

Euroseas orders container ship pair at Chinese yard

Euroseas has inked a contract for the construction of two modern fuel-efficient container vessels to be built at China's Jiangsu Yangzi Xinfu Shipbuilding.

[Katherine Si](#), China Correspondent

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The vessels are scheduled to be delivered during the fourth quarter of 2027. The newbuildings cost approximately \$60 million each.

Euroseas has a fleet of 23 vessels, including 16 feeder containerships and seven mid-sized containerships. After the delivery of two feeder and the two intermediate containership newbuildings in 2025 and 2027, respectively, Euroseas' fleet will consist of 27 vessels with a total carrying capacity of 86,873 teu.

While the container ship orderbook is growing rapidly Euroseas points to a relative under investment in feeder tonnage and smaller sizes.

Aristides Pittas, Chairman and CEO of Euroseas commented, "The main challenge the container ship sector has to overcome is the relatively high orderbook as a percentage of the fleet. However, this orderbook is concentrated on larger vessels sizes. On the contrary, the orderbook for the feeder and intermediate segments, within which we operate, is very modest against a fleet age profile that includes a high percentage of vessels older than twenty years, thus resulting in expectations of minimal fleet growth or, even, fleet declines.

"Within a market that continues to be strong and has a significant charter backlog, we expect our earnings to continue to be strong and our cash reserves to continue increasing as indicated by our results for the third quarter of 2024."

"Given the above fleet dynamics in our segments and our increasing cash reserves, over and above our dividend distribution and share repurchase program needs, we decided to extend our newbuilding program by ordering two 4,300 teu vessels with delivery in 2027 strengthening our position in this segment," added Aristides Pittas.