

CONCLUSIONS

ORDERS DOWN BUT SAVED BY TANKERS.

The year of 2015 ended on a better note than once feared in terms of new orders but there was little to cheer as the dry bulk markets collapsed and now we have entered another uncertain period. Are we on the brink of another crash or will a deepening crisis improve? Most feel we are on the brink of another crash as the global economy remains stagnant and too much of the shipping and shipbuilding business is in the hands of government. The State however is rarely conversant in how to run commercial operations and national and company debts continue to lengthen. The ominous signs in the decline of the Chinese economy proved correct and this is having an adverse effect on the global trading situation. Private equity is also wavering but this is not really due to lack of confidence in the owners it supports but a reluctance by individual investors to put more money into ships which are no longer seen as the safe investment they once were. All this is disturbing. The outlook for 2016 is poor on current form except in tankers, cruise liners, gas carriers and car carriers.

Ironically the crisis this time will not be a financial one but one brought about by a collapse in commodity demand which has slumped alarmingly. Movements of containers, grain, steel, ore and coal all struggle against cutbacks in imports with China at the forefront. Saudi Arabia is still fighting a “war” with the US over oil production and refusing to cut OPEC member output from the current high levels leaving the world awash with oil. Iran is poised to make matters worse as it comes in from the cold now that sanctions have mainly ended. The low oil price globally is a double edged sword. It has brought cheaper operational costs through much lower bunker costs but is also crippling oil exploration projects. Some pray it will all end in 2016 but this is doubtful. The oil price needs to rise from US\$30 to US75 minimum for the offshore industry to revive. Exploration projects are being pulled or mothballed as oil companies would otherwise face crippling costs for development of oil and gas fields. A major problem facing the offshore industry is whether such highly skilled employees will return again to what was a booming industry unscarred by recession until now. Time is running out.



Stock markets for shipowner performance do not engender optimism being one reason behind lack of investor confidence. The current slump is down to lack of consumer demand rather than a shortage of cash from the banks and other financial institutions.

Indeed for the time being banks are happy to support owners as, until the middle of 2015, owners and operators were showing operating profits on their balance sheets. Shipbuilders are receiving mounting requests for deferrals of vessel deliveries in offshore and dry bulk throwing production schedules out. For tanker owners this is a blessing as they can obtain earlier deliveries for newbuildings which are in demand for all sectors of the wet trades. The big question now is how long will bank patience last? Loan covenants will come under pressure and bankers will call in their cards on many vessels.

SHIPBUILDING GETTING WORSE

For shipbuilding it is getting worse. In the tanker sector prices of vessels will rise by US\$2-3 million after implementation of stricter reduced nitrogen (NOx) tier III engines on newbuildings. This came into force at the start of 2016 but there was a subtle bending of the rules which allowed a rush of orders for installation of tier II engines in the second half of 2015. This was a major contributory factor in keeping the orderbook up. Keels were supposed to have been laid in order to qualify for tier II engines by mid 2015 but that was impossible for orders placed in 2015. Rules were relaxed however if owners could provide classification society evidence that orders were in place. Tier II engine specified vessels therefore saved between US\$2-3 million apiece depending on type and size. Tanker orders reached 489 for all types – a record in any one year – and who can argue this revival was long overdue but for market reasons hardly envisaged. (See more under tankers).

SPOTLIGHT ON CHINA

Undoubtedly the spotlight will fall on China in 2016 which still claims a 6.9% GDP but can we believe this as nobody knows how Chinese economic statistics are calculated? More bankruptcies occurred and, at this late hour, it is refreshing to see China adopting a tougher attitude to debt ridden builders. The “white list” of so called healthy yards has been welcomed but some smaller and medium builders claim bias from the government in state aid. Finding a privately owned builder in China is a big problem now and the country is now virtually a state owned shipbuilder. This is not wholly desirable in a commercially trading environment. (See more under shipbuilding).

Statistically a total of 1,760 vessels of all types were contracted in 2015 – more than most forecast but still significantly down on the respective figure of 2,463 in 2014. A drop of 701 units represented a 28.46% fall over year on year business.

Statistically the global orderbook for all types stood at 5,579 vessels aggregating 336,435,518 dwt at 16 February 2016 compared with 5,990 units totalling 355,461,551 dwt at the end of September 2015 – a fall of 6.86% over this period. Deliveries were up year on year by 60 at 1795 and 1855 respectively in 2015/2016 with 305 commissioned in 4Q 2015. The latter underlined a slowing delivery rate of 144/87/74 vessels in 4Q 2015 which is why shipbuilders are getting worried. Cancellations were also up with large numbers of orders in China for local companies rubbed off the orderbook. We have warned of this before and it has landed builders and shipowners in China in big trouble with several bankruptcies.

FIG: 2 CURRENT NEWBUILD ORDERBOOK, BY EXPECTED DELIVERY YEAR

vessel category	Total		2016	2017	2018	2019	2020	2021	2022	2023
	vessel count	DWT	no.	no.	no.	no.	no.	no.	no.	no.
Bulk Carrier	1,474	137,513,965	1,040	296	111	23	4			
Car Carrier	100	1,627,262	31	37	24	8				
Container	541	48,566,346	217	186	113	19	6			
Cruise	64	636,600	16	13	13	11	8	1	2	
Cruise Inland	12	0	3	9						
Dredger	28	50,200	18	9	1					
Dry Cargo	193	1,870,179	128	46	19					
Fast Ferry	33	3,085	22	11						
Ferry	4	0	1	3						
Fishing	36	14,300	17	14	3	2				
Gas LNG	161	12,691,525	52	50	27	23	2	2	4	1
Gas LPG	213	7,209,854	109	83	17	4				
Heavy Lift	22	446,200	10	3	9					
Luxury Yacht	95	300	64	26	4		1			
Miscellaneous	108	176,901	63	31	12	2				
Offshore AHTS	209	548,945	167	41	1					
Offshore Drill Ship	36	1,069,797	22	9	4	1				
Offshore FPSO	11	350,000	5	4	1		1			
Offshore Gas	9	731,290	3	5	1					
Offshore Miscellaneous	262	1,376,241	184	69	6	3				
Offshore Rig	148	294,271	119	23	3	3				
Offshore Supply	290	1,101,983	236	52	2					
Offshore Support	87	328,785	61	25	1					
Reefer	10	62,700	5	4	1					
RoPax	92	140,011	51	31	9	1				
RoRo Freight	3	4,000		1	2					
Tanker	1,194	119,610,098	553	433	169	31	8			
Tug	144	10,680	97	42	5					
Total	5,579	336,435,518	3,294	1,556	558	131	30	3	6	1

CONTRACTING OF SHIPS BY SHIP TYPE

BULK CARRIERS

This sector is in big crisis mainly due to the cutback in raw commodities production especially in China where at least a 10% fall in imports of raw materials has materialised. The rush to order so many very large bulk carriers has come back to haunt owners who are now cancelling vessels resulting in losses for both builder and owner. Nobody wants the ships. Any vessels nearing completion are securing 10-15% below original the original contracting price on resale offers. Having started with cape sizes the slump has spread to all sizes.

Worse still the bread and butter work horse of the industry is now enduring an ordering drought. The only light on the horizon is wide beam designs but even here orders are at a trickle. The improvement in 3Q 2015 when 81 units were added was not sustained. Only 77 materialised in 4Q 2015 and so far in 2016 there is little sign of change in the decline of the bulk carrier. The 4Q figure is somewhat distorted by 20 very large ore carriers at 400,000 dwt for Chinese owners which will be long term chartered to Vale, Brazil. Construction and ownership in China is state backed. It is not good news in the current climate. More bulk carriers in service are going into lay up as earnings of US\$4-6,000 a day cannot cover operating costs. Then again laying up vessels is not a cheap business.

Cancellations increased mainly for Chinese owners building in China. Bankruptcies of Chinese builders full up with bulk carriers did not help matters. Like a collapsing pack of playing cards orders were cancelled one after the other and it is not over yet. The ordering slump is placed into stark perspective when comparing the boom of 2015 against a poor performance in 2016.

QUARTERLY PERFORMANCE 4Q VERSUS 3Q UNITS (ALL BULK CARRIER TYPES)

77 and 81 appearing on the surface to be good but 20 x 40,000 dwt ore carriers distorted the figures and there is some doubt if they will all be built. Only 28 units were contracted in the last two months period including only 5 in December.

YEAR ON YEAR PERFORMANCE 2015 VERSUS 2014 (ALL BULK CARRIER TYPES)

This really underlines the bulk carrier slump with respective figures of 280 against 855 reflecting a 67.25% fall in business.

Market Tone: Poor due to lack of consumer demand for commodities

TANKERS

This sector continued to prove the jewel in the crown for all trading types with 2015 going down as a record year for unit contracting. Owners can be satisfied that, for the time being, the tide has turned very much in their favour. There is no reason to suggest this will change in 2016 as more owners continue to report operating profits. Trading rates are likely to be sustained at comfortable profit levels despite the low oil price. The number of orders being placed have lead times of two years or more before impacting on current trading vessels. Iran will come in from the cold with sanctions lifted but many of the ships are old and require upgrading. Already negotiations are underway in China for a series of newbuildings centred on VLCC's and products carriers. The older tankers, for the moment, are unlikely to reach the trading standards necessary for Europe but there will be plenty of business for Asia and in particular China. With such a large fleet eligible for global trading the global oil price is unlikely to rise significantly and could even fall yet further. Some say that US\$20 could yet be the benchmark. There has to be a turning point soon or the situation will do long term damage to global economies. Tankers have now witnessed two record breaking years where a combined total of 975 vessels have been ordered. One key reasoning behind the plethora of ordering in 2015 was registration of tier II engine models before more expensive tier III engines became compulsory for newbuildings to meet tougher restrictions on burning of sulphur fuel in strictly monitored emission control areas. On average tier II engines will save owners US\$2-3 million per newbuilding depending on size.

QUARTERLY PERFORMANCE 4Q VERSUS 3Q (ALL VESSEL TYPES)

Quarterly performance strengthened further with 169 units contracted against 139 respectively representing a 21.58% increase over the quarter.

YEAR ON YEAR PERFORMANCE 2015 VERSUS 2014 (ALL VESSEL TYPES)

The revival in tanker contracting business was firmly underlined by the fact that 489 units committed in 2015 just pipping 2014 which recorded 486 vessels. This was truly remarkable that almost 1,000 tankers should be ordered in the space of two years.

Market Tone: Contracting will fall after so many orders for tier II engines. However there is still room for more tier III engine ships and orders expected to remain steady for all types. Shipyards will make all efforts to gain tanker business if the bulk carrier drought continues.

CRUDE CARRIERS

Contracting has slowed but remains strong as trading outlook is very firm. There is a nice ratio between deliveries versus new orders. Effectively there was more interest in suezmax types which are running neck and neck with VLCC's on 4Q ordering performance at 15 and 19 respectively. Iran has made it clear that negotiations are already underway with China for several VLCC newbuildings so we have to wait and see the outcome of this. Most of the ordered tonnage is still attached to long lead delivery times meaning that in service vessels should enjoy another good trading year even though oil levels currently remain low and the world is awash with crude. Saudi Arabia and Russia teamed up to agree a freeze on production by the former and other OPEC countries but this will have little effect at the current time.

A production cut is needed but reluctant while the current Saudi policy appears to have been successful against US exports which have been postponed or reduced to a trickle. The crude sector actually saw a fall in business over the quarter and it must be remembered that 60 VLCC's are on order for Chinese owners which has now come to a halt. The yearly performance however is very positive.

QUARTERLY PERFORMANCE 4Q VERSUS 3Q

VLCC = 19 against 26

SUEZMAX = 15 against 23

Totals for CRUDE 34 against 49

YEAR ON YEAR PERFORMANCE 2015 VERSUS 2014

VLCC = 79 against 41

SUEZMAX = 76 against 56

Totals for CRUDE = 155 against 97 (59.79% increase)

Market Tone: VLCC's will ease but suezmaxes likely to increase.

CHEMICAL TANKERS

With the booming tanker trades for all types the specialist chemical sector has been slow to catch up but there is now quiet satisfaction over improving prospects for earnings and long term employment.

Market traders now consider there is manageable supply growth in the next two years with no excess capacity on current form. Chemical trading is not an industry for speculation and potential contracts of newbuildings seek out charters or pooling with owners and operators who are experts in the business. Liquidation issues have now more or less seen off all the troubled vessels including newbuildings which were under the control of banks or principal mortgagees. Some owners are taking the opportunity to renew their fleets as the maximum age limit now peaks at 20 years. In the second half of 2015 there was a steady stream of small and medium newbuildings most of which were fully stainless steel. Japan continues to be the main beneficiary with orders from overseas as well as domestic players.

With a strengthening economic position Japan is well placed to compete for intra Asian business and with Europe cutting back on storage capacity tonnes per mile is contributing to higher earnings on longer haul routes. The pace of Middle East petrochemical industry development is rapidly increasing with a further boost due from Iran now that sanctions have been lifted but the latter will take time to adjust. More petrochemical industry will come on stream in the USA giving further impetus.

The industry is now on a firm course for recovery. Scandinavia still dominates a large sector of the market in European trading with strong customer loyalty. A worry for potential newbuilding owners is fewer quality yards available for construction of sophisticated designs especially in the parcels sector. China's bid for more stainless steel business has met with limited success as owners have gone to Japan for such small and medium tonnage where quality and delivery on time is guaranteed.

The market will not want to see a repeat of the plethora of vessels ordered before the 2008 financial crash which destroyed the industry. Here South Korea was the main problem but with many of the shipyards having now gone bankrupt. Indeed a look at the current orderbook shows South Korean builders devoid of many chemical tanker orders so this is a good sign. Throughout 2015 there was a 50% fall in contracting indicating lessons may have been learned from the recent past.

QUARTERLY PERFORMANCE 4Q VERSUS 3Q

23 against 21

YEAR ON YEAR PERFORMANCE 2015 VERSUS 2014

60 against 118 (49.15% decrease)

Market Tone: To keep a balance between supply and demand the sharp reduction in contracting in 2015 is welcome. Expected to continue in 2016.

PRODUCTS CARRIERS

This sector remains strong but an increasing number of medium range handymax types may upset the market in due course. We do not want a rerun of the previous MR1 scenario when a plethora of ordering nearly destroyed the market. There is a different inducement this time for owners as wider beam vessels are being ordered and therefore accommodating more cargo. LR1 types of panamax size are also being contracted in steady numbers with new Panama Canal dimensions. It has been a puzzle why so many owners have not gone for this type as the hybrid between medium range and aframax LR2 types. This anomaly is now being put right. Aframaxes continue to attract new business with Japan in particular benefitting from standard designs.

QUARTERLY PERFORMANCE 4Q VERSUS 3Q

101 against 64 (57.81% INCREASE)

YEAR ON YEAR PERFORMANCE 2015 VERSUS 2014

245 against 166 (47.59% increase)

LNG CARRIERS

Contracting has slowed and there are fears that too many vessels have been ordered. In fact only three new orders were added in 4Q 2015 compared with 14 in 3Q 2015. New projects which would require newbuildings are deferred or put on hold due to the low oil price globally which is affecting financial performance of the oil majors. Year on year performance underlines this with only 34 units contracted in 2015 over as many as 70 in 2014. This is a fall of 51.42% in unit terms.

GAS LNG On Order By Expected Delivery Year, By Country of Shipbuilder

Country of Shipbuilder	2016		2017		2018		2019		2020		2021		2022		2023	
	no	cu.m.	no	cu.m.	no	cu.m.	no	cu.m.	no	cu.m.	no	cu.m.	no	cu.m.	no	cu.m.
China	16	865,500	9	850,000	3	393,000	3	174,000								
Germany			1	18,000												
Japan	7	1,134,100	8	1,337,700	8	1,384,000	1	177,000			1	178,000	3	534,000		
Korea (South)	29	4,947,646	31	5,319,800	16	2,429,600	19	3,274,400	2	340,000	1	0	1	0	1	0
Netherlands			1	5,800												
Total	52	6,947,246	50	7,531,300	27	4,206,600	23	3,625,400	2	340,000	2	178,000	4	534,000	1	0

Market Tone: Pause in contracting in 2016

LPG CARRIERS

This sector continues to grow considerably. 40 vessels were contracted in 4Q 2015 compared with 20 in 3Q 2015 showing a 50% increase. The total order backlog is now 213 vessels. Small and mid size units are now the popular choice.

GAS LPG On Order By Expected Delivery Year, By Country of Shipbuilder

Country of Shipbuilder	2016		2017		2018		2019		Total	
	no.	cu.m.	no.	cu.m.	no.	cu.m.	no.	cu.m.	no.	cu.m.
Brazil	4	22,000	2	24,000					6	46,000
China	24	662,500	12	588,000	11	466,000	2	170,000	49	1,886,500
Japan	18	491,220	19	650,668	3	172,700	2	120,200	42	1,434,788
Korea (South)	59	3,775,878	47	2,148,900	2	116,000			108	6,040,778
Netherlands	1	2,700							1	2,700
Philippines	3	115,500	3	115,500	1	38,500			7	269,500
Total	109	5,069,798	83	3,527,068	17	793,200	4	290,200	213	9,680,266

Market Tone: Very firm

CONTAINERSHIPS – FEEDER

Feeder owners have almost everything in their favour at the moment. With so many shipyards in trouble at the moment feeder owners are busy building up their fleets with secondhand and newbuildings. Owners still mainly turn to the smaller Chinese builders but this is still a risk as they feel neglected by the big state owned shipyards on the so called “white list” of financially healthy builders. Germany still maintains a strong relationship with Chinese yards and is strong in the feeder trades despite the KG debacle.

Newbuilding prices continue to fall. Chinese designers are teaming up in joint deals with established owners. This gives an assurance of security if choosing a small or medium shipyard in China. Jungerhans is one of several German owners to take full advantage having ordered many feeders here before. After a long period of consolidation of working the markets in asset play Jungerhans felt the time was right to return to newbuildings.

In just six months 97 feeders were ordered underlining the strength of optimism for this sector. Fundamentally the market is changing but supply and demand from load factors is suiting feeder trades nicely. It is interesting to note the number of feeder vessels being built in China for local owners looking to make their mark in cabotage as China seeks more self-sufficiency in serving its enormous hinterland. This does bring risks because bankruptcies are increasing in difficult economic times for China. Too many orders including feeder containerships are falling victim to bankruptcy. Time has caught up with smaller and medium Chinese builders which have taken orders for ships at or below cost to preserve employment. One of the “white list” of state owned builders – Wuzhou Ship Repairing and Building became the first government owned victim at the end of 2015 leaving in its wake nine newbuilding 2,850 teu feeders only two of which were advanced in construction. The vessels had been ordered by domestic owner Zhonggu Shipping and financed by Shanghai Guojin Shipbuilding. A number of vessels domestically financed are under the microscope in terms of viability due to the deteriorating economic conditions at the current time. This is why export business in China must be seriously examined, especially in relation of refund guarantees. It would be unfair to tarnish all builders with the same brush however for there are some fine small and medium builders making mark with proven feeder designs.

Owners are seeking maximum advantage in competition. One noticeable move is more reefer slots as this sector continues to gain ground over conventional reefers. Already down to the smallest 1,000 teu sizes provision is now allowed for a few reefer slots. For larger sizes up to 5,000 teu some owners are ordering wide beam units for more load capacity and reefer short sea movements. China dominates the feeder field in terms of construction claiming 193 vessels at 26 different shipyards aggregating 424,262 teu.

There is a feeling that China may over stretch commitments as a few of the builders are working on own account vessels in the hope of resale which has currently brought a lot insolvency problems with bulk carriers in the current bear climate. The 1,000 teu unit remains in strong demand as more 1990's units are sold for scrap. Many of the latter are becoming uncompetitive in terms of revolutionary technology driving design changes. There is also new environmental legislation which is adding more to vessel operations. Such moves help to keep a balance between supply and demand.

Feeder fortunes are dependent on a strong deep sea fleet. Feeder units have largely escaped private equity due to being at the lower end of the size range which is a blessing now that private equity is pulling funding out of certain trading sectors. So much depends on the Chinese economy as it impinges on global trade. The scale of box related trade bankruptcies continue to cause concern especially in China's own coastal industry. This has led some shipowners to seek third party management especially from Germany.

Market Tone: Firm

CONTAINERSHIPS - POST PANAMAX

The optimism in the containership sector of a year ago evaporated as 2015 turned out to be one of the worst for the box industry. There really are deep worries about the future due to the economic downturn and in particular Chinese performance. In terms of new ordering it was a busy year as owners rushed to order new ships fitted with tier II engines in advance of the deadline before new legislation kicked in on new emission control limits stipulating tier III engine upgraded models. The keel laying deadline of July 1, 2015 for tier II engines was bypassed as long as owners could prove classification documentation relating to the latest ships ordered. Shipyards are struggling for new orders in any case as the only commercially trading sector making any money is in tankers. However we are now likely to see less ordering in 2016 as a result.

An ordering drought for containerships will be no bad thing since far too many ships already in service outstrip consumer demand as the global economy shows little sign of satisfactory recovery. With the slump in dry bulk orders shipbuilders and engine builders alike welcomed the unexpected surge in containerships in 2015 when 269 new vessels were contracted dominated by Chinese construction and ownership. The total orderbook at the end of 2015 stood at 538 vessels which will eventually add 4,376,169 teu to a market which, on current form, can come nowhere operating profitably based on current consumer demand and a failing global economy. So there is a stark contrast between the dire trading markets and plethora of newbuildings. Balance between supply and demand is totally out of kilter.

Scrapping is not nearly as high as it should be but that could change in 2016 as more owners feel the chill wind of recession once more. The one bright spot is in smaller feeder sizes which are enjoying higher freight rates than vessels twice their capacity. With shipments down owners are forced to go for economy of scale and employ vessels to fit smaller load factors. Against all this the ultra large containership (ULC) continues to find its way into shipyards but there must be serious problems over profitable employment. Owners have the benefit of low newbuilding prices in real terms which is of little consolation if they hit trade losses from delivery. Low oil prices are currently assisting operating costs otherwise some owners would be in a worse position. Engine builders and related equipment manufacturers are grateful at the surge of ordering in 2015 but is it a false dawn? Delivery schedules of containerships now stretch as far ahead as 2020.

ORDERS HOLDING FIRM

So far the containerships ordered in 2015 are holding firm but earlier tonnage not yet delivered is the subject of delay or cancellation. China holds a strong orderbook but some smaller builders are now going into liquidation leaving a number of ships stranded with little hope of construction. Courts are taking a tough line in China as they seek to prune their industry and stop builders taking unprofitable business.

Whilst this unwelcome development may send out the wrong message, some overseas owners will be nurturing thoughts of employing their own vessels in Chinese cabotage and near seas trade.

On paper the last ULC's may have been ordered for a while. Statistics from BRL Data confirm that 79 of these behemoths are currently on order. China has largely been overlooked by the big liner operators due to uncertainty of delivery on time as they have never built vessels of this size. However history was made in September last year when two plus optional two 20,000 teu containerships were committed at Dalian COSCO Shipyard. They will join the COSCO fleet. The government recently introduced a scrap and build policy which qualifies owners for some state funding towards newbuilding projects. This fired the starting gun on ULC ordering in China but such vessels are likely to be only claimed by domestic majors like COSCO and CSCL for the time being. After the COSCO order China Nautic Green followed last November with China's biggest order and the world's largest containerships at 20,988 teu. Six plus optional five vessels are committed at Shanghai Waigaoqiao. The vessels will be chartered over 12 years to China Shipping Container Line (CSCL) at US\$41,000 daily. The birth of such large vessels has heralded the return of 11 and 12 cylinder engines from the two stroke majors MAN Diesel & Turbo and Wartsila Corporation. Shop tests were successfully concluded by Doosan Engine on the first MAN B&W 11G95ME-C9.5 which will power the first of six 19,160 teu containerships to be chartered by MSC with purchase options. The MSC ship will commission in March 2016. Of the 79 ULC's on order 28 will be fitted with the aforementioned engine model. Earlier ULC's now entering service were fitted with the G95's predecessor 12S90ME-C9.2 model.

The world's biggest operator Maersk expects a volume pick up in 2016 on the Asia-Europe service but this proved wishful thinking in 2015. Companies as big as Maersk though have little problem dealing with the low oil price and riding out the storm. Even here drastic cost cutting measures have been introduced including cancelling a series of optional newbuildings. Like a number of owners Maersk has been studying different sizes to cover a number trades and be less dependent on charter tonnage.

Like everyone else China's economic problems are striking at the heart of world trade. However it is interesting to record that feeder business is booming despite a downturn in box movements. Today the feeder description can fit vessels as high as 5,000 teu. More owners are also ordering mid size containerships in niche size areas of 11,000 teu and 15,000 teu. The 11,000 teu range has risen from nowhere to 42 vessels in 2015. Wartsila is exploiting demand for feeder vessels by introducing four new designs which feature exceptionally low fuel consumption. There is a concentration on ECA compliant designs and Wartsila in feeder sizes is also able to offer a complete design package including engines. Two stroke engines now dominate the smaller containerships whereas at one stage owners preferred 4 stroke models.

Owners like Maersk, MSC, Evergreen, Hamburg-Sud and CMA CGM are now investing in their own feeder ships to link up with their round the world services and offer the customer total door to door service. This brings more direct control of its fleets and eliminates dependency on feeders. Reefer trades continue to do well and this has prompted the healthy ordering of feederships to offer a few reefer slots for versatility on global trade routes.

So far in the first month of 2016 no more containerships were contracted. Hard pressed owners will be hoping for more recycling to balance out supply and demand and for the global economy to pick up as many believe we are close to another trade crisis. The welcome orders for engine manufacturers in 2015 may not repeat itself in such numbers again in the containership sector. Breaking news however indicates that CMA CGM will order six to nine 20,000 teu ULC's and some 2,600 teu feeders in 2016 when the takeover of Neptune Orient Lines is formally concluded.

REEFER SHIPS

Seven ships were ordered in a mini revival. Seatrade Groningen, one of the world's leading reefer operators ordered four plus optional three 300,000 cu.ft. units with the options likely to be exercised. This was partly in response to requests from shippers who are faced with increasingly limited choice and forced to pay more for reefer slots on containerships. Two more were added by Nordic Hamburg Shipmanagement.

CAR CARRIERS

Strong consolidation in this sector with 25 more vessels added in 4Q 2015. This compared with 17 units in the previous quarter. The orderbook attracted 62 units in 2015 giving an increase of 56% over the 2014 figure of 27 vessels.

Market Tone: Firm

MULTI-PURPOSE DRY CARGO SHIPS

Very quiet in this sector with only 6 vessels added in 4Q 2015. This compares with 13 units ordered in the previous quarter. Within 2015 41 units were contracted compared with 75 in the previous year.

Market Tone: Continuing quiet especially with the current economic downturn.

CRUISE SHIPS

Boom time for cruise liners with four big vessels ordered and two cruise exploration units contracted. Although not included in the statistics it is interesting to note that six large cruise liners were added in the early part of 2016. The order intake for cruise liners in 2015 totalled 17 which added to a record year in 2014 when 29 vessels were contracted.

Market Tone: Firm

RORO

Continues in a vibrant frame with orders driven by ropax ferries. A total of 19 were contracted in 4Q 2015 bringing to 49 the number of this type ordered in 2015. This compared with 36 firmed in 2014.

Market Tone: Firm as older freight ferries come up for renewal especially in Japan.

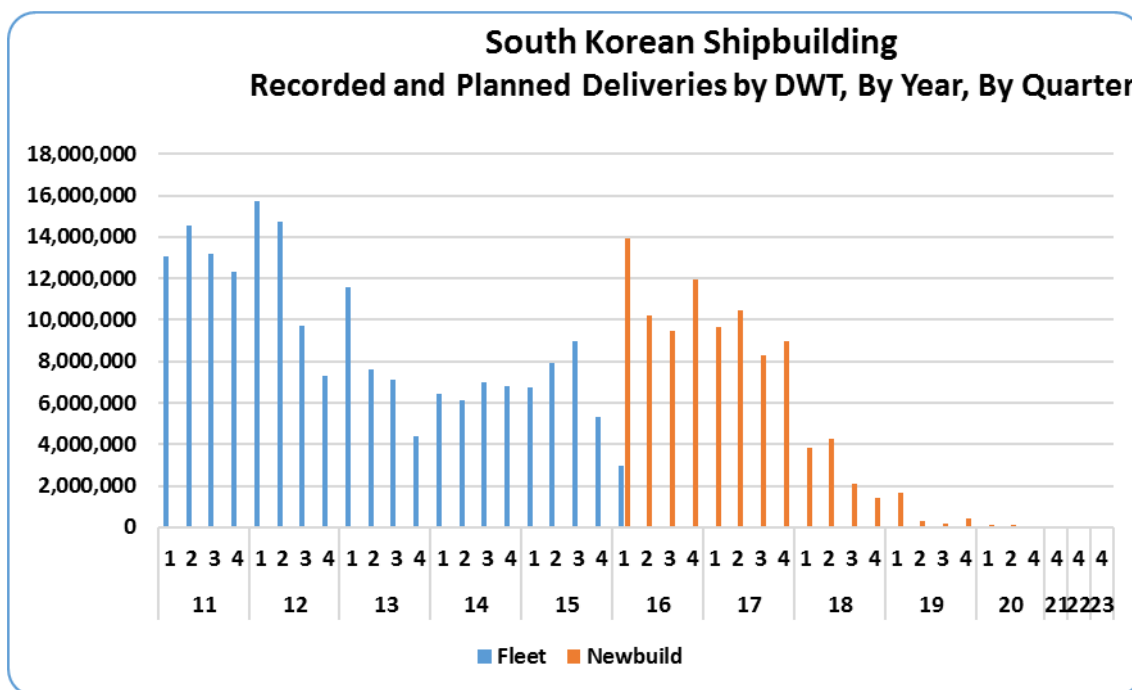
OFFSHORE

Unfortunately with the oil price dropping even lower the dismal state of the offshore sector continues to worsen. Few orders materialised and it was noticeable that more newbuildings were put back. The orderbook is still strong but it is a question of how long banks will keep patience with owners over loan covenants. Originally negotiated charters with newbuildings are now coming under the microscope as oil majors withdraw from exploration projects due to the low oil price which is damaging profits of the oil companies. Another pressing concern is how many laid off personnel will ever return to the industry if the crisis goes on much longer.

CONTRACTING OF SHIPS BY SHIPBUILDING COUNTRY

SOUTH KOREA

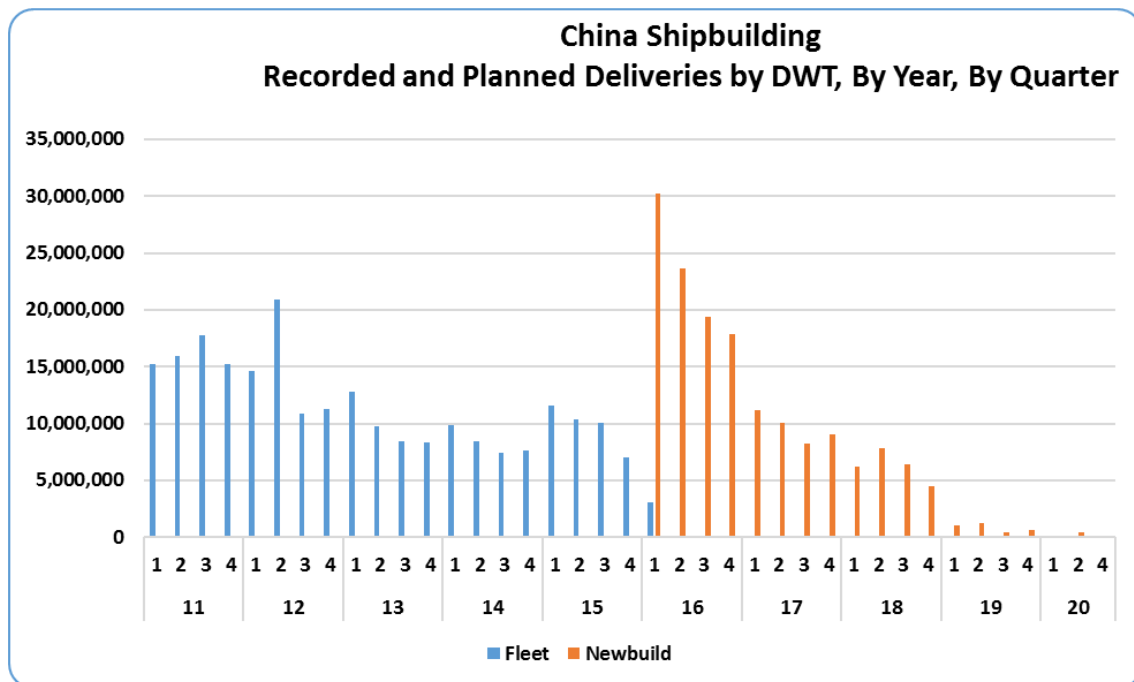
The situation for South Korean builders remains serious with huge debts tying down shipyard performance. Only Samsung of the big three is easing itself back into operating profits. The collapse of dry bulk markets hardly helps matters. Reduced demand for offshore work with the continuing low oil price has also exacerbated matters. Now the builders are expected to defer deliveries of vessels in the dry and offshore sectors due to the slump in these industries. Against this background orders for tankers have been a salvation. Joining the big three in financial trouble is SPP Shipbuilding and Sungdong Shipbuilding. There is merger talk of these two builders but this has been strongly refuted.



Altogether 325 vessels of all types were contracted in South Korea in 2015. A total of 96 vessels were added in 4Q 2015 which was up from 72 in 3Q 2015 so the downward trend was halted. STX Shipbuilding was recently allowed to start taking new business again after rehabilitation but SPP Shipbuilding is now under court protection from rising debts.

CHINA

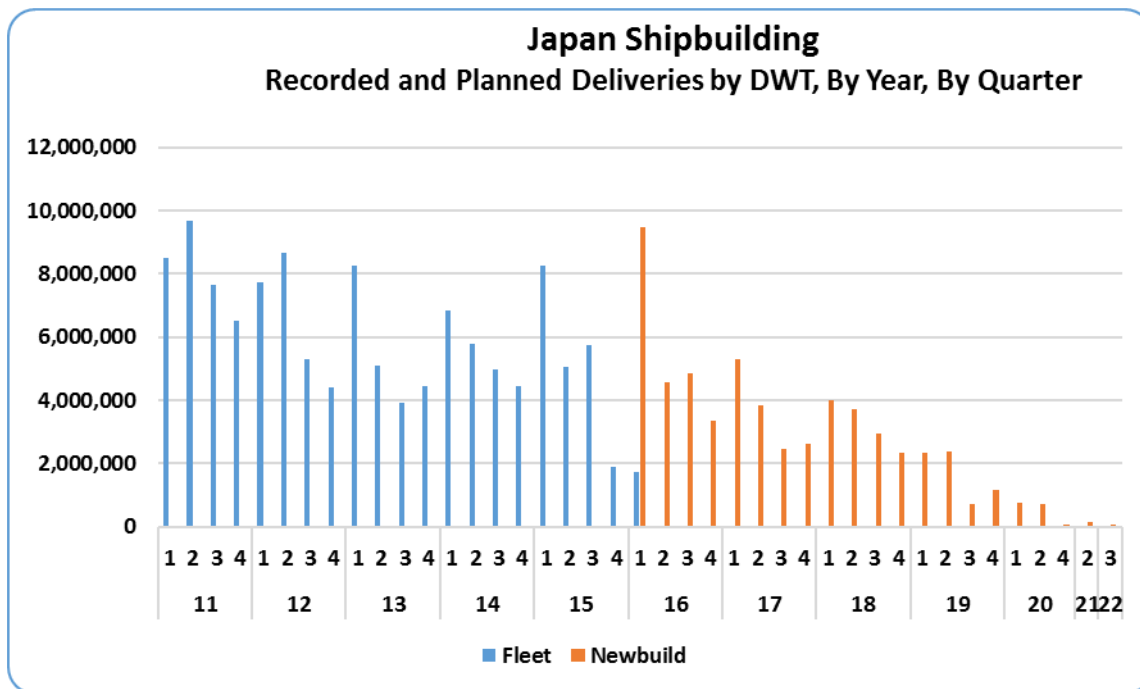
The economic downturn in China is taking its toll on shipbuilding. Domestic owners and shipbuilders continue to go bankrupt. Two more shipbuilders went bankrupt in the last quarter of 2015. An indication of the problems facing China is the fact that in unit terms Chinese builders faced a drop of order intake in 2015 to just 634 vessels. This compares with 1,060 in the whole of 2014. Statistics were not helped by bankruptcies of shipyards who were not on the “white list” of so called healthy shipbuilders. There was embarrassment for the government when “white listed” state owned builder Wuzhou Shp Repairing and Building declared bankruptcy leaving nine containerships high and dry. With these bankruptcies whole tranches of ships – mainly bulk carriers – just disappear. The drop in orders can be attributed in part to the global ordering slump but some owners are wary that ordering in China is a risk at the moment and are hedging bets.



The word in China at the moment is more consolidation in tough times through mergers. The latest for owners is between China Shipping Group and COSCO.

JAPAN

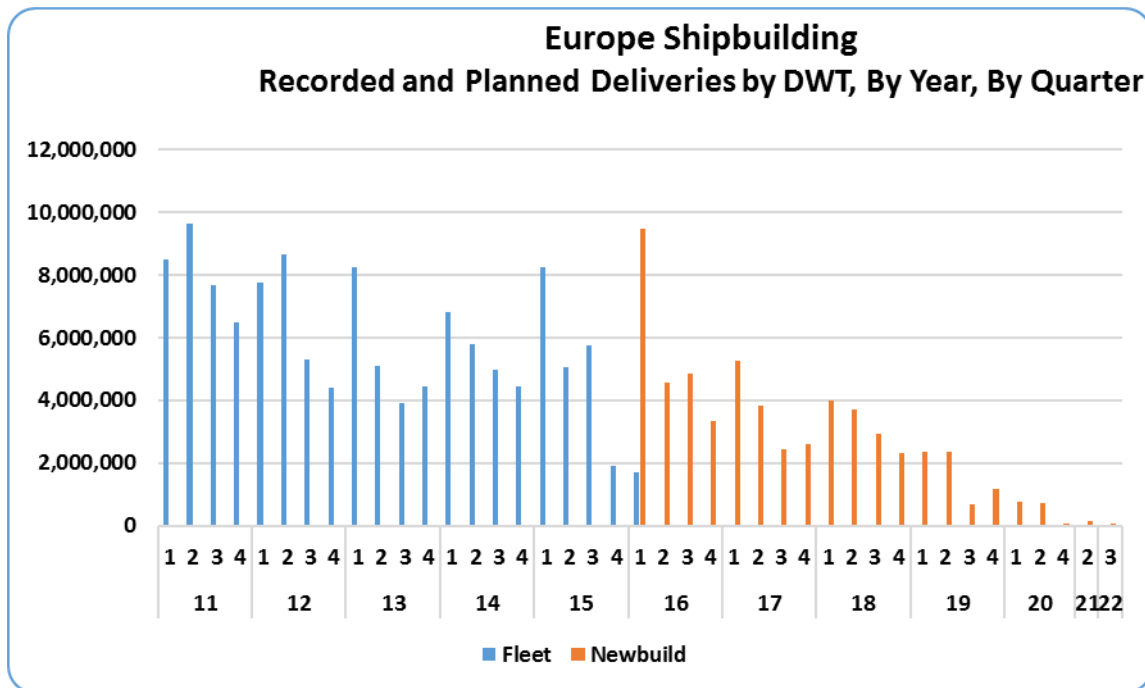
Japan continues to be the surprise package and is narrowing the gap with South Korea in terms of new contracting and its order backlog. Even here the global slump in contracting affected Japan with 339 vessels of all types booked in 2015 down from a record post financial crash figure of 474 in 2014. However this figure is probably a little higher if you take into account “hidden agenda” business booked by trading houses and sold later. Capacity is still a problem in Japan when competing with the chief rivals of South Korea and China for business but this could prove a disciplined blessing in the long run.



Japanese builders have concentrated on standard design tonnage in bulk carriers and tankers. Japan Marine United is steadily building up its VLCC portfolio and smaller yards are gaining chemical, products and gas carrier business. The resurgence of interest in fully stainless steel chemical tankers by owners has rewarded Japan with a steady flow of orders for same. The resurgence of Japan’s tanker fleets has also helped in the flow of new orders as they were cut to the bone after the financial crisis. What bulk carriers are being ordered are going to Japan for standard new Panama Canal dimensioned types from Oshima and Tsuneishi.

EUROPEAN SHIPBUILDING

The pleasing feature of 2015 was a growing increase in orders for ships going to European builders. Spain and Turkey are leading the way. In the case of Spain there is a concentration on ferries, fishing vessels and offshore. For Turkey there is a recognition of stainless steel chemical tanker expertise and gaining of big ferry orders for its own fleet and export.



Norway is being hit by the offshore slump. Orders have largely held firm at the moment but 2016 could turn out to be the “tipping point” for owners and bank mortgagees if the oil price does not rise substantially. In the meantime orders are sought from a currently booming fishing industry for large trawlers where hulls are built overseas and outfitted in Norway.

FIG: 8 SURVEY OF ORDERS BY TYPES OF SHIPS

Contracting of Ships By Year/Month and Ship Category/Ship Type									
Unit: Number of Ships In the Period (all commercial ships)									
		Year/Month of Contracting							
Ship Category/Ship Type		Data as at 4th Quarter 2015					Last 3 months		
Vessel Category	Vessel Type	2011	2012	2013	2014	2015	Oct	Nov	Dec
Bulk Carrier	Bulk Carrier	569	375	925	817	247	39	10	5
	Cement Carrier	0	3	6	9	4	0	1	0
	ContainerBulk	0	0	0	1	0	0	0	0
	Ore Carrier	10	1	14	23	20	10	10	0
	Self-Unloader	3	2	3	2	9	0	2	0
	Wood Chip	0	5	1	3	0	0	0	0
Car Carrier	Car Carrier	6	25	35	27	61	2	16	7
Container	Container	218	83	253	183	269	33	28	8
Cruise	Cruise	9	9	10	29	17	1	2	1
	Cruise Exploration	0	0	1	0	2	0	0	2
	Sail Cruise	0	0	2	0	1	0	0	0
	Sail Training Vessel	0	0	1	0	1	0	0	1
Cruise Inland	Cruise Inland	2	5	1	0	11	0	3	1
Dredger	Cutter Suction	0	1	2	1	2	0	0	0
	Dredger	2	0	1	1	2	0	0	0
	Fall-pipe	1	0	0	0	0	0	0	0
	Hopper Dredger	1	0	3	1	0	0	0	0
	Trailing/Suction/Hopper	1	1	0	9	3	0	0	0
Dry Cargo	Dry Cargo	7	5	15	15	18	0	0	0
	Multi-purpose	50	35	70	75	41	0	0	6
	Pallet Carrier	0	0	0	0	3	0	0	0
	River Sea	4	0	0	0	0	0	0	0
Fast Ferry	Fast Ferry	0	0	0	1	0	0	0	0
	Fast Ferry Catamaran	4	0	7	9	17	3	0	3
	High Speed	1	0	0	0	0	0	0	0
Ferry	Ferry	0	0	2	1	3	0	0	0
	Train Ferry	1	0	0	0	0	0	0	0
Fishing	Fish Carrier	1	3	3	1	6	0	3	1
	Purse Seiner	0	2	0	0	0	0	0	0
	Trawler	2	2	3	1	16	1	1	2
	Tuna Fishing	0	1	1	0	0	0	0	0
Gas LNG	Liquid Natural Gas	42	25	42	70	34	2	1	0
	LNG/LPG	1	2	4	4	2	0	0	0
Gas LPG	LPG Carrier	14	30	76	96	56	9	5	14
	LPG/Ammonia	0	6	3	4	4	1	0	0
Gas LPG	LPG/Ethylene Carrier	6	14	20	22	12	0	0	11

Newbuilding Market Survey – December 2015

Prepared exclusively for The Danish Export Association, Danish Marine Group

Heavy Lift	Heavy Lifting	5	3	6	10	8	0	0	0
Luxury Yacht	Luxury Yacht	2	16	22	23	34	1	3	3
Miscellaneous	Buoy Tender	0	1	0	3	0	0	0	0
	Cable Laying	0	1	3	0	3	0	0	0
	Coastguard Vessel	0	0	0	0	3	0	0	0
	Fishery Protection	0	0	0	0	2	1	0	0
	Fishery Research	0	0	1	0	7	0	5	1
	Hospital Vessel	0	0	0	1	0	0	0	0
	Icebreaker	5	3	2	0	0	0	0	0
	Landing Craft	0	0	1	1	0	0	0	0
	Livestock Carrier	4	0	0	3	3	0	0	1
	Miscellaneous	0	1	2	5	7	0	0	3
	Passenger / Cargo	2	5	2	3	0	0	0	0
	Patrol	5	12	12	10	11	0	0	11
	Training Vessel	0	0	1	2	1	0	0	0
Offshore AHTS	Anchor-Handling	89	71	102	86	63	0	0	2
Offshore Drill Ship	Drill Ship	28	20	22	6	0	0	0	0
Offshore FPSO	FPSO	4	3	4	3	0	0	0	0
Offshore Gas	Floating LNG Production	0	0	0	1	0	0	0	0
	FSRU	5	4	4	2	2	0	0	0
Offshore Miscellaneous	Accommodation	0	4	8	8	2	0	0	0
	Construction Vessel	4	13	13	8	13	2	0	0
	Crane Vessel	0	0	3	1	2	0	0	0
	Crewboat	22	30	46	73	19	0	0	2
	Diving Support	2	1	10	7	8	0	1	1
	Floating Storage Offshore	2	1	0	0	1	0	0	0
	Floating Storage Unit	0	0	1	0	0	0	0	0
	Flotel	0	1	0	0	0	0	0	0
	Liftboat	0	0	0	0	18	0	0	0
	Logistical Support	0	0	1	0	0	0	0	0
	Maintenance Support	0	2	0	0	0	0	0	0
	Mining vessel	0	0	0	1	0	0	0	0
	Oceanographic Research	0	1	1	1	2	0	0	1
	Offshore	1	1	6	5	4	0	2	0
	Offshore Fallpipe	0	0	0	1	0	0	0	0
	Offshore Liftboat	0	1	0	4	0	0	0	0
	Oil Recovery	1	0	2	9	0	0	0	0
	Pipelayer	0	4	5	3	0	0	0	0
	Polar Research	0	0	0	0	3	1	1	0
	Pollution Control	1	1	0	0	0	0	0	0
	Research	2	5	2	2	5	0	2	0
	Seismic Research	12	10	10	1	0	0	0	0
	Seismic Surveyor	1	3	1	0	0	0	0	0
	Semi-submersible Platform	0	0	0	0	2	0	0	0

Newbuilding Market Survey – December 2015

Prepared exclusively for The Danish Export Association, Danish Marine Group

	Semi-submersible/Heavy Lift	1	2	0	10	0	0	0	0
	Standby Vessel	7	0	11	2	0	0	0	0
	Subsea Maintenance	0	2	2	0	0	0	0	0
	Survey Vessel	0	0	2	0	2	0	0	0
	Utility	5	5	5	8	0	0	0	0
	Well Stimulation	0	2	1	3	0	0	0	0
	Wind Turbine Installer	1	3	1	1	1	0	0	0
	Work/Repair	4	2	1	0	0	0	0	0
Offshore Platform	Oil Platform	0	0	1	0	0	0	0	0
Offshore Rig	Drilling Rig	5	3	0	0	0	0	0	0
	Jackup Drilling Rig	42	18	54	35	11	0	0	1
	Semi-submersible Rig	2	14	5	1	1	0	0	0
Offshore Supply	Platform Supply	171	176	155	154	20	0	0	3
Offshore Support	Offshore Support	25	43	54	29	20	4	1	0
	Platform Support	1	0	0	0	0	0	0	0
Reefer	Reefer	0	3	1	1	10	2	5	0
RoPax	Ferry RoPax	5	4	7	33	44	8	6	3
	RoPax	9	17	18	3	5	0	0	2
RoRo Freight	Ferry RORO Freight	2	1	3	0	0	0	0	0
Tanker	Asphalt carrier	1	2	2	10	7	1	0	2
	Bitumen Carrier	4	2	0	4	4	0	0	2
	Bunkering	13	23	5	4	7	0	0	0
	Chemical Carrier	13	16	65	118	60	9	6	8
	Combination Carrier	0	0	1	0	3	0	0	3
	Crude Oil	13	9	27	56	76	8	4	3
	Fruit Carrier Vessel	0	2	0	0	0	0	0	0
	Parcel	0	10	0	0	0	0	0	0
	Products Carrier	114	118	288	166	245	31	31	39
	Replenishment	0	4	0	0	1	0	0	0
	Shuttle	14	5	1	15	5	0	0	0
	Tanker	0	21	5	0	2	0	0	0
	VLCC	10	24	44	41	79	1	4	14
Tug	ATB	0	0	0	4	0	0	0	0
	Harbour Tug	26	49	30	76	68	1	18	10
	Pusher	1	1	0	0	0	0	0	0
	Salvage Tug	0	1	0	4	0	0	0	0
	Tractor	14	2	0	0	4	0	0	0
	Tug	0	1	0	0	1	0	0	0
Grand Total		1,655	1,438	2,586	2,466	1,760	171	171	177

FIG: 9 SURVEY OF DELIVERIES BY TYPES OF SHIPS

Delivery of Ships By Year/Month and Ship Category/Ship Type

Unit: Number of Ships In the Period (all commercial ships)

Ship Category/Ship Type		Year/Month of Contracting							
		Data as at 4 th Quarter 2015					Last 3 months		
Vessel Category	Vessel Type	2011	2012	2013	2014	2015	Oct	Nov	Dec
	Bulk Carrier	1,056	1,060	658	541	634	56	20	22
	Cement Carrier	2	1	0	7	9	1	0	1
	ContainerBulk	1	1	0	1	1	0	1	0
	Limestone Carrier	0	0	1	1	2	0	0	0
	Ore Carrier	16	26	19	15	8	0	1	0
	Self-Unloader	1	3	6	1	0	0	0	0
Bulk Carrier	Wood Chip	1	3	10	7	1	0	0	0
Car Carrier	Car Carrier	40	35	11	23	17	0	1	0
Container	Container	182	193	198	199	204	14	11	8
Cruise	Cruise	9	12	6	5	17	1	0	0
	Cruise Exploration	0	0	0	0	1	0	0	0
	Sail Training Vessel	0	0	0	1	0	0	0	0
Cruise Inland	Cruise Inland	1	2	4	1	0	0	0	0
Dredger	Bucket Dredger	1	0	0	0	0	0	0	0
	Cutter Suction	3	1	1	0	1	0	0	0
	Dredger	1	0	1	0	1	0	0	0
	Fall-pipe	0	1	1	0	0	0	0	0
	Hopper Dredger	3	3	1	1	2	0	0	0
	Stone Dumping	1	0	0	0	0	0	0	0
	Trailing/Suction/Hopper	3	1	2	0	1	0	0	1
Dry Cargo	Dry Cargo	3	11	7	23	26	3	0	0
	Multi-purpose	155	135	76	34	30	1	1	3
	Pallet Carrier	0	1	0	0	0	0	0	0
	River Sea	15	6	11	1	0	0	0	0
Fast Ferry	Fast Ferry	0	0	0	0	1	0	0	0
	Fast Ferry Catamaran	4	2	1	5	5	1	0	0
	High Speed	1	0	0	0	0	0	0	0
Ferry	Ferry	0	0	0	0	3	0	0	1
	Train Ferry	2	0	1	0	0	0	0	0
Fishing	Fish Carrier	0	1	2	3	1	0	0	0
	Purse Seiner	0	0	0	2	0	0	0	0
	Trawler	2	3	0	2	2	0	0	1
	Tuna Fishing	0	0	0	2	0	0	0	0
Gas LNG	Liquid Natural Gas	12	4	17	26	25	0	4	1
	LNG/LPG	2	0	1	1	5	1	0	0
Gas LPG	LPG Carrier	33	25	22	27	70	7	4	4

Newbuilding Market Survey – December 2015

Prepared exclusively for The Danish Export Association, Danish Marine Group

	LPG/Ammonia	2	0	2	3	2	1	0	0
Gas LPG	LPG/Ethylene Carrier	2	6	15	15	10	1	2	0
Heavy Lift	Heavy Lifting	10	7	1	6	4	0	0	0
Luxury Yacht	Luxury Yacht	1	2	0	1	1	1	0	0
Miscellaneous	Buoy Laying	1	1	0	0	0	0	0	0
	Buoy Tender	0	0	0	0	1	0	0	0
	Cable Laying	0	1	0	3	0	0	0	0
	Fishery Research	0	1	0	0	0	0	0	0
	Icebreaker	0	0	0	1	2	0	0	1
	Landing Craft	0	0	0	1	1	0	0	0
	Livestock Carrier	0	0	2	2	0	0	0	0
	Miscellaneous	1	0	0	1	0	0	0	0
	Nuclear Fuel Vessel	1	0	0	0	0	0	0	0
	Passenger / Cargo	1	0	0	8	4	0	0	0
	Patrol	2	3	2	0	2	0	0	0
	Pilot Tender	2	3	1	1	0	0	0	0
	Training Vessel	0	0	0	0	2	0	0	0
Offshore AHTS	Anchor-Handling	151	113	120	67	79	4	6	5
Offshore Drill Ship	Drill Ship	10	5	11	22	12	0	0	1
Offshore FPSO	FPSO	0	1	0	1	3	0	0	1
Offshore Gas	FSRU	0	0	0	7	2	0	1	0
Offshore Miscellaneous	Accommodation	0	1	1	1	1	0	0	0
	Construction Vessel	7	5	7	11	6	0	1	0
	Crane Vessel	2	1	0	1	2	0	0	0
	Crewboat	18	35	39	52	76	8	4	0
	Diving Support	9	2	5	7	4	0	1	0
	Floating Storage Offshore	0	0	1	1	0	0	0	0
	Floating Storage Unit	0	0	0	0	1	0	0	0
	Flotel	1	0	0	1	0	0	0	0
	Geological Research Vessel	0	0	0	1	0	0	0	0
	Geophysical Survey	1	0	0	0	0	0	0	0
	Oceanographic Research	0	0	1	0	2	0	0	0
	Offshore	0	0	1	2	1	0	0	0
	Offshore Fallpipe	1	0	0	0	0	0	0	0
	Offshore Liftboat	0	0	0	1	0	0	0	0
	Pipelayer	2	1	1	5	4	1	0	0
	Pollution Control	0	0	1	2	0	0	0	0
	Rescue Vessel	1	0	0	0	0	0	0	0
	Research	0	2	4	4	6	0	0	0
	Seismic Research	5	4	4	4	7	0	0	0
	Seismic Surveyor	3	0	2	3	2	0	0	1
	Semi-submersible/Heavy Lift	3	2	2	1	1	0	0	0
	Standby Vessel	3	11	2	7	12	2	0	0
	Subsea Maintenance	1	0	1	2	0	0	0	0

Newbuilding Market Survey – December 2015

Prepared exclusively for The Danish Export Association, Danish Marine Group

	Survey Vessel	1	0	0	1	2	0	0	0
	Utility	7	6	1	5	11	1	1	0
	Well Stimulation	3	4	1	2	1	0	0	0
	Wind Farm Jack-up	0	0	0	1	0	0	0	0
	Wind Turbine Installer	2	5	0	0	0	0	0	0
	Work/Repair	2	5	6	1	0	0	0	0
Offshore Platform	Oil Platform	0	0	0	1	0	0	0	0
Offshore Rig	Drilling Rig	1	0	4	1	1	0	0	1
	Jackup Drilling Rig	3	2	23	22	1	0	0	0
	Semi-submersible Rig	2	2	0	0	2	0	1	0
Offshore Supply	Platform Supply	107	111	166	214	128	8	10	6
Offshore Support	Offshore Support	20	30	41	45	32	2	2	0
	Platform Support	0	0	1	0	0	0	0	0
Reefer	Reefer	2	0	3	1	1	1	0	0
RoPax	Ferry RoPax	0	0	5	9	11	1	0	0
	RoPax	19	24	15	11	10	2	0	0
RoRo Freight	Ferry RORO Freight	22	19	4	3	4	1	0	0
Tanker	Asphalt carrier	1	4	1	3	4	0	1	1
	Bitumen Carrier	5	6	7	2	1	0	0	0
	Bunkering	4	7	24	22	7	2	0	0
	Chemical Carrier	70	37	22	21	46	4	0	3
	Combination Carrier	2	0	0	0	1	0	0	0
	Crude Oil	76	66	24	10	17	0	0	2
	Fruit Carrier Vessel	1	0	0	2	0	0	0	0
	Parcel	1	0	0	1	3	1	0	0
	Products Carrier	144	143	114	160	185	13	14	5
	Replenishment	0	1	0	1	0	0	0	0
	Shuttle	6	8	12	2	3	0	0	0
	Tanker	21	7	4	0	1	0	0	0
	VLCC	65	37	31	19	21	3	1	1
Tug	Harbour Tug	31	21	12	52	45	2	0	4
	Pusher	0	1	1	0	0	0	0	0
	Salvage Tug	1	0	0	1	1	1	0	0
	Tractor	0	1	10	6	0	0	0	0
Tug	Tug	4	3	2	4	0	0	0	0
Grand Total		2,415	2,287	1,817	1,797	1,856	145	88	74

FIG: 10 SURVEY OF SHIPYARDS' ORDER INTAKE

Contracting of Ships By Year/Month and Region/Shipbuilder									
Unit: Number of Ships In the Period (all commercial ships)									
		Year/Month of Contracting							
Region/Shipbuilder		Data as at 4 th Quarter 2015					Last 3 months		
Vessel Category	Vessel Type	2011	2012	2013	2014	2015	Oct	Nov	Dec
Africa	South Africa	0	1	1	10	0	0	0	0
Asia	Bangladesh	12	1	2	6	11	0	0	0
	India	10	14	13	0	13	0	2	0
	Indonesia	4	15	22	3	4	0	0	0
	Kazakhstan	0	1	0	0	0	0	0	0
	Malaysia	10	10	17	13	14	0	0	6
	Pakistan	0	0	0	0	1	0	0	0
	Singapore	48	37	48	60	16	0	4	4
	Sri Lanka	6	0	0	6	2	0	0	2
	Australasia	Australia	8	2	1	4	13	9	0
New Zealand		0	0	1	0	0	0	0	0
Central America	Mexico	0	0	1	4	6	0	0	6
Europe	Croatia	3	2	15	17	15	0	3	1
	Denmark	1	0	1	1	5	1	1	0
	Estonia	2	1	0	0	0	0	0	0
	Finland	6	2	3	6	4	0	0	0
	France	1	3	3	6	5	2	1	0
	Germany	10	16	13	21	13	1	4	0
	Italy	9	13	17	20	21	0	1	3
	Latvia	1	0	0	0	0	0	0	0
	Lithuania	0	1	0	0	1	0	0	0
	Netherlands	23	17	49	73	41	1	4	0
	Norway	41	53	24	38	22	2	5	4
	Poland	5	17	10	10	0	0	0	0
	Romania	11	25	19	13	11	1	1	2
	Russian Federation	35	12	29	14	27	0	0	4
	Spain	22	11	11	11	28	1	0	5
Turkey	11	16	22	32	51	1	1	3	
Ukraine	3	0	0	0	2	0	0	0	
United Kingdom	3	2	0	10	12	4	1	0	
Far East	China	614	488	1,120	1,060	634	66	86	64
	Hong Kong	2	2	5	3	0	0	0	0
	Japan	261	286	364	474	339	29	10	32
	Korea (South)	346	231	529	359	325	37	33	26
	Philippines	13	13	65	34	30	7	0	0

Newbuilding Market Survey – December 2015

Prepared exclusively for The Danish Export Association, Danish Marine Group

	Taiwan	5	2	22	14	12	0	0	0
	Vietnam	12	13	33	39	20	5	0	2
Middle East	Azerbaijan	0	0	0	4	0	0	0	0
	Egypt	0	0	2	0	4	0	0	0
	Iran	0	1	0	0	0	0	0	0
	Saudi Arabia	1	0	0	0	0	0	0	0
	United Arab Emirates	17	15	21	25	6	0	0	0
North America	Canada	0	1	2	2	4	0	0	0
	USA	65	49	74	39	34	0	14	7
South America	Argentina	0	0	0	0	4	4	0	0
	Brazil	32	64	27	29	8	0	0	4
	Chile	2	0	0	4	2	0	0	0
Undisclosed	Undisclosed	0	1	0	2	0	0	0	0
Grand Total		1,655	1,438	2,586	2,466	1,760	171	171	177

FIG: 11 SURVEY OF SHIPYARDS' DELIVERIES

Delivery of Ships By Year/Month and Region/Shipbuilder Country

Unit: Number of Ships In the Period (all commercial ships)

		Year/Month of Delivery							
Region/Shipbuilder Country		Data as at 4 th Quarter 2015					Last 3 months		
Vessel Category	Vessel Type	2011	2012	2013	2014	2015	Oct	Nov	Dec
Asia	Bangladesh	4	4	5	2	4	0	0	0
	India	26	24	16	16	6	0	0	0
	Indonesia	13	18	31	48	16	0	0	1
	Malaysia	30	20	15	18	13	3	0	1
	Singapore	42	38	70	67	46	4	7	0
	Sri Lanka	2	3	4	3	2	0	0	1
Australasia	Australia	3	3	1	3	4	0	1	0
	New Zealand	0	0	0	1	0	0	0	0
Central America	Mexico	0	0	0	0	2	1	0	1
Europe	Bulgaria	4	1	0	0	0	0	0	0
	Croatia	13	10	5	4	4	0	0	0
	Denmark	5	5	1	0	0	0	0	0
	Estonia	2	0	2	0	0	0	0	0
	Finland	0	5	4	2	3	0	0	1
	France	1	2	2	0	2	0	0	0
	Germany	26	29	14	16	19	3	0	1
	Italy	10	7	7	5	6	0	0	0
	Lithuania	0	2	0	0	0	0	0	0
	Netherlands	25	31	18	40	41	0	2	3
	Norway	36	40	43	41	25	1	1	0
	Poland	6	9	11	7	2	0	1	0
	Romania	13	12	12	17	17	0	0	2
	Russian Federation	10	17	15	12	6	1	0	0
	Slovakia	1	2	0	0	0	0	0	0
Spain	18	15	22	16	7	2	0	0	
Turkey	26	12	14	15	30	0	0	2	
Ukraine	0	0	3	0	0	0	0	0	
United Kingdom	0	2	3	1	2	0	0	0	
Far East	China	1,036	975	699	608	691	61	28	36
	Hong Kong	10	5	2	3	2	0	0	0
	Japan	403	401	314	334	379	29	9	5
	Korea (South)	516	444	350	320	339	22	29	11
	Philippines	25	35	20	38	39	2	2	2
	Taiwan	14	16	8	13	17	2	0	1
	Thailand	2	3	1	0	0	0	0	0
Vietnam	33	29	20	26	35	3	3	0	

Newbuilding Market Survey – December 2015

Prepared exclusively for The Danish Export Association, Danish Marine Group

Middle East	Egypt	0	0	1	0	0	0	0	0
	Iran	0	1	0	0	1	0	0	0
	Israel	0	0	1	0	0	0	0	0
	Saudi Arabia	1	5	2	0	0	0	0	0
	United Arab Emirates	7	6	16	21	17	0	2	0
North America	Canada	0	0	0	1	0	0	0	0
	USA	27	35	44	62	50	7	2	3
South America	Brazil	21	19	21	32	19	1	1	2
	Chile	1	0	0	1	5	1	0	1
Undisclosed	Undisclosed	3	2	0	2	4	2	0	0
Grand Total		2,415	2,287	1,817	1,797	1,857	145	88	74

FIG: 12 SURVEY OF SHIPOWNERS' ORDERING

Contracting of Ships By Year/Month and Region/Shipowner Country									
Unit: Number of Ships In the Period (all commercial ships)									
		Year/Month of Contracting							
Region/Shipowner Country		Data as at 4 th Quarter 2015					Last 3 months		
Owner Region	Owner Country	2011	2012	2013	2014	2015	Oct	Nov	Dec
Africa	Algeria	0	0	0	0	1	0	0	0
	Angola	1	0	0	2	0	0	0	0
	Cape Verde	2	1	0	2	0	0	0	0
	Chad	0	1	0	0	0	0	0	0
	Ethiopia	9	0	0	0	0	0	0	0
	Libya	0	1	0	0	0	0	0	0
	Madagascar	0	0	1	0	0	0	0	0
	Mauritius	0	2	1	0	0	0	0	0
	Niger	0	0	1	0	0	0	0	0
	Nigeria	0	5	15	18	5	0	0	0
	Reunion	1	0	1	0	0	0	0	0
	Saint Helena	3	0	2	0	0	0	0	0
	South Africa	3	1	9	14	0	0	0	0
	Tanzania	0	0	3	0	0	0	0	0
	Uganda	0	0	0	0	1	0	0	0
Asia	Bangladesh	12	3	1	5	6	6	0	0
	Brunei Darussalam	0	1	1	0	0	0	0	0
	India	9	9	11	9	33	1	2	0
	Indonesia	15	13	21	15	3	0	0	1
	Jordan	8	3	0	0	0	0	0	0
	Kazakhstan	0	1	1	0	0	0	0	0
	Malaysia	39	28	41	38	12	1	0	6
	Myanmar	0	2	0	0	0	0	0	0
	Pakistan	0	0	9	0	1	0	0	0
	Singapore	141	100	267	239	108	17	9	8
	Sri Lanka	1	0	0	5	0	0	0	0
	Turkmenistan	0	1	2	0	0	0	0	0
Atlantic Islands	Bermuda	9	8	36	21	6	0	0	4
	Australia	23	8	1	16	13	6	2	3
	Australian Antarctic Territory	1	0	1	0	0	0	0	0
	New Zealand	0	0	2	3	1	0	0	0
Australasia	Papua New Guinea	0	5	1	0	0	0	0	0
Caribbean	Bahamas	2	1	1	0	0	0	0	0
	Caribbean	2	0	1	0	0	0	0	0
	Trinidad and Tobago	0	0	2	1	0	0	0	0
	Virgin Islands (British)	0	0	0	2	0	0	0	0
Central America	Mexico	5	14	19	19	12	1	0	6
	Panama	15	0	0	0	0	0	0	0
Europe	Belgium	2	7	14	14	12	0	0	0
	Bulgaria	0	0	0	4	2	0	0	0
	Croatia	0	1	17	11	6	0	2	4
	Cyprus	1	7	5	7	3	0	0	0
	Denmark	41	23	46	71	70	9	5	9
	Eastern Europe	0	0	2	0	0	0	0	0

Newbuilding Market Survey – December 2015

Prepared exclusively for The Danish Export Association, Danish Marine Group

	Estonia	0	1	0	5	1	0	0	0
	Faroese	1	5	0	0	0	0	0	0
	Finland	4	0	2	2	5	0	2	0
	Finland	1	1	0	0	0	0	0	0
	France	36	40	20	9	16	2	1	1
	Germany	59	40	113	125	78	8	18	11
	Greece	161	61	284	210	197	28	15	19
	Greenland	0	0	5	0	0	0	0	0
	Iceland	2	1	2	1	5	0	0	0
	Ireland	10	1	10	4	9	0	0	0
	Isle Of Man	0	0	2	0	0	0	0	0
	Italy	7	27	34	15	34	0	1	9
	Lithuania	0	1	0	0	0	0	0	0
	Luxembourg	2	0	0	0	0	0	0	0
	Malta	0	0	0	3	0	0	0	0
	Monaco	13	19	118	35	30	0	6	0
	Montenegro	2	0	0	0	0	0	0	0
	Netherlands	33	33	55	62	29	6	6	0
	Norway	107	122	148	132	55	1	5	4
	Poland	1	0	4	13	1	0	0	0
	Portugal	0	0	0	5	0	0	0	0
	Romania	1	1	0	0	0	0	0	0
	Russian Federation	45	18	35	31	31	0	0	4
	Spain	1	4	5	4	12	0	0	2
	Sweden	4	15	6	7	12	0	8	0
	Switzerland	13	15	20	33	9	3	1	0
	Turkey	37	13	28	26	23	0	2	2
	Ukraine	2	4	0	0	0	0	0	0
	United Kingdom	52	59	85	87	48	7	4	4
Far East	China	143	127	244	303	211	24	32	17
	Hong Kong	36	15	67	64	51	2	2	2
	Japan	173	155	131	225	192	18	6	20
	Korea (South)	62	37	104	62	61	0	18	4
	Philippines	3	1	3	3	5	0	0	0
	Taiwan	29	31	68	43	37	1	0	1
	Thailand	0	0	1	0	0	0	0	0
	Thailand	7	3	10	20	7	0	3	0
	Vietnam	1	0	3	2	6	0	0	2
Middle East	Azerbaijan	2	1	1	3	3	0	0	0
	Bahrain	1	0	0	0	0	0	0	0
	Egypt	3	1	4	1	6	0	0	0
	Fujairah	1	1	1	0	0	0	0	0
	Iran	0	1	0	0	0	0	0	0
	Iraq	3	0	2	0	0	0	0	0
	Israel	5	6	5	6	4	2	0	0
	Kuwait	0	33	14	7	2	0	0	1
	Oman	0	4	1	0	0	0	0	0
	Qatar	1	0	1	0	0	0	0	0
	Qatar	4	5	12	2	0	0	0	0
	Saudi Arabia	10	11	1	6	15	0	1	4
	United Arab Emirates	15	15	65	49	23	2	0	0
North America	Canada	7	0	2	0	0	0	0	0

Newbuilding Market Survey – December 2015

Prepared exclusively for The Danish Export Association, Danish Marine Group

	Canada	30	24	37	21	21	0	2	0
	USA	115	123	166	157	56	2	15	8
Pacific Islands	New Caledonia	1	0	0	0	1	0	0	1
	Tuvalu	0	0	0	1	0	0	0	0
South America	Argentina	0	0	0	0	4	0	0	1
	Brazil	38	59	22	30	8	0	0	0
	Chile	2	2	8	7	1	0	0	0
	Colombia	1	3	0	0	0	0	0	0
	Curaçao	2	1	4	0	0	0	0	0
	Falkland Island	0	2	2	0	0	0	0	0
	Peru	0	0	5	0	1	0	0	0
	South America	1	0	0	0	0	0	0	0
	Uruguay	0	0	1	0	1	0	0	0
	Venezuela	3	0	1	9	0	0	0	0
Undisclosed	Undisclosed	17	48	89	117	154	24	3	19
Grand Total		1,655	1,436	2,586	2,463	1,760	171	171	177

FIG: 13 CONTAINERSHIPS ON ORDER 10,000 TEU AND ABOVE – FEBRUARY 2016				
Country of Shipbuilder	Shipbuilder	Shipowner	No.	Total Teu
China	China Shpg. Ind.Corp.	China Shpg. Group	2	20,000
	Dalian COSCO Shipyard	COSCO	2	38,000
	Dalian Shipbuilding Industry	COSCO	2	38,000
	Jiangnan Changxing	China Shpg. Container	8	108,000
		COSCO	5	72,500
	Jiangsu New Yangzijiang	Cardiff Marine Inc.	2	22,000
		Pacific Int. Lines	12	141,600
	Jiangsu Yangzi Xinfu	Seaspan International	6	60,000
	Jinhai H.I.	SinOceanic Shipping	5	56,000
	Nantong COSCO KHI	COSCO	3	57,000
Shanghai Waigaoqiao	China Nautic Green	6	125,928	
	COSCO	4	76,000	
	Oceanbulk Maritime	6	66,000	
China Total			63	881,028
Japan	Imabari	Doun Kisen	5	102,500
		Kawasaki Kisen	5	69,350
		Kyosei Kisen	3	61,500
		Mitsui Soko	1	20,500
		Shoei Kisen Kaisha	16	268,000
		Undisclosed	5	102,500
	Japan Marine United	N.Y.K. Line	10	140,000
Japanese	Sumitomo Corp.	7	98,000	
Japan Total			52	862,350
Korea (South)	Daewoo	China Bank of Communications	2	38,000
		Minsheng Financial Leasing	3	57,000
		Moller, A. P.	11	215,930
		Zodiac Maritime	5	50,000
	Hyundai	China Shpg. Container	2	36,800
		CMA CGM	6	84,000
		Moller, A. P.	9	126,000
		United Arab Shipping	1	18,800
	Hyundai Samho	Hapag-Lloyd	5	52,500
		Moller, A. P.	8	122,400
		United Arab Shipping	6	87,000
	Samsung	CMA CGM	1	16,000
		Costamare Shpg. Co.	5	72,000
		Mitsui O.S.K.	4	80,400
		OOCL	6	126,600
		Quantum Scorpio Box	6	115,200
	STX Shipbuilding	Zim Integrated Shpg.	1	12,600
Eastern Pacific Shipping Pte		1	16,000	
	Zodiac Maritime	1	16,000	
Korea (South) Total			83	1,343,230
Philippines	Hanjin Subic Bay	CMA CGM	3	61,800
		Costamare Shpg. Co.	6	66,060
		Greater China Intermodal	2	22,020
		MSC	4	44,040
		Oceanbulk Maritime	2	22,020
		Seaspan International	3	33,030
Philippines Total			20	248,970
Taiwan	China Sb. Corp.	Seaspan International	5	69,000
Taiwan Total			5	69,000
Grand Total			223	3,404,578

FIG: 14 DEMOLITION SALES DURING 2015

Demolition Sales during 2015 by vessel type

vessel type	no	dwt
Anchor-Handling	2	2,600
Bulk Carrier	199	17,165,268
Car Carrier	4	59,344
Chemical Carrier	6	168,816
Combination Carrier	1	83,155
Container	36	1,369,489
ContainerBulk	2	78,908
Crude Oil	13	1,782,770
Dredger	1	8,900
Dry Cargo	24	294,208
Ferry RORO Freight	3	13,741
Fruit Tanker	1	15,350
Liquid Natural Gas	2	82,740
LPG Carrier	6	38,363
LPG/Ethylene Carrier	4	34,506
Ore Carrier	2	509,589
Platform Supply	2	2,282
Products Carrier	16	505,943
Reefer	2	24,869
Replenishment	1	28,246
RoLo	1	17,566
RoPax	6	13,032
Self Unloader	2	105,731
Swops	1	79,608
Grand Total	337	22,485,024

FIG: 15 CONTRACTING OF SHIPS, BY VESSEL CATEGORY

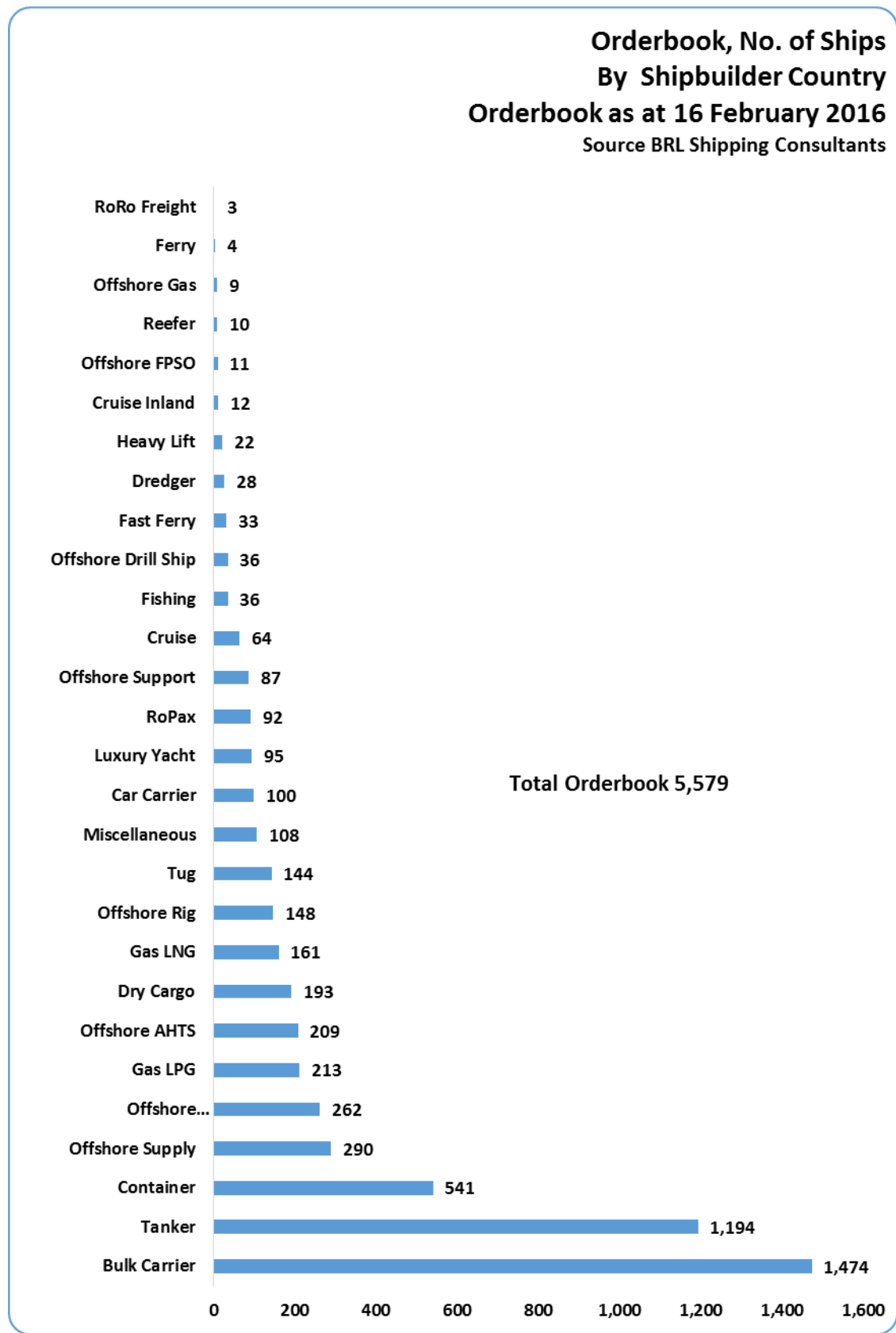


FIG: 16 CONTRACTING OF SHIPS, BY SHIPOWNER COUNTRY

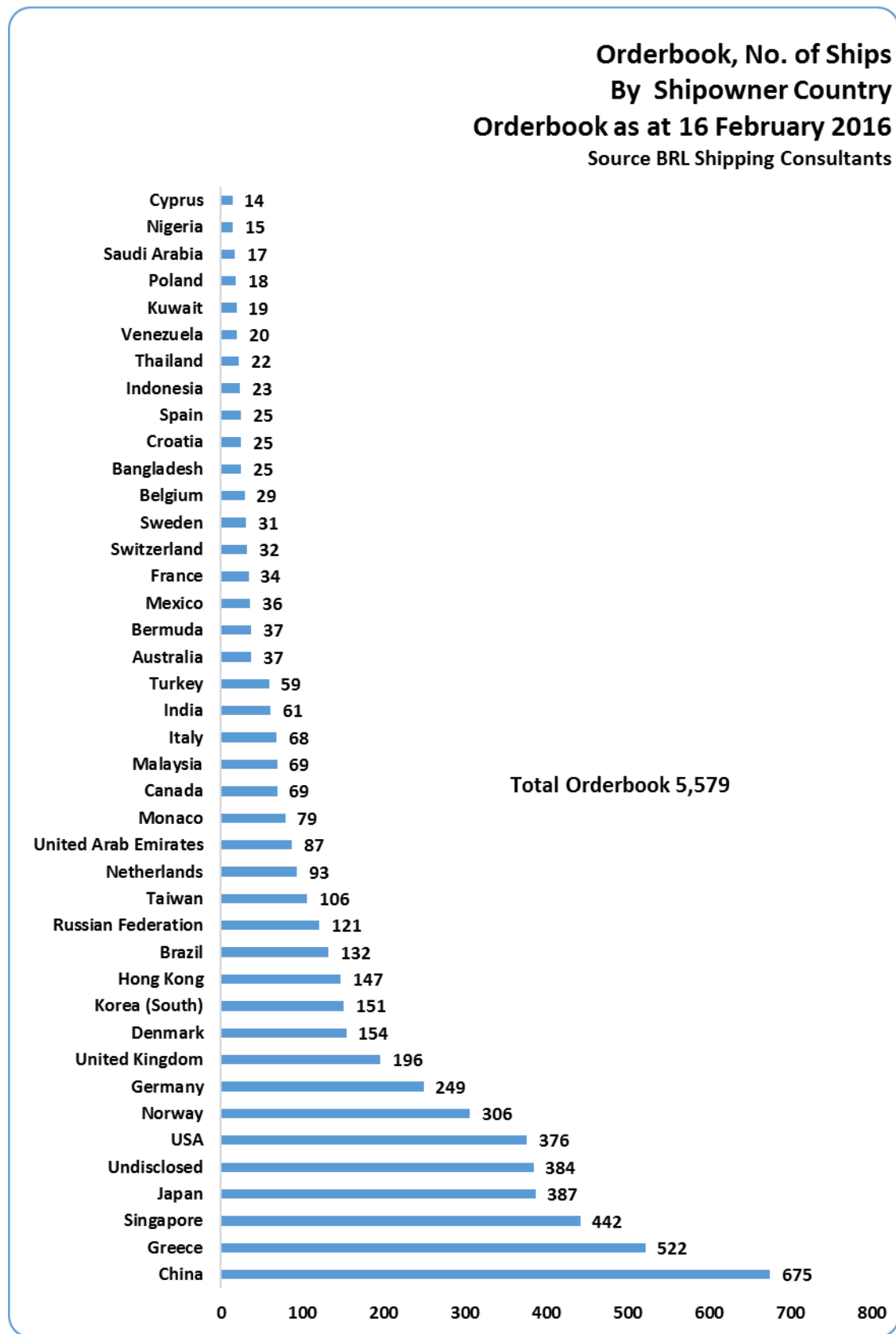


FIG: 17 CONTRACTING OF SHIPS, BY SHIPBUILDER COUNTRY



CONTENTS

CONCLUSIONS.....	1
FIG: 2 CURRENT NEWBUILD ORDERBOOK, BY EXPECTED DELIVERY YEAR	3
CONTRACTING OF SHIPS BY SHIP TYPE.....	4
BULK CARRIERS	4
TANKERS	5
CRUDE CARRIERS	5
CHEMICAL TANKERS	6
PRODUCTS CARRIERS	7
LNG CARRIERS.....	8
LPG CARRIERS	8
CONTAINERSHIPS – FEEDER	9
CONTAINERSHIPS - POST PANAMAX	10
REEFER SHIPS.....	12
CAR CARRIERS.....	12
MULTI-PURPOSE DRY CARGO SHIPS.....	12
CRUISE SHIPS	12
RORO	12
OFFSHORE.....	13
CONTRACTING OF SHIPS BY SHIPBUILDING COUNTRY	14
SOUTH KOREA	14
CHINA.....	15
JAPAN	16
EUROPEAN SHIPBUILDING	17
FIG: 8 SURVEY OF ORDERS BY TYPES OF SHIPS	18
FIG: 9 SURVEY OF DELIVERIES BY TYPES OF SHIPS	21
FIG: 10 SURVEY OF SHIPYARDS’ ORDER INTAKE	24
FIG: 11 SURVEY OF SHIPYARDS’ DELIVERIES	26
FIG: 12 SURVEY OF SHIOWNERS’ ORDERING.....	28
FIG: 13 CONTAINERSHIPS ON ORDER 10,000 TEU AND ABOVE – FEBRUARY 2016	31
FIG: 14 DEMOLITION SALES DURING 2015	32
FIG: 15 CONTRACTING OF SHIPS, BY VESSEL CATEGORY.....	33
FIG: 16 CONTRACTING OF SHIPS, BY SHIOWNER COUNTRY	34
FIG: 17 CONTRACTING OF SHIPS, BY SHIPBUILDER COUNTRY.....	35
CONTENTS.....	36