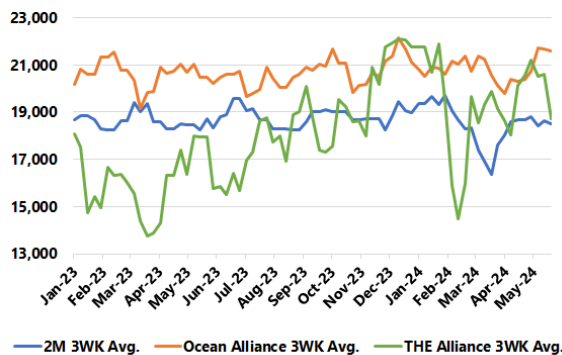


Vessel size development on Asia-Europe

Greater sailing distances on the round-Africa routing would, all else equal, lead to higher fuel consumption, and hence an increase in slot cost. Assuming that the vessels are well-utilized, which should be the case now, deploying larger, more fuel-efficient vessels, should bring these increased slot costs down.

If we look at the average vessel size on Asia-North Europe, there has been moderate volatility, but the trend line is almost perfectly horizontal, meaning an unchanged average vessel size. On Asia-Mediterranean, there is a clear upwards trend, but that started in the second half of 2023, well before the first Houthi attack in the Red Sea. On Asia-Mediterranean, 2M and THE Alliance maintained a stable average vessel size, whereas Ocean Alliance saw a sharp increase following the first attacks in the Red Sea, followed by a decline back to the early 2023 baseline, indicating that the changes were largely because of network disruptions rather than systemic.

Fig. 1: Alliance Median Vessel Size on Asia-North Europe



Looking at the average vessel size is often not enough, because it can be impacted by outliers on either end of the spectrum. Looking at the median vessel size instead, on Asia-North Europe, the median vessel size for 2M fits almost perfectly onto the average vessel size. For Ocean Alliance, we see that the February 2024 dip in average vessel size is because of outliers, without which, the average vessel size remains stable.

For THE Alliance, we see a major deviation between the average vessel size and the median vessel size, coinciding almost perfectly with the start of round-Africa sailings. This was due to the suspension of the FE5, which has a lower average vessel size. This does not constitute a direct upscaling of deployed vessels to decrease average slot costs, but suspending the service still reaches this goal by removing vessels with a lower average slot cost, all else equal.

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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.