Carriers bullish for the peak season

Now that we are nearly a third of the way through the traditional container shipping peak cargo season, looking at the levels of blank sailings and capacity deployment the carriers have planned for the remainder of the third quarter, can provide us with a good perspective on the carriers' confidence in the 2024 peak season.
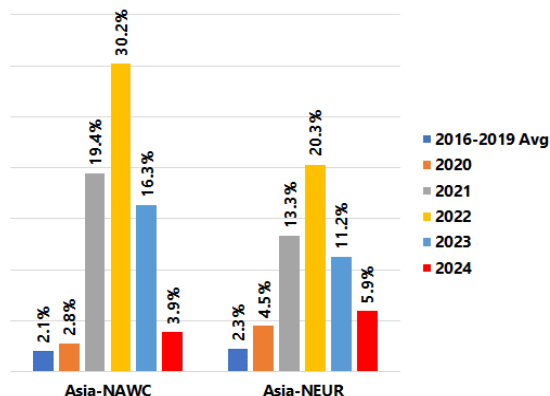

Fig. 1: Blank Sailings % for Weeks 29-39

Figure 1 shows the percentage of blanked capacity slated for the rest of the peak season (weeks 29-39), for the two most important East/West trades: Asia-North America West Coast and Asia-North Europe.

On Asia-North America West Coast, carriers have so far planned to blank 3.9% of the total capacity, which is not too dissimilar from the pre-pandemic average or from 2020. It is however significantly lower than in the pandemic years (where blank sailings were forced due to port congestion). Capacity growth across the same weeks in 2024 is slated to be 24.6% when compared to 2023, and 10.2% over 2020 (where we saw peak capacity deployed in terms of TEU).

Given this strong capacity growth and the relatively low blank sailings level, it suggests that the carriers are bullish for the peak season on this trade lane.

On Asia-North Europe, blanked capacity is slated to be 5.9% for the coming 11 weeks, which is only higher than 2020 and the pre-pandemic average, although the difference from 2020 is not that high. In 2024, there is no Y/Y growth in deployed capacity. However, in 2023, Y/Y capacity growth on the trade was 13.1%, which was not only high relative to historical reference points, but also too high for the demand levels on the trade lane (evidenced by the falling freight rates).

The fact that carriers are willing to maintain that level of elevated capacity on Asia-North Europe in 2024, coupled with the relatively low level of blank sailings, indicates the carriers have a confidence strong outlook for the peak season on Asia-North Europe.

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