



# Challenges and Developments in Global Shipbuilding Industry

-brief overview of the current situation-

AgS Monitoring Shipbuilding  
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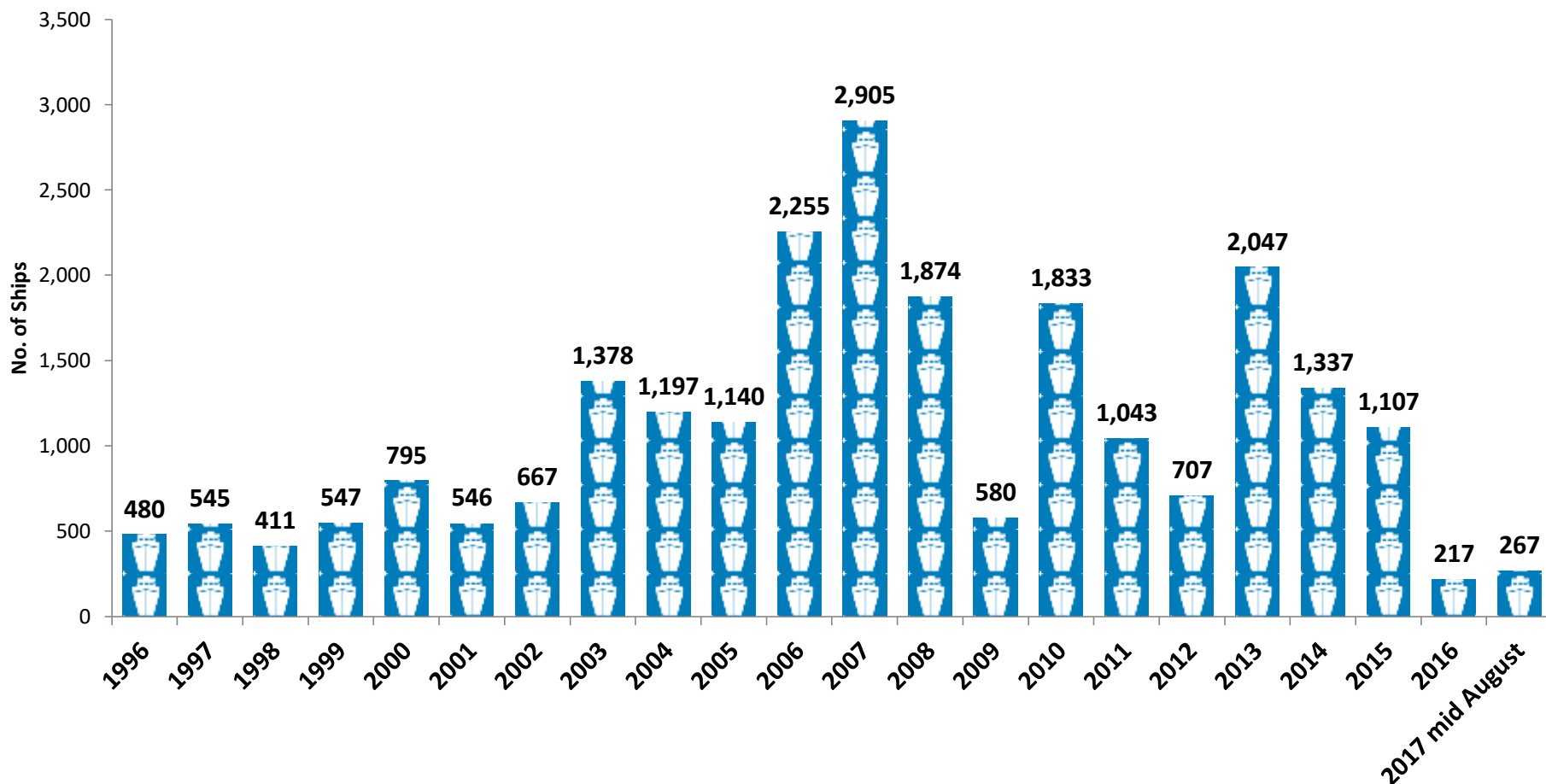
industriALL Global Union Shipbuilding-Shipbreaking Action Group Meeting  
31 October - 1 November 2017, Rotterdam, Netherlands



# Some call it „adjustment“ ...

## Global Newbuilding Orders

(vessels over 20.000 dwt)



Source: Clarksons (2017): Results Presentation, 14.08.2017

# Some call it „concentration“ ...

## ... in 2007

32 Number of yards accounting for 50% of the global orderbook

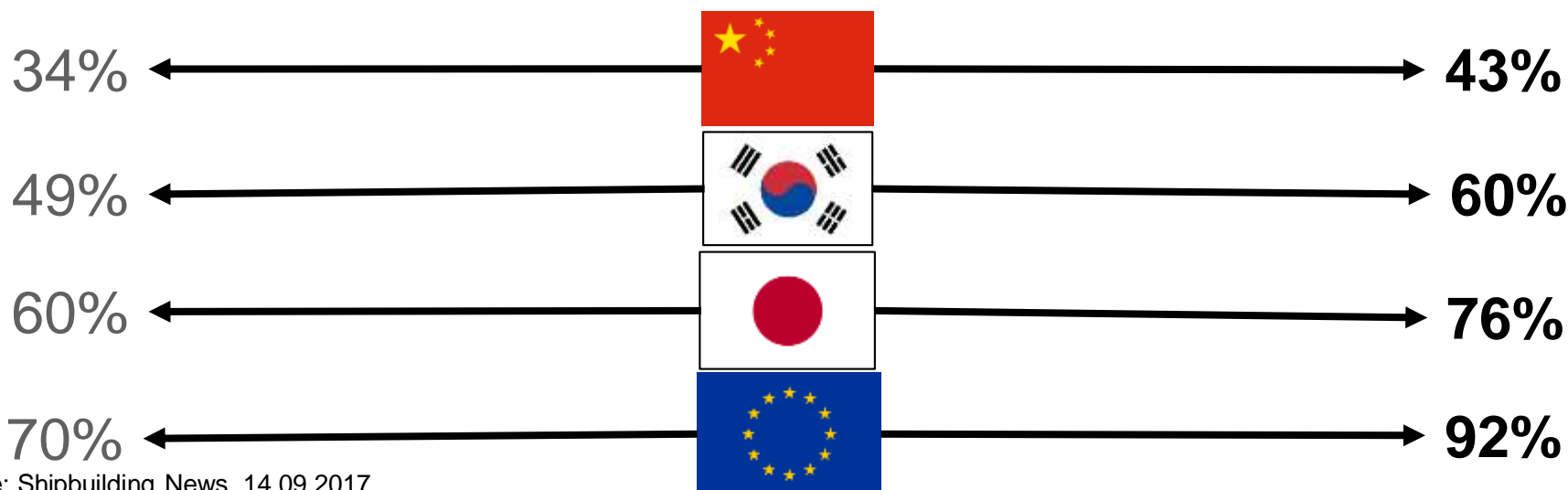
101 Number of yards accounting for 75% of the global orderbook

## ... in 2017

**24**

**59**

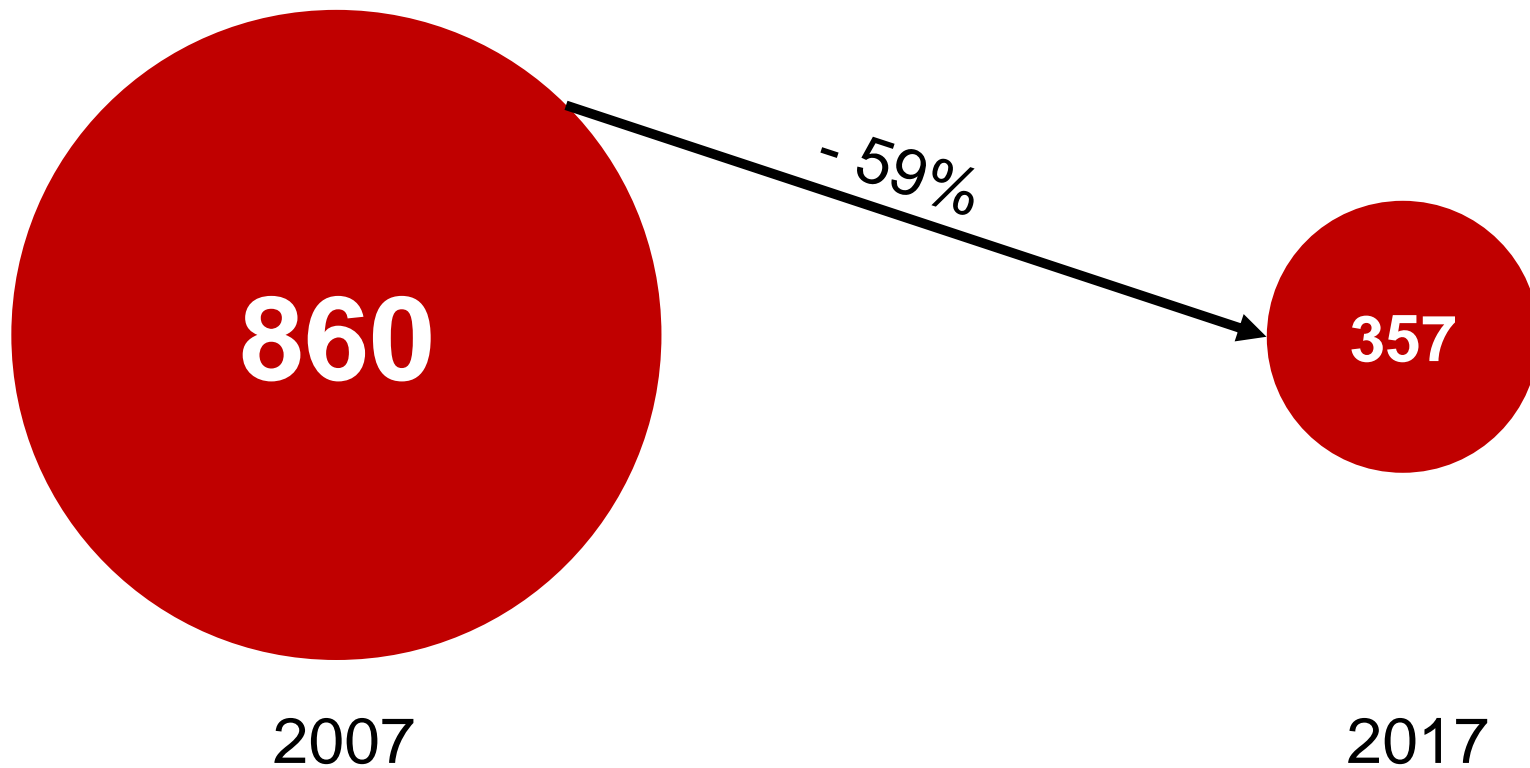
### Share of the TOP-TEN-YARDS on the national orderbook:



Source: Shipbuilding News, 14.09.2017

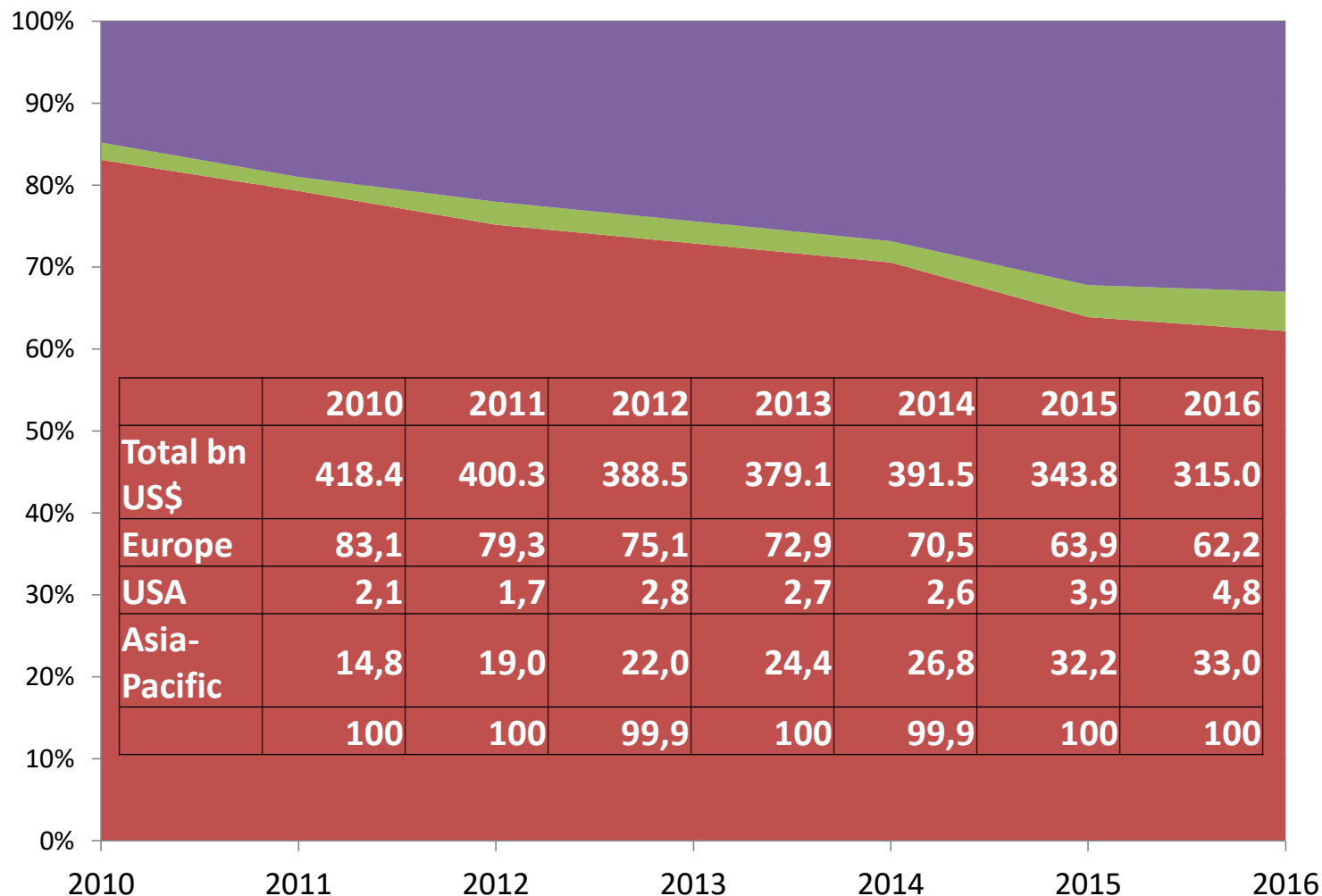
# Some call it „consolidation“ ...

## Number of active shipyards\* worldwide



*Active shipyards are those with at least one ship of 1,000+ GT on order; Updated 1.9.2017  
Source: Clarkson, 14.09.2017*

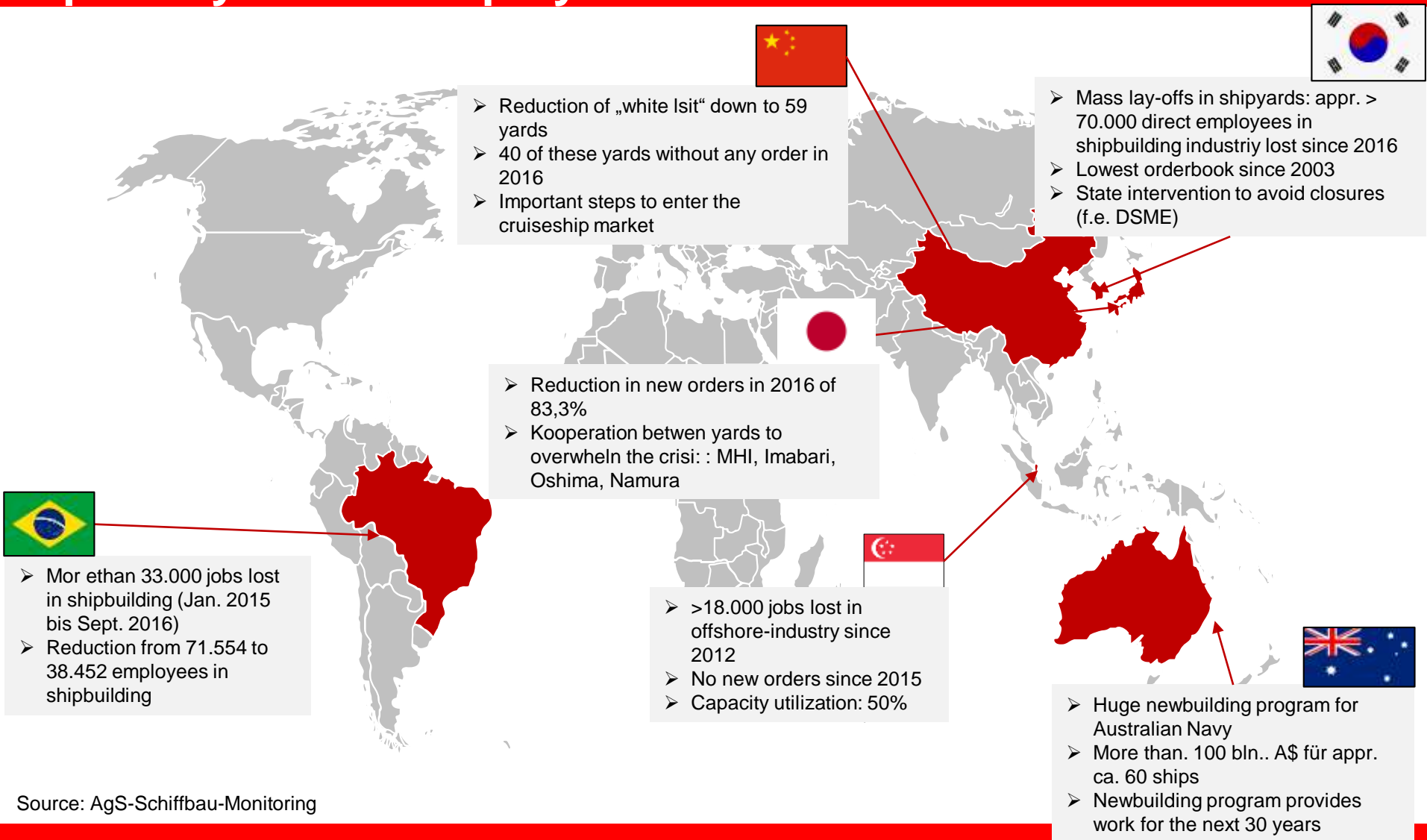
# Shipping lending: Shift to Asia-Pacific



- Asia-Pacific
- USA
- Europe
- Total bn US\$

Source: Clarksons (2017): Results Presentation, 14.08.2017

# WE call it a severe global shipbuilding crisis – especially for the employees!



Source: AgS-Schiffbau-Monitoring

# Despite the crisis: Booming markets for cruiseships and superyachts



Length: 228.20m  
Width: 28.70m  
Crew: 776  
Tonnage: 39,674  
BRT  
Passengers: 1,400

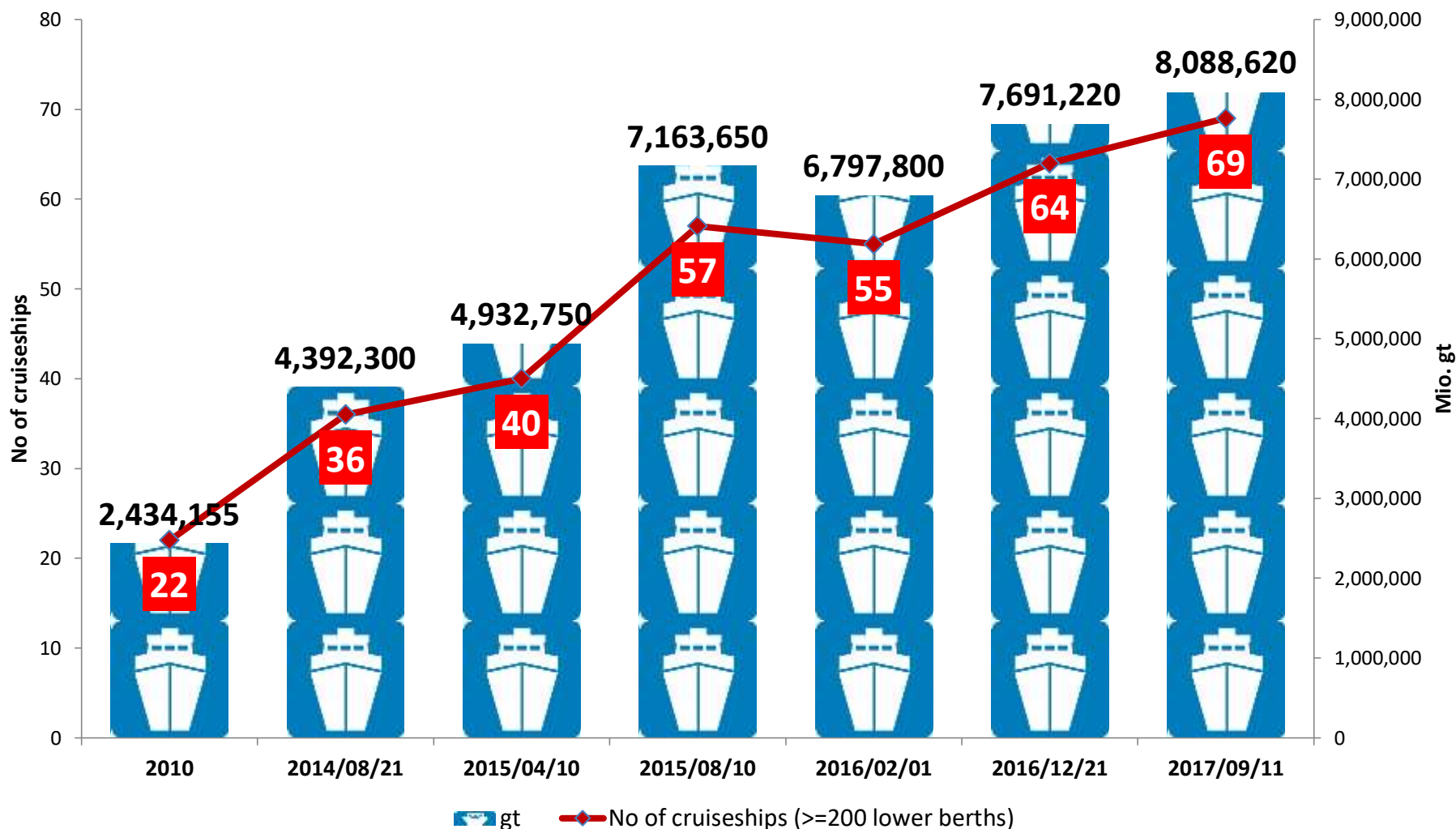
SS Rotterdam  
1956



Length: 362.12m  
Width: 66m  
Crew: 2,384  
Tonnage: 226,963  
BRT  
Passengers: 6,780

Harmony of the Seas  
2016

# Orderbooks for cruiseships (>= 200 lower berths)



Sources: cruiseindustrynews.com; Seatrade Cruise News; own calulations



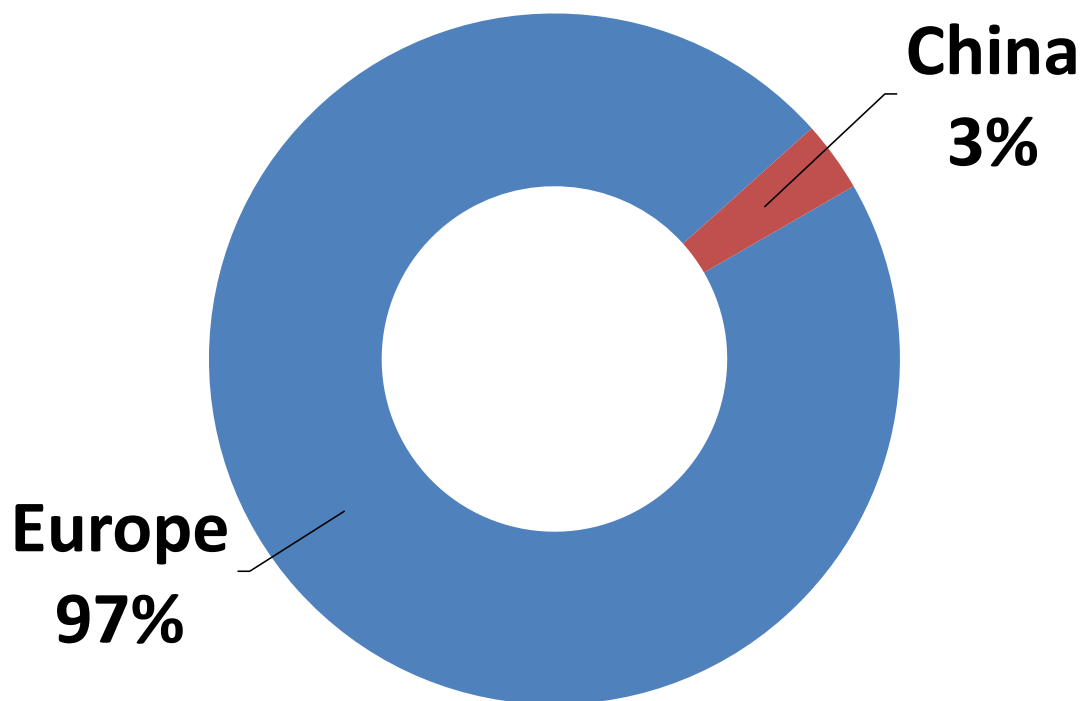


# Orderbooks for cruiseships ( $\geq 200$ lower berths)

Country	No. of ships	Sum reported Price (\$)	Average Lower Berths	Average GT	Sum GT	%-share of orderbook by GT
China	2	1.500.000.000	4.000	133.500	267.000	3,3%
Croatia	2	252.000.000	264	12.635	25.270	0,3%
Finland	6	5.230.000.000	4.380	157.167	943.000	11,7%
France	11	11.179.000.000	4.336	167.873	1.846.600	22,8%
Germany	18	14.414.000.000	3.078	133.361	2.400.500	29,7%
Italy	27	15.328.000.000	2.354	94.635	2.555.150	31,6%
Norway	2	260.000.000	530	21.000	42.000	0,5%
Portugal	1	80.000.000	200	9.300	9.300	0,1%
<b>Total</b>	<b>69</b>	<b>48.243.000.000</b>	<b>2.938</b>	<b>117.229</b>	<b>8.088.820</b>	<b>100%</b>

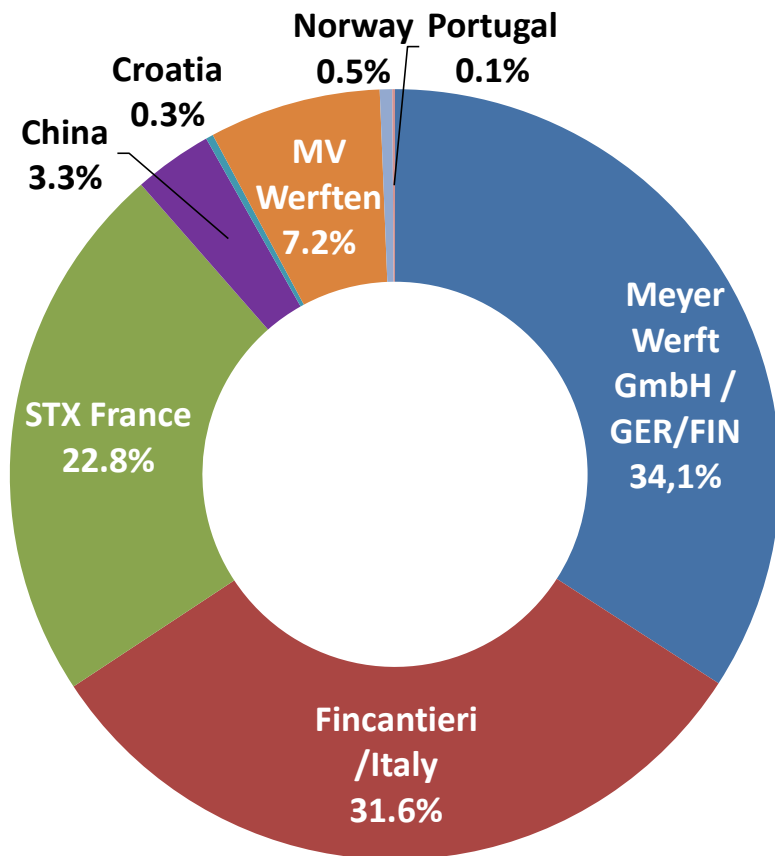
# It`s still an European market ...

Orderbook for cruiseships by region  
Sept. 2017 (GT)

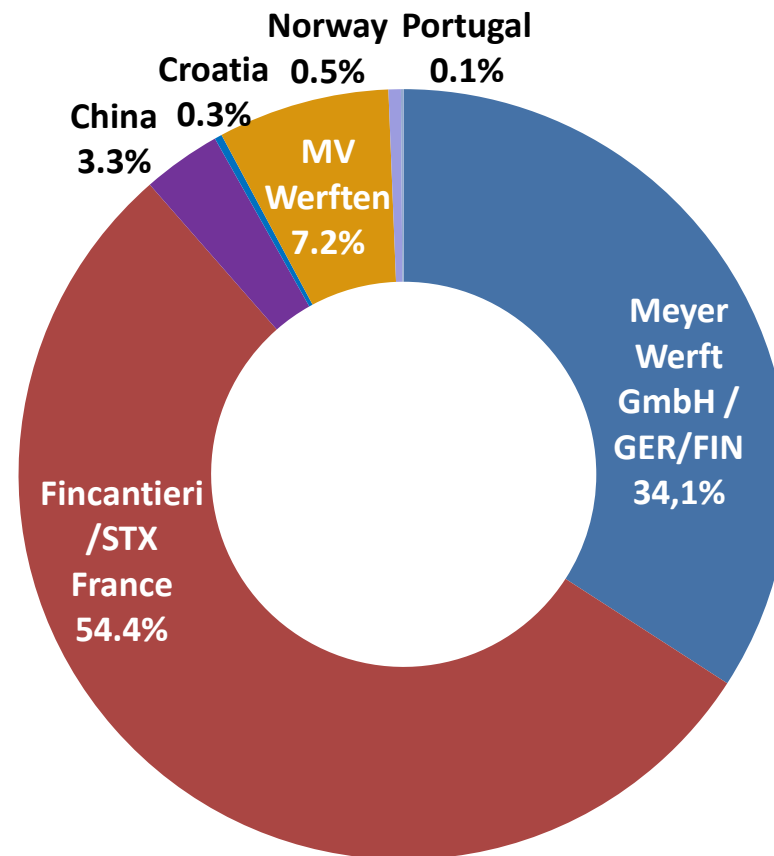


# ... dominated by two/three shipbuilders ...

**Orderbook for cruiseships by country/yard (GT)**



**Orderbook for cruiseships by country/yard (GT)**

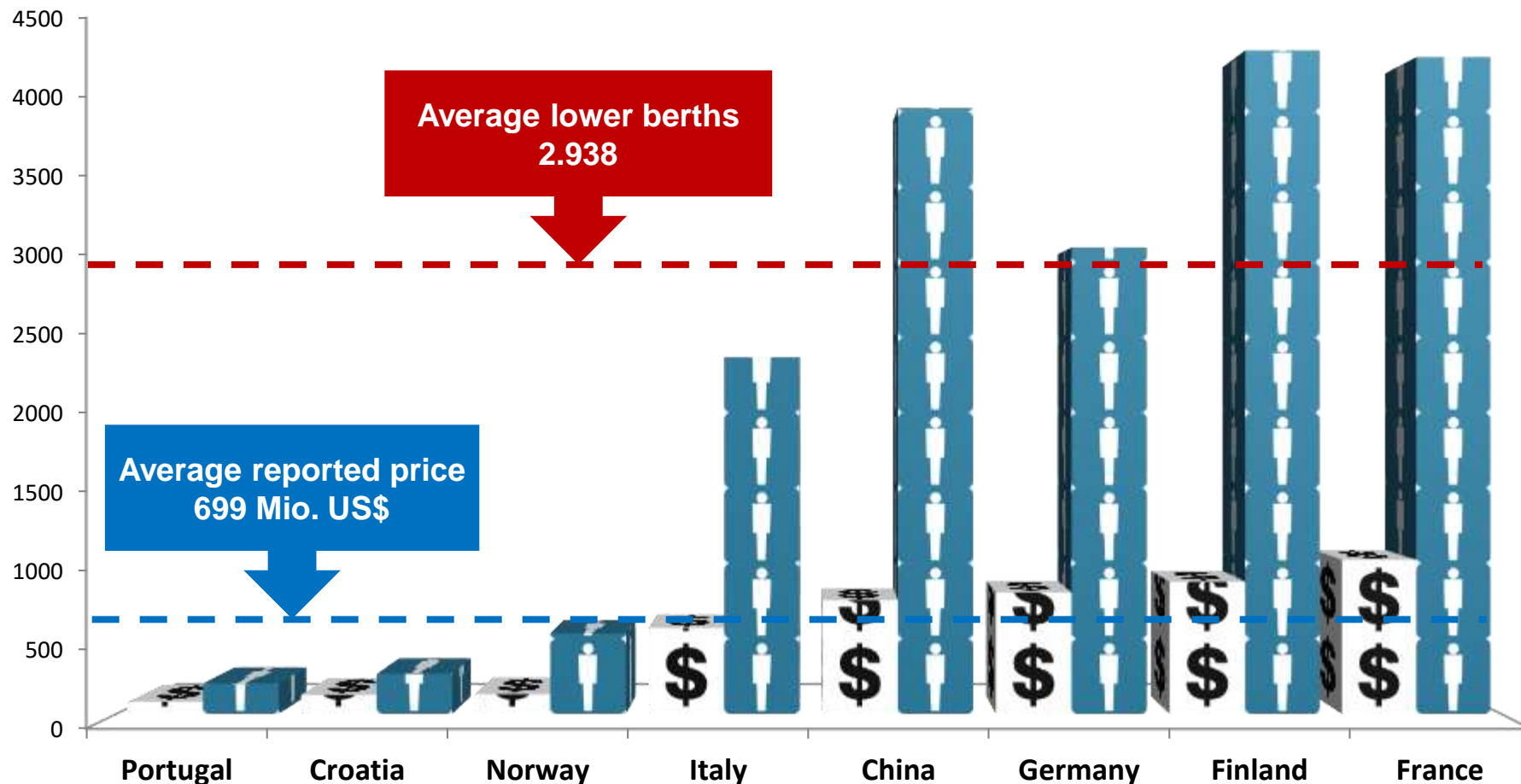


Sources: cruiseindustrynews.com; Seatrade Cruise News; own calulations

# ... building new ships for additional 203.000 new passengers.

⌘ Average reported price (Mio. US\$)

■ Average lower berths



Average lower berths  
2.938

Average reported price  
699 Mio. US\$

Sources: cruiseindustrynews.com; Seatrade Cruise News; own calculations



# China: Getting prepared for the future cruise market

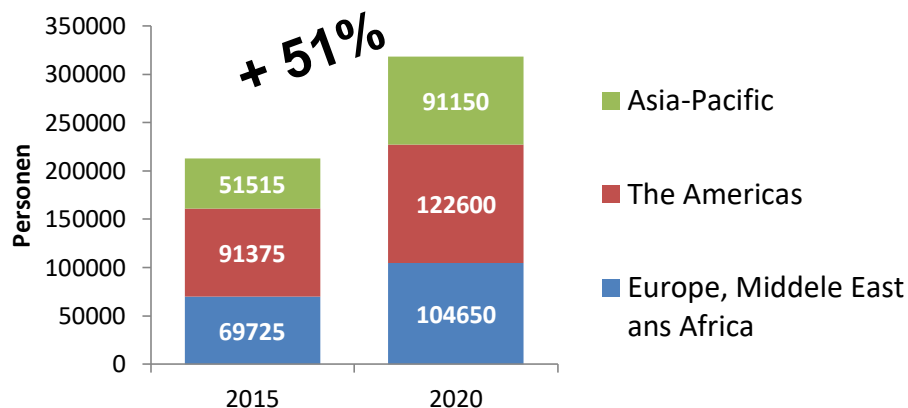
- Carnival, CSSC and Fincantieri announced the delivery of a **first 133,500t ship** from CSSC's Waigaoqiao yard in Shanghai **due in 2023** with a second to follow plus four more options.
- **\$4bn investment** by Carnival and CIC Capital
- **Developing a supply chain** with logistics companies, design and shipfitting specialists and cruise staff/crew training facilities and cruise port infrastructure projects.
- Chinese cruise companies ordering a newbuild from outside the country would have to pay a **prohibitive 30% tax** on the cost price
- More than 40% of Chinese passengers are under 40 years old (Europe: end 40s – end 50s)
- **51% of Chinese adults in their 20s** say they are **planning to take a cruise**.
- **300 million people** - the equivalent of the total population of North America or Western Europe - of the population are genuine potential cruise prospects.

# Looking at the Chinese ambitions in the case of cruisehip industry...

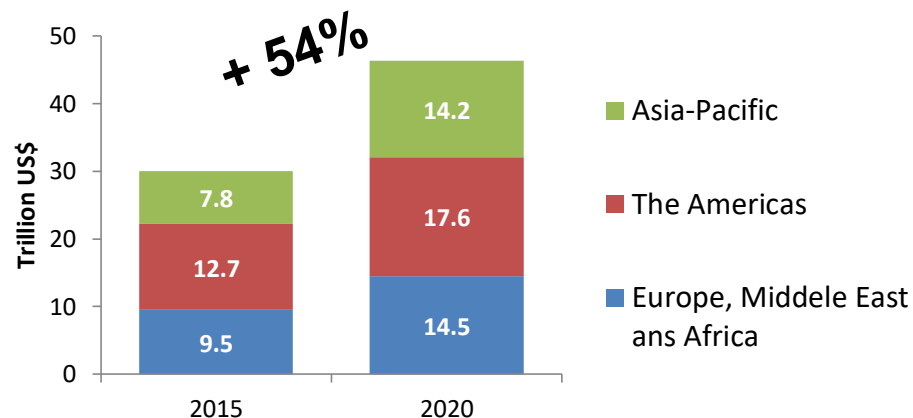
... we suggest an intense and continuous  
exchange between works councils and  
trade unions representing the European  
cruise ship industry!

# Superyachts: a growing (Asia-Pacific) market

„ultra high net worth“  
population



„ultra high net worth“  
assets



## „The superrich“ - overview



212,615  
Total UHNW  
Population



US\$30.0  
Trillion  
Total UHNW Wealth



US\$141  
Million  
Average Net Worth



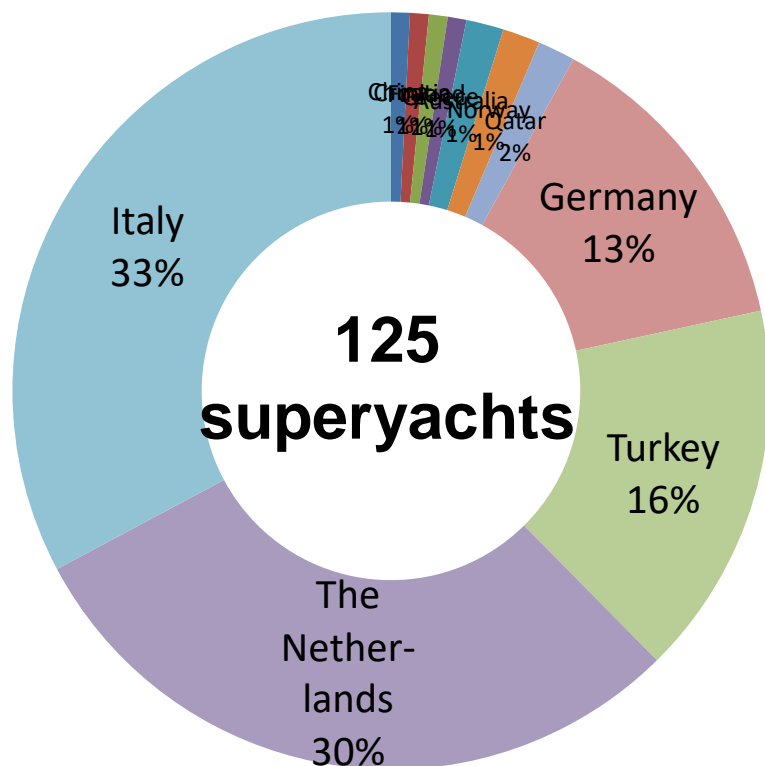
US\$6.4  
Trillion  
Liquidity



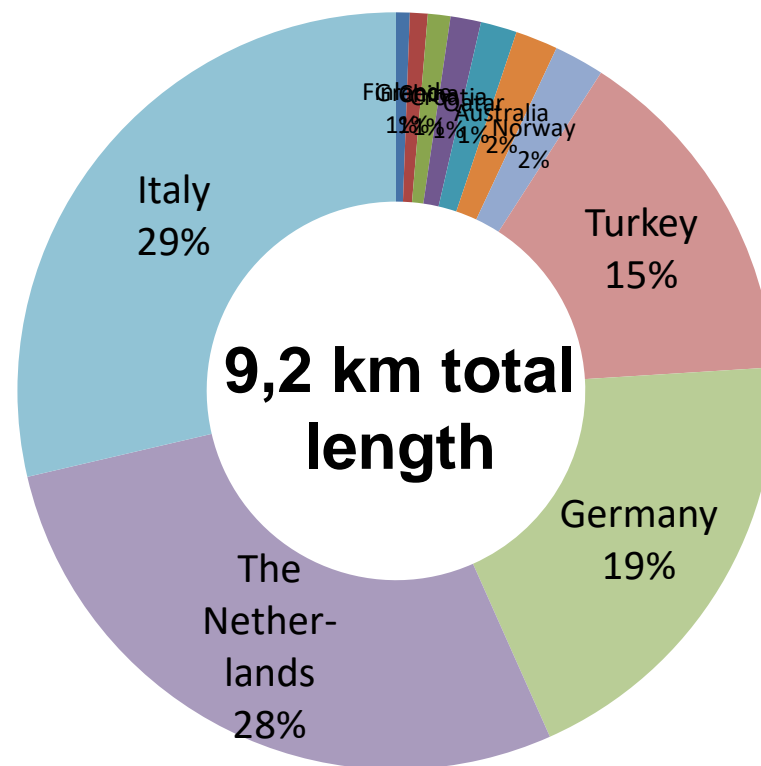
59  
Average Age

# Superyachts: Orderbook in detail (Jan. 2017)

Orderbook for superyachts (=> 50m)  
by No. of yachts



Orderbook for superyachts (=> 50m)  
by total length







## IG Metall activities in shipbuilding industry

- Collective bargaining 2017/2018:
  - Voluntary reduction of working times to 28h/week
  - Increase of wages by 6%
- New labour law to regulate temporary work & sub-contractors (2017):
  - Equal pay after nine months
  - Time limitation: max. 18 months
  - Temporary workers are not allowed to work as “strike breakers”
  - Reinforcement of information rights for works councils
- Fight for new instruments for codetermination (for shipyard-groups)
- Preservation of all shipbuilding production facilities since 2007
- Network of shipyard`s works councils (AG Schiffbau)
- National conferences and national LeaderShip 2020-Process