

BY TRINE VESTERGAARD

Published: 17.07.20 at 15:30

Running a shipping company at sea and a logistics company on land are two very different things.

In short, that is why Ceva Logistics should not be integrated under its owner, container shipping major CMA CGM, which acquired the logistics company in 2019.

"I believe it's the only way. I don't see what the other way could be. They [logistics and container shipping, -ed.] are still very different worlds," explains Mathieu Friedberg, CEO of Ceva Logistics, in an interview with ShippingWatch.

I believe it's the only way.

MATHIEU FRIEDBERG, CEO, CEVA LOGISTICS

Like its competitor Maersk, CMA CGM is pursuing a strategy to be able to service and supply freight solutions throughout the entire supply chain, as such it therefore makes sense for them to supplement their shipping activities with activities on land.

Unlike CMA CGM and Ceva Logistics, Maersk's strategy is to integrate its logistics acquisition into the Maersk organization. However, Friedberg does not believe that solution will work.

"It remains to be seen, but I have difficulties seeing the value of an integrated approach," he says.

He adds that that becomes increasingly apparent when they speak to customers, who also question what an integrated approach would look like.

The right balance

When shipping companies start to want to operate on land, it is a balancing act because they also get a new role in terms their customers, whom they are servicing. Previously, CEO of logistics company DVS Panalpina, Jens Bjørn Andersen, has called the development a "paradigm shift".

According to Friedberg, however, Ceva tries to maintain distance between itself and its owner CMA CGM.

"We obviously have a good relationship with CMA, but we are trying to be very cautious, because one of the selling points for a freight forwarder in general is the ability to reach out to many different carriers and offer different kinds of products, so it wouldn't make sense in that regard to have a sort of integrated approach and offer only CMA services," says Friedberg.

We obviously have a good relationship with CMA, but we are trying to be very cautious.

MATHIEU FRIEDBERG, CEO, CEVA LOGISTICS

Friedberg himself comes directly from a position at CMA CGM, and Ceva's headquarters also recently moved from Switzerland and closer to the French shipping company in the French city of Marseilles.

He explains that the two companies can primarily benefit from yielding cross-sales from each other, which could bring in revenue for both. But that there are no special benefits or collaborations when it comes to ocean transports.

"There is momentum out there, but it's not so much on the ocean product, but rather others products that CMA, thanks to the Ceva capacity, is able to offer to some of its customers, but there's no joint approach on ocean itself," he says.

"The right balance"

Right now, Friedberg assesses that CMA CGM provides 25 percent of Ceva's business in Africa, **where Ceva just carried out a major acquisition.**

That figure is significantly lower in other parts of the world – going as low as 5 percent.

Is that the aim?

"That's the right balance."

Why?

"If you wanted 100 percent CMA product you would probably go to the carrier. If you want something different, you go to the freight forwarder and therefore have the ability to flex and larger procurement base. It's in the nature of the two business that they are different," he says.