Agenda Item 7B.

Impact of the Economic Downturn on Shipbuilding

OECD WP6
Paris, 9-10 July 2009
World Shipbuilding Development 1970 - 2009

Source: CESA
Quarterly New Orders by Shiptype

- **Tankers**
- **Bulk Carriers**
- **Gas Tankers**
- **Ferries / Passenger Ships**
- **Other Non Cargo Vessels**

Source: Lloyd’s Register-Fairplay
Summary of Market Status Quo

- Demand for new ships down by >90%
- Uncertainty regarding cancellations
- Short-term outlook: no signs of demand recovery
  - >10% of global container fleet lay-up; yards’ orderbooks foresee fleet growth of 43% (June 2009 source: AXS alphasliner)
  - Bulker delivery wave yet to come
  - Global oil consumption set for second year of contraction
- Lack of orders will disrupt yard production
Fleet & Orderbook by Shiptype

- **Tankers**: 68%
- **Bulk Carriers**: 39%
- **Containerships**: 47%
- **Other Dry Cargoes**: 25%
- **Gastankers**: 30%
- **Ferries / Passenger Ships**: 15%
- **Fishing**: 1%
- **Offshore Activities**: 32%
- **Other NON Cargo Activities**: 14%

(in 1,000 GT)
New Orders and Production in Europe

CESA Quarterly Average Deliveries vs New Orders

- Completions
- New orders
- 2008 average

Source: CESA
Expected Impact at Global Level

- Prolonged period of shipping overcapacity and low ordering activity
- Low price re-sales
- Unsustainable pricing practises
- Rising bankruptcies, in particular among newcomers and SMEs
- Effect on employment levels
- Rising government interventions and distortion of competition
+++ Thank you for your attention +++

more info at

http://www.cesa.eu