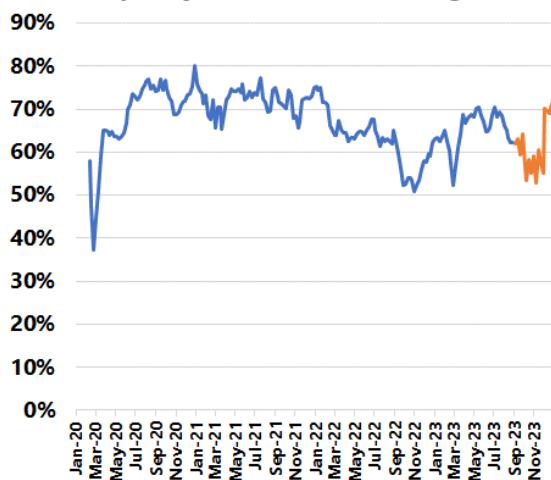


Vessel utilisation declining further

Blank sailings data, when put into context of container demand data, can be useful in calculating the underlying capacity utilisation on the major East/West trades. A caveat with this simplistic approach, is that this is not necessarily the “true” capacity utilisation, as e.g. vessels from Asia to Europe would also be carrying capacity/cargo allocated to other trades, such as the Asia to West Africa or Asia to Middle East trades. However, relative changes in time would be representative, given the same constraints apply throughout.

Fig. 1: Asia-Europe Nominal Capacity Utilisation (4wk Avg.)



In Figure 1, we show the underlying capacity utilisation, with the blue line showing the actual utilisation, and the orange line denoting our projection for the rest of 2023. The supply projection is based on carriers’ vessel deployment schedules until the end of 2023. For the demand projection, we took the June-August 2023 demand growth (compared to the pre-pandemic period of 2019) and assumed the same trend for the rest of 2023.

As we can see here, utilisation has been quite poor in recent months. In recent weeks, carriers have announced a host of blank sailings. Even then, there has been significant Y/Y growth in the capacity being offered in the market. If the intention of these blank sailings was to revert capacity growth, that hasn’t happened. As a result, we will continue to see very low utilisation in November 2023.

The sudden increase in utilisation in December 2023 is quite doubtful. The reason for this spike is driven by the demand developments seen in December 2019 before the pandemic. At that point in time, there was a substantial demand spike, and this is driving the projected spike in December 2023 seen in Figure 1. As a result, better utilisation in December is at best questionable.

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

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Sea-Intelligence is a leading provider of Research & Analysis, Data Services, and Advisory Services within the global supply chain industry, with a strong focus on container shipping. Combining strong quantitative analytical skills with a deep understanding of the supply chain industry, based on many decades of experience at all central parts of the Ocean supply chain, Sea-Intelligence supports customers across all stakeholder groups.