

China newbuildings dive 70.4%



Maria Bertzeletou

CHINESE shipowners ordered 258 newbuildings last year, a 70.4% dive year on year from 872 newbuildings contracted in 2010.

Bulker newbuildings were the biggest drop, as owners shied away from the oversupplied sector. Chinese bulker newbuilding orders fell from 516 in 2010 to 190 in 2011, according to Greek broker Golden Destiny.

Greek owners also cut back on newbuilding investments, ordering 178 ships last year, from 249 in 2010. Greek newbuilding orders dived from 160 in 2010 to 75 in 2011.

Greeks ordered 24 gas carriers last year, from five in 2010, while the Chinese had just seven such orders last year, from 10 in 2010.

Worldwide bulker orders fell almost 40% y/y, from 1,072 in 2010 to 644 last year. But worldwide box ship orders surged more than 100% y/y, from 145 in 2010 to 336 last year. Notably, ULCS orders surged 505% y/y, from just 17 vessels in 2010 to 103 last year. The remarkable recovery in box rates in 2010 and ULCS's lower slot costs were behind this jump.

Worldwide tanker orders fell from 331 in 2010 to 216 last year. VLCCs, stricken by tonnage overhang, posted the biggest fall, from 60 orders in 2010 to just 11 last year.

Box ship orders fell 50%, from 64 in 2010 to 32 last year, as oversupply resulting from ultra-large ships ordered in 2007-8 depressed the freight market.

LNG carrier newbuildings surged 221% y/y, from 19 orders in 2010 to 61 last year, as Japan's post-quake LNG demand boom and rising gas exploration and production in Australia and North America fuelled investment in the sector.

Golden Destiny's research analyst Maria Bertzeletou told Fairplay that shipping investors are inclined to postpone newbuilding plans with freight markets softening on ample tonnage.

But the hype surrounding LNG demand has rejuvenated investment in the sector, she added: "Traditional Greek tanker players activated their interest in the LNG segment, whereas the Chinese are usually more active in the ordering of bulk carriers and it seems that currently LNG is not one of their targets."



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