

Ocean Alliance deal extended to 2032

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OOCL

The Ocean Alliance group of container carriers has extended their partnership for another five years.

Founded in 2017 under a 10-year deal, the liner grouping comprised of CMA CGM, Cosco Shipping, Evergreen and OOCL has agreed to continue their vessel-sharing agreement until the end of March 2032.

The latest agreement was not a baseline assumption of analyst Lars Jensen, chief executive at Danish consultancy Vespucci Maritime. "I had expected them to split up, but here we are," he wrote in a LinkedIn post on Tuesday.

The news comes as the other two global liner tie-ups face an overhaul with the 2M partnership between Maersk and Mediterranean Shipping Co (MSC) due to expire next year and German liner Hapag-Lloyd announcing its exit from THE Alliance with HMM, Ocean Network Express (ONE) and Yang Ming in favor of a recently announced partnership called Gemini with Danish counterpart Maersk that will start in February 2025.

Although there was market speculation that a member of the Ocean Alliance might be coaxed to jump ship and join THE Alliance in 2027 to help fill the void left by the exit of Hapag-Lloyd, this is unlikely to happen this decade.

"This begins to solidify the liner landscape on the east-west trades with now both Ocean Alliance and Gemini Corporation in place," Jensen said, adding that the pressure will now be on THE Alliance members ONE, HMM and Yangming to find a replacement for Hapag.

Speculation in the market has pointed to potentially having Wan Hai join THE Alliance, but Jensen noted that the Taiwanese liner would be "far from able to plug the gap left over from Hapag's exit".

For Jensen, MSC will likely continue on its own. "They have the scale to do so, and the flexibility associated with not having to compromise with partners is indeed valuable," he said.

