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PROSPECTS AND ORDERS

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EUROPE

CROATIA

Dalmont Shipyard in Croatia (formerly the Kraljevica yard) has launched a ferry for Croatian customer Rapska Plovidba.

| The 79m-long and 17.5m-wide vessel will cost 7.9 million euros. Dalmont chief executive officer Mr Ivan Ivic said that the ferry was the first vessel to be launched by Dalmont. Croatia's Minister of Maritime Affairs, Transport and Infrastructure Oleg Butkovic, who attended the launching ceremony, said that the event proved that the shipyard in Kraljevica was capable of continuing to operate. He called on other domestic shipping companies, primarily Jadrolinija, to order new vessels from Croatian shipyards. Contact: Dalmont Shipyard, Kralja Tomislava 8, 51262 Kraljevica, Croatia. Tel. ++ 385 51 281 209. Fax ++ 385 51 444 593. Email dalmont@dalmont.hr Web www.dalmont.hr

GERMANY

British customer Saga Cruises confirms it is to order another 58,250gt cruise ship from German yard Meyer Werft.

| An option for a vessel taken with a previous order has been initially confirmed for the second ship in the series. The vessel now ordered will be named Spirit of Adventure and will be about 236m long, 31.2m wide with a planned completion date of summer 2020. The previously ordered sister ship Spirit of Discovery will start its first cruises in July 2019. Spirit of Adventure will be a sister ship to Spirit of Discovery and similar in external design, carrying slightly less than 1,000 passengers with balconies for all cabins. The final contract for the second vessel should be signed shortly, Meyer Werft said. The order will be worth an unnamed, three-digit million value and is still subject to finance being finally in place. The decision by Britain to leave the European Union has weakened the British pound, so the ships will be more expensive than hoped in pound terms. But the yard was able to convince the customer with a design with environmentally-friendly performance and low operating costs. Contact: Meyer Werft, Industriegebiet Süd, D-26871 Papenburg, Germany. Tel. ++49 49 61 810. Fax ++49 49 61 8143 00. Online supplier registration www.meyerwerft.de/de/meyerwerft_de/lieferanten/ueberblick/ueberblick.jsp

ITALY

Italian shipbuilder Fincantieri and U.S. cruise group Carnival Corporation have signed a memorandum of agreement (MoA) for the construction of one next-generation cruise ship for Carnival's British-based company Cunard.

| The 113,000gt ship will carry 3,000 passengers. The agreement will become operational when all the financial and technical conditions have been satisfied, Carnival said. The ship will be built at Fincantieri's Monfalcone yard and join the Cunard fleet in 2022. The Cunard cruise brand currently operates three ships: the Queen Elizabeth, Queen Mary 2 and Queen Victoria. This will be Cunard's first new ship since the launch of the Queen Elizabeth, launched by Britain's Queen in 2010. Carnival says it has "ambitious plans" for the future of Cunard. In the face of fierce competition from newer and increasingly luxurious ships, the brand has recently invested 120 million pounds (136.1 million euros) bringing two of its existing vessels up to date. The refurbishment of its flagship Queen Mary 2 was the most expensive refit for any ship in Cunard's 176-year history. Contact: Fincantieri, Head Office, 34121 Trieste Via Genova, 1, Italy. Tel. ++39 040 31 93 111. Fax ++39 040 319 23 05. Web supplier portal www.fincantieri.it/cms/data/pages/000126.aspx

Fincantieri also has an order from luxury cruise line Silversea for the first-ever ship lengthening undertaken by Silversea.

| The lengthening of the cruise ship Silver Spirit will take place early next year at the Palermo shipyard of Fincantieri. Starting in early March 2017, Silver Spirit will be lengthened by inserting a pre-built 16.5m-long midsection housing six Silver suites, 26 veranda suites and two panorama suites. Technical upgrades will also be implemented. New dining concepts will be incorporated, and decoration enhancements will be made to existing suites and throughout the public spaces and outdoor areas, providing an increased level of comfort and extra space. Contact: See above

NETHERLANDS **Dredge Yard has recently signed a contract to design, build and deliver a dredger of type ECO200 Auger.** | The vessel will have a dredging depth of 6m and has a 1,500m discharge pipeline. The ECO200 Auger will be delivered to an unnamed mining company in West Africa. There the ECO200 Auger Dredger will be used for mining activities in a shallow river. The removed sand and gravel is then processed to capture gold and diamonds. For this project, Dredge Yard is going to install small extended knives on the auger. The objective of these knives is to loosen the compacted river sands to be transported by the screw motion of the auger to the suction mouth. Sufficient pumping power is provided to transport the dredged material over a discharge length of more than 1,500m. Dredge Yard has locations in the Netherlands, United Arab Emirates and Turkey. Contact: Dredge Yard Netherlands, Stationspark 480, 3364 DA Sliedrecht, The Netherlands. Tel. ++31 85 30 35 866. Web <http://dredgeyard.com>

RUSSIA **Senior executives of the United Shipbuilding Corporation (USC) said that the design and construction of multi-purpose landing vessels would commence for the Russian navy if there is approval of the new Russian state defence purchasing programme for 2018 to 2025.** | United Shipbuilding Corporation chief Mr Aleksey Rakhmanov said that the work would begin immediately after the purchasing programme is approved, most likely, before the end of 2017. Deputy Defence Minister Yury Borisov earlier said that Russia's first helicopter carrier would appear around 2022. General director of the Nevsky naval vessel design bureau Mr Sergey Vlasov said that several variants of such ships have already been developed for the Russian Navy. Contact: Mr Aleksey Rakhmanov, The President, Objedinennaya Sudostroitelnaya Korporatsiya – OSK (United Shipbuilding Corporation - USC), Office in St Petersburg: 90 Marata Street, St Petersburg, 191119, Russia. Tel. ++7 812 49 417 42. Fax ++7 812 49 41 743. Email info@oaosk.ru Office in Moscow: 11 Sadovaya-Kudrinskaya Street, Moscow, 123242, Russia. Tel. ++7 495 61 733 00. Fax +7 495 61 73 400. Email info@oaosk.ru Web www.oaosk.ru

Russian oil company Rosneft has signed a bundle agreement for the construction, lease and operation of large-capacity aframax tankers with Russian yard Zvezda Shipbuilding Complex. | The parties to the agreement include Rosneft Oil Company, PAO Sovcomflot, PJSC State transport leasing company and JSC Rosnefteflot. The vessels will be built in cooperation with Zvezda Shipbuilding Complex's South Korean partner Hyundai Heavy Industries and will be delivered in 2021. Shipping company Sovcomflot will be the project operator. The Zvezda Shipbuilding Complex is being built on the location of the Zvezda Far Eastern Shipyard by the Consortium of Rosneftegaz, Rosneft and Gazprombank. The shipbuilding complex design involves the construction of a heavy outfitting berth, a dry dock, full-cycle production shops for the construction of super ships and marine facilities, and production shops for the construction of offshore marine facilities. Contact: Mr Yury Filchonok, The Director General, Shipyard Zvezda, 1 Lebedeva Street, Bolshoy Kamen, Primorsky Kray, 692809, Russia. Tel. ++7 42 335 411 74. Fax ++7 42 335 42 585. Email zvezda@mail.fes-zvezda.ru Web www.fes-zvezda.ru

SPAIN **Spain and Saudi Arabia have signed agreement to increase defence cooperation which Spain hopes will lead to a Saudi navy order for five corvettes being placed with Spanish yard Navantia.** | Spanish defence industry sources said that the coming into force of this agreement is “yet another step” towards turning into a reality the building of five corvettes by Navantia, for slightly over 2 billion euros, which would be the largest order in Navantia's history. The Spain/Saudi Arabia defence cooperation agreement came into force on August 25, and is valid for an initial five-year period. It may be extended for successive one-year periods, unless one of the parties puts an end to the agreement and wishes to cancel. Over the last 15 years, Navantia has expanded its export business in countries such as Australia, Norway and Venezuela. The final signing and the announcement of the Saudi corvette construction contract has been awaited for around one year, but has not yet taken place. State-owned Navantia is already working with the goal of having everything ready start building the Saudi corvettes at short notice. The ships would be similar to the four Avante 2200-class corvettes built by Navantia for Venezuela's navy. The Saudi corvette contract will not be restricted to naval construction. There is also a technological-military assistance component. A contract would also involve joint work to develop control and combat systems for the vessels, a maintenance contract once Saudi Arabia has the ships and a training programme. It also involves operational training and the training of some 400 Saudi sailors in Spain. At the beginning of the negotiations, there was the possibility that the contract may include the design and construction of a new naval base in Jeddah on the Red Sea. Spain's Defence Minister Maria Dolores de Cospedal met with Saudi Arabia's defence vice minister in February, within

the framework of the NATO ministerial meeting, which Saudi Arabia attended as a guest country. Also, Navantia President Esteban Garcia Vilasanchez travelled to Saudi Arabia in May to reactivate the contract. In April this year he replaced Jose Manuel Revuelta at the head of the shipyard, which is 100% owned by the Industrial Holdings State Agency (SEPI). Contact: Navantia, Velázquez 132, 28006 Madrid, Spain. Tel. ++34 913 358 400. Fax ++34 913 358 652. Email navantia@navantia.es Web portal for suppliers www.navantia.es/perfil-contratante.php?tipo=1

ASIA**CHINA**

Singapore-based commodity trading group Petredec has ordered two more very large gas carriers (VLGCs) from Jiangnan Shipyard in China. | The two 84,000cu.m liquefied petroleum gas (LPG) carriers will be delivered in 2019. Options for two vessels have been converted into firm orders after a previous contract for two of the ships. Brokers say the latest order is worth about US\$62.5 million per vessel. Contact: Jiangnan Shipyard (Group) Co Ltd, 2, Gaoxiong Lu Luwan Qu Shanghai, 200011 China. Tel. ++86 21 6315 18 18. Fax ++86 21 6313 47 43. Web <http://jnshipyard.cssc.net.cn>

Brokers say Anangel Shipping Enterprises, part of the group around Greek ship owner John Angelicoussis, has ordered two 210,000dwt bulk carriers at China's Shanghai Waigaoqiao Shipbuilding. | The contract includes two options for repeat vessels. The first two ships will be delivered in the second half of 2019 and the first half of 2020. The order is worth about US\$47.5 million per ship. The vessels will meet the International Maritime Organisation's new Tier III emission standards. Contact: Shanghai Waigaoqiao Shipbuilding Co Ltd, No. 3001, Zhouhai Road, Pudong New Area, 200137, Shanghai, China. Tel. ++86 21 38 86 45 00. Email office@chinasws.com Web www.chinasws.com

U.S. shipping company Foremost Group has placed an order with Shanghai Waigaoqiao Shipbuilding for two 180,000dwt bulk carriers. | They are part of a fleet modernisation programme which also saw bulk carrier orders placed by Foremost with Shanghai Waigaoqiao Shipbuilding in June and with Japanese yard Oshima in August. Contact: See above

Brokers say Chinese customer Jianguo Fanzhou Shipping has an order for one 60,000dwt semi-submersible freighter from Chinese yard Nantong Xiangyu, formerly called Nantong Minde. | It will be delivered in the first half of 2019. Contact: Nantong Xiangyu, Xiamen Xiangyu Co., Ltd., 9/F, Building E, International Shipping Center, 99 Xiangyu Road, Huli District, Xiamen 361006, China. Tel. ++86 592 56 03 798. Fax ++86 592 56 03 777. Web www.xiangyu.cn

INDIA

India's Hindustan Shipyard Ltd (HSL) has won a Defence Ministry's order to build two diving support vessels (DSV) for the Indian navy. | The order was awarded against strong competition from India's Cochin Shipyard, Goa Shipyard and L&T. HSL said in a statement the 3,000-tonne vessels will be used for supporting operational diving in harbours and coastal waters. These vessels will have an expected life of 20 to 25 years. They will be designed for subsea operations in both deep and shallow waters. Contact: Hindustan Shipyard Limited, Purchasing Directorate, Gandhigram, Visakhapatnam - 530005, India. Tel. ++91 891 25 77 502. Mobile. ++91 949 379 22 18. Email eprocurement.hsl@gov.in Web online procurement <http://eprocurehsl.gov.in/nicgep/app>

JAPAN

The Taiwan Navigation Company (TNC) has ordered two 62,000dwt bulk carriers from Japan's Oshima Shipbuilding. | The order is worth about US\$25.5 million per vessel. The Ultramax vessels have been ordered via TNC subsidiary Tai Shing Maritime. In May this year, the company also ordered two Ultramax bulk carriers at Oshima Shipbuilding. Contact: Oshima Shipbuilding Co., Ltd., 1605-1, Oshima-cho, Saikai city, Nagasaki Prefecture 857-249, Japan. Tel. ++81 959 34 27 11. Web www.osy.co.jp/english/contact

SOUTH KOREA

Swiss-based Mediterranean Shipping Company (MSC) said it has placed an order at South Korean yard Daewoo Shipbuilding and Marine Engineering (DSME) to build eleven 22,000 TEU container ships. | Daewoo Shipbuilding said separately the order was worth US\$818 million. "A significant number of 13,000-TEU and 14,000-TEU vessels will come off-hire in the coming years and the new order is expected to effectively replace this fleet, rather than substantially increasing MSC's overall capacity,"

MSC said. MSC's decision to order 22,000-TEU container ships, which will become among the world's largest container ships based on TEU capacity, follows CMA CGM's order confirmation for up to nine 22,000-TEU ultra large container ships to be built by Chinese yards. The latest two deals have ended the low ordering activity in the container shipping sector, which has helped the sector recover from the depression it fell into in 2016. The oversupplied sector has seen almost no new orders placed over the recent period, with less than 400,000 TEU of ships in total contracted since December 2015. In a statement, Daewoo Shipbuilding said it will deliver the MSC vessels by March 15, 2020. The shipbuilder did not reveal the name of the buyer. Daewoo Shipbuilding said the deal includes an option, but did not provide further details. With the latest deal, Daewoo Shipbuilding has secured orders valued at US\$2.57 billion to build 23 ships so far this year, which is equivalent to 56.2% of its annual order target of US\$4.57 billion. Contact: Daewoo Shipbuilding & Marine Engineering, 125, Namdaemun-ro, Jung-gu, Seoul, South Korea. Tel. ++82 2 21 29 01 14. Web www.dsme.co.kr

South Korean yard Samsung Heavy Industries has won an order worth US\$983.3 million from an unnamed European shipping company to build six container vessels, which would be the biggest shipbuilding deal the Korean company has received in the past seven years. | Samsung Heavy said in a statement to the Korean stock market that it has won a deal six vessels to be delivered by the end of December, 2019, but the company did not disclose other details such as the name of the ship owner and the size of each vessels. The deal follows the order placed with rival Daewoo Shipbuilding to build five 22,000-TEU container vessels for Switzerland-based Mediterranean Shipping Company (MSC). Industry observers have also reported that Samsung Heavy Industries had also received an order for 22,000-TEU container ships from MSC. The value of the latest contract for Samsung Heavy was said to be dependent upon the owner's choice of available propulsion systems for the ships, which was yet to be decided. Daewoo's contract includes the same propulsion options as the conditions mentioned by Samsung Heavy, which might indicate the two orders are linked. To Samsung Heavy Industries, the latest deal is the largest single container-building contract in seven years when excluding offshore plant orders. Contact: Samsung Heavy Industries, Web www.samsungshi.com/Eng/etc/contact.aspx

South Korean yard Hyundai Heavy Industries has signed a US\$1.1 billion order to build ten very large ore carriers (VLOC) for Korean customer Polaris Shipping. | The ten carriers of 325,000dwt will be delivered by April 2021. The contract includes five options for repeat vessels. It is Hyundai Heavy's biggest order in the last five years. Polaris Shipping will use the VLOCs to fulfil long-term contracts of affreightment (COAs) of up to 25 years from Brazilian mining company Vale to ship metal ore exports from Brazil. Up to 30 VLOC newbuilding contracts will be generated by the COAs from Vale (New Ships 39/2017). Other shipping companies which have just received COAs from Vale include China's China Ore Shipping (Cosco), ICBC Financial Leasing and South Korea's Pan Ocean, H-Line Shipping, SK Shipping and Korea Line Corporation. Vale is said to be seeking shallow-draught VLOCs that can be converted to LNG propulsion which will meet the International Maritime Organisation's Tier III nitrogen oxide emissions requirements. Polaris Shipping said in a statement that it highly approved of Hyundai Heavy's capacity to build ships with high fuel efficiency and eco-friendly systems. The vessels also equipped with instruments that clean the ship's ballast water, which is inserted inside the ship for weight balance, scrubbers and an air pollution control device. Contact: Hyundai Heavy Industries Co Ltd, 1 Jeonha dong Dong gu, Ulsan, 682 792 South Korea. Tel. ++82-52-202-2114. Email hhiopr@hhi.co.kr Web <http://english.hhi.co.kr/contact/biz>

AMERICAS

UNITED STATES

U.S. shipbuilder Metal Shark is building more high-speed aluminium catamaran passenger vessels for New York City Ferry in New York. | Metal Shark has received orders from Hornblower, which operates the service for New York City, for four 32m-long river ferries for 350 passengers. An additional 28.5m-long, 150-passenger Subchapter T type vessel has also been ordered. All of the new vessels are currently in production at Metal Shark's Franklin, Louisiana, shipyard, with accelerated delivery timelines calling for all five vessels to complete and deliver in 2018. The vessels are designed by Incat Crowther and powered by twin twelve-cylinder, 1,400-hp Baudouin 12M26.3 diesel engines, coupled to ZF Marine ZF3050 gearboxes and turning custom five-blade Michigan Wheel propellers. These new orders represent a continuation of Metal Shark's relationship with Hornblower and NYC Ferry. In July of 2016, Metal Shark was selected to build six 28m-long, 150-passenger, Incat Crowther-designed aluminium catamaran ferries for the NYC Ferry System. Contact: Metal Shark Aluminium Boats, 6814 East Admiral Doyle Drive, Jeanerette, LA 70544, United States. Tel. ++1 337 364 07 77. Fax ++1 337 364 03 37. Email sales@metalsharkboats.com Web www.metalsharkboats.com

INSIDE REPORT

Italian shipbuilder Fincantieri will take effective control of French yard STX France under a shared ownership agreement, the office of French President Emmanuel Macron said. | France angered Italy in July by ordering a “temporary” nationalisation of STX, cancelling a deal in which Fincantieri and another Italian investor had agreed to buy 55% of the yard, based in Saint-Nazaire in western France. The new deal, which will see Fincantieri effectively holding a 51% stake in STX France, Paris and Rome will explore the creation of a Franco-Italian naval shipbuilding group, merging French naval shipyards company Naval Group (DCNS) with Fincantieri, Macron’s office said. The two countries hope outlines of that deal can be reached by June 2018, creating a pan-European naval defence champion similar to the combined rail engineering group created by the tie-up between France’s Alstom and Germany’s Siemens. France sees the creation of European champions as crucial to warding off the threat posed by industrial powers in China and the United States. Under the terms of the new STX France agreement, Fincantieri will take a 50% shareholding in STX. The French state will hold 34.34%, Naval Group 10%, STX staff 2% and STX local suppliers the rest. In order for Fincantieri to take effective control, the French state will lend it a one percent stake. Paris will have the right to demand the holding back if Fincantieri does not honour commitments on jobs, governance or intellectual property. Before Macron’s July intervention, Fincantieri had agreed in May to pay 79.5 million euros for a majority shareholding in STX France, which was being sold following the collapse of South Korean parent STX. But amid concerns about jobs and the firm’s strategic importance, Paris backtracked on that deal. An Italian Treasury source said Fincantieri had secured a better deal this time as it would now hold a 51% stake and not 48%. “Now it is possible to work on a 50-50 partnership in the civil and military ship building industry,” the source said, referring to the plans for a wider naval defence partnership. STX’s Saint-Nazaire yard is the only one big enough in France to build aircraft carriers other large warships, making it a strategic national asset. France had also feared a transfer of cruise ship construction to Italy.

South Korea plans a pilot project to build an 180,000gt liquefied natural gas (LNG)-fuelled vessel in an effort to reduce pollutants emitted from ships and promote environmentally friendly industries. | Korea’s Ministry of Oceans and Fisheries (MOF) said it will cooperate with Korean shipyards, private/public companies and financial institutions to develop LNG-powered ships of different types. In January 2017, the South Korean government took a step forward in its efforts to make the domestic maritime sector compliant with the sulphur limit introduced by the International Maritime Organisation (IMO). The Korean government, steel company POSCO, Korea Gas Corporation, Korea Development Bank, Korea Shipowners’ Association, LNG Bunkering Industrial Association and a research institute have signed a deal to start with the pilot project. “This pilot programme to build the world’s largest LNG-powered ship is an opportunity to establish the domestic LNG shipbuilding industry,” said Mr Kang Joon-suk, Deputy Minister of Oceans and Fisheries. “We will further strengthen support for LNG-powered vessels to contribute to the nation’s related industries.”

South Korean yard Samsung Heavy Industries said it has developed its own liquid natural gas (LNG) regasification system for its design of LNG floating storage and regasification unit (FSRU). | The new LNG regasification system, called S-Regas (GI), uses glycol which reduces the risk of corrosion caused by traditional methods of heating LNG directly with seawater, according to Samsung Heavy. Samsung Heavy claims that the new system will help save costs and enhance its quality management. “The new LNG regasification system improves the LNG FSRU’s safety and performance,” Samsung Heavy said. The new system should also make savings on operating costs of the LNG FSRU design.

North Korea’s government is clandestinely building a nuclear-powered submarine, according to a Japanese newspaper report, the latest move by North Korean in an escalating clash with the U.S. and its allies. | The report said the size of the nuclear-powered submarine under construction is unclear but that the Kim Jong-un regime in Pyongyang hopes to have the vessel in service within three years. If true, however, the claim could indicate a dramatic step forward for North Korea’s navy, which analysts estimate operates a fleet of 50 to 60 diesel-electric submarines that are louder and easier to detect than the nuclear-powered vessels.

Israel Shipyards in Israel has launched a new offshore patrol vessel (OPV) for the navy of Cy-

prus. | The OPV was unveiled and launched at a ceremony held at Israel Shipyards' facility at Haifa Bay in Israel. The OPV was ordered in December 2015 and will be delivered to Cyprus towards the end of the year, to be used to protect the Exclusive Economic Zone (EEZ) of Cyprus. The project is valued at tens of millions of euros. Israel Shipyards chief executive officer Mr Avi Shahaf said, "The project is of great importance for the company, and we invested our knowledge, experience and ingenuity in order to build and to supply this unique technologically advanced ship." The new OPV, based on the SAAR 4 and SAAR 4.5 ships in service with the Israel Navy, has a displacement of 430 tonnes, an overall length of 62m, a maximum speed of 32 knots and carries up to 30 crewmembers plus a special forces unit. Installed on the vessel are multiple sophisticated systems including 2 Rafael Typhoon weapon stations, advanced radar, electro-optical payloads, communications equipment including satellite links, navigation systems, command and control systems. Contact: Israel Shipyards Ltd. (ISL), P.O.B. 10630, Haifa Bay, 2611702 Israel. Tel. ++972 4 84 60 246. Fax ++972 4 84 187 44. Email marketing@israel-shipyards.com Web www.israel-shipyards.com

Japan's Imabari Shipbuilding has just opened the first new Japanese shipbuilding dock for container vessel construction in 17 years, but the yard is cautious about whether it will be able to make the most of the new facility. | With the new dock, the Imabari Shipbuilding will be able to handle construction of orders for large series of ultralarge 20,000-TEU container vessels, President Mr Yukito Higaki said. The company is finally in a place where it can compete internationally, he said. The dry dock measures 610m long, 80m wide and 11.7m deep. Three gantry cranes can together lift a single object as heavy as 1,330 tonnes. Both among the largest in Japan, the dock and cranes at the Marugame shipyard in Kagawa Prefecture cost US\$359 million. Using the new dock and existing facilities at its main Saijo shipyard in Ehime Prefecture, Imabari can now construct ten ultra large container ships stretching roughly 400m long. A growing number of shipping companies are ordering container ships in groups of 10 to 20 to save on costs. With this in mind, Higaki stressed that the addition of the new dry dock has simply put Imabari at the starting line of a race against rivals. The company decided to build the dock after winning orders from Mitsui O.S.K. Lines of Japan and Evergreen of Taiwan for 20,000-TEU container ships. The contracts require the shipbuilder to deliver 13 such vessels by 2019. But the Japanese company has no other orders to fill after that. Amid the intense competition among shipbuilders for ultra large container ship orders, Higaki said he was not so sure whether the company would be able to win new contracts for such vessels. The biggest source of the president's pessimism is what he sees as an uneven playing field in the global shipbuilding market. "It is undeniable that Chinese and South Korean shipbuilders have the upper hand over us in sales talks because of assistance from their governments," said Higaki, who said that: "It is not pure price competition."

A new report by the U.S. auditing agency the Government Accountability Office (GAO) found that the physical condition of the United States' four state-owned naval shipyards and their equipment are in poor condition. | The GAO said that the poor state of the yards previously identified in a 2013 report remained, despite the U.S. Navy committing to increasing capital investment and creating an improvement plan. The four public shipyards highlighted in the study are Norfolk Naval Shipyard, Portsmouth Naval Shipyard, the Puget Sound Naval Shipyard/Intermediate Maintenance Facility and the Pearl Harbour Naval Shipyard/Intermediate Maintenance Facility. These sites are intended to help maintain U.S. fleet readiness, as well as support various naval operations being carried out by the U.S. Navy's nuclear-powered aircraft carriers and submarines. The GAO analysed the navy data and found that the cost of delayed restoration and maintenance projects at the shipyards had grown by 41% over a period of five years to a navy-estimated US\$4.86 billion, which would require at least 19 years to finish. It also found that the average age of the shipyards' capital equipment currently surpasses the expected useful lifespan. In addition, the U.S. Navy estimates that it will fail to carry out 73 of 218 scheduled maintenance projects at the yards over the next 23 years due to lack of capacity and other deficiencies. The navy is expected to require at least US\$9 billion in capital investment over the next 12 financial years. However, this estimate does not include all expected costs, including those for planning and upgrading the shipyards' basic infrastructure.

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