Marine Propulsion Engine - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Marine Propulsion Engine Market size is estimated at USD 38.96 billion in 2025, and is expected to reach USD 44.36 billion by 2030, at a CAGR of 2.63% during the forecast period (2025-2030).

The COVID-19 outbreak hindered the growth of the marine propulsion engine market with continuous lockdowns and the subsequent economic slowdown across the world. Marine mobility declined by 13.77% during the COVID-19 pandemic across the world. The ships were stranded in the waters as they were not allowed to enter the ports and the shipping companies had to bear additional costs to keep their ships stranded in international waters. In 2020, the traveling restrictions also led to a decline of 42.77% in the cruise industry across the world. Such factors led to a huge drop in the demand for new ships, adversely impacting the shipbuilding and marine propulsion engine markets. The most significant near-term impact on marine engines was felt through supply chains. However, post-pandemic, as restrictions are beginning to ease, the market is expected to gain momentum during the forecast period.

Key Highlights
- In June 2020, Hyundai Heavy Industries merged its shipbuilding and offshore businesses into a single entity to mitigate the impact of COVID 19.

The marine propulsion engine market is driven by the need for faster, cleaner, and fuel-efficient engines. The International Maritime Organization (IMO) drafted a new rule where the sulfur content in marine fuel will be reduced to 0.5% from 3.5%. This new regulation is expected to cut down emissions from ships by 77%. This development has caused the ship operators to lower sulfur content fuels, such as marine gas oil, thus driving the demand for the electrification of marine vessels.

The Asia-Pacific region is anticipated to observe rapid growth over the forecast period due to augmented international trade and export from the region. Both India and China have come up as major hubs of business in the region, with an increased pace of activities in the marine manufacturing sector and maritime trade due to the presence of ports like Shanghai, Hong Kong, Nhava Shava (India), and Singapore. Growth in the Asia-Pacific market will also be driven by new technology developmnets by key players.

Key Highlights
- In September 2022, the Ministry of Oceans and Fisheries of South Korea awarded Daewoo Shipbuilding & Marine Engineering to build the country's first hydrogen powered tug boat by 2026, as a part of the country's efforts to develop eco-friendly, high value ships.

Thus, the aforementioned factors are projected to produce a decent growth in the marine propulsion engine market over the next five years.

Marine Propulsion Engine Market Trends

Marine Propulsion Engine Market is Expected to Grow at a Steady Rate During the Forecast Period

Currently, some 100,000 seagoing merchant ships sail in the seas and oceans, with an installed power ranging from roughly 1 to 100 megawatts (MW) per ship. With very few exceptions, all these ships are propelled by diesel engines, and the majority of these have a direct drive system while some have diesel-electric propulsion or hybrid system. Diesel engines are favored for marine propulsion applications because of their unmatched power and torque ratings. The major players in the market are planning and launching the latest products to attract more customers and gain market share.

- In September 2022, MAN Energy Solutions SE launched the new MAN 49/60 engine family at SMM Trade Fair in Hamburg, Germany. The engine is capable of running on LNG, diesel, and heavy fuel oil, as well as biofuels and synthetic natural gas. The engine is a four-stroke engine. The company claims that the dual-fuel engine is an important intermediate step in the transition to clean maritime transportation.
- In September 2022, Wartsila Corporation launched its first marine engine Wartsila 25, which runs on ammonia. It is a medium speed four stroke marine engine based on Wartsila's modular platform technology, which offers the twin benefits of increased fuel efficiency and reduced emissions to the owners and operators of marine vessels.

Another major factor anticipated to drive the market is the increasing orders for LNG carriers due to increased demand for LNG worldwide.

- In September 2022, 255 LNG carriers were ordered worldwide, an increase from 100 carriers ordered in 2021 (from January 2022 to Septermber 2022), representing the highest number of LNG carriers ordered in the past 22 years.

Thus, owing to such factors, diesel engines are expected to hold a considerable share in the marine propulsion engine market in the coming years.

Asia-Pacific Anticipated to Grow at a Significant Pace During the Forecast Period

Asia-Pacific is expected to hold a major portion of the marine propulsion engine market, and it is anticipated to maintain its dominance throughout the forecast period.

This trend is attributed to the presence of the world's top three shipbuilding countries - China, South Korea, and Japan - in the region. Some of the world's busiest ports, Shanghai, Hong Kong, and Singapore, are also in Asia Pacific, making the region the largest hub for maritime transportation in the world. Bangladesh, India, Vietnam, and the Philippines are also seeing considerable growth in their shipbuilding industries. Some of the world's largest shipping companies, like COSCO, NYK Line, and Evergreen Marine Corporation, are based in the region. These factors ensure healthy demand for ships and marine propulsion engines in Asia-Pacific.

The Chinese authorities have made emission requirements even stricter than the International Maritime Organization (IMO) regulations. The China GB15097 regulation, which is commonly known as C1 and C2, includes limits for particulate matter (PM). Thus, key players are launching new engines that meet these stringent emission norms, which are further driving the market in Asia-Pacific.

- In September 2022, Wartsila Corporation announced orders for its newly launched Wartsila 20 engines in China. These engines are equipped with Wartsila NOR NOX emmisions reducer to comply with China's stage II, popularly known as C2, emissions standards.

The major share of the Asia-Pacific marine propulsion engine market is held by South Korean, Chinese, and Japanese players. However, over the past few years, local companies have been launching new products to gain some share of the market. For instance,

- In July 2022, the Governemnt of India announced to make diesel engines for Indian Navy locally. The initiative will likely see major participation from the private sector in the country.
- In May 2021, Hindustan Aeronautics Limited (HAL) and Rolls-Royce signed an MoU to support installation, packaging, marketing, and services for Rolls-Royce MT30 marine engines in India. Under the umbrella of this MoU, both Rolls Royce and HAL will be working together for the first time in the area of marine applications.

Such developments in the region are anticipated to ensure the domination of Asia-Pacific as the leading region for marine propulsion engines over the next five years.

Marine Propulsion Engine Industry Overview

The marine propulsion engine market is moderately consolidated due to the presence of key players like MAN Energy Solutions SE, Wartsila Corporation, Hyundai Heavy Industries Co. Ltd, Yanmar Co. Ltd, and MaK, a subsidiary of Caterpillar Marine. These companies continuously focus on innovating products to provide environmentally sustainable, flexible, economically sound, and efficient customer solutions. The companies are trying to expand their brand values in the market through joint ventures and new product launches.

- In October 2022, Volvo Penta and CMB.TECH announced a tie-up for developing dual-fuel hydrogen-powered solutions aimed at both marine and terrestrial applications. The collaboration will focus on piloting projects of small-scale industrialization and ensuring access to greenhouse gas emission reduction technology.
- In September 2022, MAN Energy Solutions SE and Makita Corporation signed a three-year-long deal to provide MAN PrimeServ services on SCR-HP systems used in MAN two-stroke marine engines made by Makita under license.
- In December 2021, Caterpillar Marine launched the new 2025 mhp Cat C32B engine.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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