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HMM Joins Ranks of LNG Boxship Companies with Korea's First LNG Vessels



HMM marked the name of its first two LNG-fueled containerships (HJ Shipbuilding)

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Shipping companies operating LNG-fueled vessels were part of an elite club that is continuing to grow and is now being cited as a fleet differentiator. South Korea's HMM celebrated the name of its first two LNG-fueled containerships along with HJ Shipbuilding & Construction which called the vessels a key part of its re-entry into the commercial shipbuilding market.

The ceremony took place in Busan, South Korea at the HJ Shipbuilding yard on November 21. The two vessels, each with a capacity of 7,700 TEU are another example of the mid-sized segment converting to LNG following the large vessels which were among the first to adopt LNG.

HMM reports the ships, named *HMM Ocean* and *HMM Sky*, will enter service in January 2025. They will be deployed on its Far East-India-Mediterranean service. They will be both the first LNG containerships for the line and South Korea. *HMM Ocean* and *HMM Sky* are each 892 feet (272 meters) and are registered in Liberia.

The ships are part of a \$240 million contract placed by Greece's Navios Maritime Partners in 2022. HMM reports it has entered into a long-term charter for up to 14 years to operate the two vessels. They are part of the line's efforts at further expansion and adopting alternative fuels. HMM also ordered in 2023 nine methanol-powered containerships to be built by HD Hyundai Heavy Industries and HJ Heavy Industries for delivery starting in 2026. HMM highlights that it plans to invest more than \$10 billion to strengthen its eco-friendly competitiveness.

LNG has grown in popularity among shipowners as an available fuel option that will also permit future transitions to green fuels. Emerging just a decade ago, LNG continues to grow in adoption.

DNV calculates that there are over 600 vessels worldwide now in service using LNG. This includes over 120 containerships with DNV calculating a further 300 LNG-fueled containerships are currently on order. LNG is only being challenged by methanol as the most common fuel type for new orders while Alphaliner calculated that 55 percent of the orders this year were for LNG dual-fuel vessels.

Zim, another mid-size operator, joined the LNG ranks in 2023 and is adding a total of 24 LNG vessels as part of a fleet construction program for a total of 46 vessels. Speaking to investors on its recent earnings call Zim cited the benefits of being an early adopter of LNG. They said it has provided both environmental and financial benefits, with LNG being 25 percent more efficient and consistently cheaper than LSFO. When Zim completes its new ship deliveries, 40 percent of its capacity will be on LNG-fueled vessels.

HMM's president Kim Kyung-bae said during the naming ceremony that the new LNG vessels will be "a great help to HMM's operations."

HJ Shipbuilding highlights that it returned to commercial shipbuilding in 2021 due to the strong demand in the market and they are focusing on the 5,000 to 9,000 TEU mid-sized containership segment. They have also built six 5,500 TEU vessels and in June 2024 received an order from Navios for two 7,900 TEU vessels as well as an option for two more ships of the class.