

August 1st, 2007

Grand Alliance

Successful cooperation extended for 10 years

The Grand Alliance, founded in 1998, is the leading integrated consortium in container liner shipping. Its members are Hapag-Lloyd, MISC Berhad, Malaysia, Nippon Yusen Kaisha (NYK), Japan, and Orient Overseas Container Line (OOCL), Hong Kong. The four member lines have today extended their cooperation for a further term of ten years.

The member lines of the Grand Alliance are continuing their successful cooperation, and today Adolf Adrion, Executive Board member of Hapag-Lloyd AG, Niels Kim Balling, Vice-President of Liner Business, MISC Berhad, Minoru Sato, Representative Director and Executive Vice-President of NYK, and Philip Chow, Chief Executive Officer of OOCL, have signed an agreement extending their cooperation up to 2017.

“We have enjoyed a very close partnership and been able to respond to market changes rapidly and together realise cost savings. Our customers benefit from our modern tonnage, excellent port coverage and attractive transit times. There was thus no doubt about our wanting to continue our successful cooperation for a further ten years,” the CEOs confirmed at the signing of the agreement.

One of the key aspects for their future cooperation is to offer a higher frequency of sailings in fast growing markets to meet increasing customer needs. Depending on customer demands, Grand Alliance members will consider expanding the scope of the Grand Alliance.

Another area of cooperation is their further dedications to environmental protection, particularly in coastal waters. Although ocean shipping remains the most environmental-friendly means of transport, Grand Alliance member lines intend to commit efforts to make further reduction in fuel consumption and CO₂, SO_x and NO_x emissions, through using low sulphur fuel and employing most efficient deployment plans.

The Grand Alliance members deploy in their services a total of about 140 vessels with a capacity of between 2,700 and 9,000 TEU offering 20 services, mainly on major east- west routes. This is an exclusive state-of-the-art tonnage, with additional newbuildings to be integrated into the fleet once delivered. When deploying ships, the Grand Alliance adopts the “best vessel for the loop” principle.

Cooperation among members is restricted to provision of joint port-to-port services, on which each member is allocated space to market on its own account. The shipping lines compete with each other to attract customers, and there is no discussion or agreement within the alliance on any commercial matters such as in particular fixing freight rates. The Grand Alliance provides a comprehensive network of links across the major trade lanes meeting all customers' requirements.