

# CMA CGM making S'pore its Asian digital activity hub

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French container shipping giant CMA CGM continues to put down roots in Singapore, where it is establishing a hub for its digital activity in Asia.

A recent step has been to name a new chief digital officer for Asia based here. The role involves seeking opportunities in relation to transport and logistics start-ups that can complement CMA CGM services.

The appointment comes amid efforts by the firm to further develop its digital and e-commerce business, such as offering end-to-end solutions, said chairman and chief executive Rodolphe Saade.

"The world is changing and we are becoming more digital... and this will play an important role in the company's operations," he noted. "We believe that Singapore is ahead of the curve in terms of the digital business. We could have had someone from China or Hong Kong, but we decided that the place to be in Asia to develop our digital activity is Singapore."

Mr Saade said CMA CGM, the world's third-largest carrier, has been trying to boost its presence in Asia by consolidating operations here since completing its \$3.38 billion acquisition of Neptune Orient Lines.

The group has relocated its regional base from Hong Kong to Singapore and has set up a container terminal joint venture with port operator PSA.

It expanded capacity at the terminal earlier this year to four million TEUs (twenty-foot equivalent units) – double the initial annual capacity when the facility started operations in July last year.

In April, it set up CMA CGM Academy in partnership with IE Business School, Singapore Management University and Sciences Po to develop its staff in the region. CMA CGM has around 8,000 employees in Asia, including about 1,000 here, out of a global headcount of more than 29,000.

The firm posted stellar third-quarter results this week, with net income of US\$323 million (S\$434 million), compared with a US\$268 million loss in the same period a year earlier. It carried a record high of nearly five million containers, thanks largely to strong growth through the Ocean Alliance pact.

The global container shipping industry is slowly emerging from a protracted slump, although the capacity glut has remained strikingly unresolved.

Mr Saade said he expects the growth of the Ocean Alliance – comprising some of the world's biggest container operators, including China Cosco Shipping – to translate into higher activity in Singapore.

CMA CGM has 27 services calling at the Port of Singapore each week. "Singapore has become a very strong base in Asia for us now, and we hope that this will continue in the years to come," said Mr Saade.

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