What shippers should know about ocean carrier alliance changes in 2025

Reconfigured services will pressure container rates

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Timing is everything, but as international ocean container lines ready the February launch of reorganized alliances and vessel-sharing agreements, a miasma of global events is sure to put pressure on carefully crafted business plans.

The reshuffle is headlined by a pair of notable carrier groupings.

The Premier Alliance of ONE, Yang Ming and HMM is the newly named version of the former THE Alliance, which Hapag-Lloyd departed to partner with Maersk.

ONE (Ocean Network Express) was formed in 2016 as the integrated container businesses of Japan-based trio Kawasaki Kisen Kaisha (K-Line), Mitsui O.S.K. Lines (MOL) and Nippon Yusen Kaisha (NYK). Headquartered in Singapore, ONE focuses on key east-west routes and collectively operates more than 240 vessels with capacity of 1.9 million twenty-foot equivalent units, on 165 services to 120 countries.

The alliance also has strategic ownership stakes in container terminals in North America including TraPac at the ports of Oakland and Los Angeles; Yusen Terminals, also in LA; and in Northern Europe at Rotterdam World Gateway at the Port of Rotterdam, the Netherlands. ONE also operates Magenta Singapore Terminal, its Southeast Asia center.

As of February ONE will schedule three trans-Pacific Asia-Pacific Northwest services, and five Asia-East Coast North America voyages.

The Federal Maritime Commission is still reviewing Premier, delaying its launch.

The new Gemini Cooperation joins the aforementioned Hapag-Lloyd and Denmark's Maersk, which left the pioneering 2M 10-year vessel-sharing agreement (VSA) formed in 2015 with Mediterranean Shipping Co. (MSC).

The Gemini partners have been public about their goal of providing 90% schedule reliability in an industry that has struggled to make good on half its promised arrivals amid disruptions stretching back to the start of the pandemic. The simplified, hub-and-spoke network similar to those pioneered by airlines features mostly single operator loops and fewer port calls per service, calling high-efficiency terminals with 29 mainliner services and interregional shuttle services, and covers the full scope of U.S. trades including Asia to the West and East coasts, and trans-Atlantic.

In Gemini, Maersk will compete with former partner MSC of Geneva, which is going it alone. Analysts say this may produce lower rates for shippers as the carriers compete head-to-head on global routes. MSC is the world's largest container line, operating a total of 887 owned and chartered ships with capacity of 6.4 million TEUs, or slightly more than a 20% share of the worldwide market, according to data compiled by analyst Alphaliner. Maersk is second with 726 ships carrying 4.5 million TEUs, for a 14% share.

It's notable that the Gemini, ONE and Premier alliances control 80% of worldwide container capacity. Capacity is a tricky balancing act for any logistics provider, and the current fleets don't reflect orders for new vessels, some of which will come online this year.

MSC is leveraging its position as the leading container line by also outdistancing competitors on newbuilds, with a staggering 130 ships on order with estimated capacity of 2 million TEUs, or more than a third of its existing capacity. The company's thirst for new ships even led to a reported reopening of Chinese mega-shipyard Jiangsu Rongsheng Heavy Industries, idle since 2014.

In comparison, Maersk has 50 ships on order at 723,000 TEUs, or 16% of current capacity.

The capacity equation becomes more muddled due to the changing situation surrounding the Red Sea in the Middle East.

Situated between the Suez Canal and Gulf of Aden, the Red Sea is a critical link connecting Asia and the Mediterranean, Europe and the east coast of North America. But attacks on merchant shipping begun in late 2023 by anti-Israel Houthi rebels based in Yemen led most major lines to divert services away from the Red Sea in 2024, making voyages up to 14 days longer via the Cape of Good Hope around the Horn of Africa. French liner CMA CGM was an exception, maintaining its scheduled BEX2 service, sometimes under escort by naval forces patrolling the region.

The Red Sea violence turned into an unexpected jackpot for shipping lines, as the diverted voyages took capacity out of the market and helped boost container rates, resulting in billions in profits across the industry in 2024.

But a ceasefire in the Israel-Hamas war, the collapse of the Assad regime in Syria and domestic issues roiling Houthi sponsor Iran changed the calculus in the region. Red Sea attacks dwindled, and shippers are now wondering when carriers will return to the Suez route.

Shipping executives have mostly deferred a definitive answer, citing uncertainty but also mindful of projections that container rates could fall by as much as 70% when Suez services resume.

A re-opening of the Suez route would boost U.S. East Coast container volumes, but likely undermine gains seen by West Caost gateways.

In the trans-Pacific, American consumers helped pump up eastbound volumes toward record highs through late 2024. But carriers are also trying to make sense of the growing anti-China sentiment in the U.S., as well as threatened tariffs and shifting supply chains that make forecasting a speculative study.

Among other carriers, the Ocean Alliance of CMA CGM, Evergreen, Cosco and OOCL has been extended to 2032. CMA CGM is the world's third-largest carrier, with 662 ships and capacity of 3.9 million TEUs. Cosco is fourth, at 512 ships and 3.3 million TEUs; Evergreen is seventh, at 224 ships and 1.8 million TEUs.

Cosco has 52 ships on order, for a total 881,000 TEUs, or 26% of current capacity.

In an announcement, OOCL said that as of February it will offer six trans-Atlantic services calling the U.S. East, West and Gulf coasts, with alliance partners "and beyond". In April the partners will offer 22 rotations calling ports on the U.S. coasts as well as the west coast of Canada.

While MSC and Israel's Zim left previous alliances, the companies in late 2024 announced a new long-term trans-Pacific partnership on services connecting Asia and U.S. Gulf ports and Asia and U.S. East Coast hubs, effective in February.

Also in February, MSC and Zim will partner with the Premier Alliance on Asia-Europe services. MSC will charter slots for a total of nine weekly services.

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