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Red Sea crisis sees 2M separation go into reverse

The MSC Isabella is deployed on the Asia - Europe trade

Following the announcement of the dissolution of the 2M alliance the division of services was rapid, but since the beginning of this year the collaboration has regained momentum with an increase in joint MSC and Maersk services.

Nick Savvides | May 14, 2024

MDS Transmodal data shows that in Q4 2019 Maersk and MSC jointly operated all their services on Far East-Middle East and Indian Subcontinent trades, and into European destinations. However, the number of services offered individually by the two lines on those trades rose during the pandemic to 41% and to 53% by Q4 2022.

That separation gained further momentum in Q1 2023, after 2M announced that it would be dissolved by January 2025, with individual services rising rapidly to 90% and reaching 100% separation by Q2 of last year.

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A similar pattern was observed on the more direct Far East to Europe trades with the separation reaching 95% in Q4 2023. However, MDS analyst Antonella Teodoro explains that since the Red Sea crisis caused vessels to divert around the Cape of Good Hope, there has been a marked increase in the number of joint Maersk and MSC services.

On the FE-Europe trades, MDS data reveals that 14% of services are now operated jointly, while the FE-Europe with wayport calls in the Middle East and the Subcontinent are at 12% joint operations as of Q2 this year.

Related: Maersk and MSC to disband the 2M alliance in 2025

Teodoro speculates that this is due to the diversions around the African Cape which require considerably more tonnage which Maersk do not have.

"Looking at the numbers Maersk has had less investment in ships and when they had to divert ships around the cape it seems Maersk did not have sufficient tonnage to divert all services," said Teodoro.

Moreover, MDS points to the fact that some capacity has shifted from the North Atlantic trades which is significant because it shows that the effects of the Middle East diversions is spreading to other regions, in spite of the massive influx of capacity over the last 18 months.

Teodoro considers that Maersk and MSC may continue some form of vessel sharing agreement (VSA) following the dissolution of 2M even when the Gemini Cooperation is up and running.

“The lines maybe looking for some equilibrium, testing a VSA for when the alliance is finally ended,” said the analyst.

A Maersk spokesperson said that the company does not comment on service changes, but refers customers to its website.

MSC did not respond.
