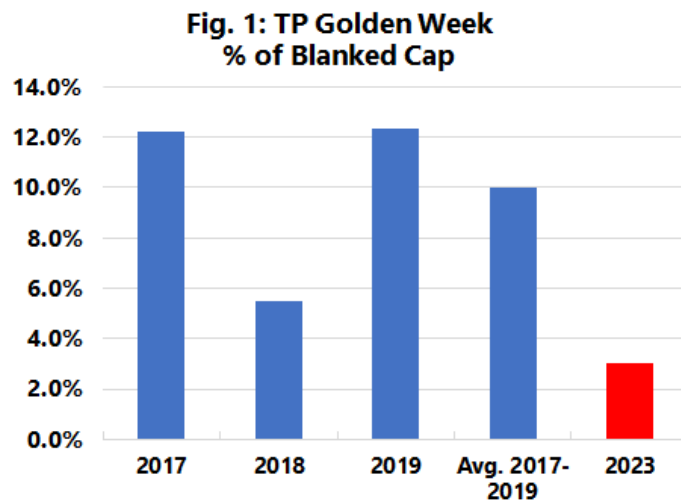


2023 Golden Week: Shortage of blanks

We are now 5 weeks away from the Chinese National Holiday known as Golden Week, and with a resulting sharp drop-off in demand, carriers resort to blank sailings to manage supply.



This year however, the carriers have so far not announced any significant capacity reductions. Looking at the current combined Transpacific capacity reductions for the 4-week Golden Week period (counted as Golden Week plus the following 3 weeks), carriers have scheduled capacity reduction of only 3.0%, compared to a 12.4% reduction in 2019, and the 2017-2019 average of 10.0%. If we look at it individually, 3.7% is

scheduled to be taken out on Asia-North America West Coast and 2.2% on Asia-North America East Coast; both figures are the lowest when compared to the pre-pandemic years.

If we are to compare the current percentage reductions and bring them to the pre-pandemic levels, then to match 2019, 10-13 additional sailings will need to be blanked on Transpacific and 6-10 additional sailings on Asia-Europe. With Golden Week only 5 weeks away, there is not much time left, if carriers want to announce more blank sailings, because the closer they do it to Golden Week, the less time there is for shippers to plan exception handling, and there is already a lot of discontent among the shippers due to the freight rates and lack of promised vessel allocation in the past couple of years.

Additionally, with tepid peak season demand, it could be argued that the blank sailings needed to keep the market stable would have to exceed what was done in 2017-2019, placing further pressure on the blank sailings strategy for the carriers in October 2023.

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

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

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.