Seatrade Maritime NEWS

Wan Hai splurges up to $2.5 billion on new box ships

Photo: Wan Hai Lines

Taiwanese container carrier Wan Hai Lines has made its first foray into methanol dual fuel vessels contracting up to 20 newbuildings with CSBC and Hyundai Samho.

Marcus Hand, Michele Labrut | Aug 14, 2024

According to a disclosure to the Taiwan Stock Exchange Wan Hai has inked a Letter of Intent (LOI) with Taiwanese yard CSBC for twelve 8,000 teu container ship newbuildings with options for a further four units. The newbuildings would be fitted with methanol dual-fuel propulsion.

The contract with Wan Hai's Singapore-based shipowning arm Wai Hai Lines (Singapore) is priced at between $102.5 million and $124 million per vessel. Including the four option vessels the total value of the order could be up to $1.984 billion.

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Delivery dates for the newbuildings were not disclosed.

The Taiwanese line also inked a second LoI with South Korean yard HD Hyundai Samho for four 8,700 teu methanol dual-fuel newbuildings.

Related: MSC returns to Zhoushan Changhong for 12 dual-fuel container ships

Priced at $113.5 million to $130.41 million per vessel, the total value of the order at Hyundai Samho is the range of $454 million - $521.64 million. Delivery dates were not disclosed.

The combined value of the two sets of orders is up to $2.501 billion if the options at CSBC are exercised.

The orders by Wan Hai adds to a raft of contracting for new container ship tonnage recently which have included 27, mainly LNG-dual container ships contracted by tonnage provider Seaspan Corp, and twelve 19,000 teu boxships ordered by MSC at Zhoushan Changhong.

The order marks Wan Hai first methanol dual-fuel vessels and comes at a time that many container lines and owners have turned back to LNG dual-fuel over concerns of availability of green methanol and potential pathway to net zero with bio-LNG.

Analyst Alphaliner described Wan Hai's choice of methanol dual-fuel as "at least somewhat surprising".

"Most shipping lines that moved toward new fuels started with LNG and later added methanol as a second option. Even Maersk, the staunchest supporter of Methanol, recently had to diversify and opt for LNG-powered newbuildings, admitting that the sourcing of 'green methanol' remained challenging," Alphaliner commented in its weekly newsletter.

"Without a comprehensive sourcing strategy that accompanies the vessel orders, many of the new methanol dual-fuel ships will likely start their careers on conventional bunkers."
