

# Maersk inks deal with Swiss competitor

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A.P. Moller-Maersk has announced an alliance with shipping company MSC on some of the world's busiest shipping routes after China scuppered a planned tie-up between the two companies and CMA.

The Danish shipping and oil conglomerate said it had signed a 10-year alliance with Swiss-Italian MSC on routes between Asia and Europe, and across the Atlantic and Pacific oceans.

Maersk said in a statement that if regulatory approval was given, the alliance would begin operating in early 2015.

The agreement came less than a month after a tie-up between the world's three largest container operators — Maersk, MSC and France's CMA CGM — was blocked by Chinese authorities.

The new agreement will cover 185 vessels, rather than the 255 foreseen in the triple alliance nixed by Beijing, and Maersk Line will contribute 55 per cent of the total capacity.

The financial crisis has weighed on the international shipping market and overcapacity continues to push rates down on many routes.

The Danish group said the new agreement, dubbed 2M, would cut costs "through better utilisation of vessel capacity and economies of scale."

Like the previous one, it will create a system similar to code-sharing agreements among airlines, allowing the companies to put cargo on each other's vessels.

By sharing infrastructure, the two groups "will be able to provide their customers with more stable and frequent services, cover more ports with direct services," Maersk said.

<http://www.nation.co.ke/business/Maersk-shipping-MSC-financial-crisis-overcapacity-costs/-/996/2378954/-/3e3omi/-/index.html>