

## Gemini benefits face looming challenge from oversupplied market: Maersk CEO



*Gemini Cooperation generated cost benefits for Maersk of \$300 million last year. Photo credit: Maersk.*

[Greg Knowler, Senior Editor Europe](#) | Feb 5, 2026, 11:09 AM EST

The positive impact of the Gemini Cooperation network with partner Hapag-Lloyd that has carried through into 2026 will run into growing overcapacity exacerbated by a return to Suez Canal transits, Maersk CEO Vincent Clerc said Thursday.

While Gemini's rollout one year ago drove up Maersk's annual volume, delivered significant cost savings across the network, and generated a record 2025 performance in its terminals division, Clerc warned the industry was heading into a downturn driven by excess capacity.

"Whether it is through new ships that are coming in or through the return to Suez, we're going to have an overcapacity of anywhere from 4% to 8% in 2026," the CEO said

during an earnings call that followed the release of Maersk's fourth-quarter and 2025 financial results.

"If we return fast and full to Suez, we will see more pressure on the freight rate because there is a bigger gap that we need to close at once," Clerc added. "If we have an orderly, slow, gradual return, we might be able to manage it better."

While Maersk's solid interim earnings through 2025 ensured a positive full-year result, red ink made its first appearance in two years on the carrier's quarterly balance sheet. The company also announced it will cut 1,000 jobs this year.

Maersk for the fourth quarter reported a \$153 million loss in its container shipping segment as average rates fell 23% year over year to \$2,046 per FEU, offsetting an 8% gain in volume to 3.4 million FEUs. Revenue in the fourth quarter of \$13.3 billion was down 8.7% year over year, and earnings before interest, taxes, amortization and depreciation (EBITDA) fell 49% to \$1.8 billion. Earnings before interest and taxes (EBIT) were down 94% at \$100 million, while the carrier recorded zero net profit in the fourth quarter.

For the full year, revenue dropped 2.7% year over year to \$54 billion, EBITDA was down 21% at \$9.5 billion, EBIT of \$3.5 billion fell 46%, and net profit of \$2.9 billion was down 53% compared with 2024.

## Potential loss flagged for 2026

The severe impact of overcapacity on the market was illustrated in Maersk's 2026 profitability forecast. Faced with a return to the Suez and new ship deliveries adding to industry overcapacity, the carrier has flagged a potential \$1.5 billion loss in its full-year EBIT earnings for 2026. It would be the first operating loss Maersk has booked in 10 years. The top end of the profit guidance was set at \$1 billion, \$2.5 billion less than last year's result.

With profitability falling and huge pressure on cost savings, the significant cost benefits achieved by Gemini in 2025 will be welcome.

"We have generated over \$300 million in benefits in the fourth quarter, and we are now targeting \$820 [million] to \$1.1 billion in annual benefits," Clerc told analysts.

He said network savings are generated by more efficient use of vessels by sailing at slower speeds over shorter distances between hub ports, transporting more volume with the same capacity, and having shorter dwell times at berth. The lower bunker consumption from these measures translated to a cost saving of \$150 million in the fourth quarter alone.

Gemini's increased volume also had a highly positive impact on Maersk's APM Terminals division, with fourth-quarter revenue of \$1.4 billion that was up 13% year over year and volume increasing 8.4%, mainly on the Europe, North America and Latin America trade lanes.

## **Strong global container demand**

The industry might be facing a growing overcapacity problem, but demand in 2026 is expected to grow between 2% and 4%; Maersk expects to grow its volume in line with the market.

"As we look ahead to 2026, we see a continuation of strong global container demand translating into a volume growth that we expect to land between 2% and 4% based on various scenarios," Clerc said.

Maersk's executives are also confident they have the tools in place to handle the imbalance in supply and demand.

"We have a strong balance sheet to weather the downturn in ocean, [but] the unknown is how deep and how long will it last," Maersk CFO Patrick Jany said on the call, highlighting the significant number of old vessels that were not economically viable at current rate levels.

Jany said at some point, the unviable capacity would be scrapped, returned to charterers or idled.

"I would expect this to happen this year, particularly in scenarios where the Red Sea reopens fully and fast, that will trigger every reaction," he said. "Our view is not that we'll have three years of pain, but more that you will have one or two years of pain, and then the capacity will be taken out."

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