

JANUARY 2025



Market Forecast Brochure



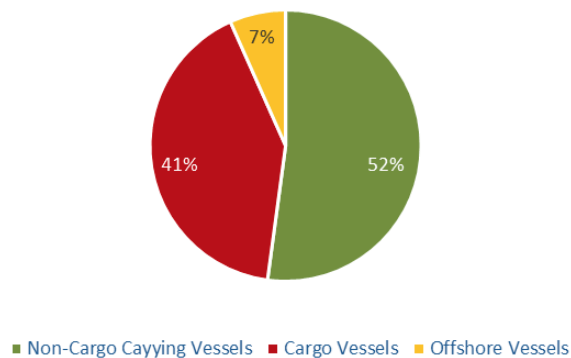
The global shipbuilding and retrofit markets are dynamic, driven by ambitious international decarbonization goals and the ongoing expansion of global trade. Despite challenges surrounding the availability and affordability of low-carbon and sustainable fuels, the industry continues to grow, presenting significant opportunities for shipyards and maritime equipment manufacturers worldwide.

Shipbuilding is a highly complex process involving a global network of suppliers who deliver advanced equipment, systems, and technologies – components that constitute the majority of a ship's value. Understanding long-term trends in this dynamic market is crucial for informed policymaking and strategic business planning.

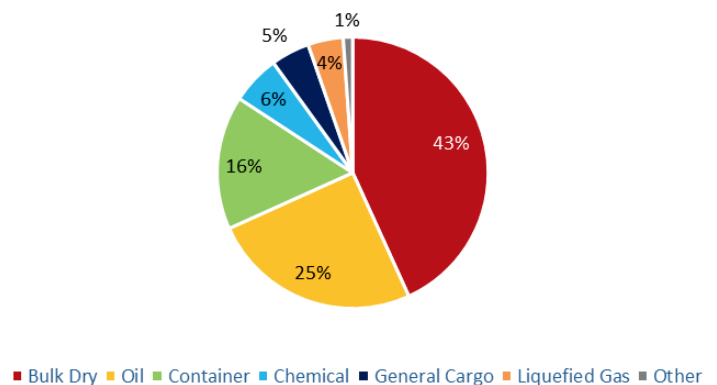
This brochure provides a forecast of global new-build requirements, offering insights into the ship types shipowners are expected to need based on economic growth, trade patterns, and the aging global fleet. While not exhaustive, it focuses on key ship types and highlights the most significant markets to watch.

The global economic forecast suggests relatively slow economic growth, though significant regional disparities exist. Uncertainty arises from increasing geopolitical and trade tensions, particularly concerns about escalating U.S.-China rivalry. More broadly, the market may be influenced by a growing push for supply chain diversification, driven by increased awareness of economic security risks and a global rise in protectionism.

Current Commercial Fleet by Ship Type *
(No. of Ships)



Current Commercial Cargo Fleet by Ship Type *
(No. of Ships)



CARGO SHIPS

The cost-efficiency of seaborne trade has played a major role in the rapid globalization of the economy since the 1990s. Today, approximately 80% of the volume of international trade in goods is carried by sea, and much of our economic prosperity depends on the functioning of shipping and its supporting ecosystem.

The variety of products and materials used in the global economy is matched by the diversity of ship types used to transport them. These ships can be broadly categorized into containerships, dry bulk carriers, and tankers, all of which are essential for the smooth functioning of the global economy. While short-term factors driving each cargo sector vary, in the long term, **all benefit from global economic growth**, particularly the rising prominence of developing economies.

For **containerships**, growing consumer demand leads to an increase in the transportation of manufactured goods.

Dry bulk carriers benefit from infrastructure investments requiring building materials and rising energy demands, which drive coal transportation.

Similarly, the **oil and gas tanker** sector is fueled by increased global energy consumption.

The **car carriers** market is affected by competition from Chinese electric vehicles (EV) manufacturers, which has led the U.S. and the EU to impose tariffs on Chinese EVs. Latin America is now the largest market for Chinese EVs, with limited exports to the U.S. and Europe.

In the short term, most cargo ship types are affected by the Red Sea crises, which disrupt supply chains, leads to re-routing, and increases shipping costs.

SPECIALIZED VESSELS

The specialized vessels group is highly diverse, with the main ship types covered by this group being tugs, dredgers, and patrol vessels. Many of these vessels fulfill very specific tasks and are often highly technological. Consequently, they are complex to build and come with a high price. They are one of the **key strengths of European shipbuilding**, driving innovation for the entire sector and creating well-paid jobs in the industry. Due to the diversity of this group of vessels, the forces driving newbuilding demand vary significantly.

For **tugs**, newbuilding demand is correlated with the development of global seaborne trade, given that they are mainly used for handling large cargo vessels in port. We expect global seaborne trade to grow, albeit at a slower rate compared to the rapid globalization of the 2000s and early 2010s.

Meanwhile, for **dredgers**, demand is also partly driven by seaborne trade development, as dredgers are employed in the expansion of port facilities and the dredging of channels. However, this ship type is also expected to benefit from an increase in land reclamation and flood protection projects, driven by further urbanization and more extreme weather events. While dredgers are the most prominent group of vessels benefiting from this trend, it also applies to many other construction-related ship types in this category.

The third major subgroup among the specialized vessels is **patrol vessels**, which include both civilian and naval patrol vessels, though the latter largely dominates. This ship type is expected to benefit from current investments in naval capabilities due to increased geopolitical risks. Governments have become much more aware of the need to protect critical offshore infrastructure, such as power and data cables. For this purpose, patrol vessels play a critical role.

These demand drivers, combined with the current age structure of the different sub-fleets, lead to project **slight growth for the sector overall**.

* Source: S&P Global

OFFSHORE ENERGY MARKET

The offshore energy market (for oil, gas, and wind) relies on specialized vessels for installation, maintenance, and operation.

Despite a strong political push towards a climate neutral economy, **offshore oil and gas will not disappear soon from the energy mix**, and their production is even projected to grow in the next decade. This growth will drive demand for new vessels to replace aging fleets and support market expansion.

Offshore wind power is also rapidly growing, particularly in Europe and China. In 2024, Europe connected 1.1 GW of new offshore wind capacity, with global offshore wind capacity expected to reach 430 GW by 2035, contributing 7-9% of the global energy mix by 2050. Although challenges like high costs and delays exist, the sector continues to attract strong investment as part of the global decarbonization effort.

The offshore fleet is relatively young, particularly in the wind sector, where 84% of infrastructure is under ten years old, reflecting recent growth and fleet modernization. Although the offshore vessel market is benefiting from rising demand, there may be a shortage of specialized installation vessels, especially for deeper offshore wind farms.

CRUISE PASSENGER SHIPS

After the COVID-19 pandemic, with the voluntary stop of the cruise industry, strong recovery already started in 2023. The Cruise Line International Association (CLIA) forecasts further growth of ocean going passenger numbers for the coming years. **The average size of the ships ordered has increased** compared to previous newbuilding activity. Key drivers for ordering bigger ships seems to be economy of scale and lower carbon intensity per passenger.

On the long term, cruise vacations will keep offering high value for money while providing high mobility and flexibility without compromising on comfort. **Expected future growth in passenger numbers strengthens the demand for new tonnage.** Future local sustainability requirements and the global target of a carbon neutral cruise industry by 2050 supports the requirement for refurbishments of the existing fleet as well as for newbuilds. Through innovation and high quality, the established cruise shipbuilders have the **chance to keep most of the cruise passenger shipbuilding within Europe for the coming decades.**

The global shipbuilding market is poised for significant growth, driven by a combination of economic development, evolving trade patterns, and the need to meet international decarbonization goals. The forecast highlights key areas of opportunity across various ship types, from cargo and specialized vessels to offshore energy and passenger ships. Despite challenges such as geopolitical tensions, supply chain disruptions, and the aging global fleet, shipyards and maritime manufacturers can capitalize on these trends to adapt and innovate.

FISHING VESSELS

Currently, the total global fishing fleet consists of almost 24,600 vessels above 100 gross tons, excluding farm fishing vessels. The demand for fish is expected to increase in the future, both in the short and long term, due to anticipated population growth. Additional factors to consider include the rise in production to meet the strong demand, driven by the exponential growth of the aquaculture sector in both inland and marine waters.

For sea fisheries, the volume of fish caught is limited by fisheries management measures such as quotas, which aim to prevent overfishing. Furthermore, the fishing fleet is one of the oldest, with an average age of nearly 34 years. A high level of scrapping is expected in the coming years due to the need to replace aging units.

The trend is toward building larger ships, as smaller older vessels are replaced by more efficient new constructions. **The total number of ships has also decreased**, as it has become common to replace several smaller vessels with a single larger one. The market is shifting toward **fuel-efficient vessels** equipped with new types of propulsion and fishing gear that are more environmentally friendly (e.g., electric propulsion and reduced bycatch), and designed to enhance safety and comfort for the crew.

SEA Europe represents close to 100% of the European shipbuilding industry in 17 nations, encompassing the production, maintenance, repair, and conversion of all types of ships and floating structures, commercial as well as naval, including the full supply chain with the various producers of maritime systems, equipment material, and services.