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## Capacity across big three shipbuilding nations leaps 20% in a year

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Shanghai Waigaoqiao Shipbuilding

Across China, shipyards are expanding and churning out ships on a scale not seen since 2008. The shipyard sector has entered a new golden age after more than a decade's slump following the global financial crisis.

In terms of newbuilding capacity, the latest estimate from broker Arrow puts shipbuilding capacity across the big three builder countries – China, South Korea and Japan – at 35.6m cgt per annum, a 20% increase year-on-year from 29.5m cgt a year ago, with the majority of this capacity expansion in China and South Korea. Nevertheless, despite the recent increases, shipbuilding capacity in these countries is still around 30% below the peak following the late 2000s shipbuilding boom.

Chinese yards continued to hold the top rank as the most popular choice for bulker, tanker, container and gas newbuildings accounting for 441 orders placed in the first half of the year, around 66% of all newbuilding orders around the world, according to Rebecca Galanopoulos Jones, Vescon's senior content analyst.

Chinese newbuild output has “rocketed” in 2024, Stuart Nicoll, a director at Maritime Strategies International (MSI), told *Splash*. Chinese deliveries averaged 10.1m gt in the first five months of the years during 2020-23, and are reported at 15.5m gt this year.

“It is rumoured that the weak construction sector in China is releasing a large pool of workers to enter the shipbuilding sector,” Nicoll told *Splash*. Nicoll also pointed to the restructuring and consolidation seen in the shipyard sector of recent years bearing fruit in the form of better organisation around flows of materials.