

Carriers to blank less for CNY 2021, or a raft of blank sailings coming?

In a “normal” year, carriers would announce several blank sailings in connection with Chinese New Year (CNY), in order to balance supply to the lower container shipping demand, due to factories closing over the lunar holiday. However, 2020 has been far from normal, and there does not seem to be any consensus forecast on the production impact of CNY in 2021. With these uncertainties, carriers are likely having a difficult time planning their capacity management for CNY 2021, but with under 6 weeks left, the clock is ticking.

As of Friday, January 1st, 2021, and six weeks from CNY, carriers have only announced 5 blank sailings on the Transpacific and 7 on Asia-Europe in the three-week Chinese New Year period (weeks 7-9). This is against 88 combined blank sailings in 2020 (73 if we discount the ones that were announced due to Coronavirus) and 67 in 2019. For 2021, this translates to a scheduled capacity reduction of 2-4% on Transpacific and 6-13% on Asia-Europe. We



analysed these developments in Asia-Europe and Transpacific CNY blank sailings in considerable detail in issue 495 of the *Sunday Spotlight*.

Fig. 1 shows the currently scheduled capacity deployment for the Asia-North America West Coast (NAWC) trade 4 weeks before CNY to 3 weeks after CNY for 2021, and compared to the same weeks in 2016-2020. At present, CNY reductions are hardly visible for 2021.

As the 2020 CNY blank sailings period was heavily impacted by the subsequent blank sailings due to Coronavirus, in order to provide a more reasonable comparison with 2021 and previous years, we have in Fig. 2 only included the 2020 blank sailings that were announced 4 weeks prior to CNY 2020, so as not to include the 2020 Coronavirus blanks.



At present, 2021 CNY blank sailings are far below previous years, and if the relative capacity reductions of previous years should be reached, carriers would need to blank 37-41 sailings on Asia-NAWC, and 12-15 sailing on Asia-North America East Coast (NAEC). On Asia-North Europe (NEUR), an additional 14-17 sailings would have to be blanked to reach previous relative levels, while on Asia-Mediterranean (MED), an additional 4-6 sailings would have to be blanked.

It is not possible to predict the optimal level of blank sailings, but it is clear that the carriers are currently scheduled to blank far less than in previous years, and if they are to reach the level of previous years, a raft of blank sailings would have to be announced very soon.

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