Busan Finance Center

Z/Yen Newsletter January

Title Two Korean Bulk Carriers Relocate HQs to Busan's Maritime Capital

The Korean government has designated the development of a "Maritime Capital" in the south-eastern region as a national policy priority. The aim is to build a new growth engine by concentrating maritime-related administrative and financial functions, as well as the wider maritime industry around Busan, home to the world's second-largest transhipment port. As part of this, the Ministry of Oceans and Fisheries (MOF) is relocating its headquarters to Busan.

Against this backdrop, two major Korean bulk carriers — H-Line Shipping and SK Shipping — have now announced that they will move their corporate headquarters to Busan. The two companies have confirmed plans to amend their articles of association and complete the legal registration of their new head offices in January. The decision by the two companies to relocate their headquarters to Busan is expected to take Korea's "Maritime Capital" initiative one step further, by creating additional opportunities for operational and regional synergies in Busan.

H-Line Shipping, 10th largest Korean shipping company by revenue, was established in 2014 on the basis of the former bulk division of Hanjin Shipping. It specialises in transporting iron ore, coal and LNG, with a fleet of 58 vessels and around 1,150 staff. SK Shipping, founded in 1982 as a crude oil carrier, has grown into a diversified energy and resources shipping company moving crude oil, refined petroleum products, LNG and LPG. It ranks 7th domestically by revenue, operates 61 vessels and employs 1,398 people. In other words, two of Korea's top ten bulk carriers are now committing their headquarters to Busan.

For Busan's long-term ambition to position itself as a specialised maritime and financial centre, this is strategically important. Having the MOF and two nationally important bulk carriers in Busan strengthens the city's claim to be not only a high-volume container port, but also an international financial centre with a clear specialism in the maritime industry.