

The Alliance unveils 'unique contingency plan' and completed product

Will Waters | Thursday, 09 March 2017

New container shipping consortium The Alliance today unveiled a “unique contingency plan” to protect customers’ cargo and members in case of “financial distress” or “bankruptcy” of a partner line, to prevent a repeat of the chaos that surrounded the collapse of Hanjin Shipping last year.

The consortium of five of the world’s largest shipping lines – Hapag Lloyd, K-Line, MOL, NYK Line and Yang Ming – today announced ten trade routes connecting DP World’s UK ports to the US and Asia, all of its mainline UK calls.

The Alliance said “in the unlikely event a member of The Alliance suffers a bankruptcy”, the five member lines “will establish an independent trustee to manage funds to be used in the case there is insolvency within the group”.

The consortium added: “It is envisioned that the fund will be used to continue alliance operations in the event of insolvency of one or more member lines. The independent trust fund shall safeguard that customers’ cargo on board of the affected members’ ships will be carried to the port of destination.

“Customers’ reaction to the incident last summer showed a clear demand for such a safety net and the partners of The Alliance are proud to present the first contingency plan of its kind in liner shipping.”

On the announcement of The Alliance’s final network, the consortium said that “thanks to the ‘best ship for the loop principle’ and a dedicated shuttle service design”, the product starting from April 2017 featured fast transit times, a comprehensive port coverage and deployment of modern and most efficient ships. More than 240 ships will be deployed in 32 services connecting over 75 major ports throughout Asia, North Europe, the Mediterranean, North America, Canada, Mexico, Central America, the Caribbean, Indian Subcontinent and the Middle East with a wide range of direct port-to-port connections.

“Through this robust network, The Alliance will offer a superior, reliable, efficient, and wide-ranging product suite to shippers in the East-West lanes,” it said. “The partners of The Alliance will keep monitoring customers’ demand and will react to markets if needed.”