

MSC Tops Six Million TEU as Containership Market Remains Red Hot



MSC is pulling away from the pack expanding its capacity (MSC file photo)

PUBLISHED JUL 19, 2024 7:06 PM BY [THE MARITIME EXECUTIVE](#)

MSC Mediterranean Shipping Company has surpassed yet another milestone as the carrier continues to open its lead on the rest of the segment. This comes as the secondhand and charter markets remain red hot setting their own records and container carriers are again moving to increase the orderbook.

The latest update of the league table produced by Alphaliner, the Top 100, shows that MSC quietly slipped past the six million TEU mark and is now actually more than 12,000 TEU above the mark. Alphaliner points out that it is the first time in history and part of the overall growth of the market. In the past year, they calculated the segment overall had a “huge capacity injection of 2.85 million TEU,” which represented a 10.6 percent increase. The total market is now over 7,000 vessels with a total capacity

above 30 million TEU. So far in 2024, Alphaliner reports 1.7 million TEU of new capacity has been added to the segment.

MSC now controls a total of 844 ships Alphaliner reports of which it now owns 546 vessels which contributes half its total carry capacity. This represents a marked change in the company's strategy from just two and a half years ago when two-thirds of its capacity was on chartered ships. At the time, MSC had about a 17 percent market share which has grown to 20 percent currently. Neck in neck with Maersk at the end of 2022, MSC opened the gap so that it is now 40 percent (1.66 million TEU) larger than the second-largest carrier.

Helping MSC to reach the new level was the addition of two secondhand vessels points out Linerlytica. In mid-July they reported that the carrier had purchased the *Ever Unity* (5,3364 TEU) and the *AS Clarita* (2,867 TEU) would be joining the fleet at the end of its current drydocking. While MSC still has nearly 300 vessels on charter, it has shifted away from the high-priced and difficult-to-find charter market to secondhand purchases and newbuilds. Alphaliner calculates that MSC has another 100 vessels on order which represent 1.2 million TEU of capacity.

The secondhand market continued at a feverish pace in the first half of 2024, with Alphaliner calculating that 572,600 TEU changed hands (141 vessels) after a slowdown in the market in the second half of 2023. They highlight that on average 23 vessels were traded each month in 2024 as carriers scramble to fill gaps in capacity in part due to the longer voyages around Africa.

This high demand and lack of capacity means that nearly every vessel available is in service and the demolition market remains at modern lows. Alphaliner highlights that only 48,600 TEU of capacity (34 ships) was sold for demolition so far in 2024. They report that only 158,000 TEU of capacity was sold for demolition in all of 2023.

Maersk this week highlighted that the disruptions caused by the Houthis' attacks in the Red Sea region have spread broadly across the sector. The expectation is that these conditions are likely to remain into 2025 meaning the demand for containerships will remain elevated.

MSC is notoriously private in discussing its strategy and new orders. The expectation however is that they will continue to widen the gap from the remainder of the sector even as carriers such as CMA CGM are also following an aggressive strategy for new construction.