

CONTAINERSHIPS



Contships makes feeder asset play with boxship sales to MSC

In yet another telltale sign of booming containership markets, Greek owner divests pair of its oldest vessels to major liner company

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Eye-catching deals for large boxships have been a regular byproduct of the booming containership market. Big owners of smaller vessels, however, such as Greece's Contships Management, benefit hugely as well.

According to market sources, the Nikolas Pateras-led company has agreed to sell to Mediterranean Shipping Co (MSC) the geared, 1,096-teu ships Contship Gem and Contship Hub (both built 2003) for \$14m en bloc.

TradeWinds understands that MSC had both vessels already under charter. The Swiss company's decision to buy them likely reflects considerations that acquisitions often make more sense than renewing vessels' fixtures at current, elevated freight rates.

Industry sources have been observing for months how liner operators buy ships on the calculation that acquiring them and trading them down to scrap value makes more economic sense than chartering them.

MSC has been a prime example of that tactic. It has been the busiest boxship buyer during the current market upturn, acquiring more than 40 vessels in the past six months.

Two-year chartering deals

Contships has been profiting on the chartering side as well, concluding earlier this month a string of two-year fixtures for some of its ships.

European brokers report that MSC fixed the 1,100-teu Contship New (built 2007) at \$16,000 per day while Zim fixed the 1,096-teu Contship Fox (built 2009) at \$15,500 per day.

Other deals on similar terms were reached with Cosco for the 1,432-teu sisterships Contship Run and Contship Sea (both built 2007), as well as with CMA CGM for the 1,096-teu Contship Pro (built 2003).

Athens-based Contships began operations in 2015. Since then, it has built from scratch a fleet of 39 containerships, which makes the company a market leader in the category of vessels with a capacity of around 1,100 teu.

The two ships the company sold to MSC this month were among its three oldest units.

Pateras, however, has been on the buying side of the fence as well.

Broking sources in Athens said that Contships has agreed to acquire the geared 966-teu Vega Omikron (built 2005) – a ship previously controlled by Germany's Vega Shipping - at an undisclosed price.

Pateras is known for acquiring German-controlled tonnage at bargain prices.

Such acquisitions may yield asset plays at later point, as in the case of the two vessels the company has now sold to MSC. According to VesselsValue, Pateras bought the Contship Gem and Contship Hub in 2016 for about \$3m each.

They were trading then as Stadt Flensburg and Stadt Bremen respectively.