

Identifying Pathways for U.S. Shipbuilding Cooperation with Northeast Asian Allies

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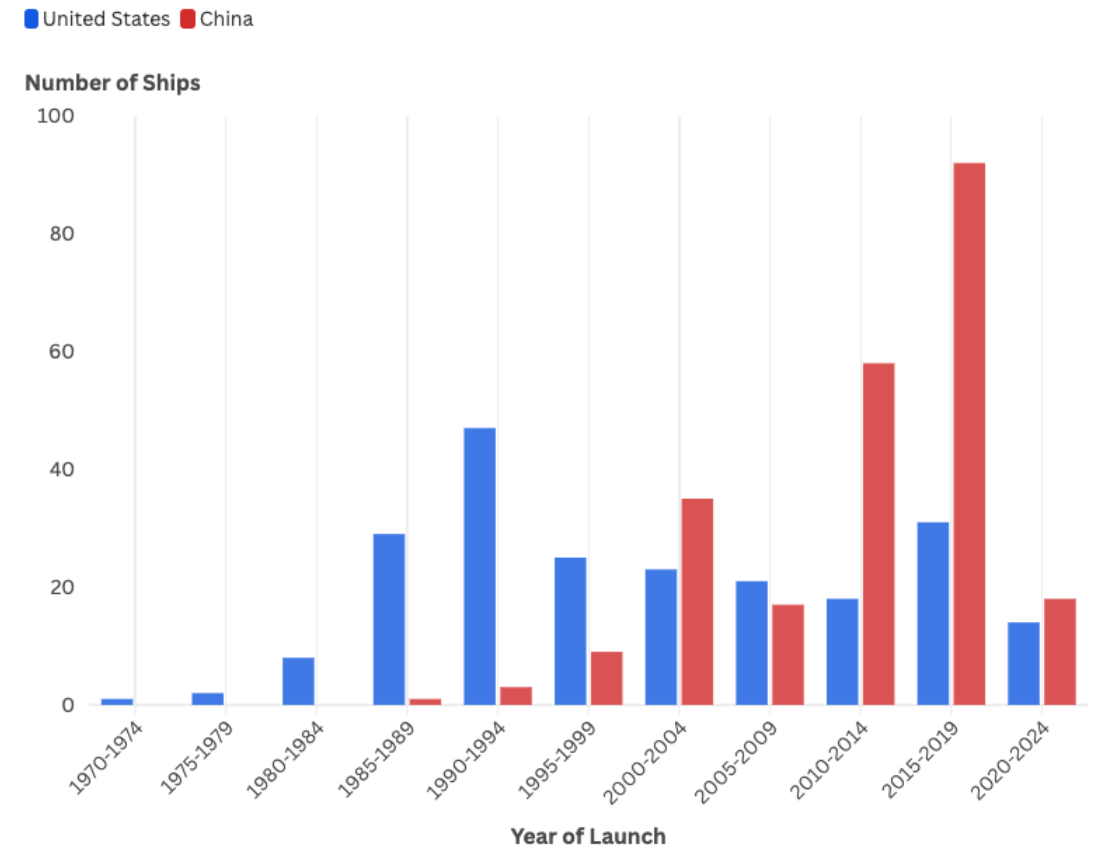
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China's Rapid Naval Growth Has Exposed Critical Weaknesses in U.S. Shipbuilding

- PLAN shipbuilding pace greatly exceeds that of the U.S. Navy
- China's shipyards have gone from producing 5 percent of the world's ships in 1999 to over 50 percent in 2024

Active U.S. and Chinese Warships by Launch Date



Source: Janes Fighting Ships Yearbook 23/24

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U.S. Shipyards Are Struggling to Build Enough Ships Fast Enough on Their Own

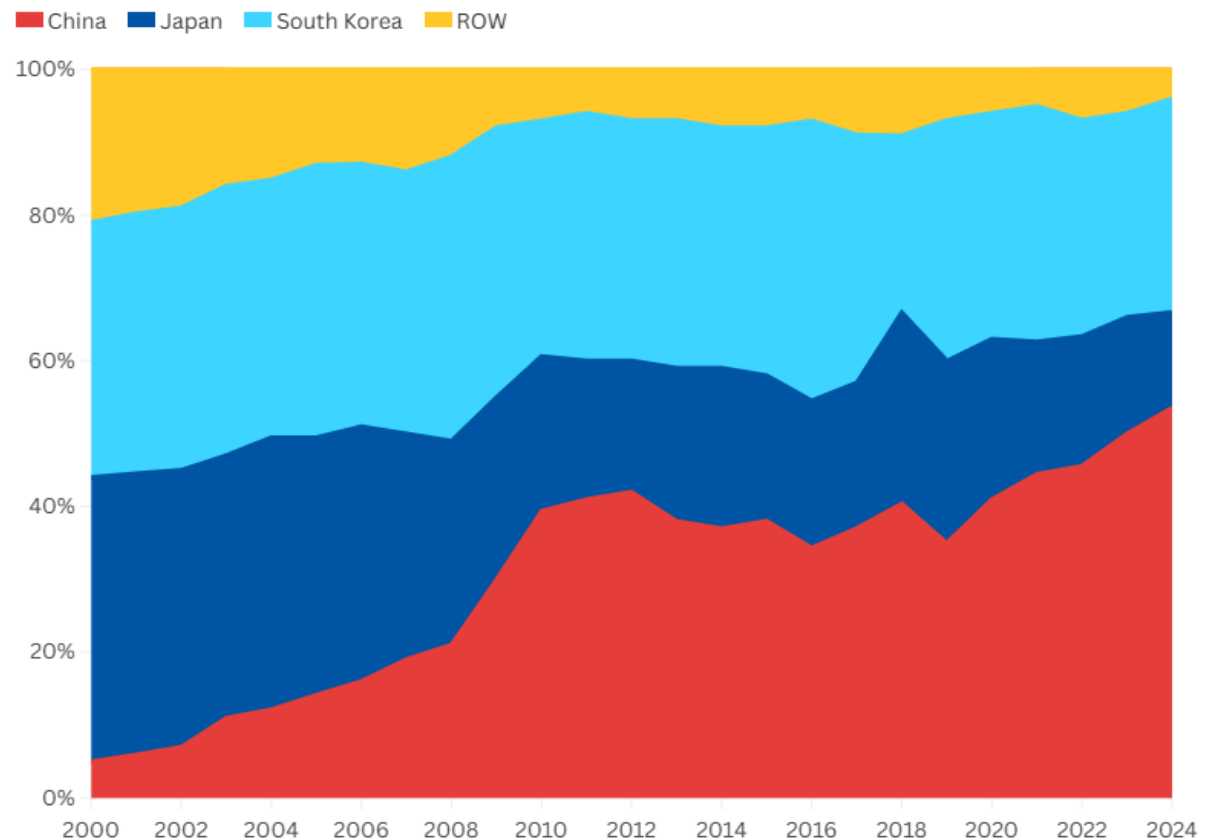
- Challenges include aging infrastructure, insufficient adoption of leading practices, and skilled workforce constraints skilled labor
- Difficulty expanding capacity given coastal land availability
- Limited commercial shipbuilding to support scale



Japan and South Korea Have Industrial Capacity that the U.S. Navy Could Use

- 2nd & 3rd largest global ship producers
- Deep historical and defense ties with the U.S
- Long-term industrial planning & investment in technology
- Experience in modular and automated construction

Share of Global Commercial Shipbuilding Production, 2000-2024



Possible Pathways to International Shipbuilding Cooperation

1. Allied maintenance, repair, and overhaul of U.S. ships to free up U.S. shipyard capacity
2. Allied acquisition of U.S. shipyards to revitalize their production capability
3. Joint distributed production of warships via modular construction methods
4. U.S. purchase of existing allied warship designs from allied shipyards.

Pathway 1: Allied MRO Can Boost Fleet Readiness, Relieve U.S. Yard Backlogs, and Free Up U.S. Yard Space

- U.S. Navy estimated to be 20 years behind on maintenance
- Might accelerate readiness without sacrificing new builds or capacity
- MRO cooperation already underway with Hanwha Ocean
- U.S. might be able focus more on ship construction, though conversion costs are daunting
- Economic benefit to allies unclear



USNS Wally Schirra completes major maintenance at South Korean shipyard. [Image](#) from Commander, U.S. Pacific Fleet.

Pathway 2: Foreign Acquisition of U.S. Shipyards Can Inject Expertise and Capital

- Can take several forms:
 - International purchase of existing, operational U.S. military yard
 - International purchase and renovation of defunct or non-military U.S. yard
 - Creation of new U.S. GOCO yard with foreign shipbuilders considered in operator bidding pool
- Advantages from parent firm limited by U.S. regulations & requirements



Marinette Marine, acquired by Fincantieri in 2009. [Image](#) from Fincantieri.

Pathway 3: Modular Shipbuilding with Allies Can Expand U.S. Production while Including U.S. Industry

- Two major versions
 - Allied-built hulls could be completed with U.S. systems
 - Allied-built modules could be assembled with U.S.-built modules in U.S. shipyards
- Enables simultaneous use of both U.S. and allied capacity
- Modularity can also enable production in non-traditional geographies for the MIB



A Newport News Shipbuilding worker grinds on a camera foundation on board the aircraft carrier USS John C. Stennis (CVN-74). [Image](#) from USNI.

Pathway 4: Buying Ships from Allied Yards Could Bridge Capability Gaps Quickly

- Numerous sub-pathways:
 - allied yards building licensed U.S. designs
 - allied yards building a new co-developed design
 - the United States buying allied-built and allied-designed ships
- Interoperability and U.S. Navy standards & requirements
- Shared basis of AEGIS destroyers or less sensitive support ships
- Core concern: the health of the U.S. shipbuilding industrial base



Strategic Policy Decisions Are Needed Now to Balance Domestic and Allied Solutions

- Power domestic revitalization with allied cooperation
- Pathways are not mutually exclusive but do have interdependent effects
- U.S. is making path-dependent decisions with long-term consequences
- U.S. Navy and USG may need to better align regulations & requirements to enable allied cooperation
- Further study needed on tradeoffs and implementation of pathways