Containers Europe Greater China

Growing dominance of the Ocean Alliance risks running the wrath of regulators

Sam Chambers • October 25, 2023 0 800 1 minute read

The Ocean Alliance risks running the wrath of regulators given how large it is set to become in the coming years, new analysis from box watchers at Alphaliner suggests.

The Ocean Alliance, whose members are Evergreen, CMA CGM, COSCO and its subsidiary Orient Overseas Container Line (OOCL), have an agreement in place to work together until the end of Q1 2027.

Based on the orderbooks of its members, the Ocean Alliance, already the world's largest carrier grouping in terms of deployed capacity, is forecast to witness what Alphaliner described in its latest weekly report as "massive" growth in the coming years.

"This expansion might prompt regulators to re-evaluate and re-define how big mega-alliances will be allowed to become," Alphaliner suggested. To date, regulators have never publicly indicated a maximum permissible market share for carrier alliances. Ten years ago, China decided to block the creation of P3, an alliance of MSC, Maersk and CMA CGM over monopoly concerns.

The Ocean Alliance already commands a market share of 34% on the Asia – Europe tradelanes and 35% on Asia – North America routes according to Alphaliner data.

The discontinuation of the 2M partnership between Mediterranean Shipping Co (MSC) and Maersk in 2025 will bring about “deep structural changes” in the liner market, a sector so far dominated by three major alliances of similar market share.

“The planned expansion of the Ocean Alliance might become a test case for how large the mega-alliances will be allowed to grow,” Alphaliner warned.