

What Could the K-Line Merger Mean for You?

by Danielle Leonard - Tuesday, November 01, 2016



Japan's three largest steamship lines, Nippon Yusen KK (NYK), Mitsui O.S.K. Lines Ltd. (MOL) and Kawasaki Kisen Kaisha Ltd. (K-Line), have agreed to a merger which should be established on July 1, 2017 and then begin operating as soon as April 1, 2018. This will impact shippers in the long term by reducing the number of carriers worldwide and thus limiting competition.

According to [BBC](#), the merged group would hold about seven percent of the world shipping market.

Vice President, International Transportation at Mohawk Global Logistics, Rich Roche explains, "this signals the precarious position most carriers are in today, where non-compensatory rates will not keep them afloat. Vessel sharing agreements—arrangements between carriers to reciprocate their vessel space—are changing in part due to consolidation. We have already seen the acquisition of Singapore-based NOL by the French carrier CMA-CGM earlier this year. More consolidation of carriers is likely as we move from four vessel sharing agreements to three, resulting in more successful rate initiatives and therefore higher sustained rates over time."

Mohawk will continue to monitor the status of the merger and will notify you as news becomes available.



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