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The Shipbuilders Council of America (SCA) - the national trade association representing the U.S. shipbuilding, maintenance, and repair industry - supports the recently filed petition of the United States Trade Representative (USTR) for relief of the unfair trade policies, practices and preferences from People's Republic of China in the maritime, global logistics and shipbuilding sectors. The petition filed by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO CLC ("USW") is submitted pursuant to 302(a) of the Trade Act of 1974 to demand action be taken to address the unreasonable and discriminatory acts implemented by China to directly undermine the U.S. commercial maritime and shipbuilding sectors.

Through numerous State directed industrial campaigns, China has [funneled hundreds of billions of dollars in direct subsidies](#) to state-owned enterprises with the strategic policy objective to ultimately dominate global commercial shipbuilding. These long-term strategic industrial policies and enormous state funded investments in China's commercial shipbuilding manufacturing, [particularly between 2010 and 2018](#), directly correlated to a significant decline in shipyards globally and adversely impacted the shipbuilding and ship repair industries in the U.S. [According to China's own Ministry of Industry and Information Technology, at the conclusion of 2023](#), new shipbuilding orders represents 53 percent of the global market share and over half of the world's tonnage. For the first time, China has also surpassed the combined market share of shipyards in Japan and South Korea.

Shipyard businesses in the U.S. operating under free enterprise compete aggressively for domestic commercial and government shipbuilding and ship repair contracts. However, because of China's heavy subsidization of its commercial shipbuilding and ship repair sectors there has been no ability for private-industry U.S. shipyards to compete for contracts to build or repair ships for international commerce. Indeed, as a direct result of China's policies, preferences and practices in its commercial shipbuilding and ship repair industries, U.S. businesses big and small have exited this manufacturing sector significantly reducing the overall shipyard industrial base.

The SCA applauds this effort to place a spotlight on what has been a thoroughly state orchestrated industrial campaign by China to drive out global competition in shipbuilding and ship repair with the goal of controlling international shipping and the crippling of manufacturing businesses around the world, particularly in the U.S. This race to bottom for cheap built and repaired ships and below market rate shipping, has led to a global dependence on China for these products and in certain instances the flow of international commerce. China's recent aggression in the [Indo-Pacific Region](#), including unlawful maritime activities, [unprovoked confrontations with the U.S. and its allies](#), and threats to international shipping lanes, raise serious security concerns as they rapidly grow both its military and commercial fleets. The time is now for the U.S. to put in place appropriate measures to lessen the impacts of China's undue influence over this manufacturing sector and promote trade policies and incentives to grow the overall domestic shipyard industrial base.

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