
Slowdown signs - New ship orders to reduce by half - NDRC

Thursday, 22 Oct, 2009

According to Mr Xiong Bilin an inspector from Department of Industry under National Development & Reform Commission noted on the latest news release conference ship demand decreases, thus China new ship orders will reduce by half to 25 million DWT this year.

Mr Xiong said China new ship orders in this year should have been 50 million DWT but the orders are expected to be cut by half to 25 million DWT as the financial crisis breaks out. Some ship owners delay their contracts; some of them abandon ships directly.

Global shipbuilding capacity is estimated at 180 million DWT to 200 million DWT per year however, demand of ships might stay at 80 million DWT to 100 million DWT. The above mentioned data shows an obvious overcapacity in ship industry. Beside the financial crisis hurts ship demand heavily sharpening the plight of overcapacity in shipbuilding sector.

(Sourced from MySteel.net)

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