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WORLD MARITIME UNIVERSITY

Shanghai, China

Functions of Strategic Liner Shipping Alliance under the
Market Downturn Environment

By

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CHINA

A research paper submitted to the World Maritime University in partial
Fulfilment of the requirements for the award of the degree of

MASTER OF SCIENCE

(International Transport and Logistics)

2015

FORMAT OF THE DECLARATION

I certify that all the material in this research paper that is not my own work has been identified, and that no material is included for which a degree has previously been conferred on me.

The contents of this research paper reflect my own personal views, and are not necessarily endorsed by the University.

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Date: 4 July 2015

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Abstract

Affected by the global financial crisis, since 2008, the shipping industry has been on a depressed state, delayed their recovery. What time the winter of global shipping industry will end, and whether the shipping market can improve in 2015, these problems have been closely watched. More than 240 shipping enterprises have been surveyed by Shanghai international shipping research center in recent days, over half of the shipping enterprises consider that the market downturn of this industry will continue in 2015. Future trend of shipping industry is still not clear, positive factors like the current tax reduce, cutting interest rates and fuel prices to reduce also have uncertainty, failed to address the nature of the shipping market supply and demand imbalance problem, factors above cannot support the recovery of shipping industry. Thus, experts from Shanghai international shipping research center think that through the point of macro economic environment, China's economy tend to steady growth, the U.S. economic recovery and the European market is not yet break through the dilemma, the world economy will keep a slow recovery and low in this context. Under this background, the shipping market is less likely to get a sharp growth in 2015.

Faced with fierce competition in the market in recent years, container shipping companies have formed a strategic alliance. Shipping companies through the ways by sharing ships and piers in order to improve the utilization of facilities and equipment, reduce investment in container transport facilities, thereby reducing the risk of investment and operation, to obtain economies of scale; while expanding the Alliance route coverage, increase hair density boat, thus the shipper to provide more quality and reliable transport services, enhance their competitiveness. It is worth noting that after the market supply and demand imbalance, "Big Ship" and "Union" trend will be more evident, or more small shipping companies are priced out of the

market. This is mainly because each big shipping companies in the implementation of "Big Ship Plan" layout lines, except reduce costs, there are also a large number of feeder services for the route to improve the route network, while regional competitor is these small shipping company. Now the most obvious problem of the market is serious excess capacity, how much cargo ship. Competition relying on two parts, one is low-cost, the other is cargo volume guarantee, in these areas a large shipping company has more competitive. February 25 this year, Maersk Group released 2014 full year earnings, which Maersk full-year profit \$ 2.3 billion (in 2013, compared to \$ 1.5 billion), the major factors are volume growth, network optimization services to achieve lower costs and a single tank of fuel cost reduction.

In recent years, the research on strategic liner shipping alliances is increasing day by day. On one hand, the global shippers and consumers want to make high-quality transportation services requirements. On the other hand, shipping lines also pay attention to pursuit the scale, hoping to lower the cost of providing a better service. Several global liner shipping alliances precisely on the basis of such objective requirements and subjective desire of the formation. So, how much influence the huddling of strategic liner shipping alliance will create in the shipping market is a problem needs to be consider. The purpose of this paper is to expound the function and development of the mode of operation of liner strategic alliance targeted research, and how to reply to the competitive environment in a new era, and explain policies and independent behavior of China.

Keywords: Liner Alliance; Shipping Strategic; Market Conditions; Competitive Risks.

1 The situation of international liner shipping market and strategic alliance theory

Recently, there are many rebound signs of world economic situation, but as the spread of European financial debt crisis, the recovery trend is slow, international shipping industry subject the most. Many experts of the industry express a clear indication of concern for the international trade and the global shipping industry for the worsening economic situation in Europe and America. As the European economy has been hit hard, and the economy revive will take time, so the shipping industry bear the brunt of severe impact at first.

1.1 Analysis of the main reason of downturn in the international shipping industry

To begin with the slowdown in demand of shipping market. With the spread of the debt crisis, the United States, European Union and other developed countries' economies slowdown in economic growth, traffic volume market declined sharply, leading to reduced demand in the international shipping market, appeared bound to make existing capacity relative surplus situation.

Followed by is the absolute excess capacity in the market. Before 2008, with the continued rise in China's export of foreign trade volume, plenty of capital flow into the field of shipping, thus lead to excess capacity emerged. After 2008, the international financial crisis, the shipping market emerged a short-term of rebound. The market signaled not only shipping industry will recover quickly, but also reflected more substantial growth in shipbuilding orders, resulting in a large number of new capacity invested the market since last year. On the one hand, the existing

capacity can not be saturated; on the other hand, they are looking for new capacity and market supply, that cause the demand imbalance in the shipping market intensified.

In addition, shipping companies also faced with dilemma like tariffs reduced and cost hikes in the woods. Fuel costs, crew wages, and other financing costs continue to rise, leading to a substantial increase in trade deficit.

In this situation, how the shipping industry goes out of the woods? Some experts pointed out ways that the shipping companies to solve this. First of all is to enhance risk management and control capabilities through strategic collaboration. On the one hand, to strengthen collaboration and shippers, and strive to sign a long-term risk-sharing contracts with large shippers transport, and then reduce cargo canvassing and market risk. Surrendering part of the profits to help the cargo owner when the market is good, so it does not mean a decline of tariffs when the market is bad. On the other hand, to strengthen cooperation between the industry and reduce costs by consolidating resources.

More importantly, with the "Big ship and low-carbon" trends established shipping companies to accelerate the restructuring and transformation of economic development mode, that lead to increase energy-saving technologies and accelerate the structural adjustment of the fleet to reduce costs and improve the competitiveness of enterprises .

However, shipping companies relying on their own efforts is not enough if they want to smooth the "winter", and the government departments to offer some help is needed. As soon as possible policies and measures in favor of healthy shipping development of enterprises. Emphasis is encouraging policies to support the ability, the strength of

the shipping companies to accelerate the pace of merger and reorganization, adjustment of industrial structure, by eliminate high energy consumption, high pollution and low efficiency of the excess capacity. Meanwhile, to strengthen market supervision, strengthen macro-control the shipping market, to prevent vicious competition, in order to create a fair and orderly market environment are government should be done . Also, specification of the owner through investment behavior shipping and guiding the shippers and shipping companies to play their respective advantages, in order to reach complementarity and win-win, and also to achieve the healthy development of the shipping market.

1.2 Strategic Alliance Theory

Strategic Alliance appeared in the 1980s, it can help the enterprise to achieve the goal of meeting the needs of customers worldwide. In the second half of the 19th century the liner conference, is the earliest form of liner shipping alliances, the style is more loose, only to limit tariffs for all members of the company, prevent guild members between the vicious price competition, and it also to prevent other non-members of the liner companies into the guild members to control the route. Along with the development of container transportation, the liner conference will go to disintegration. Once the 20th century, it has played a significant role in maritime order and trade stabilization. In the early 1990s, the international liner industry tend to be extensive, multi-level cooperation. And since 1994, liner shipping companies in the industry set off a wave of alliances and mergers between shipping companies to reduce costs, improve service quality, and enhance the competitiveness of the Union formed a quasi-centralization, through alliance partners the advantages of centralized resources to increase coverage of shipping companies transport network, providing

global customers improve transport services. Since the 1980 relaxation of the future global maritime rules and globalization, its historical role is terminating. With the huge success of the container revolution, liner shipping became mature, thus independent carriers play an increasingly important role in the development of various forms of joint venture has been a general trend, from shipping development strategy oriented to market-oriented production. The focus of shipping market has shifted from price competition to service competition. Thus, after several changes, showing the liner shipping market in the fourth institutional alliance the two companies, they substitute a positive function and role of conferences to provide high quality services for global shippers trade.

Existing competition in the international shipping market today has significant monopoly characteristics. The world's top 10 shipping companies have accounted for over 60% of the world's main route of the share. Faced with fierce market competition, not only competition between shipping companies, and they also have to cooperate. Through sharing of resources, docks and other facilities and equipment to improve efficiency, shipping companies reduce investment in capital equipment, in order to obtain economies of scale; while expanding the alliance route coverage, increase hair density boat, so as to provide more shippers high-quality and reliable transport services, enhance their competitiveness. Competition and cooperation throughout the liner throughout the union, prompting constantly restructuring alliance between groups. Each liner companies regardless of size, are to develop in the direction of global carriers, transport line into the network from the original linear shape, its cooperation in the form of liner conferences from the early negotiation Agreements Joint Venture and Strategic Alliance to change.

1.3 Research status of domestic and overseas

Since the alliance was first proposed by the president of the United States DEC Jane Hopland and management expert Roger Nigel theorists was carried out in-depth research. (Lorange & Roos, 1993) the formation of strategic alliances, management and evolution of norms has been studied; (Bleeke & Ernst, 1993) on the operation of the strategic alliance made special empirical research; in addition to specialized literature Technology Alliance and International Strategic Alliances. Domestic strategic alliances for research in recent years before the rise, before most scholars were translated and introduced foreign research. For example, from the theoretical level set forth the strategic alliance (the history of accounting in 2001): from alliance formation and management studies (Ho River, 2000) and so on. Many papers have strategic alliances to other content were studied. But qualitative research studies currently most strategic alliances are only theoretical, quantitative research is also unusual. Causes for strategic alliances will be more relevant. Qin Bin (1998) Causes of Strategic Alliance Motives into the middle and final motive, the ultimate motive means to achieve the desired economic performance, the middle motivation including technology, capital and other resources to share, to improve competitiveness. Quantitative analysis of the cause of any strategic alliance are generally used Cournot model and Bertrand price model; Zhao Xiaohui (2001) Theory of Oligopoly and Repeat Game analyzes the causes of strategic alliances; Huang Yinghui (2001) based on asymmetric information, the use of the product - cost game model discussed enterprise pricing strategy. The distribution of benefits is the core of the strategic alliance. Since Nash landmark axiom proved the only solution for two bargaining issues (Nash, 2000), followed by most of the extended theory and development Nash solution. Sun Dongchuan (2001) using the Nash solution to the three examples analyzed with the next; Feng Wei Dong et al. (2002) discussed the partners share in the distribution is determined, a new income-ratio

calculation method using fuzzy comprehensive evaluation method; Jane trillion Rights (1999) by strategic alliance cooperative games model, introduced the concept of cooperative games, nature and the like; Tao Zhang Hua (2001) in conjunction with the concept of Nash equilibrium Shapley value and actually fit together proposed a balanced solution. Dong • WookSong (2002) cooperative game theory applied to the liner shipping strategic alliance which, but this is only some of the conceptual level of the application.

From the research status of view, for the strategic alliance is more qualitative and less quantitative aspects related to explain the distribution of more than document collaboration even scarcer. Therefore, I try to combine these theories liner strategic alliances and specific analysis of the market downturn environment, elaborates specific contact and interaction between the two.

1.4 Frame work and content of the paper

The main work of this paper is through strategic alliances liner shipping market downturn situation and research, to combine the analysis and verification, shipping companies make strategic alliances have a more clear understanding of the shipping companies to respond to market downturn has played a guiding role theory. The first chapter summarizes the development of international shipping market downturn causes and strategic liner shipping alliances background, research status and the main framework and content of the paper. By the second chapter discusses the universality of the strategic alliance, combining the unique characteristics of shipping alliances, revealing the essence of this alliance and its research significance. In order to analyze the status and development of dynamic alliance, theoretical support. The third chapter introduces the financial crisis and market downturn and the impact on the shipping industry environment, mission and strategic alliances liner negative role on

the market. Chapter 4 is the actual situation of China's domestic shipping companies, research and government policy include the face of market competition, coping strategies. Chapter 5 is comprehensive summary chapter progressive concluded, and for the problems encountered in the process of writing a follow-up of the proposed research questions and research directions.

2 The situation and development of strategies liner Alliance

With the economic globalization and international competition intensified, companies face competitive environment, competitors and the competitive situation is undergoing great changes, some companies gradually replace confrontation with cooperation competition competitive strategic adjustments. Strategic alliance is a new cooperative and competitive way, is an important mechanism for enterprise integration advantages of resources, called "the most important organizational innovation since the 1980s", and thus subject to the academic and business community is increasingly and more attention.

Strategic alliance was first used by the United States DEC president Jane Holland and management expert Roger Nigel. But the definition of a strategic alliance for the concept, there is a big difference in academia. Strategic alliances have become the trend of the business community and is the media generally focus of attention. Whether it is a giant multinational corporation, or small and micro-enterprises, the development of almost all companies are solidarity and strategic alliances. Both manufacturing and services, almost all of the industry, are feeling the rapid development of cooperation relations between enterprises the impact. Strategic alliances are two or more enterprises, while maintaining their independence on the basis of the established order and the ability to share resources, based on a long-term or short-term partnership to jointly implement projects or activities for the

characterization and reached .

2.1 Agent of strategic liner shipping alliance

Seen from the development process, from junior associates to today's strategic alliance, shipping alliance is changing and growing with times, forms of organization and business scope has been improved, and eventually become a dominant force in the liner on the market in the end. What prompted the scope of the joint venture business from small to large-scale and stable union and closer and stronger it? In essence, the establishment and development of shipping alliances depends on several reasons.

To begin with the demand for services. Long-term overcapacity in the shipping market, operating state, with the upgrading of global economic integration, international trade transactions towards a global, has strong liquidity and frequent trading features. Especially after containerization, based on the needs of shippers and consumers to improve the standard of competition among shipping companies has not only limited competition between freight, but turned to the quality of service and a range of changes in strategy. The birth and development of multimodal transport is to promote service integration to speed up the process, but the "door-to-door" transport quality standards are generally difficult to be able to achieve through a separate operation. Shipping is the establishment of the union can be improved through the sharing of resources resource utilization, enhance work efficiency and improve flight density and cargo turnover, while effectively expand the scope of business routes, complementary to meet the limitations of their own business, to achieve as much as possible direct and reliable transportation, to meet the owner's requirements. Therefore, demand for services to the process of change from an objective alliance.

Followed by the internal needs of business competitiveness. As the market demand arising from increased competition, as customers of the strength of enterprises and service range and quality dependent recognition, today's shipping market is based on large international companies taking, if you want to occupy the market share alone personal the power and influence has been less than under long-term development to cope with stress. To get more tourists resource and market share, many options business combination, through the complementary and shared technology, resources, and other aspects of tourists to increase business competitiveness , in order to face more severe challenges and achieve long-term development.

Furthermore, reducing the risk of demand. Under the league system, although there is an agreement signed between the companies, but when the operation of the remain relatively independent. Flexible mode of operation by win-win cooperation, enterprises can reduce input costs, trade, investment barriers and out of blindness to increase business coverage, so that can also reduce the risk brought by a single airline business.

Eventually, the demand for corporate earnings. After the formation of shipping alliances, it does bring many benefits in many aspects like optimizing the allocation of resources, marine equipment manufacturing, conducting multimodal transport, integrated logistics services, improving the quality of transport does bring many benefits, fundamental research. It is critical to drive interest objectives role. This is the fundamental enterprises to the union cause.

In the interests of the trend, continuously updated container ships and into the era of large-scale upgrade, thus following the waste of resources consequent cost of capital. This has become a troubled corporate earnings development of the main issues. Shipping alliance through joint sending ships and space rent and other forms of cross-reducing unit capacity costs, improve space utilization, generating capacity

quota advantages, to achieve the same time a great extent on efficient use of resources to promote the realization of cost savings and benefits, public enterprises become the object of pursuit.

This shows that in terms of the development trend of the times or from their comparative advantages of the shipping market demand and shipping alliance, the formation of shipping alliances history of this organization is the only way, the excess in capacity, an increasingly competitive environment the shipping business alliance is to bail out the economies of scale achieved important product, and survival of the fittest law also determines the age of the liner conference demise.

2.2 Main features of strategic liner shipping alliance

With the development of container transport, liner conferences disintegrated. Since the 1990s, the contradiction between supply and demand increasingly sharp liner shipping industry, shipping market into an unprecedented difficult period, despite the company's efforts in a boat route configuration, increase investment and cooperation in tariff policy, service level, but practice shows that a boat the company has takes two to tango, does not run on "low transport costs, high quality of service." track. Thus, the world's major shipping companies embarked on a large scale joint venture road. Shipping companies in order to increase port of call to expand the range of logistics services, often through joint business cabin (box) bits mutual agreement, docks and other forms of sharing.

Liner strategic alliance has many advantages characteristics, which are able to shipping companies across the globe to enhance their competitiveness. The first is to reduce the cost. In liner shipping, the owner can easily generate economies of scale in terms of economies of scale from cooperation, so as to obtain benefits. Owners rent through mutual accommodation, large tonnage ships can operate and improve

the utilization of marginal cost; can also be joint capital, buy a larger tonnage container ships, reducing the ship's unit purchase cost. While also reducing the cost of capital. For liner shipping such capital-intensive industries, resource sharing benefits are self-evident. On the one hand, through the alliance, the carrier may reduce the number of ships, vessels bring lower due to the acquisition of capital risk; on the other hand, the signing of the terminal yard share agreements with other carriers, improves dock and yard utilization, effective recovery part of the cost, avoid idle resources in the shipping season losses. Second is to enhance competitiveness. There were increased sailing frequency, expanding the scope of services, re-allocate surplus resources, reduce trade barriers and tariffs fluctuations. Sailing frequency is increased, by the Union on the particular route, the owner simply provide half the capacity of the former Union, it can make both sides made ship frequency doubling, which greatly enhance the competitiveness of the carrier. At the same time the majority of shippers, to have more schedules to meet the needs. In terms of outreach, the owner can be expanded liner shipping services through alliances, develop new markets. Alliance mutual use of each other long-established marketing network, cheap labor and resources, to gain advantage in the SIA line. Referred to reallocate excess resources, the carrier often face the problem of overcapacity, for many reasons. Seasonal factors such as the carrier's strategic shift, or when the market downturn, the carrier hopes to reduce capacity scale, reducing the risk. Union so that members of the exchange shipping capacity on different target routes, reallocation of surplus resources. Another advantage of the feature is to reduce trade barriers, we all know, the basic state of excess container capacity. A new market entrants or want to expand their existing capacity of an owner must consider the supply and demand of the market, the ability to avoid exceeding the market caused by falling freight rates. Alliance helps carriers to share resources or capacity, reduce the willingness of the

owner to buy a new boat. In terms of reducing fluctuations in freight rates, strategic alliances liner also has unparalleled advantages, despite years of tariff agreement has been constantly shipper protest, but because of the shipping industry, capital-intensive, low return on investment characteristics, has been governments Legislation enjoy a certain immunity, so the liner shipping routes each protocol tariffs are still prevalent. And liner conferences strict set common tariffs compared to shipping the league in softer pricing policies, they reduce competition through various forms of alliances. When the Alliance members provide no difference in service, they will usually reduce each tariff differences.

2.3 Concrete behavior of strategic liner shipping alliance

Cooperation in the form of liner shipping alliances can be divided into three kinds: operational alliances, finance and logistics alliance coalition.

In the form of a variety of operational alliances, such as the joint operation of ships, vessels mutual rent, swap or share class. The main objective of this type of alliance is to improve service levels, reduce capital investment. Without substantial additional investment will be able to significantly improve service levels, alliance members do not need to develop common goals, just in line with their long-term planning can be. Trading Alliance is the most important part of the shipping alliance, divided into bin later, slotting exchange, capacity sharing and shared facilities. For participation in the Union's owner, to maintain the independence of the company's decision-making is very important. Four degree of independence coalition operations are given in Table 1. In operation the league, the advantages and disadvantages of each form varies.

Participating in the financial Union carrier has the same goal, that is to maintain market stability. Union members generally have a certain market share, and its

predecessor is the liner conference. Financial Alliance now also control their own transport capacity, the capacity to avoid too large, resulting oversupply situation. It can be said, it is a core element of stability in freight rates Such alliances established. Shipping Alliance Financial Alliance is relatively deep alliance, the participants have a long-term basis for cooperation. Take tariff agreement, the tariff agreement is to limit price competition and maintain the most important means of shipping stable. Although fluctuations in freight rates liner carriers sometimes make a profit, but in the long run, stability in freight rates is more important than short-term profit. The carrier may benefit from the agreement by the Union prices, to avoid the risk from the freight market volatility. But adding some independent financial alliance often leads to loss of carrier autonomous status. Another point of view is the capital alliance, shipowner Union capital in general, for the purchase of the ship and the terminal building. For the shipping industry, such capital-intensive industries, through the capital alliance building infrastructure can reduce investment, reduce risk. Now this alliance has been very common, such as Maersk, COSCO, CMA CGM to participate in Xiamen Haicang port construction; in Sinotrans Group and Yang Ming Marine Transport investment Changming pier. The owner of the ship through the purchase of new capital alliance advantage is that you can configure a larger carrier tonnages, in order to improve competitiveness, and because of economies of scale, but also can reduce the marginal cost.

Since the containerization, two most important requirement the shipper to the carrier is that the ease of opening of the frequency and set in Hong Kong. In-door logistics concept very popular today, liability of the carrier has until the importer from exporter of delivery rather than the traditional maritime part of the plant, which led to the carrier requires significant investment in the logistics field, resulting in a Logistics Alliance. The first aspect is shared container, the container is the core liner

shipping, container operating costs accounted for the main part of the operating costs. It includes not only the cost of buying or leasing, maintenance and repair costs, including the cost of transporting empty containers. For the outbound and return transport volume imbalance, Empty Container Transportation costs inevitable. Empty high call charges are prompting shipping lines to join the alliance owner, shared motivation containers. Owners realize that they spend time and money brought back the extra box is possible that other shipowners need. Cooperation containers are also many forms: empty containers leased, empty rental, sublet, swap the empty box. The carrier often prefer to sublet or exchange. Followed share logistics information systems can improve operational efficiency, improve decision-making reaction speed. Information sharing is divided into internal office systems outside the network share and share two kinds. External including shared upstream supply chain as set card, railway transport, port, and even shippers, customs agencies office channel, as well as the shipper box tracking system. Information sharing is necessary to protect shipping to promote the efficient operation of the Union, but also may lead to loss of information resources, trade secret disclosure, increased business risk. If, for the protection of their own interests to protect information, and will highlight the problem of asymmetric information, and then run the risk of increasing the Union.

3 Financial crisis and the mission of strategic liner shipping alliance under the market downturn

Container transport have broke the technical barriers to the liner shipping industry, led to the collapse of the liner conference monopoly, many independent liner shipping companies to seize the opportunity to enter the market, along with the process of the container and to grow up. With the gradual rise of the independent

carrier, weakening the power of liner conferences. As cartel monopolies liner conferences, since it does not prevent the Association outside shipping companies to enter it to monopolize the market, so its member companies will basically lose control (reference tariffs which it published for members of the company is no longer binding, useless), so there is no ability to continue to monopolize and manipulate the market - Come on liner conferences liner market constraint to liner conferences as the core of the market order is broken.

Since 1995, the Shipping become the main theme of the shipping market, six years, the alliance has carried out several rounds of restructuring. The world's five largest shipping group in the east-west trunk coalition controls more than 80% of the routes of supply, and its members include a former 20 basic liner companies. Shipping lines to achieve a global joint venture, not only improve the quality of service, and achieved economic benefits, mainly includes: ① shipping cost sharing reduces the bin; ② dock shared reduce operating costs; ③ expanding port coverage, thereby expanding the range of services; ④ busiest boat transport sector increased hair density, attract more resources.

With the acceleration of economic globalization, trade multinational operations increasingly popular Asian economies growing proportion of trade plus heap. Global shippers and consumers high demands on the quality of transport services, the growing desire of the international shipping industry and the economies of scale and strive to get rid of the plight of the long-term exploration in the fierce competition, all of these factors are calling for more global carrier appear to require more extensive route coverage on trunk routes have a more intensive flight, but also at both ends of the route of the "door-to-door" intermodal and integrated logistics value-added services. In recent years, several global shipping alliances precisely on the basis of such objective requirements and subjective desire of the formation.

3.1 Advantages and disadvantages of strategic liner shipping alliance

After the liner shipping alliances formed in the allocation of resources, marine equipment custom-made software and hardware used in common, joint management aspects of conducting multimodal transport and integrated logistics services and improve service quality, it has brought many benefits, which can scale economic efficiency, reduce unit transport costs and improve the Group's competitiveness. Its main advantages are summarized as follows: First, the configuration of capacity and route service is better than the liner conference. Since the domestic league is jointly sending ships, unified distribution positions, foreign is a timetable, a port rotation, this way than the internal capacity for the deployment of traditional liner conferences implement capacity quotas more direct and effective, and the members of the League by capacity sharing means of cooperation, the relationship between them is closer. Since the coalition joined forces to take the form of large-scale investment in the trunk routes, high-speed transmission, and actively open up branch network through hub, so transport high frequency, short turnaround time, ports of call whole; many alliance members (such as Maersk, iron line Nedlloyd, COSCO) using self-dock in the main harbor, making handling, transit and intermodal operations are guaranteed, plus the use of advanced scientific and technological means to improve the quality of service, so that the advantages of the Union in the service has become increasingly evident. Followed by means of flexible tariffs to liner conferences. So far, the coalition is limited shipping capacity, schedules and ports of call, there is no concerted action in terms of tariffs and surcharges, tariffs reflect its alliance members still own tariff policy, so the members according to market situation, adopt a more flexible means to adjust. The liner conference in terms of the formulation and revision of tariff becomes more rigid and cumbersome. In the case of market

oversupply, driven by the interests of guild members, often with a dark button next discount tariffs and other methods to distort the laws of the Society, the Society of price adjustment makes the work difficult. Once again, in the improving business conditions and reduce operating costs more effectively. Alliance Group unified planning routes, unified dispatch ships, exchanges, so big companies can make use of small companies to enter the remote routes, small companies can make use of big companies trunk routes, so that alliance members regardless of size, have become a sense of global carrier, has greatly improved the competitiveness of business and members of the Union, which can not be achieved Liner Conferences. Union but also changed the balance of power between the two sides Boat Harbour, relationships and alliances to survive a port. Therefore, in order to fight for the Union anchored, the port authorities had to reduce loading rates, increase facilities investment, the establishment of rail transport interfaces, the implementation of the privatization of the port terminal yard and other ways to improve service. Alliance is also seen that, in negotiations with the port began to take the initiative to try to lower port charges, and achieve tangible results. On the other hand it is subject to government intervention and economic organization than liner conferences. Since the strategic alliance liner still a new thing, it involves fewer members (A confederation seventy-eight companies), limited the scope of cooperation, its role and influence is unclear, so the current national league in the law are not clear definitions and restrictions. Finally, the organizational structure and efficiency superior to liner conferences. From the organizational structure point of view, the early structure is tight liner conferences, even income distribution between members can co-ordinate to balance the interests of all parties. Since the guild is commanding most specific route shipping companies, the interests of these companies vary, so the recommendations of want to get the support of the majority more difficult, which led

to the Association inefficient. Alliance is a tight union, the common interests of the members of the company's unified deployment of capacity, combined with sending ships and linked, if the scope of cooperation in the areas for improvement, concerted action will be taken immediately, the market response, high efficiency. At the same time, the Union has a cooperation experience are generally few companies in a combination of voluntary, so you have a sense of identity after the establishment of mutual understanding, easy to agree on action. However, the global nature of the liner shipping alliances can not explain the long-awaited world maritime transport freedom has come, because the shipping protection policies around the world has not diminished, but more flexible and clever. Development of Liner Shipping Alliance of liner conferences have a little more or less variant of the suspects. If there is no sound legal to be bound, maybe it will play a more passive role in the future than the liner conference.

Notwithstanding the above, major shipping companies are adjusting their business strategy to form alliances and cooperation, and enhance their competitiveness in the market, and strive to achieve shared between different enterprise resources, complementary advantages, the capacity to integrate the results. But the liner shipping alliance not "have any harm," may also be involved in strategic alliances shipping will bring many disadvantages. The first is the lack of stability of the strategic alliance, it is not conducive to shipping companies to develop and plan long-term development strategy. Joint Venture Formation of Strategic Alliance is relatively loose group composed of members of the company by agreement, and this agreement, although for route allocation, capacity and accommodation arrangements, tariffs norms and constraints somewhat limited, but not protected by law. Thus, members of the consortium is quite unstable, coalition reshuffle signs are everywhere. A joint venture from the shipping company from the old, when adding a new joint

venture, its business strategy will be forced to make major adjustments, and had to pay a break-in period of the high operating costs, which for shipping companies to maintain business stability quite negative. Second is the cost of a strategic alliance to bring savings member companies is rather limited, but the hidden costs caused by expenses alliance is greatly increased. The fundamental purpose of shipping companies involved in the alliance is to expand the scope of business, reduce costs and improve profitability. But the Union can only reduce operating costs and pier capacity to some extent, the data show that all the members of the Unions in the past few years, the cost savings achieved far less than originally anticipated shipping industry. The last strategic alliance will allow members of liner companies have lost a lot of business on the independence and freedom, it is difficult to adjust business strategies according to changing market demands. Because of the strategic alliance with a common framework cooperation agreement, the members of the company will be forced to sacrifice independence. For example, members of the company without first obtaining consent of the other members of the company and can not buy, sell or rent a boat capacity, can not freely open or adjust routes. These limits will affect operational flexibility considerably.

Thus, the strategic alliance between the same shipping company is a "double-edged sword", at the same time having a clear advantage to the shipping company will bring many uncertainties. This allows shipping companies should start their own characteristics, as far as possible to select their own business focus, market focus close alliance, signing a cooperation agreement in the process, on which the articles should be cautious, to avoid the impulse may lead to business risk.

3.2 Market conditions of the development of strategic liner shipping alliance

Review of the Development liner industry, you can see in the search liner companies

from competition to basically followed the union's survival and development of the road when the road. Throughout the competition and cooperation throughout the liner market, changing market conditions prompted shipping companies maneuvers, the ongoing restructuring. Shipping companies regardless of their size, are moving in the direction of global carriers, transport routes from the original linear development of network-like forms of cooperation also changes from early liner conferences, organized to negotiate joint venture agreements and strategic alliances.

Liner Conferences in the shipping market played a positive role, especially at the beginning of the last century in Europe and Asia airline market, kept swinging play a balancing role in shipping and resource consumption to a minimum, provide opportunities for constructive cooperation. In a sense, the stability of the liner conference shipping market supply and demand, to protect shippers trade in goods and modern logistics safe and smooth operation of credit.

In 1998 the United States through the "Ocean Shipping Reform Act." 18 October 2008 EU repeal 4056/86 rule, liner conferences are no longer enjoy antitrust immunity, the liner conference was canceled, marking the end of the EU liner conference liner market era. Thus changes in market structure to liner conferences as the leading market order is broken.

On the market, the disappearance of the liner conference, its market reference tariff has ceased to exist. This market environment led to more competition, the core competitiveness embodied in the competition for pricing, who mastered the pricing grasps the control of the market. In the mode of operation, the original members of the liner conference only shift to alliance (joint venture) or independent carrier operating business methods. In the league (associates) operation, the joint venture agreement between shipping lines do not exceed a certain percentage of a particular market share can continue to enjoy the EU antitrust exemption Regulation 823/2000.

Review of the Development liner industry for decades, you can see the shipping company in exploring basically followed the road from competition to the joint when the survival and development of road. Combination with loose coalition, in a flexible manner and simple legal procedures and other advantages. Airline alliance members complement each other rented accommodation, dock sharing alliance has certain advantages make route planning, resource optimization, cost control, etc., but relatively independent members of the Union, their own routes and other factors also contributed to the operation and management of the joint venture more complicated.

3.3 Interaction between market and liner shipping alliance

By the slowdown in global trade growth and the liner market supply and demand imbalance affect future container shipping market will continue to face many challenges, container shipping market is expected to remain in the doldrums in the next few years of adjustment. In this context, the formation of a new pattern of alliances will have a major impact the future of the shipping market. In the short term the following main components: The first is the market concentration will be further enhanced, especially trunk routes Union influence rapidly. Trunk routes affected by the upgrade fleet, capacity pressures stem-route and near the ocean route will be further increased. Followed by the liner industry service levels will be changed. Thomas benchmark rate by class effect, other liner sailing league will continue to increase density, improve service levels liner companies to protect their market share. Finally, liner companies will be more frequent price increases. Pattern formed by the impact of the new alliance, the continued deterioration of liner companies competition is expected to temporarily come to an end, while the face of the reality of widespread losses of shipping companies, shipping lines urgent need to increase profits, for the collective price plan in the short term will be more frequently. And in

the long run mainly in the following two points: one is the competition between liner alliance will be more intense. With large ships continue to deliver major shipping companies, ship large trunk routes next competition will be more intense price competition and a high tendency punctuality rate will rise. The other is a smaller enterprise market share living space smaller and smaller. With the formation of the new coalition pattern of non-Alliance's future living space will become smaller and smaller, some small and medium liner shipping companies can opt out of trunk routes into the short-term market, and the degree of excess capacity, short-term market will be further exacerbated in the future competition will become more intense.

Union influence strategic liner shipping market is embodied in the following areas: 1, increase the voyage, improve transport range quality, shorten transport time and reduce costs. 2, the expansion of the coverage of the route, to establish a global service network, customers can provide "one-stop service" provided to improve service quality, reduce costs and improve operational efficiency. 3, to improve ships and equipment utilization, reduce fixed costs and variable costs. Full use of idle ships facilities, increased loading efficiency, increase canvassing capabilities. 4, increase market share, increase transport expensive goods. 5, reducing the inland container depots, saving port yard royalties. Member companies to share the port yard, inland container freight stations, and transport equipment. 6 and coordinated with the regional transport authorities and port authorities. Member companies through alliances transport, avoid duplication of ports of call, and by assigning routes, reducing transit times, increased transport services, to expand the scope of services, the development of global transport. 7, coordination and harmonization of MIS and EDI systems. 8, increase market share, increase the possibility of opening up new markets. 9, improve logistics management, common use of equipment, warehouses,

container port station, Union transport, achieve economies of scale. 10. The lack of ownership of the ship's company through cooperation with other companies, without investing a lot of money to indirectly increase the company's shipping fleet, and may increase flights and ports of call.

4 The Current Situation of Chinese strategic liner shipping alliance

According to Container Trades Statistics (CTS) statistics, China 10 major ports weekly flights bound for northern Europe reached 74, of which Maersk Line and Mediterranean Shipping Company (MSC) composed of 2M coalition has 27 China to Northern Europe weekly service, at a distinct advantage in the competition, O3 Union has 18 routes, CKYHE Union has 17 routes, G6 Alliance has 12 routes.

Drewry said that China will be the main market of the four liner alliance of competition. According to Container Trades Statistics (CTS) statistics, China 10 major ports weekly flights bound for northern Europe reached 74, of which Maersk Line and Mediterranean Shipping Company (MSC) composed of 2M coalition has 27 China to Northern Europe weekly service, at a distinct advantage in the competition, O3 Union has 18 routes, CKYHE Union has 17 routes, G6 Alliance has 12 routes. From the geographical point of view, heading for each item in the Nordic route: East coast ports weekly service to 37, 2M Union has 14 routes, O3 has nine routes, most of which anchored Shanghai route, the 17, anchored Ningbo and Xiamen routes respectively 14, 6; South China coastal port of weekly flights to 24, 2M Union has nine routes, the other three coalition owned five routes, which up anchored Shenzhen Yantian routes, reach 16; weekly routes only 13 North, G6 Alliance has only one anchored Qingdao route, the other three coalition owned four routes. Dreary said, taking into account the rapid growth in the volume of trade, route coverage in North China coastal port is not high. 2014 North coastal ports to the Nordic container

volume increased by 12%, more than in other regions.

4.1 International market competition the liner shipping alliance is facing

Prior CHYH not yet joined the Union, Xie Zhijian, vice president of the Evergreen Group has said that Evergreen consider joining CKYH alliance is mainly a strong competitive response after P3 coalition.

Tracing the source, change from "strongly build million cases ship" attitude of the moment, perhaps have been able to foresee the Evergreen allied actions today. Evergreen founder Chang Yung-fa was a million cases ship construction firm opposition, and publicly said stowage million cases ship "useless." He believes million cases ship to operate under great risk, and said that Evergreen Marine in the industry by the time of strong to weak, stowage 8000TEU vessels most appropriate. But in 2012, Evergreen Marine and Greek shipowners Enesel S.A agreed to lease an additional five-year option to renew it in a rented Hyundai Heavy Industries to build ten 13800 TEU vessels.

By the end of October last year, "Shipping Exchange Bulletin" reporter had an interview with the chief architect and one of the focal points P3 Union in Beijing, Maersk shipping routes and chief marketing officer Vincent Clark, he told reporters, P3 Union the main commercial motive, one in response to the downturn in world trade; the second is a more efficient deployment of large container ships to be delivered.

Evergreen and Maersk with a market place, feel the same or even more severe market stress. Evergreen this year, 10 8000TEU vessels and eight 13,800 TEU vessels delivered industry which ranked crown, where 13,800 TEU vessels scheduled for the Asia-Europe route, 8000TEU type of ship is scheduled in Asia and Europe, and the Pacific route South American routes. But the current market situation for the

upcoming accept a large number of new ships Evergreen Marine, the ship alone is difficult to play alone cost advantage is forced to join the alliance, but also a matter of course. Fortunately, before the official announcement added CHYH Union, Evergreen has space on its rent mutual cooperation, overwhelmed formally joined to become CKYHE Union, it means that the future scope of cooperation will be broader and more closely.

Evergreen join CKYH alliance mainly deal with P3 alliance's strong competitiveness. As Asia - America West flight and trans-Atlantic routes opening line, G6 Alliance will further strengthen the market position and continue to meet the needs of shippers integrated, seamless, efficient and timely shipping services.

By the end of 2011, six shipping lines members of New World Alliance and Grand Alliance (APL, MOL, Hapag-Lloyd, NYK, OOCL and Hyundai Merchant Marine) merged to become G6 Alliance. March 2012, G6 Alliance took the lead in Asia - Europe route to collaborate on. Last May, co-G6 Alliance expanded to Asia - US East Coast route; last November, announced the second quarter of 2014 to open Asia - America West airline cooperation and trans-Atlantic route. February 20, G6 Alliance announced the Asia - Hong Kong For more details, calling on the US west coast as well as trans-Atlantic routes.

G6 Alliance said in a statement: "G6 Alliance close attention to market trends and has been seeking to improve service opportunities with Asia - America West airline as well as the opening of the trans-Atlantic route, G6 Alliance will further strengthen the market position and continue to meet the owner. comprehensive, seamless, efficient and demand timely shipping services. in addition, each of the G6 Alliance members will significantly improve the ability of port paired based on the original. "

G6 Alliance planed on connecting 27 Asian and North American West Coast ports 12 into 76 shipping routes, in addition to the five trans-Atlantic routes (including two

pendulum route) put 42 ships, including the US east and west coasts anchored, Canada, Panama, Mexico, the Netherlands, Britain, France, Belgium and Germany, including 25 ports. After completion of this cooperation, G6 Alliance will form a has about 240 ships, connecting Asia, the Americas and Europe, 66 ports stuff route network.

Although the G6 Alliance to expand the scope of cooperation route, trying to contend P3 Union, but the Danish Maritime Consulting SeaIntel Maritime Analysis analysts said, P3 Union once successfully get regulatory permits, formal operations in the second quarter, its advantages in cost control will be much stronger in the G6 Alliance, but only because large-scale ship P3 Union dictates, rather than the newer age of the ship are also closely related. Data show that in Asia and Europe, America West, US East and North Europe - US East 4 things on trunk routes, capacity average age G6 coalition currently deployed for 7.6 years, while the P3 alliance is only 6.7 years.. Analysis SeaIntel Maritime Analysis is to analyze the P3 Alliance members based on active capacity made fully operational after P3 Union, as well as its capacity to constitute variables.

For G6 Union, a member of its subsidiary Hapag-Lloyd and CSAV merger container shipping business has reached a memorandum of understanding on bilateral cooperation will enter "Next." In a memorandum issued on January 22, the Hapag-Lloyd said: "The next step, we will try to reach an agreement, an agreement of cooperation bundled." It is reported that the merger talks began in early December last year, according to capacity calculate the combined body of Hapag-Lloyd and CSAV will exceed Evergreen Marine, the world's fourth-largest liner companies.

Three P3 Alliance shipping lines attempt to create a play set fair, efficient and competitive in one of the monopoly organization, one of the most central mystery unlimited network center.

P3 Union face competition in the market have a greater impact on capacity. "Shipping Exchange Bulletin," the reporter, a senior China Shipping Group had asked if the Grand Alliance has become a liner market trend? The executives admitted: "Obviously, as more and more large container ships entering the market, no one liner company canvassing ability is a huge challenge, even ranked first in the world Maersk Line also seeks to build P3 Union . CSCL naturally also saw changes in the market situation. "

The world's top three Maersk, Mediterranean Shipping and CMA CGM in June 2013 announced the formation of P3 alliance to work together on something to the 28 routes. Since P3 Union launched a "shock wave" quickly spread to the entire liner market.

Shou Jianmin analysis pointed out that to other shipping lines and alliances on the market, P3 alliance is difficult to replicate. First, the scale can not be copied, capacity scale "top three" alliance after the other union is far behind; the second is the operating mechanism of the moment can not be copied, the relationship of the three shipping lines are very stable, and its operating mechanism in particular there are a lot of innovation at scale, such as the creation of an independent network-centric unified capacity allocation; the third is three shipping companies are European companies, cultural backgrounds closer and more beneficial alliance.

In Shou Jianmin's opinion, P3 alliance unity heritage of liner conferences, but also the flexibility of the Union to absorb body. Three P3 Alliance shipping lines attempt to create a play set fair, efficient and competitive in one of the monopoly organization. On capacity quotas to the principle of fairness, the capacity to put the weight calculation. The efficiency and competitiveness, the biggest bright spot is "to establish a network center and design a complex set of operating mode This infinite mystery: internal use limited competition to the black box style takes precedence

over the sale of surplus space; the external use of unlimited competition, the network center. . left contraction of external port capacity, the extra capacity can be rented out, magic is large ships would bring lower unit costs, and thus more competitive; insufficient capacity, due to the establishment of a unified customer pool, you can supply to outside sale, but the sale price is controllable. "

Executives from China Shipping Group also said: "P3 Union to establish a unified network-centric deployment of ships is truly a priority basis based on cost, cooperative more closely this union, and other union more effective on the market only. scale can not compete, if it continues to maintain the current loose collaboration of accommodation, each with its own calculations, even if the future appears G8 or G9 Union, still can not compete. "

For network-centric P3 alliance overwhelmed to be established, Vincent Clark so understanding: "Network Center is the core sector P3 Union in order to ensure its full independence, the network center will have separate employees about 250 people, independent of IT. system, operating rules and compliance manuals, clear rules for the exchange of information as well as a compliance officer. network Center has two main functions, one is to act as a firewall transaction information between the parties to address the concerns of competition authorities in other parts of the world ; the second is to perform daily operational functions. "

Vincent Clark explained that the network center management tasks include: the framework on the basis of pre-determined activities of vessels P3 Union conducted observation, monitoring and coordination, and to respond to emergencies; where appropriate, on route short-term redeployment of ships; the decision to cancel or deploy more flights in certain circumstances; coordinate cargo handling, and processing delays in shipment and port congestion.

4.2 Specific characteristics of Chinese strategic liner shipping alliances

In 1994 the world's first shipping alliance was set up in 1995 part of the alliance became operational, the Global Alliance after a period of operation, to 1998 experienced an adjustment, now basically stable. In this section we COSCO Shipping Group as a major case for analysis. COSCO is the first time in August 1996 began the collaboration with Kawasaki, Yangming, and most of the cooperation is mainly began in 1998, from the time of cooperation, the COSCO missed the initial stage of coalition formation. When several major league after years of running, members of the relatively fixed, the COSCO has lost TDN into the big league of opportunity, in the choice of partners has also been a lot of restrictions. Despite the late start, still more rapid development of COSCO cooperation through exchange of shipping space, space rentals, sending ships and other forms of cooperation joint, basically on all routes worldwide cooperated. In the process of cooperation, COSCO through market research, to capture the market trends, and timely adjustment according to market demand route cooperation, partnership and exchange volume capacity and space cooperation. Currently, COSCO container routes are the most international airline cooperation, as of June 30, 2002, COSCO partners have 18 shipping companies, 33 international container shipping routes cooperation, covering almost any region of the world.

COSCO with multiple partners in the cooperation process in many ways a number of routes used, has accumulated rich experience, has been able to meet market demand, timely adjustment of cooperation of the route, partners and swap volume capacity and space cooperation. Cooperation to avoid the enormous cost pressure independent transformation route and various risks, expanding the route coverage and improve east-west direction of the global transport network, reducing the transit time and delivery time, improve the service and economic efficiency, taking hinder the order

satisfactory results. Cooperation route has become a strong complement to COSCO import route. There slot swap main cooperation and joint sending ships. By working to achieve the following results: cultivate the market, expanded the coverage of the market, improve service capabilities, and effectively improve the economic benefits. In terms of the joint sending ships, with less risk of entering new markets, improve the global transportation network COSCO east-west direction, in order to establish the status of global carrier COSCO further laid a solid foundation. It also adopted a joint open route way to the smaller capacity into service to maintain routes to achieve the economic benefits of collaboration greatly improved results routes.

On the other hand, the transportation shipping obvious there are still some problems. Although Cosco has launched a series of activities in various forms of alliances in the international container liner shipping business, and achieved some results, but, of which there are still some problems. Such as the lack of depth and breadth of existing cooperation, no less close strategic partnership of cooperation positioning Most are in the case of COSCO COSCON original route appears insufficient and the crisis forced to embark on the road of cooperation, so partners Selection lack of strategic direction. COSCO scope of cooperation is currently limited to the use of the ship, for wharfage, more extensive cooperation inland transport, empty container equipment, integrated logistics, as well as information networks to build other aspects, the parties still lack a unified understanding. Even in the capacity of cooperation in the use of resource optimization is Chuqian, and the high level of cooperation should be to select the appropriate strategic partners to optimize the allocation of resources to their capacity: In the design of new routes at the beginning, even before investing in shipbuilding, on account of cooperation issues. Select strategic partners directly affects the depth and breadth of cooperation. No established strategic partnership, the parties will lack of mutual trust and confidence, making it difficult to cooperate

toward a deeper, broader and can only stay on the surface and local cooperation, but impossible to resist risks. Followed route duplication and waste of resources Cosco currently planning capacity and open up routes, basically in accordance with the former "family alone" mindset, first consider their own individual business, only in the absence of the ability to operate a route separate case, will consider with other operators for problem cooperation. This often leads to duplication of existing routes partners, wasting the limited capacity of their own resources. COSCO often on the same route with partners affiliated repeat the same port. Although several routes on the same route at the same time calling a port can be increased from the ports of departure schedule density, to the shipper on the transport time more choices, but this also depends on the arrangement of repeated linked routes and ports The specific circumstances.

The importance of internal COSCO shipping strategic alliances need to be further unified understanding. Airline cooperation, the Union as a liner companies swap places remaining, reduce airline operating costs, an important means of improving the overall effectiveness of the airline, has long been widely adopted by the international shipping community. Most employees COSCO internal and regional companies, agents from the overall situation, to fully understand and support collaborative work. But because of COSCO regional headquarters and overseas companies, agents of the importance of cooperation in shipping of the lack of common understanding, there is still one-sided emphasis COSCO interests and causes legitimate rights and interests of the partners of the contract not respected; emphasis on self-route co-operation contempt route operation; and does not properly handle contradictions COSCO overall interests and local interests around the issue. In cooperation, the Union activities sometimes fail to fully comply with the basic principles of cooperation to make the shipping cooperation, alliance activities

successfully, you must follow the partner series selection principles. Study the existing experience of cooperation, COSCO's shipping alliances sometimes "trust principles", "principles into consciousness", "management style similar to the principle," "the principle of interdependence," "the principle of equal amounts of firm size," "cross-cultural communication the principle of accessibility, "so there is still lacking.

At last, the integration is not high degree of cooperation, so that COSCO is difficult to obtain greater benefits from cooperation from COSCON current degree of integration cooperation of view, basically focused on the resource level of cooperation, involving less than the degree of integration and strategic interests of a high level of cooperation ... Union and acquisitions, making COSCON routes such cooperation has always focused on a relatively narrow range, generally speaking, compared to the high level of cooperation, the resources available to the economic cooperation are very limited.

4.3 Coping strategies to the market downturn

Faced with the market downturn and the dual challenges of peer competition, shipping people never fear, because the challenges and encounters are often co-exist, the key is to be good at summing up, eager to reflect a positive change in shipping development, accelerate structural adjustment waterways. Currently shipping industry has "Xing river, excellent port, shipping strong" as the "second five" development ideas, speed up infrastructure construction, promote the development of modern logistics and integrated transport system, improve the quality, efficiency and competitiveness of water transport development, promotion water transportation security, green, and lay a solid foundation for 2020, achieving an overall modernization of water transport. Strengthen strategic cooperation, win-win

cooperation has become the subject of today's world, only to strengthen cooperation in order to achieve long-term, sustainable development. The first is to strengthen the customers, customer-centric, to create value for customers and achieve their long-term stable development. Second is to strengthen cooperation with the industry, integration of resources to reduce costs through a variety of ways to jointly promote orderly market, healthy competition. Again downstream partners to strengthen the industrial chain, enhance communication synergies, improve efficiency, and jointly create value for customers. Strengthen structural adjustment, shipping companies according to their efforts to adhere to structural adjustment conditions, compared to cyclical risks, weak development cycle and counter-cyclical industry, avoid blind diversification, strengthen vertical integration, extend the industrial chain and value chain, achieve synergies, improve service levels. Strengthening cost management, control rapidly rising operating costs, become an important factor in the survival and development of the shipping companies. Shipping companies need to manage their own situation, reduce costs and meet the challenge. Strengthening technological innovation, it is important shipping industry trend is to ship a low-carbon, in order to adapt to this trend, the shipping companies to develop suitable ship, eliminate backward boat; adjust the fleet structure to meet the large-scale needs; strengthening technological innovation, implementation techniques energy saving. In terms of speeding up the process of internationalization, shipping companies should have a global service and facility services capacity and strength to meet customer demands for higher implementation, stability and continuity of the proposed global requirements. Strengthening service capacity building, the shipping industry is the service industry, the customer is the "God", shipping companies should strive to improve the reliability of service capabilities, to provide customers from the factory, transportation, railways, ports, shipping, warehousing, distribution as well as

consumption of logistics services.

To help enterprises out of difficulties, tide over the difficulties, the Ministry of Transport has adopted a series of policies and measures: to increase water transport market development; combating vicious market competition, and safeguard the interests of the owner; the implementation of NVOCC bond liability insurance system, effectively alleviate corporate liquidity financial pressure; speed water transport market credit system construction; improve market access mechanism and create conditions for the formation of a fair, standardized, competitive and orderly shipping environment.

5 Summary and conclusions

In this paper, the actual situation of the liner shipping industry and market downturn environment, in recent years the prevalence of strategic alliances liner into the in-depth research and analysis. Modern enterprise competition already in the past is not the same, there is a fierce competition among enterprises is not only the process but also in the competition but also cooperation. Thus, from a purely competitive enterprises to gradually move towards a cooperative competition.


Due to the slowdown in global trade in recent years, while the number of container ships has substantial growth, excess capacity so that the whole liner shipping industry into a financial difficulties, thus a large number of strategic alliances aimed at reducing cost there. In the shipping industry, the market remained generally sluggish environment, the large liner shipping companies through the establishment of a strategic alliance hold together for warmth way to weather the crisis in the industry worldwide.

Strategic liner shipping alliance as a forerunner of global economic recovery shoulder the historical mission incumbent, and the depressed market struggle is

necessary to overcome the difficulties. Liner strategic alliance in route structure rationalization, promoting transport demand and capacity growth and other aspects of the rational development of the market had a huge impact. By constantly adjusting the mode of operation, in order to achieve improved Downcast shipping industry.

With in-depth understanding of the strategic alliance of the liner, he was constantly aware of and increase in the writing process. However, due to my limited theoretical level and professional knowledge, research is not exhaustive, the text shortcomings and problems are inevitable. These issues will be addressed in future studies seek work, and to do further research on the development of strategic liner shipping alliances.

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