

## CMA CGM ends cargo alliance with Air France-KLM

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CMA CGM

French carrier CMA CGM and Air France-KLM have agreed to cease their air cargo partnership, citing regulatory restrictions.

The partnership <u>announced in May 2022</u>, with CMA CGM becoming a shareholder of Air France-KLM, was part of the Rodolphe Saadé-led company's expansion move beyond its liner base during container shipping's greatest bull run.

The long-term strategic alliance became effective in April 2023 and was initially expected to last for 10 years. However, the two companies said that a tight regulatory environment in certain important markets had prevented the cooperation from working optimally, leading them to withdraw from their existing agreements from March 31, 2024.

"Air France-KLM and CMA CGM have begun discussions on new terms and conditions of a commercial relation to operate independently from March 31, 2024, onwards," the companies said in a statement, adding that CMA CGM will keep its shareholding in Air France-KLM but will exit the company's board of directors.

CMA CGM <u>established its air cargo division</u> in February 2021. The Marseilleheadquartered firm is on course to overtake Maersk, which <u>launched its air cargo unit in April 2022</u>, as the world's second-largest liner based on its massive orderbook of over 100 ships, according to Alphaliner.