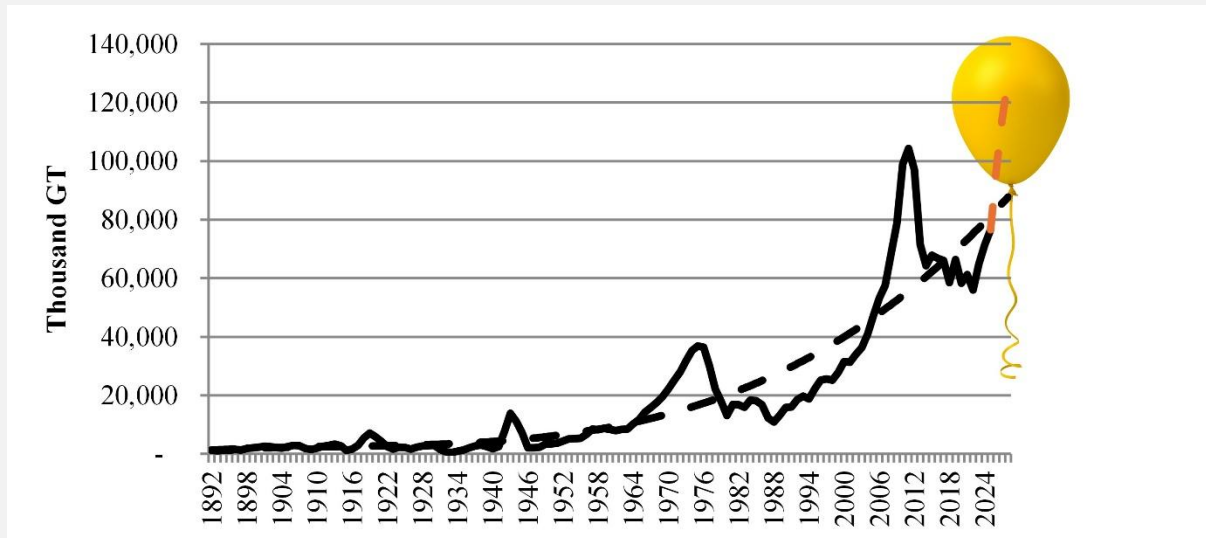


Is this a bubble?

Dr Paul Stott, Strategic Maritime (UK), 11th October 2026



Hello and thanks to those following.

I am trying to stay focussed on my series of blogs looking for a disruption in shipbuilding – the next of which I will post on 13th October and all of which can be found at www.strategicmaritime.co.uk. This is by way of an extra blog for this week on something slightly different but related.

The next meeting of the OECD shipbuilding working group is in a couple of weeks and there is a thought that I would like to share in advance of that (I will not be there in Paris) in relation to the global commercial market situation. I presented my view of the state of the market at the previous OECD meeting in April and more recently to SMI in London (both of which are available on my web site). In the more recent presentation I talked about my surprise at the pace of increase in ordering and at the level of share taken by China – and the need for substantial expansion of both fixed and human capital to facilitate China's ambitions.

What I am wondering is – *could the current situation turn out to be a bubble?* We have seen this before, most recently perhaps in India twenty years ago where significant orders were taken, including some

for shipyards that did not yet exist and others for shipyards that were in the early stages of development, but the majority of which were never completed – neither ships nor shipyards. The lessons learned there, as discussed in <https://strategicmaritime.co.uk/text-book>, were, inter alia, that it can take a decade to build up competitiveness in a new or expanded shipyard and that low labour cost is not per se a factor of competitiveness in shipbuilding.

It is much easier to take orders than it is to build ships.

This does not alter the very important message for all shipbuilders, particularly outside China: the time for automation has arrived but it is not easy to achieve – we need to find a disruption to make this work effectively.