

HMM \$4.9 billion takeover by Harim collapses



The \$4.9 billion takeover of Korean shipping line HMM by Harim Group has failed after the two sides failed to reach a deal.

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The takeover by poultry processor Harim, which also owns dry bulk shipping company Pan Ocean, has been called off after they failed to reach agreement on terms with [HMM](#).

Harim, along with partner private equity fund JKL Partners was selected a preferred bidder for the government's majority stake in HMM held through Korea Development Bank (KDB) and the Korean Ocean Business Corp. (KOBC), last December.

Related: [HMM names first in series of 13,000 teu containerships](#)

The Korea Herald reported an announcement from KDB as saying: "Though KDB and KOBC were in the talks with the preferred bidder under mutual trust over the past seven weeks, we were not able to reach an agreement over different views on some details."

The deal would have been worth KRW6.4 trillion (\$4.9 billion).

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Talks started on 20 December last year, and were extended on 23 January as the two sides attempted to reach agreement.

The failure of the talks would appear to centre on Harim wanting full control of HMM while the state institutions wanted to maintain an input.

"No private company can easily accept a deal that only makes it the major shareholder without guaranteeing actual management rights," a statement from Harim was quoted as saying.

"We will work to strengthen the competitiveness of Korea's shipping through dry bulk shipper Pan Ocean."

The only international bidder for HMM, German container line [Hapag-Lloyd](#), failed to make it through to the second round of bidding having failed the screen process. There had been serious concerns voiced over giving control of HMM to a foreign entity.

HMM is the world's eighth largest container line with 783,000 teu of capacity according to analyst Alphaliner. The company also lists a fleet of 23 bulkers, twelve VLCCs, three product tankers, and an LNG carrier on its website.

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