

# HMM deploys ships to pick up stranded Hanjin cargo

Xiaolin Zeng | Sep 02, 2016 1:20AM EDT



Hyundai Merchant Marine vessels will soon be sailing Hanjin Shipping trans-Pacific and Asia-Europe routes.

In the wake of Hanjin Shipping's move towards court protection, Hyundai Merchant Marine's staff have been holding emergency meetings to arrange the deployment of container vessels to minimize disruptions to shipments booked with the ailing carrier.

Hyundai Merchant Marine will provide 13 replacement ships to substitute vessels affected by [Hanjin Shipping's receivership application](#). This process is expected to be carried out until September 7.

Hanjin Shipping, having accumulated debt of \$5 billion, filed for court protection on Wednesday after local banks, dissatisfied with the liquidity plan submitted by South Korea's largest shipping line, withdrew their support.

The Ministry of Oceans and Fisheries estimates that as many as 540,000 twenty-foot-equivalent units are on Hanjin's vessels and many could be delayed as ship arrests mount. Hanjin Rome has been arrested in Singapore while Hanjin Soohoo has been denied entry into Shanghai. China Cosco Shipping, one of Hanjin Shipping's partners in the CKYHE Alliance, has ended their slot swap arrangement and other members of the alliance are not carrying Hanjin cargo.

HMM will deploy four 4,000-TEU ships on the trans-Pacific trade and nine 6,000-TEU ships on Asia-Europe. The first of these ships will begin sailing on Sept. 8 on the Gwangyang-Busan-Los Angeles route.

On Asia-Europe routes, HMM has been actively corresponding with shippers, and the plan is to call at only key European ports, although the schedules can be flexible according to shippers' requirements.

"Emergency meetings will continue until the shipping issues are resolved. We will work closely with shippers to minimize disruptions to transportation," HMM said.

Financial Services Commission chairman Yim Jong-ryong said that Korea Development Bank and HMM agreed on this as part of countermeasures designed to mitigate any fallout from Hanjin Shipping's financial woes.

While HMM has been in discussions with some South Korean cargo interests, rates have been discussed and

negotiated with other cargo owners. Freight rates would be kept at "reasonable levels" to prevent excessive burden on shippers.

"As much as the possibility of Hanjin Shipping being liquidated cannot be ruled out, Hyundai Merchant Marine has been asked to consider acquiring the former's valuable assets," Yim said.

This step has been taken into consideration by the FSC in order to strengthen HMM's medium- to long-term competitiveness.

HMM recently completed a [remarkable escape](#) from bankruptcy by raising sufficient liquidity, renegotiating charter costs and rescheduling bond repayments, and joining the 2M vessel-sharing agreement with Maersk Line and Mediterranean Shipping Co. South Korea's No. 2 liner operator then entered into debt-for-equity swaps that saw its creditor banks, led by Korea Development Bank, assuming a 40 percent stake in the company. KDB is set to appoint a new CEO and management team on September 20.

Contact Xiaolin Zeng at [arachelle0@gmail.com](mailto:arachelle0@gmail.com).