

## ZIM: Gemini’s Gain and MSC’s Connectivity Gap

In issue 753 of the *Sea-Intelligence Sunday Spotlight*, we analysed the network implications of Hapag-Lloyd’s \$4.2 billion acquisition of ZIM Integrated Shipping Services. Assuming the newly acquired routes and vessels are fully integrated into Gemini Cooperation, the transaction adds layers to the alliance's Transpacific footprint, triggering an expansion of market reach into the US East Coast. MSC will likely be facing a capacity dilemma, forcing them to either launch new Transpacific East Coast services or cede critical market share.

**Fig. 1: Gemini's Network Gain**

Origin Port	Origin Region	Destination Port	Destination Region
Busan	Korea	Charleston	South-Atlantic
Busan	Korea	Savannah	South-Atlantic
Haiphong	North Vietnam	Boston	New England
Haiphong	North Vietnam	Los Angeles	Pacific SW
Kaohsiung	Taiwan	New York	Mid-Atlantic
Kaohsiung	Taiwan	Boston	New England
Kaohsiung	Taiwan	Charleston	South-Atlantic
Kaohsiung	Taiwan	Savannah	South-Atlantic
Singapore	Singapore Strait	Boston	New England
Vung Tau	South Vietnam	Boston	New England
Xiamen	Southeast China	Norfolk	Mid-Atlantic
Xiamen	Southeast China	Charleston	South-Atlantic
Xiamen	Southeast China	Savannah	South-Atlantic
Yantian	Pearl River Delta	Boston	New England

Figure 1 shows the distinct cluster of port-pairs that Gemini stands to absorb. Currently, Gemini operates 32 unique region-region pairs on the Transpacific, representing 70 unique port-pair combinations. The integration of ZIM’s network would increase this to 41 unique region-region pairs and 84 unique port-pair combinations. This constitutes a 28% increase in origin-destination region combinations available to the alliance.

Crucially, this expansion is not merely redundant overlap. The acquisition secures Gemini exclusive direct access to the New England destination region (Boston), which is entirely absent from the current Gemini network. Furthermore, it adds robust, direct connectivity into key South-Atlantic gateways, such as Charleston and Savannah, from five major Asian origins, including North and South Vietnam, the Singapore Strait, and Taiwan.

However, absorbing this market reach presents a distinct operational challenge. Gemini Cooperation's network is heavily anchored by a hub-and-spoke model designed to achieve a 90% schedule reliability target, by minimizing direct mainline port calls. Routing time-sensitive, legacy ZIM e-commerce cargo through these transshipment hubs risks diluting the fast transit times those customers value. To successfully integrate this newly acquired market reach, without compromising core reliability targets, Gemini will likely need to deploy a new, specialized East Coast service, potentially to New England, rather than simply adding calls to existing hub-and-spoke service loops.

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All quotes can be attributed to: Alan Murphy, CEO, Sea-Intelligence.

For more information, please contact: [ia@sea-intelligence.com](mailto:ia@sea-intelligence.com), [am@sea-intelligence.com](mailto:am@sea-intelligence.com)

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