Journal of Transportation Management

Volume 10 | Issue 2 Article 6

9-1-1998

Mergers and alliances in the liner shipping industry: an historical perspective

David A. Menachof
University of Plymouth

Anthony Damian
Norasia Services SA

MERGERS AND ALLIANCES IN THE LINER SHIPPING INDUSTRY: AN HISTORICAL PERSPECTIVE

David A. Menachof
University of Plymouth

Anthony Damian
Norasia Services SA

This article chronicles the history of mergers and alliances in the liner shipping industry during the past century, before focusing on the latest wave of mergers to hit the industry. Each merger wave in the liner shipping industry generally coincided with merger waves from the general industrial world. The incentive for each wave of mergers seemed to be different, with the most recent wave focusing on synergy between the merging companies. The reduction of competing firms through mergers has implications for the shipper and these are also examined.

INTRODUCTION

In the present decade, mergers and strategic alliances have become the model for liner shipping companies in coping with the globalization of the world economy. The present day competition and rise in the cost of capital has resulted in a steady fall in profits. Liner shipping companies "are characterized by operating scheduled services between predetermined ranges of ports on a continuous basis." (U.N.) Most liner shipping service today is focused on containerized freight traffic. Competition in the liner shipping industry has been in existence since the days when sailing ships were introduced. The intense competition at the turn of the last century can be compared to the present day competition in the liner shipping industry. The commonality between the two periods represents an attempt to increase price stability and profitability. This paper will chronicle the merger history of the liner shipping industry and conclude with the current rationale for the most recent wave of merger activity and how it might affect the shipper.

HISTORY OF THE MERGERS AND THE MERGER WAVE CYCLE

Four periods of high merger activity, called merger waves, can be identified in the history of US and UK industrial development. During these periods, consolidation of various industries took place. The liner shipping industry was one such industry affected by these merger waves. In the US, these industrial merger waves occurred between 1897-1904; 1916-1929; 1965-1969, 1984-1989, and most recently in the early 1990's continuing to the present. The reason for the occurrence of these merger waves was different for each period. The first wave resulted in monopolistic merger, the second wave for oligopoly, the third wave for conglomerate merger, the fourth wave was the period of hostile and mega-mergers and the present day merger's objective is strategic gains (Gaughan 1996). The merger activity in liner shipping has coincided with the merger activity in other industries. Mergers, acquisitions and alliances in the liner shipping industry have always occurred in a periodical wave manner. From the data collected (see Appendix), the merger waves in the liner shipping industry can be categorized into four periods, 1875-1898; 1914-1926; 1964-1973; and 1981-1989, which with little exception correspond to the general industrial merger waves. The present day merger activity can be traced from 1995-present day. These periods of merger waves saw increased activity of mergers, acquisition and alliances.

The First Merger Wave: 1875-1898

In the late 19th century, steamships used to regularly ply between Europe and India/Far East, but the competition was not very severe. The opening of the Suez Canal in 1869, which reduced the voyage duration, increased the effective carrying capacity of each vessel and created cutthroat competition among the shipowners, finally resulting in the formation of shipping conferences. It was one of the first types of mutual pact among shipowners to protect their interests. In the following years, many conferences were formed to safeguard shipowner interests (Deakin and Seward 1973). The period before 1900 saw heightened activity in the formation of shipping conferences and the period between 1890-1898 saw increased merger activity.

This merger wave occurred after the depression of 1883 and peaked between 1898 and 1902. General industry mergers during this period were horizontal and often resulted in a monopolistic market structure (Gaughan 1991). Similar monopolistic market structures were also witnessed in the liner shipping industry, where the conference system created a price cartel. An example to this effect was rate fixing set by the shipowners of the Calcutta conference for the carriage of tea (Deakin and Seward 1973). It was financial factors which forced the end of the first merger wave, including the collapse of the shipbuilding trust in 1900 and the crash of the stock market in 1904 in the US (Gaughan 1991).

The Second Merger Wave: 1914-1926

The second wave of mergers in the liner shipping industry occurred during the First World War and continued until 1926. While the first wave was merger for monopoly, the second wave was merger for oligopoly. The booming economy after the first World War provided the investment capital for these mergers (Gaughan 1996). During this period, the largest merger was that between British India Steam Navigation Company and the Peninsular & Oriental Steam Navigation Company, followed by the Ellerman Lines & Hall Lines merger to form Ellerman Line (Deakin and Seward 1973). The second merger wave ended with the stock market crash of 1929.

The Third Merger Wave: 1964-1973

The third merger cycle occurred between 1964 and 1973. The introduction of container services to the liner trades in the mid 60's brought in a revolution, not only in handling methods, but also in the whole structure and operation of general cargo transportation. The desire to build container ships and the related specialized handling facilities in ports required heavy, capital intensive investments. Mergers during this wave transpired due to the heavy investment requirements of containerization, which made it virtually impossible for a single liner shipping company to undertake alone (Fossey 1996). Again, the mergers in the liner shipping industry coincided with the merger wave of other industries. Mergers in the third wave were conglomerate in nature (Gaughan 1991). Several mergers and consortia were formed during this period such as Overseas Containers Ltd (OCL), a closely knit pooling and joint marketing firm comprising British & Commonwealth, Furness Withy, Ocean Transport & Trading and P&O. The purpose was to formulate and develop strategy for converting UK-Far East liner services to containers. A year later this was followed by other UK-based operators; Ben Line Steamers, Blue Star Line, Cunard Steamship Co, Ellerman Lines and T&J Harrison formed Associated Container Transportation (ACT). The third merger wave subsided when the stock market fell in 1969 (Gaughan 1991).

The Fourth Merger Wave: 1981-1989

The fourth merger wave occurred between 1981 and 1989 and was again different from previous merger waves as general industry concentrated more on hostile take-overs. During this period few mergers took place in the liner shipping industry. However, the airline industry experienced numerous acquisitions and consolidations due to deregulation (Gaughan 1996).

The Current Merger Wave: 1995-Present

The present day mergers have differentiated themselves from all previous merger waves and have been classed as merging for strategic gain. This is very much true with liner shipping where mega-mergers and alliances have been formed due to increased competition and reduced profits. Deregulation in the airline industry resulted in mega-mergers; similar effects can be felt in the liner shipping industry in which global deregulation has resulted in mega-mergers and alliances. The present day liner shipping industry is faced with alliances such as Global, Grand, Sealand-Maersk and mega-mergers such as P&O-Nedlloyd (See Tables 1 and 6).

Thus, it is clear that the liner shipping industry has experience merger wave cycles, which coincided with the merger wave cycle experienced by other industries. These merger cycles were experienced during the bullish phase of stock markets and during periods of a liberal banking system fuelled by deregulation, which are the main ingredients of mergers and acquisitions. Therefore, it is apparent that liner shipping is very much affected by the ups and downs of the overall market. The ups and downs of other industries do have an impact on liner shipping and the statement that shipping is a derived demand is very much true.

OBJECTIVES OF MERGERS AND ALLIANCES

As with all business activity, there must be justification for engaging in either a merger or an alliance. We look at the theoretical basis for acquiring strategic gain in terms of synergy and then examine whether or not they apply in the "real world" based on actual merger activities.

Synergy

Synergy basically refers to the coming together of firms to produce a corporate combination which is more profitable than the sum of the individual firms profit combined (Gaughan 1991). There are two types of synergy that firms try and exploit when participating in mergers and alliances; Operating Synergy and Financial Synergy. Both are explained briefly in the following paragraphs.

Operating Synergy

Operating synergy refers to the efficiency gains or operating economies that are derived in horizontal or vertical integration. Cost reduction is one of the main sources of operating synergy as a result of economies of scale, due to the reduction in the per unit cost that results from an increase in the size or scale of a company's operations.

In the context of the liner shipping industry, the present day merger/acquisition/alliances have increasingly concentrated on operating synergies, especially economies of scale (Drewery).

One of the main advantages of mergers/ alliances is the ability to cut costs by the rationalization of resources available to both the merging firms. Since competition is very severe in the liner shipping industry and the freight rates in certain trade lanes have fallen by 25% in the last three years (Bray 1997), the operating profit of the companies cannot be enhanced by increasing the freight rate. Therefore, the only alternative left is to reduce the cost of operation by merging the companies together. Alliances aim to cut costs by means of slot chartering/vessel sharing agreements, joint terminal contracts, common use of equipment and even by the joint purchase of ships and equipment. P&O-Nedlloyd is aiming to achieve $100/TEU savings from their merger. Table 1 highlights the estimated annual savings projected by the recent alliances.

Financial Synergy

Financial synergy refers to the impact of a corporate merger/acquisition on the costs of capital to the acquiring firm or the merging partners. The cost of capital is lowered when the corporate combination occurs which evinces the presence of financial synergy (Gaughan 1991).

The combination of two companies reduces the risk of bankruptcy, provided the cash flows are not correlated. If the acquisition/merger lowers the volatility of the cash flows then the supplier of the capital may consider the firm less risky. The risk of bankruptcy would be less, given the fact that wide swings up and down in the combined firm's cash flow would be less likely. As a result, the banks feel confident enough to lend money to such firms due to the lessening of the risk element. The merger of P&O-Nedlloyd resulted in P&O-Nedlloyd securing a credit line of $1 billion, which will be used for financing the newly merged line and new ships on order (Containerization International Jan. 1997).

TABLE 1
PROJECTED SAVINGS THROUGH MERGER/ALLIANCE

Alliance / Merger Name	Projected Cost Savings (millions)
Sealand - Maersk Alliance	$ 100 / Year
P&O-Nedlloyd Merger	$ 200 / Year
NOL-APL Merger	$ 130 / Year
DSR-Senator Merger	$ 65.67 / Year

A larger company enjoys more advantages in the financial market as compared to a relatively small company. The advantage gained is in the form of lower costs of raising capital as it is generally less risky than with a smaller firm. The effect of P&O's merger reduced the group borrowing by $354.3 million (P&O Annual Report 1996).

Stock Market Response to Synergy

The popular objective of any company is to increase earnings per share (EPS) and many mergers have been justified in terms of the effect on EPS. Earnings per share is based on accounting profit which is subject to accounting policies on stock valuation, asset depreciation, bad debts, profit on long term contracts, provisions for accrued income and expenditure. The price-earnings ratio (P/E) is equal to the share price divided by the earnings per share.

Neptune Orient Line (NOL) in April made a friendly acquisition bid on APL for $33.5 per share, which amounted to a total of $825 million (Bray 1997). The individual figures of both companies and their combined figures are displayed in Table 2 .

TABLE 2
EFFECT OF MERGER ON FINANCIAL STATUS FOR NOL AND APL

	NOL	APL	NOL + APL
EPS (US $)	$ 0.0202	$ 0.0211	$ 0.2008
Price/Share (US $)	$ 0.8198	$ 20.36	$ 1.5132
P/E Ratio	40.5	964.9	7.53
No. of shares	722,300,000	24,600,000	722,300,000
Total Earnings	$ 14,590,460	$ 519,060	$ 145,109,520
Total Market Value	$ 592,141,540	$ 500,856,000	$ 1,092,997,540

The earnings per share (EPS) and number of shares are obtained from the individual companies' profit and loss accounts for 1996. The price per share (PPS) is the average of the share prices 20 days before the take-over. The EPS of the combined firm is $0.2008 , which is greater than the EPS of the individual companies. If the merger decision is made on the basis of EPS, then this is an extremely profitable merger.

Another key index as to the state of a company is its share price. A company which has not been performing profitably for a long time must use new strategies to give sufficient returns to its shareholders. One of the strategies is the merger/acquisition with/of a similar type of company. Share prices of both merging/acquiring companies are affected upon disclosure of the merger/acquisition activity. The effect on the share price depends on the expected costs and benefits of the deal and market expectations that the deal will actually be consummated. Studies have shown that shareholders of acquired companies are the big winners, receiving on average a 20% premium in a friendly merger and a 35% premium in a hostile take-over, whereas shareholders of acquiring companies receive small returns that are not statistically different from zero for friendly mergers (Copeland, Koller & Murrin 1991).

Observe the case of Neptune Orient Lines (NOL) $825 million acquisition bid for American President Line (APL), under which NOL will acquire all 24.6 million outstanding shares at $33.5 per share. The day NOL made the disclosure of its intention of making a friendly acquisition of APL, the share prices of APL rose sharply from $21.5 to $29.75—a rise of $8.25 (Figure 1). The share prices of NOL rose gradually in Singapore dollars, from S$1.20 to S$1.26, which was an increment of S$0.06 (Figure 2).

In the case of NOL's acquisition of APL, the premium received by the target shareholders (APL) is considerably higher than the increase in the share price of the acquiring firm (NOL). The acquisition announcement has resulted in a rise in both the companies share prices— NOL's share price rose by 7.2% and APL's share price rose by 45.2% and is summarized in Table 3.

FIGURE 1

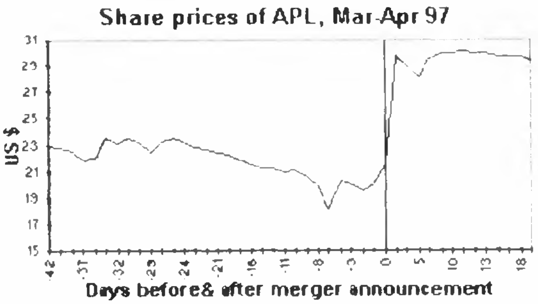
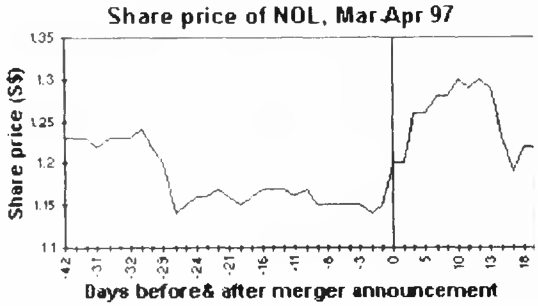


FIGURE 2



In another recent merger, Figures 3 and 4 show the market reaction to the initial disclosure of the merger of the liner shipping divisions of P&O and Nedlloyd. The day the announcement of merger was made known, the share price of P&O increased from 517 pence (06th Sep 96) to 560.5 pence (09th Sep 96- 7th and 8th Sep being Saturday and Sunday), which was a jump of 43.5 pence. The same reaction was demonstrated in Nedlloyd's share price which increased from 39.5 Fl (06th Sep 96) to 45.5 Fl (09th Sep 96), an increment of 6Fl.

Movements of share prices before the announcement were different in both cases but, after the merger disclosure, synchronous movements in the share prices can be observed before the actual merger has taken place. This can be attributed to the fact that the market reaction to any event affecting either company affects its merging partner, even though they have not legally merged. However, the behavior of share price acts as if they have merged.

It is observed that the percentage increase in the share prices is identical for both the companies, approximately 15% (See Table 4). The identical increment in the share prices can be attributed to the fact that the shareholders anticipate equal gains to both the companies through the synergies achieved through the merger.

The rise in the share price on the announcement of merger/acquisition reflects the market's expectation of the effect of the merger on shareholders of the acquiring and acquired companies. It reflects the markets expectation of the costs and benefits of the proposed merger and the probability that the merger will go through. A positive reaction from the merger announcement reflects the shareholders anticipation that the merger will result in positive gains. A falling share price following the announcement reflects shareholders sentiment that the merger will not be beneficial and they should not approve the deal (Copeland, Koller & Murrin 1991). In the case of the above mentioned mergers, the reaction of the shareholders was positive. Shareholders approve of the proposed merger and anticipate wealth maximization in the near future through the resulting synergies.

Based on data in Table 5, we observe that many companies' operating profits from the liner shipping sector have fallen. While some companies have reported rises, their net operating profit has been used. These companies are diversified into other marine and non-marine sectors and, for many of them, the rise in the profitability is attributed to these sectors. For many companies, the return on investment has steadily fallen from double digit figures in the late 1970's to near zero or below today (Lloyds List 1996 C).

TABLE 3
PRE AND POST-ANNOUNCEMENT SHARE PRICE ACTIVITY

Company's Name	Mean of Share price 20 days before announcement	Mean of Share price 20 days after announcement	% rise in the share price
NOL	S$1.16	S$1.25	7.8 %
APL	US$20.36	US$29.58	45.2 %

Source: Datastream International, NOL company code-997373, APL company code-944881

FIGURE 3

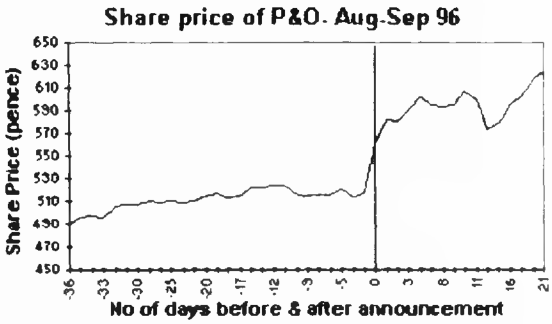


FIGURE 4

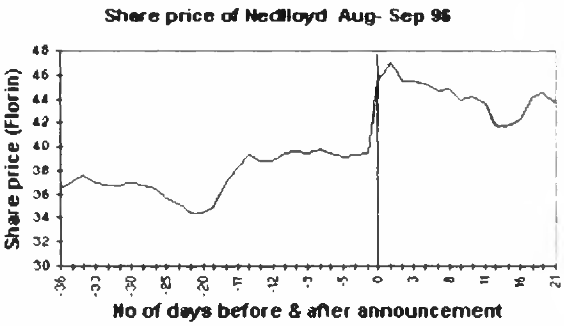


TABLE 4
PRE AND POST-ANNOUNCEMENT SHARE PRICE ACTIVITY

Company's Name	Mean of Share price 20 days before announcement	Mean of Share price 20 days after announcement	% rise in the share price
P & O	517.8 Pence	593.5 Pence	14.6 %
Nedlloyd	38.51 Florins	44.28 Florins	14.9 %

Source: Datastream International, P&O company code-901127, Nedlloyd company code-912796.

As a result of the falling operating profits, liner companies have entered into alliance agreements, merging and acquiring each other, so that the costs can be reduced.

The oligopolistic character achieved by these firms can be studied by understanding the concentration ratio of these firms with respect to the tonnage held by them. Table 6 shows that the top 6 alliance groups will control 42.7% of the World's TEU in service. This percentage is expected to increase at a steady rate due to the cost savings accrued through the alliances and mergers. These cost savings amassed through alliances and mergers will be used to offset the possible price reductions in the freight rates charged. This trend should result in other smaller firms merging or quitting the trade. Firms preferring to remain independent and not responding to these changes will end up bankrupt

TABLE 5
PROFIT/LOSS OF MAJOR LINER SHIPPING COMPANIES

Company name	Profit type used	1995	1996	Fall/Rise
P&O	Liner Operating Profit	40.1m £	30.3m £	Fall (24%)
Nedlloyd	Liner Operating Profit	57m Dfl	25m Dfl	Fall (56%)
Hapag-Lloyd	Liner Operating Profit	265m Dm	230m Dm	Fall (13%)
K-Line	Liner Revenue	1.61b US$	1.53b US$	Fall (5%)
MOL	Net Operating Profit	-4.64m US$	20.9m US$	Rise(351%)
Maersk	Tankers and liners Net Operating Profit	1.16b Dkk	1.21b Dkk	Rise (5%)
Yang Ming	Net Operating Profit	2.82b NT$	3.67b NT$	Rise (30%)
Sea-Land	Net Operating Profit	254m US$	318m US$	Rise (80%)
APL	Net Operating Profit	68.4m US$	141m US$	Rise(106%)
ZIM	Net Operating Profit	54m US $	14m US$	Fall (74%)
NYK	Net Operating Profit	148.8m US$	208.4m US$	Rise (40%)
Hanjin	Net Operating Profit	134.3m US$	161.8m US$	Rise (20%)
NOL	Liner Revenue	1.0b US$	1.05b US$	Rise (5%)
OOCL	Operating Profit after Financing	71.8m US$	60.2m US$	Fall (16%)

Source: Individual Company Annual Reports or company websites.

or absorbed by larger companies except for companies operating in the niche market sector. The final market structure emerging in the next decade will be oligopolistic, given the current regulatory situation.

Growth and Expansion of Merging Firms' Sales and Market Share

World container trade has been increasing at a steady pace. This has been attributed to the growth in world trade which is steadily rising at a rate of 8% by volume per year and world ship slots have been expanding at 22% per year, according to figures in Containerization International's 1997 Yearbook. The growth in world trade results in increased market share for the liner companies. In this expanding market, shippers are looking closely at a carrier's ability to provide a wide range of high quality services at reasonable prices. Larger carriers are in a better position to offer the variety and quality of service desired and, therefore, should experience significant gains in market share (Lloyd's List 1996A).

Today, shippers have focused on reducing the number of carriers they associate with and look to one-stop shopping for all their global shipping needs. Liner shipping firms can only offer this broad range of services through mergers or by joining alliances with other companies and thus sharing the resources and know-how.

TABLE 6
MARKET CONCENTRATION OF TOP 6 LINER SHIPPING ALLIANCES

No	Alliance	Company		Total TEU	% Market Share
1.	Sealand-Maersk	Sea-land Service		203,244	4.3%
	Alliance	Maersk		200,919	4.3%
			Total	**404,163**	**8.6%**
2.	Global Alliance	A.P.L		81,262	1.7%
		M.O.L		126,415	2.7%
		Nedlloyd		117,114	2.5%
		O.O.C.L		76,419	1.6%
		M.I.S.C		-	-
			Total	**401,210**	**8.5%**
3.	Grand Alliance	Hapag-Lloyd		85,722	1.8%
		NYK/TSK		129,731	2.8%
		P&O		100,243	2.1%
		N.O.L		77,937	1.7%
			Total	**393,633**	**8.4%**
4.	Kawa Yang Co	K Line		83,634	1.8%
		Yang Ming		81,229	1.7%
		Cosco		183,726	3.9%
			Total	**348,589**	**7.4%**
5.	Tri-Con	Hanjin		115,815	2.5%
		ChoYang		33,277	0.7%
		DSR-Senator		70,908	1.5%
		U.A.S.C		40,000	0.9%
			Total	**260,000**	**5.5%**
6.		Evergreen		205,224	4.3%
		Total alliance TEU		**2,012,819**	**42.7%**
		Total World TEU		**4,700,000**	**100%**

Source: Containerization International Yearbook 1997

The statistics of the container industry show that, by the end of 1996, the number of containers passed the 10 million mark. If present day growth remains steady, then by 2005, the number of containers will reach 20 million. It is believed that these alliances will control 85-90% of the world's container ships (Lloyd's List 1996B).

The liner shipping industry previously has been involved in consortia membership but the membership was limited to cargo or revenue sharing arrangements. Falling freight rates and increasing costs are the reason that these liner companies are switching from pure trade lane arrangements to global alliance agreements (Lloyd's List 1996A).

Joining forces with other carriers on a global basis offers an easy entry into markets previously considered impenetrable. American President Line (APL) had for a long time yearned to join the Europe-Far East trade and its membership with Global Alliance has made its entry into this trade possible without having to spend heavily. In turn, APL has offered the other alliance members its know-how and operational assets in the US and transpacific. Similarly with the Grand Alliance, NYK & NOL were able to slot charter Hapag-Lloyd tonnage across the Atlantic while Hapag-Lloyd was able to take advantage of its partners' strength on the transpacific.

CONCLUSION

The liner shipping industry in the past two years has been in the limelight with respect to the number of mergers and alliances which have shaken up the industry. The whole industry is presently undergoing restructuring. However, the merger waves experienced in the liner shipping industry have coincided with general industry merger waves, which implies that the liner shipping industry is very much dependent on other industries and the ups and downs in the global market very much affect its performance. The current state of the world economy may even take its toll on the liner shipping industry by causing several bankruptcies before conditions improve.

The implication for shippers, as a result of this consolidation, is less choice and higher freight rates in the long term. Less choice for the shipper may result in a decreased ability to serve their customers. Although there is currently far more capacity available than shippers' demand, a rationalized liner shipping industry will attempt to slow, or even stop, the growth in capacity, creating the climate for increases in freight rates. Today's benefits of lower freight rates may lead to tomorrow's rate increase, as the industry consolidates into a tighter and tighter group controlling a greater percentage of the market share.

REFERENCES

Mutual Benefits," *Containerisation International*. November 96, p51.

"Eight plus six makes one," *Containerisation International*. October 96, p 43.

"...... as P&O Nedlloyd obtain US$ 1 bn credit," *Containerisation International*. January 1997, p 19.

Containerisation International Year Book, 1997

"Alliance Comments," *Lloyds List* April 10th 1996, A.

"Consortia Introduction," *Lloyds List*. April 10th 1996, B.

"Box trade could take rise in rates," *Lloyds List* August 9th, 1996, C.

Bray, J (1997), "P&O Nedlloyd Gazumped over APL deal," *Lloyds List*. April 17.

Copeland T, Koller T and Murrin J (1991) *Valuation - measuring and managing the value of the companies*, New York, John Wiley and Sons.

Datastream International- P&O company code no-901127, Nedlloyd company code no-912796, APL company code no-944881 and NOL company code no-997373 for share price data.

Deakin, B M and Seward, T (1973) *Shipping Conferences*, Cambridge at the University Press, Cambridge, England.

Drewery Shipping, *Post-Panamax Container ships: 6000 TEU and beyond.*

Fossey, J (1996), "The Global Response," *Containerisation International*. April: 11.

Gaughan, P A (1991) *Mergers and Acquisitions*, Harper Collins Publishers Incorporated.

Gaughan, P A (1996), *Mergers, Acquisitions and Corporate Restructuring* , New York: John Wiley and Sons.

P&O Annual Report 1996

U.N., (1990), *Use of Maritime Transport*, United Nations, Geneva.

APPENDIX

HISTORICAL MERGER EVENTS OF MAJOR LINER COMPANIES:

Predecessor	Year	Event
Hapag-Lloyd	1875	Hapag bought Adler Line.
-	1875	UK-Calcutta conference formed.
NYK	1885	NYK was found through a merger between shipping assets of Mitsubishi and Kyodo Unyu Kaisha.
Hapag-Lloyd	1890	Hapag bought Carr Union Line.
-	1892	Conference of North European Lines formed (North Atlantic Conference) comprising of Hapag, NDL, Holland America and Red Star.
Hapag-Lloyd	1898	Hapag bought King Sin Line.
Nedlloyd	1908	KPM, Rotterdam Lloyd and Nederland Line merged to form Koninklijke Hollandsche Lloyds (KHL).
P&O	1910	P&O bought Blue Anchor Line.
P&O	1914	Merger of P&O and British India Steamship Navigation.
Ellerman	1914	Ellerman lines and Hall Lines merged to form Ellerman Line.
P&O	1916	P&O acquired New Zealand Shipping Co and Federal Steam Navigation Company.
P&O	1917	P&O acquired interest in the Union Steamship Company of New Zealand, Hain Steamship Company and James Nourse Ltd.
P&O	1918	P&O bought Orient Line.

Hapag-Lloyd	1918	Hapag acquired Hamburg Line.
Hapag-Lloyd	1918	NDL acquired Bremen Line.
P&O	1919	P&O bought Khedivial Mail Line.
K-Line	1919	Kawasaki Kisen Kaisha Line (K-Line) established.
P&O	1920	P&O bought General Steamship Navigation Company.
C.G.M	1920	Compagnie des Massageries Maritime acquired by Chargeurs Reunis.
A.P.L	1921	Pacific Mail Steamship Company acquired by Dollar Steamship Line.
P&O	1923	P&O bought Strick Line.
Hapag-Lloyd	1926	Hapag acquired Deutsh-Australische Dampfschiffs Gesellscaft (DADG)
C.G.M	1931	French government acquired a majority stake in the Generale transatlantique.
A.P.L	1952	Dollar Steamship Lines acquired by Ralph K Davies.
P&O	1960	P&O bought remainder of Orient Line.
K-Line	1964	K lines merger with the Liner department of Iino Line.
N.Y.K	1964	NYK merged with Mitsubishi Kaium K.K
M.O.L	1964	Merger of Osaka Shosen Kaisha (OSK) and Mitsui Steamship Company Ltd.
P&O	1965	Overseas Container Line formed comprising of P&O, Alfred Holt, British & Commonwealth and Furness Withy.
A.P.L	1965	APL merged with Natomas Company.
A.C.T	1966	Associated Container Transportation formed comprising of Ben Line Steamers, Blue Star Line, Cunard Steamship Co, Ellerman Lines and T&J Harrison.
-	1967	Transatlantic Shipping, Wallenius Lines, Cunard, Ellerman, Incotrans form Atlantic Container Line (ACL).
C.G.M	1969	Transat merged its services with Navigation Mixte.
Hapag-Lloyd	1970	Hapag-Lloyd formed by the merger of Americanische Packetfahrt-Actien-Gesellscaft (Hapag) and Nordeutscher Lloyd (NDL).
Nedlloyd	1970	Merger of Royal Interocean Lines, Rotterdam Lloyd, Nederland Line, VNS to form Nedlloyd Group.
CGM	1973	French state owned concerns of Compagnie Generale Transatlantique (Transat) merge to form CGM.
Trio Group	1973	Trio Group consortium formed of NYK, MOL, OCL and Ben Line.
Nedlloyd	1980	Nedlloyd group acquires KNSM-Kroonburgh.
USline	1982	US line buys Moore McCormack.
Crowley	1982	Crowley buys Delta.

P&O	1986	P&O bought rest of the shares of O.C.L.
Global	1995	Global Alliance formed of APL, MOL, Nedlloyd & OOCL.
Grand	1995	Grand Alliance formed of P&O, NYK, NOL & Hapag-Lloyd.
Sealand-Maersk	1996	Sealand-Maersk Alliance formed.
-	1996	P&O-Nedlloyd merger.
-	1997	NOL's acquisition bid of APL.
-	1997	CMA-CGM merger.
-	1997	Hanjin- DSR senator merger.

Source: International Directory of Company Histories, Volume 5 and Volume 6

AUTHOR BIOGRAPHY

David A. Menachof is a senior lecturer in maritime business and logistics at the University of Plymouth. He has received numerous awards, including a Fulbright Fellowship, which allowed him to spend one year in the Black Sea port city of Odessa, Ukraine. He is also a recipient of the Council of Logistics Management's Doctoral Dissertation Award.

AUTHOR BIOGRAPHY

Anthony Damian is currently an analyst for Norasia Services SA, located in Fribourg, Switzerland. He received his master of science degree from the University of Plymouth and was awarded the Best Dissertation Award by the Chartered Institute of Transport. Previously, Mr. Damian had spent time in the Merchant Navy working as a deck officer. During this time, he received his second mate's and chief mate's certificates of competency.