

HMM purchasing five container vessels from Capital Group

September 25, 2024



South Korea's flagship carrier HMM is in the process of buying five 5,000 TEU ships that it had been chartering from Capital Clean Energy Carriers Corporation (CCECC).

Evangelos Marinakis' CCECC announced on 23 September that it sold Hyundai Paramount, Hyundai Platinum, Hyundai Premium, Hyundai Prestige and Hyundai Privilege. The sales price was not disclosed, although CCECC expects to book a gain of US\$118.4 million on the ships, as the attached loans have been repaid.

HMM's spokesperson told *Container News*: "HMM is currently in the process of acquiring ships. This initiative is part of our mid-to long-term plan to secure our fleet by 2030."

The purchase is part of the company's earlier announced plan to expand its fleet by 1.55 million TEUs by 2030, as part of a US\$16 billion investment scheme. Early this month, HMM confirmed to *Container News* that it was negotiating to buy three elderly feeder vessels too.

According to VesselsValue, HMM had been chartering the ships since their ex-yard deliveries in 2013, initially for US\$28,616/day. When the company fell into financial difficulties in 2016, it renegotiated

all its long-term ship charters, bringing down the rate to US\$23,010/day. In January 2020, the vessel hires were renewed for five years and two months, at the original rate of US\$28,616/day.

VesselsValue estimated each ship has a market value of about US\$ 57 million, but HMM is likely to have obtained a competitive price.

In recent months, other mainline operators, such as MSC and Yang Ming, have bought chartered ships to grow their owned fleet while managing rising charter costs.

CCECC stated that selling the container ships is fully consistent with the strategy outlined in November 2023 to pivot the company toward gas transportation. The company remains involved in the container shipping sector with three 13,000 TEU vessels in its fleet. CCECC added that the appreciation in valuations of container ships enables the company to generate value for shareholders.

Martina Li
Asia Correspondent