

## Evergreen eyes 9,200 teu ships

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EVERGREEN Group has ended the 18-month standstill in containership contracting by signing what is thought to be the first of more than \$3bn worth of orders for 9,200 teu vessels, with other owners also queuing up for yard slots as newbuilding prices rebound.

The Taiwanese line, whose chairman famously said that he was not interested in anything larger than 8,000 teu, is understood to have signed firm orders or letters of intent with three yards for 32 ships with nominal capacity of 9,200 teu.

Evergreen confirmed today that it had placed an order for 10 L-class 8,000 ships with Samsung Heavy Industries at a price of \$103m apiece.

However, several well-connected broker sources confirmed to Lloyd's List that the nominal size of the ships was actually 9,200 teu capacity, although Evergreen sidestepped the question and referred to a press release.

As well as the Samsung order, a letter of intent is said to have been signed with South Korea's STX Offshore & Shipbuilding for another 12 of the same specification, and while talks are also progressing with Taiwanese shipbuilder CSBC for 10 at \$100m each, bringing the total order for 9,200 teu vessels to 32.

The company had long insisted it was only willing to pay \$10,000 per teu, but the apparently higher price could be explained by the larger nominal capacity.

With newbuilding prices increasing because of the surge in dry bulk and tanker ordering, containership owners who thought they could bide their time are now following Evergreen's lead.

"Containership ordering will pick up after the summer," one broker predicted.

Singapore's Neptune Orient Lines is one of the carriers understood to be eyeing 10,000 teu newbuildings, while Greek and other independent owners are expected to order ships of between 3,500 teu and 5,000 teu. There is not thought to be any interest in super post-panamax tonnage in excess of 12,000 teu.

The next to order could find themselves paying more than Evergreen that opened negotiations some months ago, with brokers warning that the Samsung prices should not be taken as a wider market indicator.

Evergreen, that has slipped to sixth place in the world rankings largely because it avoided the last newbuilding rush and has had nothing on order until now, said the vessels that Samsung is to construct would be environmentally advanced.

"Our long-time commitment to environmental excellence takes yet another step forward with these newbuildings," said Bronson Hsieh, Evergreen Group's vice-chairman and chairman of Evergreen Marine Corporation. "The emphasis on fuel conservation will work to reduce the carbon footprint we leave on this green earth."

The first vessel will be delivered in 2012. Six vessels will go to Evergreen Marine Corporation and four to Evergreen International (Panama).

The company has made no secret of its fleet replenishment plans, but has caused some surprise by finalising contract terms so fast, given its reputation for moving slowly.

But the bargain prices that owners thought they could get are no longer available.

Maersk Broker said in its latest monthly report that the asking price for an 8,500 teu newbuilding had dropped from a provisional \$106m in May 2009, when ordering had already stopped, to a nominal \$86m a year later.

At one stage, the containership orderbook reached 60% of the existing fleet, but has since shrunk to around 29%, reflecting a combination of zero ordering activity since the start of the global economic recession, and deliveries.

Evergreen's 10 newbuildings are being heralded by the company as the beginning of a "new generation" of container vessels that the line plans to order from "several shipbuilding yards in Asia".

The company said that full details of its fleet expansion programme would be disclosed following conclusion of ongoing negotiations on both price and technological levels needed to meet Evergreen's self described "very strict standards of environmental protection and fuel conservation".

The L-type ships will ensure Evergreen will meet the group's fleet reinforcement programme as well as replacement requirements, the company said.

The vessels will be 334.8 m in length, have a beam of 45.8 m and a cruise speed of 24.5 knots.

"To protect our sea and air, the Evergreen Group has always been ahead of compliance with international policies and regulations to bring leadership to industry sustainability," said Mr Hsieh. "We expect nothing less this time as well."

Stone Lin, a shipping analyst with Taiwan-based Yuanta Securities, said Evergreen Marine placed the containership order in a move to secure tonnages ahead of an anticipated resurgence in the global shipping market in 2013.

