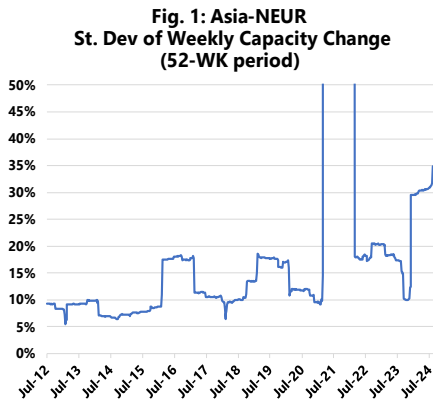


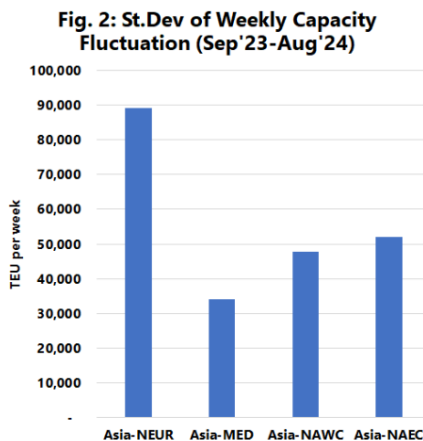
Increasing capacity instability

Weekly container vessel capacity departing a region is rarely stable and consistent, since there are differences in the capacity of departing vessels, even on an individual liner service. These weekly fluctuations can be quite drastic, especially during Chinese New Year and Golden Week, which makes seeing the underlying trends quite challenging.



To eliminate these intra-year seasonality effects and to be able to see how strong weekly capacity fluctuation really is, we have calculated the standard deviation of the weekly change in capacity, over a rolling 52-week period. For Asia-North Europe, this is shown in Figure 1. We have truncated the y-axis, so the longer-term data does not get dwarfed by the pandemic-induced spike.

What we see here, is that the volatility in the vessel capacity on the Asia-North Europe trade has grown quite significantly over the past decade, from a semi-stable level around 10% pre-pandemic, to presently a level three times that magnitude. This means that the ability for shippers to rely on a stable level of capacity on the Asia-North Europe backbone trade has been eroded considerably, which in turn calls for the need for better contingency planning, even when the market has sufficient scheduled capacity.



The Transpacific trades on the other hand, have not been subject to fluctuations as large as on Asia-North Europe, with Asia-North America West Coast seen to presently be more stable, in terms of the weekly capacity offered to shippers. This comparison is shown in Figure 2. When seen over a full 52-week period from September 2023 to August 2024, the standard deviation of the weekly offered capacity in Asia-North Europe is almost 90,000 TEU. The two Transpacific trades see a standard deviation of around 50,000 TEU per week, while Asia-Mediterranean has a standard deviation of 34,000 TEU per week.

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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.