

SHIPBUILDING

Greek owners spend 20% more on newbuilds in 2011

Gillian Whittaker Athens

Greek owners may have cut down on orders for conventional ships this year but they have boosted their spending on newbuildings by some 20% with investment in gas carriers, containerhips and special projects rocketing.

From January to November, Greeks committed over \$8.5bn to newbuildings, as compared with \$7bn in the same period of 2010.

They pumped \$3bn into orders for 46 containerhips and a similar amount on 22 gas tankers, as compared with \$620.5m on 17 box-ships and \$479.2m on five gas tankers last year. The figures could be higher since issuer, Piraeus broker Golden Destiny, notes that the invested capital it records does not include deals reported with the contract price undisclosed.

Special projects, the category that includes oil and drilling rigs, saw the biggest jump where this year in the 11-month period Greeks invested \$756m, as against zero investment in 2010.

Golden Destiny's data shows that the number of vessels Greeks booked up to December this year was 163, as compared with 248 in the same period last year, a 34.3% drop. But deadweight was down even further by 50%, at 13 million dwt, as against 26 million last year.

Where the decrease in orders is most obvious is in the sectors that

have traditionally been the bread and butter of Greek shipping, tankers and dry bulkers.

Between January and November 2010, Greeks spent some \$3bn to order 159 bulkers totalling 13.7 million dwt. This year, the figures slipped to \$890m for 66 vessels totalling 5.4 million dwt.

In the wet sector, the picture was even bleaker with 24 tankers of 2.4 million dwt ordered for \$783m this year, as compared with 65 of 11.2 million dwt and an investment of \$2.8bn in 2010, according to the broker's figures.

In comparison with world totals, orders from Greek owners represented approximately 10% of the number booked and capital invested, while they accounted for 14.1% of the deadweight.

With great interest in comparisons between Greece and China, Golden Destiny gives figures for Chinese newbuilding in the period.

This year, Chinese companies booked 244 vessels of 16.4 million dwt at a cost of \$5.3bn, as compared with 839 vessels of 60 million dwt for \$26.5bn in 2010.

While that figure way outstrips Greece, it is significant that the Greek brokerage says Chinese spending plummeted by 80% this year.

Out of the total of 244 orders, 182 were bulkers, with tankers accounting for nine vessels, gas tankers six and containerhips 28.

China coastal player in for panamax

A Chinese owner is in talks with domestic yards for eight newbuilds.

Irene Ang Singapore

Chinese owner Shenhua Zhonghai Shipping is looking to order eight panamax bulkers to be deployed in the country's coastal trades.

The joint-venture company owned by Shenhua Group and China Shipping Group (CSG) is talks with domestic yards to secure deliveries in 2013 and 2014, according to sources.

The ships would be the largest ever operated by Shenhua Zhonghai, the former Zhuhai New Century Shipping based in Zhuhai, Guangdong province.

"Shenhua Zhonghai previously



CHINA: Shenhua Zhonghai operates in coastal trades. Photo: Bloomberg News

ordered only handymax bulkers for domestic trade," a shipyard executive told TradeWinds.

"We understand that the 76,000-dwt newbuildings it is seeking are also meant for local trade," he added.

Yards that have built bulkers for the company before are bidding

for the project. They include Chengxi Shipyard and Bohai Shipbuilding Heavy Industries. Newbuilding players value the order in excess of CNY 1.6bn (\$251m).

Shenhua Zhonghai was set up in 2001 and shipbuilding players estimate it has booked a total of 28 newbuilds at domestic yards, of which four have been delivered.

The remaining 24 bulkers are under construction at China Shipping Industry Jiangsu Co Ltd (CICJ) and state-owned Chengxi Shipyard, as well as Bohai.

However, Shenhua Zhonghai's website says the company has 30 vessels of 46,000 dwt to 47,700 dwt on order and it has 11 owned ships in trading.

The company states that it controlled 55 vessels last year and transported 50.5 million tonnes of cargoes with total revenue of CNY 3bn (\$471.5m).



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