



# Billlionaire shipping scion warns of difficult time for industry

By: Tara Patel and Benoit Berthelot | Nov 19 2023 at 04:00 PM | [Maritime](#) | [Liner Shipping](#)

Rodolphe Saade, the billionaire head of the world's third-largest container line, warned the industry is entering a choppy period as new vessels ordered during the pandemic shipping boom enter service in 2024.

"The difficulty in our sector is that we have a number of container ships that will come into the market starting next year and that runs the risk of creating an imbalance between supply and demand," Saade, the chief executive officer of Marseille-based shipping giant CMA CGM SA, said in an interview.

He was speaking Friday at an event in Paris to mark the creation of a nonprofit artificial-intelligence research lab that's being backed by the company his family controls.

The outlook for the shipping sector has darkened considerably in recent months, with some of the largest container lines including A.P. Moller-Maersk A/S, Hapag-Lloyd and CMA CGM publishing significant slumps in third-quarter earnings and outlining plans for cost cutting. Some have said they fear the decline will last through 2024.

"We're expecting between 2% and 3% of trade growth next year," Saade said, adding that CMA CGM is "financially solid" with significant market share in countries in which it's operating that'll help it weather the difficulties.

"The shipping industry is used to these highs and lows. It's completely cyclical," he said. "We had excellent results in 2021 and 2022, now we're entering more normal times and we're equipped for that."

The pandemic boom and current slump has already led to some realignments in the industry. At the start of this year, Maersk and Mediterranean Shipping Co., the world's largest container lines, announced they would end a vessel-sharing partnership after a decade as their rivalry in global logistics intensifies.

But Saade said he's pleased with CMA CGM's membership in the Ocean Alliance, which includes China's state-owned Cosco Shipping Holdings Co.

"Everyone has their own problems," Saade said of the Maersk-MSK breakup. "I'm happy with Cosco. It's our big partner."

For its part, CMA CGM has also used its pandemic windfall to invest and expand, acquiring ports, logistics and air transport assets including its biggest-ever deal to acquire Bollore SE's logistics arm for an enterprise value of €5 billion (\$5.4 billion).

Closely held CMA CGM was started by his father, Jacques, and the family remains in control. Under Rodolphe, the company has diversified into the media, buying newspapers like La Tribune and La Provence.

The second-generation executive on Friday dodged a question about whether he would be interested in BFM radio and television assets owned by fellow French billionaire Patrick Drahi, whose telecom empire has a large debt load.

"Stay tuned," Saade said, declining further comment.