

Hanwha Ocean investing \$451m for shipyard expansion

South Korea shipbuilding giant Hanwha Ocean reporting a surge in profitability maps out expansion.

Michele Labrut, Americas Correspondent

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Credit: Hanwha Ocean

The South Korean shipyard formerly known as Daewoo Shipbuilding & Marine Engineering (DSME) is set to expand its facilities fuelled by a 388% surge in first-quarter operating profit and an extensive orderbook that stretches well into the end of the decade.

The company announced it will invest \$451 million (KRW600 billionn) to enhance production capacity at its yard.

This investment includes the construction of a new floating drydock and crane, essential tools for increasing output and efficiency.

Last year saw some 125 million gt of new ships orders globally, the second highest level ever, and only eclipsed by 2007. However, South Korean yards have fallen well behind China which clinched some 74% of all new orders in 2024, and many Chinese shipbuilders have already embarked on expansion projects.

South Korean yards are trying to catch up Hanwha Ocean's decision to expand aligns with similar moves by other major Korean shipyards to meet global demand.

Meanwhile state-run Korea Development Bank (KDB) has announced its plan to sell part of its stake in Hanwha Ocean.

The move comes 25 years after KDB first acquired shares in the shipbuilder's predecessor, Daewoo Heavy Industries, through a debt-to-equity swap in 2000. The KDB's decision to gradually dispose of its remaining shares is a strategic shift that could reshape the ownership structure of Hanwha Ocean.

