
Slowdown signs - Maersk shipping sees stagnation in 2010

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Reuters reported that AP Moller Maersk's liner shipping business expects stagnation at best in the industry next year but will not cut freight rates to win more market share.

Mr Eivind Kolding head of Maersk Line said that "We are pretty disappointed by what we've seen in April and May." He added that growth in shipping volumes in 2010 is unlikely.

Mr Kolding said that he is currently not trying to increase Maersk Line's market share, which stands at about 15%. He added that "If we did that we would increase the pressure on freight rates further."

He said that the current downturn could speed up consolidation and capacity reduction and Maersk should play an active role in takeovers in the next few years, even though takeovers are not currently on Maersk's agenda.

Moller Maersk's tanker business is also anticipating merger and acquisition activity picking up as shippers try to cut costs and boost vessel usage.

(Sourced from www.reuters.com)

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