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## **Maersk, MSC and CMA form mega-alliance**

P3 deploys 255 vessels on 29 loops

The formation of the P3 alliance comes amid a rates slump that has prompted all the major lines to seek a general rates increase from July. Maersk Line, Mediterranean Shipping Co and CMA CGM have formed the largest alliance yet to operate, covering trades across the globe.

The three giants – the world’s three largest container shipping companies – plan to come together as the P3 network, operating 255 vessels with capacity for 2.6m teu on 29 loops covering the three major trade lanes, Asia-Europe, transpacific and transatlantic.

Maersk will contribute 42% of the capacity, or about 1.1m teu, including the newly delivered Triple-E vessels. It will still offer its Daily Maersk services to clients that request it. MSC will contribute 34% of the capacity and CMA CGM will contribute 24%.

The companies said that the P3 network will operate independently through a joint vessel operating centre and that they will retain “fully independent sales, marketing and customer-service functions”.

Thus far, the agreement exists in principle, pending approval of regulatory authorities, with the launch planned for the second quarter of 2014. A Maersk official said that the alliance had held preliminary talks with regulators in the European Union, China and the US.

The alliance plans more weekly sailings in the combined network than they operate separately, offering eight weekly sailings between Asia and northern Europe, and will serve more direct ports of call.

“Declining volume growth and overcapacity in recent years have underlined the need to improve operations and efficiency in the industry,” the companies said in a joint release.

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“This has prompted the creation of other operational alliances, such as the G6 and CKYH.” The move aims to improve the companies’ operational efficiencies and vessel capacities.

“The capacity is about the same, but together we are big enough to retain flexibility,” said Vincent Clerc, Maersk’s China-based trade and marketing officer. He said the move gave Maersk a greater flexibility on the Asia-Europe trades in particular, increasing the number of loops offered to eight.

It also responds to a challenge from the G6 alliance, which announced in February that it would extend its alliance to the transpacific trades and began doing so in May, sharing capacity across 50 ships on Asia-US east coast routes. The move was a natural extension of the original G6 alliance agreement to share capacity on the Asia-Europe trades.

G6 comprises Hapag-Lloyd, NYK Line, OOCL, Hyundai Merchant Marine, APL and Mitsui OSK Line. The other alliance, known as CKYH, comprises Cosco Container Lines, K Line, Yang Ming and Hanjin Shipping.

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