

DIMDEX 2014 – MENA Fleets Continue to Expand Capability and Reach with New Amphibious and Logistics Ships

Summary: AMI International, as market information partner with DIMDEX 2014 organizers Qatari Emiri Naval Forces (QENF) and Clarion Events, focuses this market snapshot on the regional outlook for amphibious and auxiliary ships.

This last of the four AMI DIMDEX naval market previews highlights the lively demand for support ship types in the MENA region. While amphibious and auxiliary ships do not typically generate the interest of more photogenic new warships, sleek fast craft, and submarines, these types of ships are vital to a navy’s ability to project influence ashore and sustain naval operations for extended periods.

As the navies of the MENA region increase both the numbers and capabilities of their main force ships, there is a related growing demand for “workhorse” platforms to support operations such as extended anti-piracy patrols, counter-mine, and anti-submarine missions. Other factors that make these market segments of particular interest to naval suppliers is the larger size of many of the ships being ordered, and the specialized cargo and material handling gear they require for support tasks.

As shown in the chart below, the 15 countries making up AMI’s MENA regional market group are forecasted to acquire 40 new construction auxiliary and amphibious ships over the next 20 years. In terms of numbers of ships to be ordered and built, the MENA market represents 7% of world market share. While that trails the larger Asia-Pacific and NATO markets (both of which include more than 20 nations in their regional grouping), MENA future market demand in these segments is greater than other comparable regional markets such as South America.

# of Projected Builds (Estimated Ships to be Procured by Navy or Coast Guard service between 2013-2032)	Amphibious	Auxiliary	Totals	Market Share
Asia & Australia	119	39	158	29%
Caribbean & Latin America	24	9	33	6%
Middle East & North Africa	31	9	40	7%
NATO	39	73	112	20%
Non-NATO Europe	15	2	17	3%
Russia	15	5	20	4%
Sub Saharan Africa	4	1	5	1%
USA	119	47	166	30%
Totals	366	185	551	

Looking at planned spend on new ships in these market segments (below), the MENA region is predicted to allocate about USD 4B to acquire new amphibious and auxiliary ships. And the MENA support ship market is diversified. At least 11 of the 15 countries in the MENA region are projected to order new ships and craft of these types over the next 20 years. This is consistent with naval market demand in other sectors looked at in previous AMI DIMDEX market snapshots.

<i>Forecasted Value (US\$M)</i> (Estimated \$\$ to be spent on new construction between 2013-2032)	Amphibious	Auxiliary	Totals	Market Share
Asia & Australia	13729	7400	21129	18%
Caribbean & Latin America	2151.8	1385	3536.8	3%
Middle East & North Africa	2939	1091	4030	3%
NATO	6958	18240	25198	21%
Non-NATO Europe	642.3	800	1442.3	1%
Russia	4910	711	5621	5%
Sub Saharan Africa	1520	70	1590	1%
USA	34004	21488	55492	47%
Totals	66854.1	51185	118039.1	



A look at amphibious and auxiliary ship programs now underway and building for MENA navies highlights the diversity of those market segments. At the upper end (in size and value) is Algeria’s 8,000 ton Modified San Giusto Class Landing Platform, Dock (LPD) (shown at left getting ready for launch). Algeria’s LPD program is being built by Orizzonte Sistemi Navali (OSN) of Italy, the export marketing arm of Fincantieri and Selex.

Others, like the three Utility Landing Craft (LCU) types under order and now being built for Kuwait by Abu Dhabi Shipbuilding, will be smaller, ranging from 15-65M in length and displacing under 1,000 tons.



Regarding future orders for these types of ships in the MENA region, among the most attractive auxiliary ship programs coming up are two Oiler and Replenishment Ships (AOR) of up to 12,000 tons for Saudi Arabia. These ships would replace the two Mod-Durance class replenishment ships built in France that are expected to reach the end of their useful service lives for the Royal Saudi Naval Forces around 2020. The program for the AOR replacement could be worth as much as USD 500M.

Algeria is expected to acquire 2 new AOR ships of about 10,000 tons each even sooner. Evaluation of offeror designs and construction contract for the two hull program is expected over the next 2 years. This program could be worth as much as USD 400M.

Leading candidate shipbuilders expected to vie for the Algerian and Saudi AORs include:

- Fincantieri of Italy
- DCNS of France
- Navantia of Spain
- BAE Systems of the UK
- DSNS of the Netherlands
- DSME and HHI of South Korea
- China State Trading Corporation (CSTC) of China
- RMK Marine of Turkey
- Rosoboronexport of Russia

New amphibious ship and craft programs in the MENA region with awards expected over the next 2-3 years include ships for Bahrain, Egypt, Morocco, and Qatar. Most fleets are looking for conventional designs for ramped landing craft from 1,000-7,000 tons. However, the maritime geography of the Gulf region, with mudflats, estuaries and similar terrain, supports requirements for more unique designs. Air cushioned vehicles such as the 88T landing craft built by Textron Marine for the US Navy and international customers could find a niche in the MENA market.

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