

**IN THE NEWS** September 6th, 2016 | Written by Peter Buxbaum

WHAT IF THE HANJIN-HYUNDAI DEAL DOESN'T GO THROUGH?

DATA DETAILS POTENTIAL DISRUPTION TO SUPPLY CHAINS



SHARELINES

f **t** **in** What if Hyundai hadn't assumed the role of Hanjin's white knight?

f **t** **in** Samsung Electronics is both the top Hanjin shipper and consignee on Hanjin U.S. routes.

f **t** **in** Coaster of America is the Hanjin top importer of furniture, Hanes for apparel, and Microsoft for games.

The way things look now the bankruptcy of Hanjin Shipping will eventually shake out okay, [thanks to Hyundai Merchant Marine](#), a fellow South Korean shipping line that is coming to the rescue with the purchase of some Hanjin assets.

But what if the deal falls through? What if Hyundai hadn't assumed the role of white knight?

Before the Hyundai deal was reported, [U.S. retailers were already starting to get](#)

[anxious](#), calling on the federal government to step in and sort out the potential cargo debacle.

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The Retail Industry Leaders Association (RILA) sent a letter to United States Secretary of Commerce Penny Pritzker and Federal Maritime Commission Chairman Mario Cordero to work with



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stakeholders to resolve the developing situation. “The prospect of harm is significant and apparent,” the letter, from RILA President Sandy Kennedy, said. “U.S. bound cargo is already being delayed at origin ports and Hanjin ships loaded

with cargo idle, unable to enter U.S. ports, and containers are being detained on arrival clogging already congested ports and preventing merchandise from reaching store shelves. Further, the inability to return empty containers is causing backups and interfering with chassis availability.”

Hanjin Shipping, which represents around 7.8 percent of the transpacific trade volume for the U.S. market, [filed for bankruptcy last week](#) after creditors rejected a self-rescue plan to handle the company’s \$5 billion in debt.

Datamyne released some information which details the potential disruption to the supply chains of companies in the U.S. and abroad.

The data reveals, for instance, that Samsung Electronics, with a steady flow of shipments from operations in Asia to its US-based companies, is both the top shipper and consignee using Hanjin Shipping’s U.S. import routes, according to a report released by Datamyne.

Breaking out the data by Harmonized System of tariff codes, Samsung is still prominent, but other importers emerge as leaders in Hanjin’s top product categories, with Coaster of America the top importer in the furniture category, Hanes Brands in apparel, and Microsoft in games.

Rounding out the top five among shippers are LG Electronics, Thai Samsung Electronics, Ricoh Asia, and Flextronics Manufacturing, each shipping between 335,000 and 490,000 TEU to the U.S. in the first 20 days of August, and each representing in the neighborhood of between one percent and two percent of Hanjin’s volume.

Among U.S. receivers of cargo, Samsung America, Samsung Electronics, Fred Meyer, Coaster of America, and Bissell Homecare represented the top 5, with volumes ranging from 1.9 million to 541,000 TEU between August 1 and 20, and volumes representing 1.38 percent to 0.5 percent of Hanjin’s total.