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HMM details \$17.5bn expansion plans

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HMM

South Korean flagship HMM today unveiled its expansion plans through to the end of the decade, setting aside a massive KRW23.5trn (\$17.48bn) that will see its container fleet nearly double while its tanker and dry bulk fleets will triple in size come 2030.

Among the outlay for the state-run line, HMM will spend KRW11trn to up its boxship fleet to 130 vessels of 1.55m slots. Alphaliner data shows the Korean line today has a fleet of 868,227 slots, marking it down as the eighth largest liner in the world. Also noteworthy is the KRW5.6trn earmarked to expand the company's dry bulk and tanker business from today's 36 ships to 110 vessels of 12.56m dwt.

Among other commitments, HMM stated today it aims to be carbon-neutral by 2045, as well as investing in plenty more terminals.

Kim Kyung Bae, HMM president and CEO, commented, “We remain committed to developing a resilient business portfolio and positioning ourselves as a global leader in eco-friendly shipping for the future.”

HMM saw interim revenues climb 18.6% to KRW4.99bn with a net profit up 88% to KRW1.15bn, and a 21.1% operating margin in the first half, among the highest of all global carriers.

The line yesterday revealed that with existing Asian partners Ocean Network Express (ONE) and Yang Ming it will form a new container alliance from next February called Premier Alliance.

The long-planned privatisation plans for South Korea’s flagship carrier collapsed in February this year. Harim Group, whose bid with a local private equity firm had been the one selected by state banks, pulled out of the deal.

HMM was placed under state control in 2016 at a period of severe financial distress for many Korean shipping firms, which saw its local rival, Hanjin Shipping, liquidated a few months later.