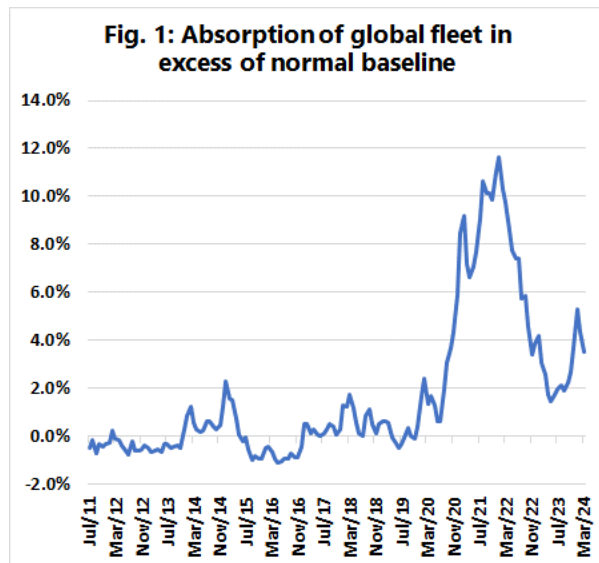


Improved vessel delays may release more capacity

When vessel delays occur, a percentage of the global vessel capacity is effectively absorbed and hence unavailable to the market. Historically, this percentage has tended to be within 1%-3%, with a few spikes in the 3%-5% range, on account of major disruptive events. When the pandemic hit, this figure nearly touched 14% at its peak.

In March 2024, the fleet absorption from vessel delays was 5.7% of the global fleet. This was an improvement from the recent peak in January 2024 of 7.5%. Putting it in context, the Red Sea crisis is almost a non-event, compared to the pandemic disruptions. It is important to note that this measures just the capacity absorbed from vessel delays and comes in addition to the capacity being absorbed by the longer route going around Africa.



That said, there is always some “normal” background level of vessel delays, which absorbs part of the global capacity. To better gauge the fleet capacity impact of specific events like the pandemic or the Red Sea crisis, this background level should be removed from the calculation. When we do this, we get the result shown in Figure 1. Here we can see how the impact of various types of delays in 2011-2019 had almost no real impact on the capacity availability in the market as a whole.

We can also clearly see the pandemic impact peaking in January 2022, where 13.8% of global capacity was rendered unavailable. Here in early 2024, we did indeed have a small spike again, but it is rapidly being removed. If the round-Africa services begin to operate at reliability levels matching the pre-pandemic era, then this absorbed capacity will be returned to the market, and we could see up to 4% additional capacity fed into the market in 2024. This would then come on top of the 9% of new vessel deliveries in 2024, further worsening the overcapacity challenge for the shipping lines.

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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.