

New Mega-Shipping Alliance Formed between Cosco Group, CMA CGM, OOCL and Evergreen Marine

06 May 2016

A new shipping alliance will be formed between China's Cosco Group, France's CMA CGM, Hong Kong's Orient Overseas Container Line and Taipei-based Evergreen Marine. The new grouping will be called the Ocean Alliance and is foreseen to pose a major threat to giants such as Maersk Line and Mediterranean Shipping Co in the lucrative Asia-to-Europe ocean trade. This new grouping will eventually include Singapore's Neptune Orient Lines Ltd. upon



This new shipping alliance is likely to prompt carriers in the CKYHE and G6 alliances to scramble for new partners to counter the 2M and the new alliance. Maersk and MSC combined control is 27.7 percent of the global container ship fleet, according to industry analyst Alphaliner. The combined quartet of CMA CGM, China Cosco Shipping, Evergreen Line and OOCL would control 23.5 percent of the global fleet. The members of the new alliance and the 2M would control a total of 51.2 percent of global container ship capacity.

Upon the formation of the new alliance, APL and OOCL will have to leave the G6 Alliance. That will force the remaining four members — Hapag-Lloyd, Hyundai Merchant Marine, MOL and NYK Line — to find new partners or join other alliances. The same holds true for the remaining members of the CKYHE Alliance, "K" Line, Yang Ming and Hanjin Shipping, because fellow members Cosco and Evergreen will have a new home. With CMA CGM gone and China Shipping merged with Cosco to form Cosco China Shipping, the remaining member of the Ocean Three, United Arab Shipping Co., is also likely to seek new alliance partners.

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