

Evergreen splashes out on more containers as equipment shortage bites

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Evergreen Marine Corporation (EMC) is turning to its in-house container manufacturer for more containers as major container makers have their slots full.

The Taiwanese mainline operator announced on 14 May that it is ordering 17,500 containers from Evergreen Heavy Industrial Corp. (Malaysia), for a total price of US\$65.17 million.

Linerlytica's data shows that major container manufacturers' slots are fully booked until the end of July. Management at Dong Fang Container, the world's second-largest container maker, has stated that its factories are booked until August.

Its data shows that just before EMC's announcement, the Taiwanese carrier had just over 100,000 TEU of containers on order in 2024 to date. MSC has the most container orders, at just under 500,000 TEUs.

The equipment shortage seen during the Covid-19 pandemic is recurring as the supply of ships tightens amid the Red Sea crisis.

EMC's container orders coincide with its 1Q 2024 results that were announced the same day. Its net profit was nearly trebled from the year-ago period, at TW\$17.4 billion (US\$544.6 million).

Alphaliner noted that EMC's Q1 24 earnings were among the best in the post-pandemic era.

The French consultancy noted, "The improvement in earnings has been particularly strong for mid-tier carriers. EMC operates nearly 70% of its capacity on the East-West trades, where head haul rates out of China have risen above the market average. Unlike the majority of carriers, it managed to avoid falling into the red in 2023."

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