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Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

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T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
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LNG shipbuilding: Hope in a time of overcapacity

Shipbuilding is going through a period of lean cows. In the dry bulk, tanker and container shipping segments, a shortfall in demand for cargoes since 2014 led to a persistent oversupply of vessels, resulting in a sharp decrease in newbuilding orders in 2016. A dearth of new orders also has affected LNG shipbuilders, chiefly due to shipowners miscalculating the emergence of a more liquid spot LNG market this decade – so much so that, in 2016, LNG carrier capacity was estimated at 45% over demand. But with the size of the global LNG industry expected to grow by 50% between 2014 and 2020 and bargain prices to be found at the world's leading shipyards, there are some who believe that now is the perfect time to place an order for an LNG vessel. LNG Business Review takes a look at the shipbuilding industry's state of affairs and whether more prosperous times lie ahead for LNG shipyards.



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+44 (0) 20 7332 9900
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