

# MARKET INSIGHTS

## “The strategic movements of the new maritime shipping alliances”<sup>1</sup>

*The new transport networks between Asia and Europe, announced by Gemini, MSC, and the Premier Alliance, which includes the services of Ocean Alliance- whose partners CMA CGM, COSCO/OOCL, and Evergreen have opted to extend their agreement until 2032—reveal divergent strategies in the reorganization of shipping routes. While Maersk and Hapag-Lloyd are betting on a 'hub and spoke' model, reducing direct calls in their main services, the rest of the alliances and MSC remain committed to a broader offering of port calls in Asian and European ports.*

*These changes in maritime alliances will bring both opportunities and challenges for ports. Starting February 1, 2025, ports such as Singapore, Cai Mep, Felixstowe, and Hamburg are expected to benefit from increased traffic, while others, like Antwerp, Yantian, and Tanjung Pelepas, will face a decrease in call frequency, partly linked to the significant reduction in calls proposed by Gemini in this context. Furthermore, the alliances have proposed two versions of their renewed networks: one that traverses the Suez Canal and another that follows routes around the Cape of Good Hope.*

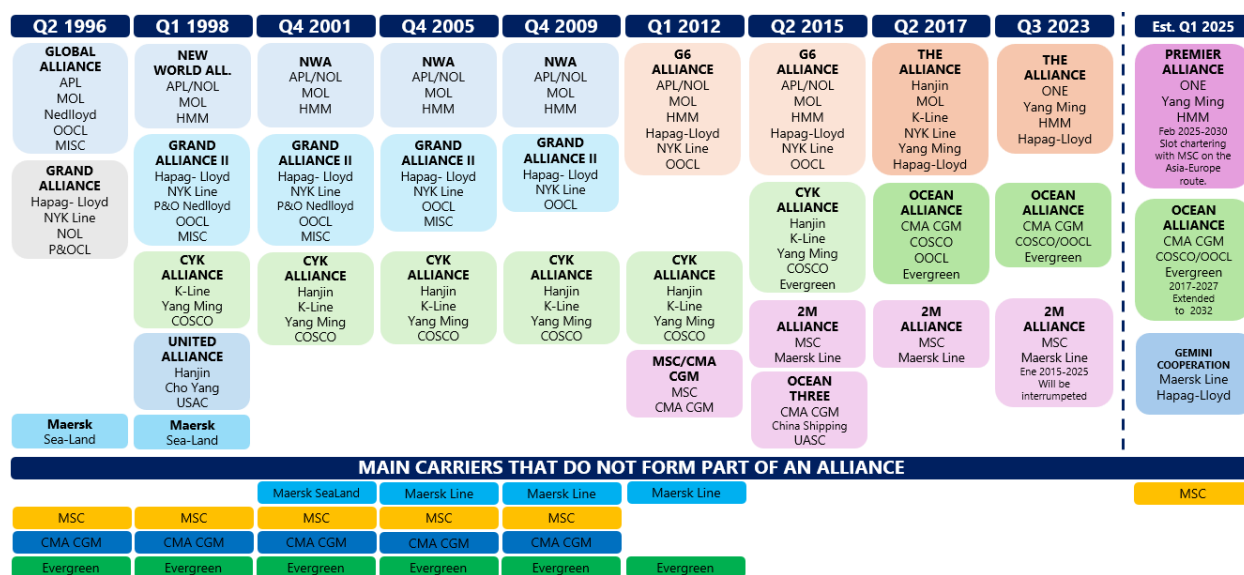
### Analysis of the Fundación Valenciaport

Throughout its history, maritime transport has witnessed a significant structural transformation associated with the emergence of **alliances among major shipping companies**. This model has allowed firms to share resources and optimize routes, achieving substantial savings through economies of scale.

Quickly, these alliances came to dominate the most important trade routes, controlling 70% of **services in major East-West connections** by 1997. Over time, the market was concentrated around key players such as Maersk, MSC, and CMA CGM, leading to the formation of three major alliances: **2M, Ocean Alliance, and THE Alliance** (Figure 1). However, the dissolution of the 2M alliance announced in 2023 has initiated a new phase of restructuring in the sector, paving the way for strategic changes that will redefine global transport networks.

<sup>1</sup> Original news published by “MasContainer” and available at: <https://mascontainer.com/navieras-y-alternativas-para-despliegues-de-nuevas-alianzas/>

Figure 1. Alliances in maritime container transport



Source: Own elaboration based on the update of Notteboom, T. (2012), Chapter 12: Container shipping, in: Talley, W. (ed.), *The Blackwell Companion to Maritime Economics*.

The **dissolution of 2M** has significantly influenced the reconfiguration of maritime transport. Maersk and MSC, the giants that made up this alliance, have decided to pursue independent plans starting January 2025, prompting a **complete review of alliances on East-West routes**. Simultaneously, **Hapag-Lloyd has announced its exit from THE Alliance**, revealing the creation of a **new cooperation with Maersk** under the name **Gemini Cooperation**, which will begin operations in 2025. This new alliance emerges as a response to both companies' need to adapt to an increasingly competitive environment, where **flexibility and responsiveness to demand** are key. Both Maersk and Hapag-Lloyd share a strategic vision focused on providing a more efficient and reliable service, leading them to form this new alliance to optimize their operations on East-West routes.

On the other hand, **Ocean Alliance** has opted to extend its agreement until 2032, thus ensuring the stability of its collaboration among its main member carriers, including CMA CGM, COSCO/OOCL, and Evergreen. Meanwhile, the remaining members of THE Alliance—ONE, Yang Ming, and HMM—have formed the **Premier Alliance**, which will work closely with MSC on key routes like Asia-Europe. In this context, **MSC** will become the only major shipping line operating outside a formal alliance, supported by its considerable fleet, allowing it to maintain its global competitiveness.

As a result, starting in February 2025, the configuration of **major East-West routes** will undergo significant changes. With MSC operating independently and the start of activities for the Premier Alliance and Gemini Cooperation, the structure of key trade routes will be redefined. These moves consolidate the **control of major shipping lines over a substantial portion of global TEU capacity** (Table 1), reinforcing their dominance in global trade and responding to the demands of an evolving market.










According to the latest data from Alphaliner, the eight carriers participating in these alliances, along with MSC, control **81.9% of global TEU capacity** (Table 1).

Table 1. Top 15 container shipping lines (update 7 October 2024)

| Ranking | Shipping line                    | TEUs capacity | % World fleet |
|---------|----------------------------------|---------------|---------------|
| 1       | Mediterranean Shg Co             | 6,111,803     | 20.0%         |
| 2       | Maersk                           | 4,383,640     | 14.3%         |
| 3       | CMA CGM Group                    | 3,815,385     | 12.5%         |
| 4       | COSCO Group                      | 3,280,954     | 10.7%         |
| 5       | Hapag-Lloyd                      | 2,244,615     | 7.3%          |
| 6       | ONE (One Network Express)        | 1,938,647     | 6.3%          |
| 7       | Evergreen Line                   | 1,712,215     | 5.6%          |
| 8       | HMM Co Ltd                       | 879,718       | 2.9%          |
| 9       | Zim                              | 753,987       | 2.5%          |
| 10      | Yang Ming Marine Transport Corp. | 696,816       | 2.3%          |
| 11      | Wan Hai Lines                    | 526,237       | 1.7%          |
| 12      | PIL (Pacific Int. Line)          | 347,924       | 1.1%          |
| 13      | X-Press Feeders Group            | 189,670       | 0.6%          |
| 14      | SITC                             | 180,952       | 0.6%          |
| 15      | Sea Lead Shipping                | 177,125       | 0.6%          |

Source: Own elaboration based on information from the Top 100 by Alphaliner

Table 2. Shipping alliance configuration in 2025 with current data (update 7 October 2024)

| Alliance         | Shipping line   | Ranking | TEU capacity | % World fleet | Vessel |
|------------------|---|---------|--------------|---------------|--------|
| OCEAN Alliance   |  CMA CGM   | 3       | 3,815,385    | 12.5%         | 649    |
|                  |  COSCO SHIPPING                                      | 4       | 3,280,954    | 10.7%         | 509    |
|                  |  EVERGREEN   | 7       | 1,712,215    | 5.6%          | 221    |
| Total OCEAN      |   |         | 8,808,554    | 28.8%         | 1,379  |
| GEMINI           |  MAERSK  | 2       | 4,383,640    | 14.3%         | 716    |
|                  |  Hapag-Lloyd   | 5       | 2,244,615    | 7.3%          | 292    |
| Total Gemini     |   |         | 6,628,255    | 21.6%         | 1,008  |
| MSC              |  MSC   | 1       | 6,111,803    | 20.0%         | 859    |
| PREMIER Alliance |  ONE<br>OCEAN NETWORK EXPRESS                        | 6       | 1,938,647    | 6.3%          | 246    |
|                  |  MMH   | 8       | 879,718      | 2.9%          | 78     |
|                  |  YANG MING<br>Yang Ming Marine Transport Corporation | 10      | 696,816      | 2.3%          | 94     |
| Total PREMIER    |   |         | 3,515,181    | 11.5%         | 418    |
| TOTAL            |   |         | 25,063,793   | 81.9%         | 3,664  |

Source: Own elaboration based on information from the Top 100 by Alphaliner

The reconfiguration of alliances will not only redefine major trade routes but will also have a **direct impact on key ports** across the routes they serve. The new alliances will bring divergent approaches that will affect the **distribution of vessels and the frequency of calls at these ports**. For example, the Gemini Cooperation will focus on a

“**hub & spoke**” model, which will reduce the number of ports directly served, while other shipping lines will maintain a wide range of direct connections to smaller ports. This approach will benefit port facilities such as Hamburg, Felixstowe, and Singapore, which will see an increase in vessel traffic.

The “hub & spoke” models and direct connections offer **different logistical approaches that influence operational efficiency and port distribution**. The former optimizes routes and reduces costs by centralizing operations in major ports, while the latter favors faster delivery times through direct connections between ports. Below, Table 3 presents a comparison highlighting the main differences between each model:

Table 3. Comparison of hub & spoke and direct connection models

|                           | Hub & Spoke  | Conexión directa  |
|---------------------------|--|---|
| Route efficiency          | Greater route optimization through centralization in strategic hubs.   | Lower route optimization due to the lack of centralization.           |
| Operational Costs         | Reduced costs due to economies of scale in major hubs.                 | Higher costs due to the need to maintain multiple direct connections. |
| Delivery time             | Increased transit times due to transshipments at the hubs.             | Shorter delivery times thanks to direct routes between ports.         |
| Flexibility               | Less flexibility in route changes, as it relies on the hub structure.  | Greater flexibility to adjust routes based on demand or conditions.   |
| Infrastructure investment | Requires significant investments in hubs, but less in secondary ports. | Requires investments in various ports to maintain direct service.     |
| Port impact               | Benefits major hub ports but reduces connectivity for smaller ports.   | Preserves connectivity in smaller ports without relying on hubs.      |

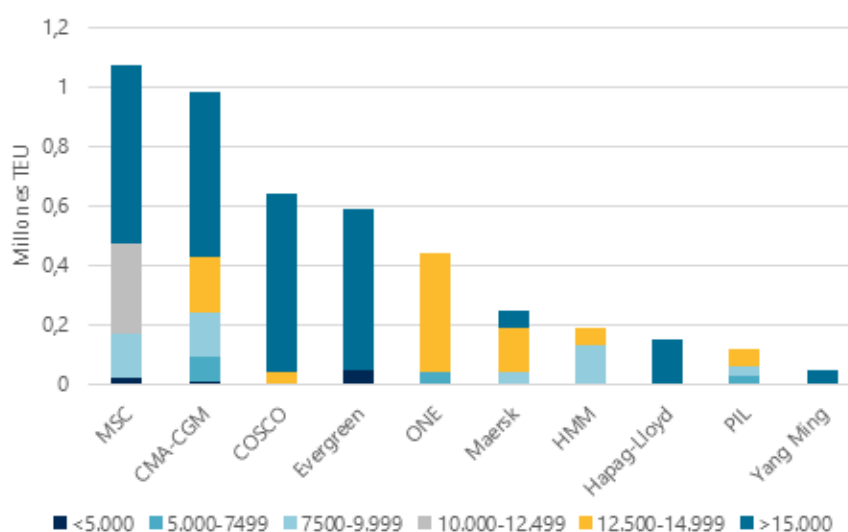
Source: Own elaboration

It is important to note that a significant trend observed over the past year is the **lengthening of travel times**, primarily due to the rerouting towards the Cape of Good Hope, along with a **reduction in the number of ports in the rotations**. This shift raises the question of whether it is due to a preference for the “hub & spoke” model or a transition towards more direct services.

The distinction between a **shipping line's total fleet capacity and the capacity actually deployed on its routes** becomes especially relevant in this context, as it directly impacts service frequency and operational efficiency. Over the past year, there has been a trend towards using smaller vessels (less than 15,000 TEU) on shorter rotations, which has increased the frequency of calls at non-hub ports and put the “hub & spoke” model on hold, **favoring direct connections to secondary ports**.

Some shipping lines strategies reflect this trend towards **flexibility and adaptability in direct routes**. As shown in Graph 1, nearly half of the vessels that the carrier has on order are of smaller capacity, with less than 15,000 TEU, reinforcing its commitment to **more agile and resilient operations**. This approach will enable the shipping lines to adjust its capacity and service frequency more efficiently in response to changes in demand and global market conditions, highlighting the balance between large and small vessels to optimize both hub routes and direct connections.

Graph 1. Order book of the top 10 shipping lines and by vessel size (based on June 2024 data) - fleet capacity (million teu)



Source: Own elaboration based on data from MDS Transmodal y Seatrade Maritime

These reconfigurations and their effects on ports are explained in Alphaliner's analysis of the **new Asia-Europe networks**, which includes the connections presented by Gemini, MSC, and Premier Alliance, while excluding the seven connections operated by Ocean Alliance, as these are expected to remain largely unchanged. In this context, Alphaliner has focused on connections from Asia to Northern Europe, where the new configurations will influence the rotation and frequency of calls in Northern Europe (Figure 2).

Figure 2. Far East-Europe services weekly calls (selected ports only)



Source: Own elaboration based on data from Alphaliner

The five current connections of **2M** and the services of **MSC and THE Alliance** will be replaced by four connections each from **Gemini, MSC, and Premier Alliance**, totaling 12 connections. Gemini's connections will have 28 calls, averaging seven per connection, while MSC will serve at least 55 ports, averaging 14 per connection. This reflects **different strategies**, as Maersk and Hapag-Lloyd seek high reliability, while MSC offers more direct services to smaller ports.

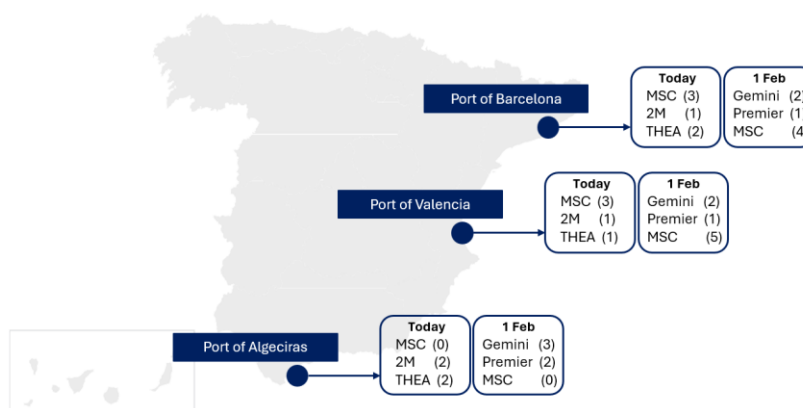
Premier Alliance will maintain connections at key ports such as Southampton and Busan, collaborating with MSC to optimize port coverage, although with certain access limitations to specific destinations. However, **not all ports will benefit from this reconfiguration**. Ports like Antwerp and Yantian will face reductions in direct calls from Asia, forcing them to rely on transshipments at hubs like Rotterdam, which will affect their connectivity. In contrast, ports operating as regional hubs, such as Singapore and Cai Mep, will be better positioned to take advantage of new opportunities, while those dependent on direct calls will face significant challenges in an environment prioritizing efficiency and strategic connectivity.

The impact of the reconfiguration of shipping alliances will also be notable at **key Spanish ports**, such as Algeciras, Valencia, and Barcelona, which play a strategic role in international trade routes. The port of Algeciras, thanks to its advantageous geographical location, has the potential to further establish itself as a **key transshipment node** for networks prioritizing fewer direct calls in Europe. However, ports like Valencia and Barcelona will face challenges if the number of direct calls decreases in favor of more centralized services.

In line with Alphaliner's study, and focusing on Spanish ports, we have examined the weekly calls on one of the main routes, the **Europe-Asia route**. The results show that the two current connections of 2M, which include 12 Asian ports, along with the five independent services of MSC, connecting with 17 Asian ports, and the four connections of THE Alliance covering 11 Asian ports, will be replaced by three connections from Gemini, which will have nine Asian ports, six from MSC, expanding its network to 19 Asian ports, and three from Premier Alliance, with 11 Asian ports, totaling twelve connections (Figure 3).



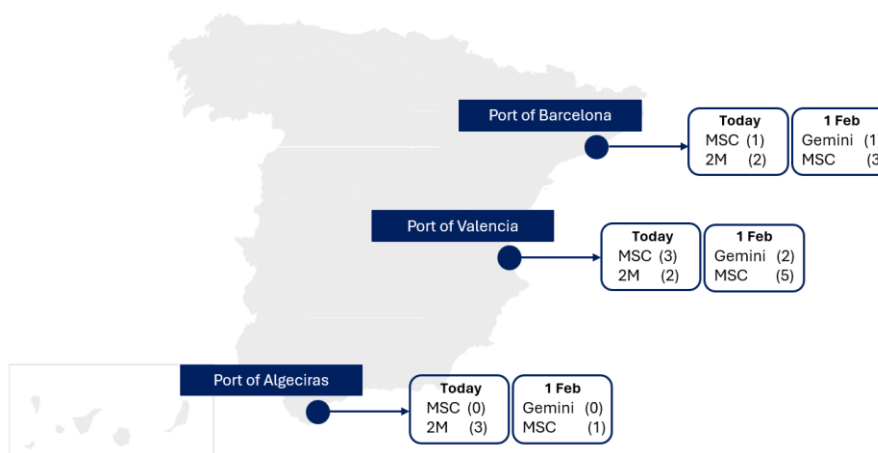
Figure 3. Weekly calls of Far East-Europe services (selected Spanish ports)



Source: Own elaboration based on data from Alphaliner

On the other hand, regarding the **route to the United States**, which is currently covered by two connections from 2M and three from MSC, both connecting to 8 U.S. ports, this reconfiguration will lead to a significant change. In the new setup, MSC's five services will connect to 14 U.S. ports, while Gemini will have only one connection to a U.S. port. This change implies a redistribution of traffic and an adjustment in port calls (Figure 4).

Figure 4. Weekly calls of services East Coast United States-Europe (selected Spanish ports)



Source: Own elaboration based on data from Alphaliner

On the other hand, regarding the **Port of Valencia**, Maersk and Hapag-Lloyd could create new opportunities following the dissolution of 2M due to the Premier Alliance. While MSC will maintain its presence in Valencia, the absence of other shipping lines on shared routes raises questions about the reconfiguration of traffic. The expansion of the Premier Alliance will largely depend on how the shipping lines choose to operate their routes and the agreements they establish with their new partners.

Finally, it is relevant to consider that some shipping lines may opt for **alternative routes in their connections between Asia and Europe**, choosing between the Suez Canal or

circumnavigating Africa via the Cape of Good Hope. This strategic change will directly impact the frequency of calls at ports like Algeciras, where traffic could vary, based on carriers' decisions regarding the most efficient and secure route.

Moreover, according to a study by Sea-Intelligence, the new Asia-Europe networks anticipated for 2025 seem to be partially linked to the **EU Emissions Trading System (ETS) regulations**. This regulation, which requires shipping lines to cover a percentage of their emissions with carbon credits on routes to and from the EU, involves additional costs that could also influence decisions on the most profitable and sustainable routes for carriers. While it cannot be claimed that the shift in trajectories is solely due to this reason, the study suggests that route optimization may be influenced by the need to reduce expenses associated with emission regulations.

In summary, the recent changes in the Asia-Europe networks reflect a **series of strategic decisions** by major shipping alliances, each pursuing distinct goals in terms of service and reach. This redesign of routes, which responds to both **operational optimization and new market demands**, may also be linked to increasing regulatory pressure. While it cannot be said that these changes are motivated exclusively by the emissions trading system, it is clear that strategies to reduce reportable distances are influencing the configuration of these networks. Thus, alliances not only **compete in terms of market coverage and connectivity** but also in how they adjust their operations to maintain a **competitive advantage** in an environment increasingly shaped by environmental and economic regulations.