

Chemical tankers – ships designed to carry relatively small parcels of higher value chemicals, such as acids or polymers or cargos such as wine, molasses and similar products. Some chemical tankers are equipped with stainless steel tanks and may carry different cargoes simultaneously, with each tank having its own pump and pipeline system for loading and unloading.

Gas Carriers or Gas Tankers – vessels specially constructed to carry gasses in tanks:

- LNG tankers - carry liquid methane in refrigerated tanks at normal atmospheric pressure
- LPG tankers - carry butane, propane etc in pressurised tanks at ambient temperature.

General Cargo ships – include a large number of specialized vessels designed to carry special, heterogeneous cargoes, including but not limited to:

- Feeder Vessels - short-sea vessels which transfers cargo between a hub port and smaller ports.
- Multipurpose ships – vessels that carry containers together with other cargo.
- Reefers - vessels designed to carry goods requiring refrigeration.
- Timber carriers, Pallet carriers, Car carriers, Cattle carriers etc

Other Non Cargo Carrying Vessels include but are not limited to:

- AHT –Anchor Handling Tug, vessels employed in the offshore activities moving anchors and performing towing operations. AHT with combined characteristics of supply vessels is an AHTS.
- OSV - Offshore service vessels or offshore support vessel - terms for specialized vessels used in activities connected to the exploration, development and production of oil and gas at sea.
- Special-purpose vessels – vessels not used for transport but designed to perform specific tasks (e.g. dredgers, tugs, pilot boats, pollution control boats, rescue boats, cable or pipe layers, research or seismic vessels, survey vessels, ice breakers, fishing vessels etc)
- Tugs - a small vessel equipped with powerful diesel engines to tow or push large ships or barges

Passenger Ships:

- Cruise ship - passenger vessel carrying passengers on trips between various ports, normally with the same starting and ending port with high standards of accommodation and recreation.
- Ferry – vessel used to transport passengers or/and goods across a body of water in short periods of time. The market divides into three main groups: Roll-on-roll-off (roro) ferries - tend to be large ships, often operating on relatively short routes such as across the English Channel or the between Greek islands; Cruise-ferries - offer a higher standard of passenger accommodation for longer routes and some of the facilities offered by cruise ships; Fast ferries that tend to be smaller, may have multiple hulls (catamarans) and are often built from aluminium rather than steel.

Shipbuilding Area – geographical area with a high concentration of shipbuilding activities

Shipbuilding - the construction of a vessel including the installation of machinery and equipment.

Ship Maintenance, Repairing and Conversion - any repair of a vessel including, but not restricted to, alterations, conversions, installations, cleaning, painting, and maintenance work.

Ship breaking - breaking down of a vessel's structure for the purpose of scrapping the vessel, including the removal of gear, equipment or any component part of a vessel. Also referred to as demolition or recycling.

TEU – Twenty Foot Equivalent Unit, a measurement of cargo-carrying capacity of a containership.

Ton-Mile - measure used in the economics of transportation to designate one ton being moved one

