



**WITH SOUTH KOREA'S HELP, CAN US
SHIPBUILDING CATCH UP WITH
CHINA?**

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One of challenges the US administration needs to address is the collapse of the US shipbuilding industry—a collapse not likely to be turned around by the US alone. President Donald Trump announced in his first speech to a joint session of Congress on March 4 the creation of a [White House shipbuilding office](#), intended to reverse the US shipbuilding industry's decades-long decline. Following this declaration, the Trump administration should now take action to sustain US national security. Among the possibilities under consideration is a shipbuilding partnership with US allies such as South Korea, which is the most productive option available right now.

Estimates vary, but China's navy [is expected to grow](#) to around 435 ships by 2030, compared to about 290 ships in the US Navy. Closing this gap in five years requires urgent, creative, and unconventional solutions to prevent China from becoming the unrivaled superpower across the world's oceans. In terms of commercial cargo service, US-flagged ships [account for](#) about 0.5% of global tonnage now. In the early 1980s, there were over 300 shipyards inside the US, but [fewer than 20](#) remain in operation. Now, without a comprehensive overhaul of the US maritime industry and its legislation, such as the 100-year-old [Jones Act](#), it would not be possible to revitalize America's once world-leading shipbuilding capacity. In support of the Trump administration's actions, the House Select Committee on the Strategic Competition between the US and the Chinese Communist Party

recently expressed continued bipartisan efforts in countering the CCP's unfair maritime practices, such as state subsidies and other anti-competitive measures to restrict US shipbuilding and maritime commerce. Regardless how successful these measures will be in countering China's maritime industry dominance, the US must build more ships while reducing costs and delays. The Trump administration wants to build more ships in the US, which seems unrealistic. There is not enough market in and out of the US for costly US-built ships with a long delivery time.

South Korea is a major competitor to China in today's global shipbuilding market and has the surge capacity to provide an immediate remedy for the US' idled shipbuilding capacity. To overcome China's unfair support for the growth of its shipbuilders, South Korean companies have successfully developed and secured technology to climb back to the world's No. 1 position. During the past 10 years, they have built [approximately 3,000 commercial](#) and naval ships and exported 50% of them to NATO member states. Also, major shipbuilders in South Korea continue to seek ways to strengthen their business capacity and look for new opportunities abroad.

South Korean companies have already moved into improving US shipbuilding productivity. Korean shipbuilder Hanwha Ocean currently provides ship maintenance, repair, and overhaul for the US Navy in Philadelphia after the acquisition of Philly Shipyard. Another world-class South Korean shipbuilder, HD Hyundai Heavy Industry, [plans to invest](#) up to around \$200 million in working with the US-based nuclear power venture TerraPower to develop small modular reactor-powered ships by 2030. Hanwha Ocean and HD Hyundai Heavy Industry have discussed unprecedented joint efforts to build South Korea's first-ever fully electric-powered destroyers based on locally developed technologies including the Aegis combat system. This teamwork, an unusual international case, would create a synergy effect for meeting US strategic needs in a more cost-effective and timely manner, which could not be achieved now by US shipbuilders.

South Korean companies also have experience building ice-breaking ships. President Trump has

[committed to increasing](#) the current US fleet of three icebreakers to compete with Russia, which operates 30 icebreakers in the Arctic. However, US companies have no recent experience building such specialized ships. In November 2024, the US signed a new trilateral [Icebreaker Collaboration Effort Pact](#) with Canada and Finland. While President Trump considers adding [40 more big icebreakers](#), the pact might not be enough in terms of time and capacity to counter Russia's increasing influence in the Arctic.

On the other hand, by launching a new shipbuilding industry cooperation between the US and South Korea, the two nations will be better-positioned to adjust their combined naval operation capabilities in more effectively deterring China's assertive maritime activities and strengthening freedom of navigation in the Indo-Pacific. Since Japan is also a competitive shipbuilder, this "win-win" approach between the US and South Korea in advancing both economic and security objectives could include Japan, thus leading to exploring new opportunities for fostering a trilateral US-South Korea-Japan security cooperation framework in Northeast Asia.

Crises often force leaders to pursue creative solutions. Teaming with South Korea, a trusted ally for 70 years, could be the best solution to urgently revive a collapsing US shipbuilding industry and maintain US maritime leadership. At the same time, South Korea's investment in the US shipbuilding industry would contribute to helping US commercial cargo business mitigate side effects, such as supply chain disruptions, from imposing new multimillion-dollar fees on Chinese-owned or -built vessels bringing foreign goods to US ports.

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