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INTELLECTUAL CAPITAL FOR LEADERS

CMA CGM Launches First Foreign-Owned Philippines Domestic Shipping Service



CNC Pilipinas transferred to the Philippine flag and will launch the new domestic service (CNC)

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CMA CGM Group through its intra-Asia short-sea specialist company CNC is launching a new domestic service in the Philippines which will become the first foreign-owned international shipping line to establish this service. The new operation was made possible by the Philippines government's expanded regulations permitting foreign shipping lines to venture into domestic shipping.

The new domestic service will be launched with the Philippines-flagged vessel *CNC Pilipinas*, a 1,037 TEU vessel that was transferred earlier this month to the Philippines flag for the new service. The vessel, built in 2009, is 12,500 dwt and previously operated for COSMOSHIP and ANL Singapore. The *CNC Pilipinas* will sail on the Luzon Visayas Mindanao Express (LVMX) shipping service, with weekly port calls rotating between Manila, Cagayan de Oro, Cebu, and back to Manila.

"We are very excited that CNC has chosen to launch its first domestic service in the Philippines," said Philippines' Department of Transportation Undersecretary for Maritime, Elmer Sarmiento. "This initiative will not only enhance our domestic shipping capabilities but also create valuable job opportunities for our seafarers, further strengthening our maritime sector."

The company highlights that this service will support the establishment of new maritime routes, improving connectivity between major ports in the Philippines. In addition to reducing transit times, lowering logistics costs, and fostering stronger economic ties and trade flows across the region, they note it will play a critical role in the development of maritime skills.

“We are thrilled to be the first foreign company to establish our own entity here, and together with the Philippine government, will strive to bring the best of our global knowledge, technologies, and infrastructure to the domestic market,” said Steven Zhu, CEO of CNC.

CNC highlights that the domestic service offers opportunities for Filipino seafarers to be exposed to international-standard operations and training. The vessel will use Very Low Sulfur Fuel Oil (VLSFO), in compliance with the International Maritime Organization (IMO) 2020 standards while the Philippines has not fully implemented IMO 2020 in the Philippine domestic shipping industry.

The new service will also enhance the efficiency of cargo handling within the Philippines by utilizing the same containers for both international and domestic shipping. The company notes this will be particularly beneficial for the importation of essential goods, such as food and rice, where cost-effectiveness is paramount.

“Asia contributes significantly to our growth globally, and the establishment of CNC’s domestic shipping service in the Philippines is an important milestone for us as a business as we continue to develop our expertise and strength in our intra-Asia services,” said Bo Wegener, CEO of CMA CGM Asia-Pacific.

CNC (Cheng Lee Shipping Co.) was established in 1971 and is headquartered in Singapore. CMA CGM Group acquired the company in 2007, and in 2019, CNC became the only short-haul shipping brand in Asia under the group. Its service network covers countries and regions including Bangladesh, Cambodia, Mainland China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Myanmar, Philippines, Singapore, Taiwan, Thailand and Vietnam.