

GREEKS STAGE DYNAMIC COME BACK TO SHIPYARDS

Orders by Greek shipowners for newbuilds in the first four months of 2023 recorded a spectacular increase

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A strong come back to shipyards is recorded in 2023 by Greek shipowners investing in new ships to renew and further expand their fleet, being the world's largest based on tonnage.

In particular, according to data shared with "N" by the shipping company George Moundreas & Company SA, in Q1 2023, Greek shipowners ordered 69 ships, of a total capacity of 7.3 million dwt and an estimated value of \$5.2 billion. Greek investment accounts for 18.7% of the orders placed worldwide, based on the number of ships, and for 19.5% of total value.

Looking at the preferences of domestic shipowners by ship category, it can be seen that during the period under review they invested in the construction of 47 tankers, with a total capacity of 5.4 million dwt, and a value of more than \$3 billion; 13 bulk carriers, with a total capacity of 1.16 million dwt and a value of \$480 million; 5 LNG carriers, of a capacity of 948,000 cubic meters and a value of \$1.3 billion; and, 4 LPG carriers, of a capacity of 350,000 cubic meters and a value of \$390.8 million.

Notably, orders for tanker newbuilding account for 40.1% of international activity in number of vessels, and for 58.8% of total value. Dry bulk shipbuilding accounts for 14.6% of global orders by number and 15.4% of total value. Finally, Greek activity in LNG carriers accounts for 23.8% of ships ordered globally, and for 24.4% of total value.

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Chinese shipyards have taken on 49 Greek newbuild orders out of a total of 69, i.e., 71% of the contracts.

prohibitive levels for orders.

In bulk carriers, investment funds were divided almost equally. In particular, medium-sized kamsarmaxes stood out with 6 contracts, followed by handymaxes with 3 orders, and ultramax and large capsize ships with 2 deals each.

Spectacular year-on-year growth

In the first quarter of 2022, Greek shipowners ordered a total of 53 ships, totaling \$3.67 billion, at the time accounting for 8.1% of international activity in terms of number of ships and 8.67% in terms of value. In comparison, this year's contracts are up 30.19% in vessels and 42.77% in value.

The figures demonstrate a surge in this year's Greek orders for tankers, but also a contraction, to zero levels, of investment in container ships. The

With regard to tankers, Greeks mainly preferred LR2 tankers, which transport oil products. Charters for such ships took off after the war in Ukraine and the redrafting of trade routes. Therefore, out of the 47 tankers on order, 24 were LR2s, 15 suezmaxes, 4 handy tankers, 2 MR tankers and 2 LR1 tankers. There was zero investment in VLCCs, the value of which have climbed to

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fact that the containership charter market has fallen significantly from the record levels of the previous three years, and the expanded global orderbook, are discouraging domestic shipowners from investing in such ships.

Similar numbers were recorded in the remaining categories, with the exception of LPG carriers, which increased significantly this year. More specifically, last year the Greeks placed orders for 28 containerships, 15 bulk carriers, 7 LNG carriers, 2 tankers and 1 PCTC (car transporter).

Opting for China

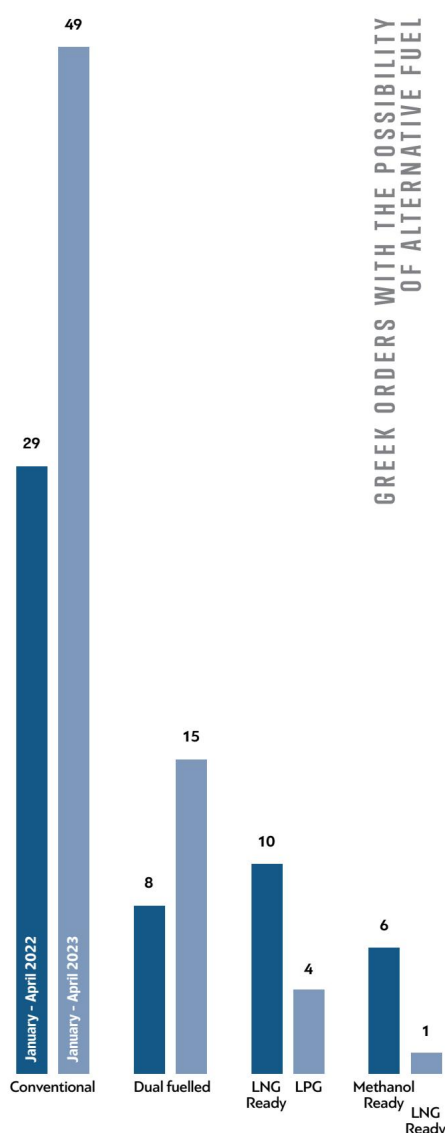
In 2023, during the period under review, Greek shipowners turned en masse to Chinese shipyards, placing orders primarily for tankers. By offering discount prices, quite competitive delivery times and financing packages, the Chinese are steadily gaining larger shares in world shipbuilding.

Specifically, according to the data, Chinese yards took on 49 Greek orders out of a total of 69, i.e., 71% of the contracts. Of these, 40 orders were for tankers and the remaining 9 for bulk carriers. South Korean shipyards are ranked second in terms of Greek preference with 15 contracts: 6 tankers, 5 LNG carriers and 4 LPG carriers. Once dominant in Greek orders, the Japanese accepted orders for just 4 ships, all freighters, while an order for a steamer was also placed in a Vietnamese yard.

Data on the shipyards preferred by Greek ship-

ORDERS NEWLY BUILT

Ship Type	2022 January - April						2023 January - April					
	International Orders		Greek Orders		Share of Greek of orders internationally in %		International Orders		Greek Orders		Share of Greek of orders internationally in %	
	Number ships	Value contracts in \$ million	Number ships	Value contracts in \$ million	Number ships	Value contracts	Number ships	Value contracts in \$ million	Number ships	Value contracts in \$ million	Number ships	Value contracts
BULK CARRIERS	183	6.428,30	15	486,5	8,2	7,6	89	3.119,55	13	480,0	14,6	15,4
CONTAINERSHIPS	201	16.326,30	28	1.419,8	13,9	8,7	45	6.180,23	-	-	-	-
LNG CARRIERS	62	12.515,90	7	1.559,9	11,3	12,5	21	5.333,15	5	1.302,0	23,8	24,4
LPG CARRIERS	16	1.043,50	-	-	-	-	18	1.572,44	4	390,8	22,2	24,9
TANKERS	42	1.323,10	2	126,0	4,8	9,5	117	5.234,99	47	3.078,6	40,1	58,8
PCTCs	18	1.470,15	1	86,0	5,6	5,8	31	2.896,25	-	-	-	-
ΑΛΛΟΙ ΤΥΠΟΙ	128	3.340,66	-	-	-	-	47	2.567,39	-	-	-	-
ΣΥΝΟΛΟ	650	42.447,91	53	3.678,2	8,1	8,67	368	26.904,00	69	5.251,4	18,7	19,5



ANALYTICAL EXAMINATION OF GREEK ORDERS

	2022 January - April		2023 January - April	
	Number ships	Value contracts in \$ million	Number ships	Value contracts in \$ million
Bulk Carriers	Handy	4	Handy	3
	Ultramax	8	Ultramax	2
	Kamsarmax	3	Kamsarmax	6
	Capesize	-	Capesize	2
Tankers	Handy	-	Handy	4
	MR	-	MR	2
	LR1	-	LR1	2
	LR2	2	LR2	24
	Suezmax	-	Suezmax	15
	VLCC	-	VLCC	-
Containerships	1K-3.5K TEUs	-	1K-3.5K TEUs	-
	3.6K-8K TEUs	20	3.6K-8K TEUs	-
	11K-16K TEUs	8	11K-16K TEUs	-
Gas	LNG	7	LNG	5
	LPG	-	LPG	4
PCTC	7.000 CEUs	1	7.000 CEUs	-

owners show a reversal of the trend recorded in 2022. In the first quarter of 2022, Greek owners placed orders for 29 ships with South Korean yards and 15 with Chinese yards. Larger shares in the Greek orderbook, compared to 2023, were also held by the Japanese (7 contracts), and the Vietnamese (2).

The Greeks' withdrawal from container shipbuilding, which the South Koreans almost monopolized last year, is another factor that has contributed to the dominance of the Chinese.

Alternative fuels

So far in 2023, Greek shipowners have been wary of the new fuel options that have come to the fore, as most of the 69 orders they placed in the first quarter, the vast majority - 49 contracts - regard ships using conventional fuels. At the same time, 15 of the ships under construction will be

equipped with dual-fuel engines, using LNG in most cases, while 1 will be LNG-Ready, i.e., it can be converted to use liquefied natural gas. Finally, 4 ships will use LPG.

Compared to the same period in 2022, the Greeks had placed orders for 29 conventional fuel vessels, 10 LNG-Ready, 8 with dual-fuel engines, and 6 Methanol-Ready.

The conditions of uncertainty surrounding the right choice of fuel and the infrastructure to support their use as well as the increased costs, compared to a conventional ship, are only some of the factors behind the Greeks' low orders for new-fuel ships.

Of course, it should be noted that most of these conventional and non-conventional newbuilds will be of a green design, allowing compliance with the latest environmental requirements, while several ships will also be equipped with scrubber systems. ▶



GREEK ORDERS/SHIPBUILDING COUNTRIES

Country Shipbuilding	2022 January - April							2023 January - April						
	Bulk Carriers	Tankers	Container-ships	LNG	LPG	PCTC	Total	Bulk Carriers	Tankers	Container-ships	LNG	LPG	PCTC	Total
China	8	-	6	-	-	1	15	9	40	-	-	-	-	49
South Korea	-	-	22	7	-	-	29	-	6	-	5	4	-	15
Japan	7	-	-	-	-	-	7	4	-	-	-	-	-	4
Vietnam	-	2	-	-	-	-	2	-	1	-	-	-	-	1
Total	15	2	28	7	-	1	53	13	47	-	5	4	-	69

International orders at \$27 billion

In contrast to Greek orders, global shipbuilding activity moved at a subdued pace in the first quarter of 2023, marking a year-on-year decline. Specifically, between January - April 2023, contracts were signed internationally for the construction of a total of 368 ships of all types, of a total capacity of 8.2 million cgt and 21.8 million dwt, and an estimated value of \$26.9 billion. In the corresponding period in 2022, orders had been placed for 650 ships, worth \$42.4 billion.

According to George Moundreas analysts, "the market continues to be characterized by increased prices, depletion of berth availability in shipyards, which now offer deliveries for the first half of 2027 on certain ship types (gas carriers, containerships), and uncertainty surrounding available alternative fuel technologies. These are factors that continue to bear a negative impact on attracting investment, with orders still on a declining trajectory since the second quarter of 2022."

Investment interest around the world is mainly focused on tanker orders, with the sector showing a large increase compared to the corresponding period

“ Globally, in the period January-April 2023, orders have been placed for more than 100 tankers of all sizes, with a total capacity of 7.3 million dtw

by the historically low level of the order book of the industry which is at about 4% of the existing fleet with a declining trend as deliveries outpace new orders, increased demand mainly for petroleum products, as well as the effects caused by Russia's invasion of the Ukraine with the subsequent increase in ton-miles," the analysts explained.

The result was that orders have been placed for

in 2022; containerships have also registered significant interest in spite of the downward trend of the charter market. These two industries together account for 53% of orders so far in 2023 in cgt terms, and for 58% in dwt terms.

"Demand for newbuild tankers has increased significantly, continuing the trend seen in the fourth quarter of 2022, but the overall number remains well below 2021 orders. Shipowners are attracted

more than 100 tankers of all sizes, with a total capacity of 7.3 million dwt, between January and April 2023.

In addition, a significant number of orders are recorded for liquefied natural gas (LNG/LPG) vessels. There is major interest in LNG carriers - albeit at lower levels compared to 2022 - despite the fact that shipbuilding prices have climbed to record highs, and shipyard delivery slots have been closed until the second half of 2026. On the other hand, the LPG carrier market is seeing a rise in orders.

"The interest shown by shipowners is in response to the growing demand for seaborne natural gas transportation, and market estimates that there will be enhanced demand for such vessels from 2026 onwards. According to statistics, the orderbook of LNG carriers accounts for approx. 50% of the active fleet. The high demand for these vessels, combined with the corresponding fervor for newbuild containerships has led shipyards to consider ways to increase capacity in order to increase production volume," George Moundreas & Company SA executives pointed out ■