

NEWSLETTER

Breaking news – 03/12/ 2011



MSC and CMA-CGM joining forces ...!!!

According to a recent press release, the numbers two and three in global container shipping, Mediterranean Shipping Company and CMA CGM, have signed a very important cooperation agreement.

In the joint press release it was confirmed by Diego Aponte from MSC and Rodolphe Saadé from CMA CGM that they will start working together on their the Far East and Northern Europe services, but also between the Far East and South Africa and their operations to and from Latin America. Both operators will reroute their fleet throughout all of their container services in order to optimise their capacities to the maximum. As a result there will be an increased frequency on many of their present trade lanes.



Diego Apponte declared to be very pleased with the concluded partnership between the two family related companies. The cooperation will stand for many years to come, he stated. Before MSC and CMA CGM had been working together on the Pacific trade, and shortly they also entered into a venture with CSAV and China Shipping on their services between the Far East and Latin America.

First details of the cooperation have been revealed and is showing that both carriers are focussing to secure the maximum of volumes on their largest vessels in operation. In order to control the operational costing their services will only employ vessels with minimum capacities of 11.600 teu in order to keep the slot costing as low as possible. Thanks to their cooperation both partners will be able to load their ULCS vessels to the maximum capacity.



At present MSC is having 34 of these vessel units in service and in March of next year another 18 vessels with capacities between 13.000 and 14.000 teu will become operational. The joint cooperation of MSC and CMA CGM will start in March 2012 for a period of of two years. Both carriers are also under discussion for a joint service with vessels having capacities of 16.000 teu which both of them have presently under construction. It concerns six units of MSC and another three units of CMA CGM. The first container giant of these orders, the "CMA CGM Marco Polo" could become operational as from September 2012.



Originally the French carrier was linked with Maersk Line to operate their tonnage in cooperation with the Danish ship owner, however this new deal with MSC looks to be the end of this possibility. There will be no exchange of shares between MSC and CMA CGM as both intent to keep their independent identity in future. The main target is to combine volumes and optimize the available capacities of their services.

The cooperation of the #2 and #3 container operators looks to be an answer to the recently announced "Daily Maersk" service. The total combined market potential of the Swish and French operators is estimated by Alphaliner to be 21.6%, being 13.1% by MSC and 8.5% by CMA CGM. In comparison, global #1 carrier Danish Maersk Line is controlling only 15.8% of the worldwide container trade.