

Tussle between HMM and Samsung escalates

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The legal wrangling between South Korea's flagship carrier HMM and its compatriot conglomerate Samsung Electronics is deepening.

After Samsung Electronics' US branch filed a complaint with the US Federal Maritime Commission (FMC) on 5 June, alleging that HMM had caused it to suffer loss resulting from 96,000 instances of demurrage and detention, the liner operator has fired its own salvo.

On 1 July, HMM filed a suit with the US District Court in California, demanding Samsung Electronics America pay US\$13 million as damages for breaching its contractual obligations. HMM alleges that Samsung Electronics America delayed paying for freight services.

Samsung Electronics America has responded to the allegations, claiming that since mid-2020, when container freight rates rose to historic levels amid the Covid-19 pandemic, HMM has not performed acceptable inland transportation services, and had failed to promptly remove containers from US ports.

South Korean media suggested that Samsung Electronics America could be seeking US\$7 million in compensation from HMM, making it appear to be the largest ever complaint made to the FMC.

HMM is not the only liner operator to be the subject of Samsung Electronics' complaints. The electronics giant has also made FMC complaints against COSCO Shipping Lines, OOCL, ZIM Line, and SM Line.

HMM has responded to Samsung Electronics' FMC complaint, saying that the plaintiff had refused to enter into negotiations regarding the fairness of the demurrage and detention costs.

Since US President Joe Biden passed the Ocean Shipping Reform Act in response to shippers' concerns at the sky-high freight rates during the pandemic, the FMC has received a record number of shippers' complaints.

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