Current Status

In fiscal 2020, Japanese shipbuilders won contracts for 177ships for export (8.95 million gross tons), which increased a mild 5.8% from the previous fiscal year, although negotiations for newbuildings went stagnant due to the coronavirus pandemic. They secure a backlog of orders for 307 vessels (15.13 million gross tons), which shrank 13%.

Global economic activity has been returning to normal since the beginning of fiscal 2021 thanks to the progress of vaccine rollouts. Japanese shipyards have, as such, managed to free themselves from the doldrums they were once in. In April-October 2021, they accepted orders for 185 ships (9.64 million gross tons) and enjoyed a backlog of orders for 361 (18.13 million gross tons), showing they are on a recovery track.

Newbuilding Activities

According to World Shipbuilding Statistics published by IHS Markit Maritime & Trade in the U.K., the status of newbuilding activities around the world was the following in new orders received, completed tonnage and newbuilding order backlog.

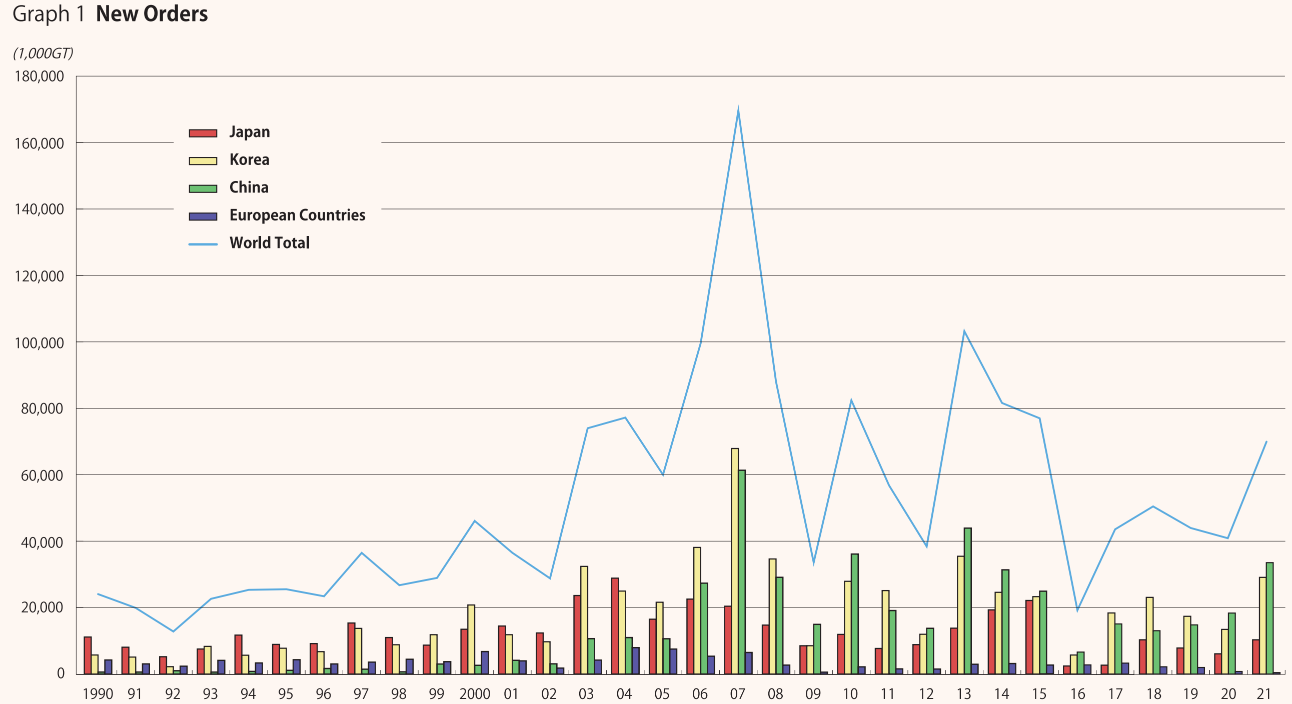
1. New Orders

In 2020, newbuilding orders worldwide totaled 1,400 vessels of 41,200,000 GT, down 6.4% on the year in Gross Tonnage. In Compensated Gross Tonnage (CGT), the total was 22,000,000, down 11.3% year on year.

Out of the global total of newly ordered gross tonnage, Japan had a share of 14.9%; South Korea, 32.7%; China, 44.5%; and European countries, 1.8%. The following is a breakdown by country or region:

Japan had received orders for 258 vessels of 6,142,000 GT (down 21.4% on 2019) or 3,181,000 CGT (down 18.9%); South Korea had received orders for 162 vessels of 13,471,000 GT (down 22.4%) or 6,255,000 CGT (down 31.2%); China had reported in new orders 431 vessels of 18,314,000 GT (up 24.2%) or 8,695,000 CGT (up 18.7%); and Europe had 143 vessels in new orders totaling 755,000 GT (down 61.2%) or 976,000 CGT (down 57.4%).

Graph 1 **New Orders**



Source: Data obtained from "World Shipbuilding Statistics" by IHS Markit Maritime & Trade

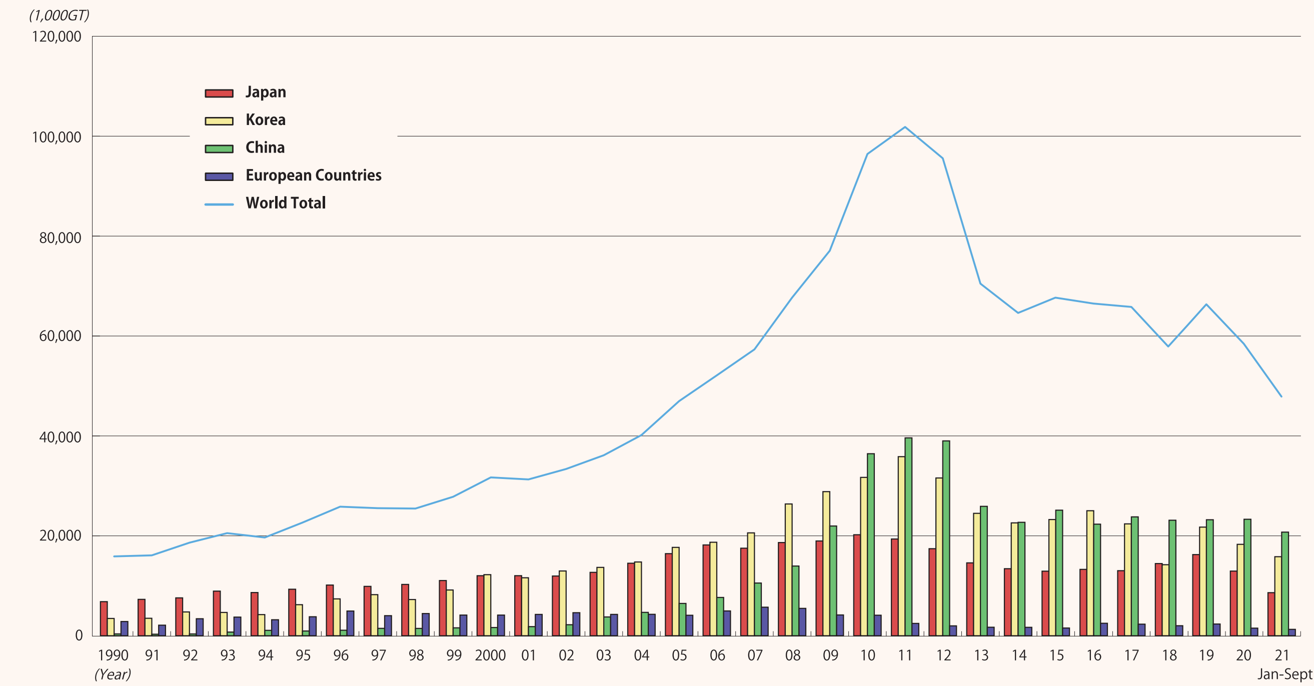
From January through September 2021, global newbuilding orders were placed for 1,458 vessels of 69,995,000 GT, up 211.1% on the year, or 34,703,000 CGT, 173.3% more than in the same months of the preceding year.

The national or regional share of the total gross tonnage ordered during the nine months was 7.3% for Japan, 41.5% for South Korea, 47.9% for China, and 0.4% for European countries. Breaking it down, Japan had received orders for 170 vessels of 5,123,000 GT (up 54.6% year on year) or 2,527,000 CGT (up 32.5%); South Korea, 344 vessels of 29,023,000 GT (up 392.8%) or 14,028,000 CGT (up 378.4%); China, 616 vessels of 33,562,000 GT (up 221.6%) or 16,228,000 CGT (up 224.2%); and Europe, 79 vessels of 248,000 GT (down 56.0%) or 369,000 CGT (down 48.2%).

*** See Graph 1.**

2. Newly Completed Tonnage

Graph 2 **Completion**



Source: Data obtained from "World Shipbuilding Statistics" by IHS Markit Maritime & Trade

In 2020, there were 2,326 vessels of 58,298,000 GT completed worldwide, down 12.1% over the year before, or 30,285,000 CGT, down 12.2%. Of the global completed gross tonnage total in 2020, Japan completed 22.2%; South Korea, 31.3%; China, 39.9%; and Europe, 2.6%. In a breakdown by country or region, Japanese yards had completed 490 vessels of 12,937,000 GT (down 20.2% year on year) or 6,257,000 CGT (down 22.3%); South Korean yards, 219 vessels of 18,263,000 GT (down 16.0%) or 8,498,000 CGT (down 7.9%); Chinese yards, 721 vessels of 23,260,000 GT (up 0.2%) or 11,118,000 CGT (down 6.3%); and European yards, 193 vessels of 1,499,000 GT (down 35.8%) or 1,862,000 CGT (down 29.6%).

From January through September 2021, 1,817 vessels of 47,740,000 GT were completed in the world, up 4.5% on the year. In terms of CGT, the nine-month total was 25,861,000, up 12.9% year on year.

The national or regional share of the total gross tonnage completed during the nine months was 18.0% for Japan, 33.0% for the ROK, 43.3% for China and 2.6% for European countries. More closely, Japanese yards had completed

328 vessels of 8,606,000 GT (down 17.8% year on year) or 4,318,000 CGT (down 13.9%); South Korean yards, 190 vessels of 15,764,000 GT (up 4.6%) or 8,206,000 CGT (up 19.4%); Chinese yards, 639 vessels of 20,685,000 GT (up 17.1%) or 9,970,000 CGT (up 20.3%); and European yards, 155 vessels of 1,254,000 GT (up 49.9%) or 1,613,000 CGT (up 47.5%).

*** See Graph 2.**

3. Newbuilding Order Backlog

The global newbuilding order backlog at the end of December 2020 consisted of 4,233 vessels of 120,991,000 GT, 8.4% less than at the end of December 2019 on a gross tonnage basis, or 71,894,000 CGT, down 6.8%.

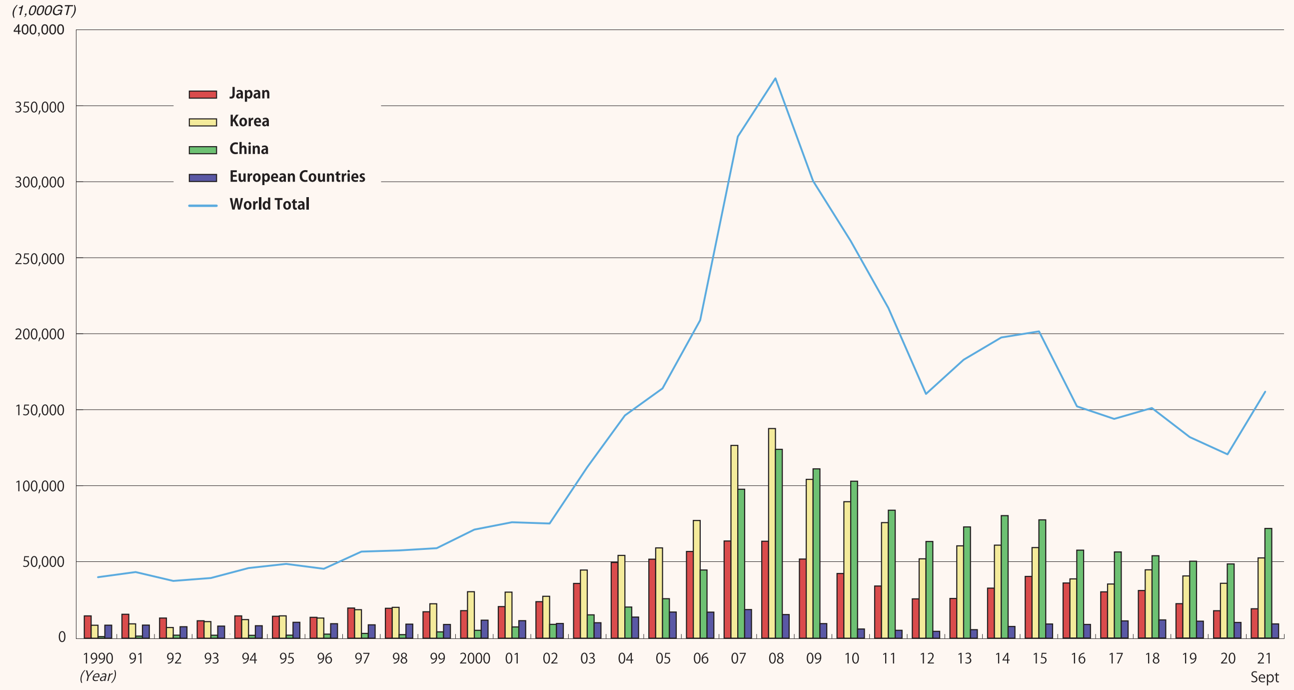
Of that backlog total at year end 2020, Japan accounted for 14.9%; South Korea, 29.7%; China, 40.2%; and European countries, 8.3%. In detail, Japanese yards had on order 534 vessels of 17,987,000 GT (20.2% less than at the end of December 2019) or 8,884,000 CGT (down 19.3%); South Korean yards, 407 vessels of 35,940,000 GT (down 11.8%) or 18,509,000 CGT (down 13.4%); Chinese yards, 1,453 vessels of 48,676,000 GT (down 3.3%) or 25,145,000 CGT (down 2.2%); and European yards, 475 vessels of 10,052,000 GT (down 9.3%) or 10,789,000 CGT (down 7.4%).

At the end of September 2021, the global newbuilding order backlog stood at 4,862 vessels of 161,956,000 GT, up 32.8% compared with the end of September 2020 on a gross tonnage basis, or 91,156,000 CGT, up 24.1%.

The national or regional share of this global total was 11.8% for Japan, 32.5% for South Korea, 44.4% for China and 5.7% for European countries. Breaking it down, Japanese yards had 559 vessels on order for a total of 19,157,000 GT (down 2.7% on the end of September 2020) or 9,212,000 CGT (down 6.1%), South Korean yards, 602 vessels of 52,560,000 GT (up 54.2%) or 26,282,000 CGT (up 43.8%), Chinese yards, 1,795 vessels of 71,882,000 GT (up 46.1%) or 36,660,000 CGT (up 43.6%), and European yards, 462 vessels of 9,268,000 GT (down 12.6%) or 9,864,000 CGT (down 12.9%).

*** See Graph 3.**

Graph 3 **Orderbook**



Source: Data obtained from "World Shipbuilding Statistics" by IHS Markit Maritime & Trade