Competitive, cleaner, greener Gemini services to drive box market

Hapag-Lloyd argues that the new Gemini services will increase reliability, sustainability and vessel utilisation as the network settles down after its phasing in period.

Nick Savvides, Europe correspondent

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Image: Hapag Lloyd

Following the launch of the Gemini Co-operation, German carrier <u>Hapag-Lloyd</u> and its partner <u>Maersk Line</u> have phased in 170 ships, out of a total of 340 scheduled to join the east/west trade lanes on the Pacific, Atlantic and from Asia to North Europe and the Mediterranean.

Since Gemini's launch on 1 February the carriers have achieved more than 90% reliability with their new services.

"We've already had 700 port calls and the reliability is north of 90%, we have proven that the system is possible," said Anders Boenaes, Hapag-Lloyd's senior MD network.

Boenaes pointed out that an efficient, well-run machine is not more expensive than an operation that is unreliable and constantly requires vessels to speed up to meet scheduled arrival times at ports.

As such shippers will be offered rates that are competitive in the market rather than rates that are dependent on the costs of running the services.

In addition, Danny Smolders, MD global sales at Hapag, said: "If you shift from 50% reliability to 90% you will have greater capacity on an annualised basis as the ships will not have to blank sailings to meet schedules."

Smolders added that Hapag-Lloyd plans to publish data on reliability from the second quarter with a view to being "open and transparent" for customers, many who he said were claimed that "the proof of the pudding will be in the eating," over the past year.

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Gemini Cooperation has also promised that it will not blank services to cut capacity, according to Hapag's MD network operations Rajiv Ghose, who said, that while the carriers cannot avoid all unplanned incidents, they have contingency plans to maintain schedules in the event of an incident delaying shipping.

"We have a number of tools that we can use, either we optimise the vessel speed, change the rotation or restrict some moves to shorten the vessel's time alongside in the previous port and last if we have to, with significant delays that we cannot recover we might have to miss a port and give alternative options to customers."

Nevertheless, Gemini, according to Rajiv, will not blank any sailings from the second cycle, that is once all the ships have been phased in and the carrier is fully operating its new schedules.

Although Boenaes did point out that during specific holidays or problems with terminal infrastructure, or dockers' strikes, and incidents of this nature that are out of the control of the Gemini lines there may be some "structural blankings".

On the whole, however, all the Gemini services, mainline and shuttle services will operate to a weekly schedule with departures on a fixed date, ultimately this will lead to better emissions too.

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"Emissions were a key element in the initial discussions between Hapag and Maersk," said Boenaes, "We agreed that efficient services will generate sustainable networks with better utilisation.... No sailing with half empty ships with 'long shoulders' and over time this will mean fewer costly speed ups to recover delays, speed and utilisation will contribute substantially to the sustainability of the fleet."