Sea-Intelligence – Press Release (Dec 15th, 2021)

www.Sea-Intelligence.com

20%-25% weekly capacity blanked on Asia-NAWC

Carriers have traditionally used blank sailings as a tactical tool to manage supply to demand. However, with the North America demand boom and the resulting port congestion, carriers have been struggling to meet their weekly vessel departure obligations, resulting in vessel delays, rolled schedules, and blank sailings. In issue 544 of the *Sunday Spotlight*, we analysed the impact of these blank sailings on deployed capacity on major East/West trades.

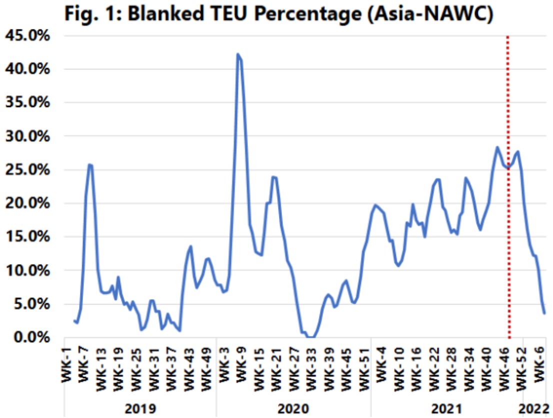

Fig. 1: Blanked TEU Percentage (Asia-NAWC)

The largest impact currently is on the Asia-North America West Coast trade lane (shown in figure 1). Please note that the red dotted line indicates where the future outlook starts, based on the carriers' current deployment schedules for the next 12 weeks.

The initial impact of the pandemic can be seen with the extraordinarily high peak in early 2020, as we basically saw an extension and doubling of Chinese New Year. Since then, blank sailings dropped considerably, as demand picked up and capacity was ramped up. What then followed is what we call the congestion-induced blank sailings.

With a blow-up in demand levels since the second-half of 2020, carriers struggled to deploy enough capacity. With ports overwhelmed and the ensuing congestion, carriers struggled to maintain weekly sailing schedules, and as a result, were forced to blank sailings. This trend has been increasing in recent weeks, with 28.4% of the total Asia-North America West Coast capacity blanked in week 44. This cannot be attributed to Golden Week either, as it fell in week 39/40.

For the upcoming 12 weeks, the percentage of capacity blanked is scheduled to decline sharply, which is expected. This is because these blank sailings are not due to capacity management, but rather due to the carriers being forced to blank sailings, as a result of port congestion. This means that sailings will mostly not be blanked in advance, but will rather be the operational result of vessel congestion and delays, which cannot be known that well in advance, especially on a trade with a relatively short roundtrip time.

--- 000 --- END OF PRESS RELEASE --- 000 ---

All quotes can be attributed to: Alan Murphy, CEO, Sea-Intelligence.

For more information, please contact: ia@sea-intelligence.com, am@sea-intelligence.com