Assessing round-of-Africa routing disruptions on deployed capacity
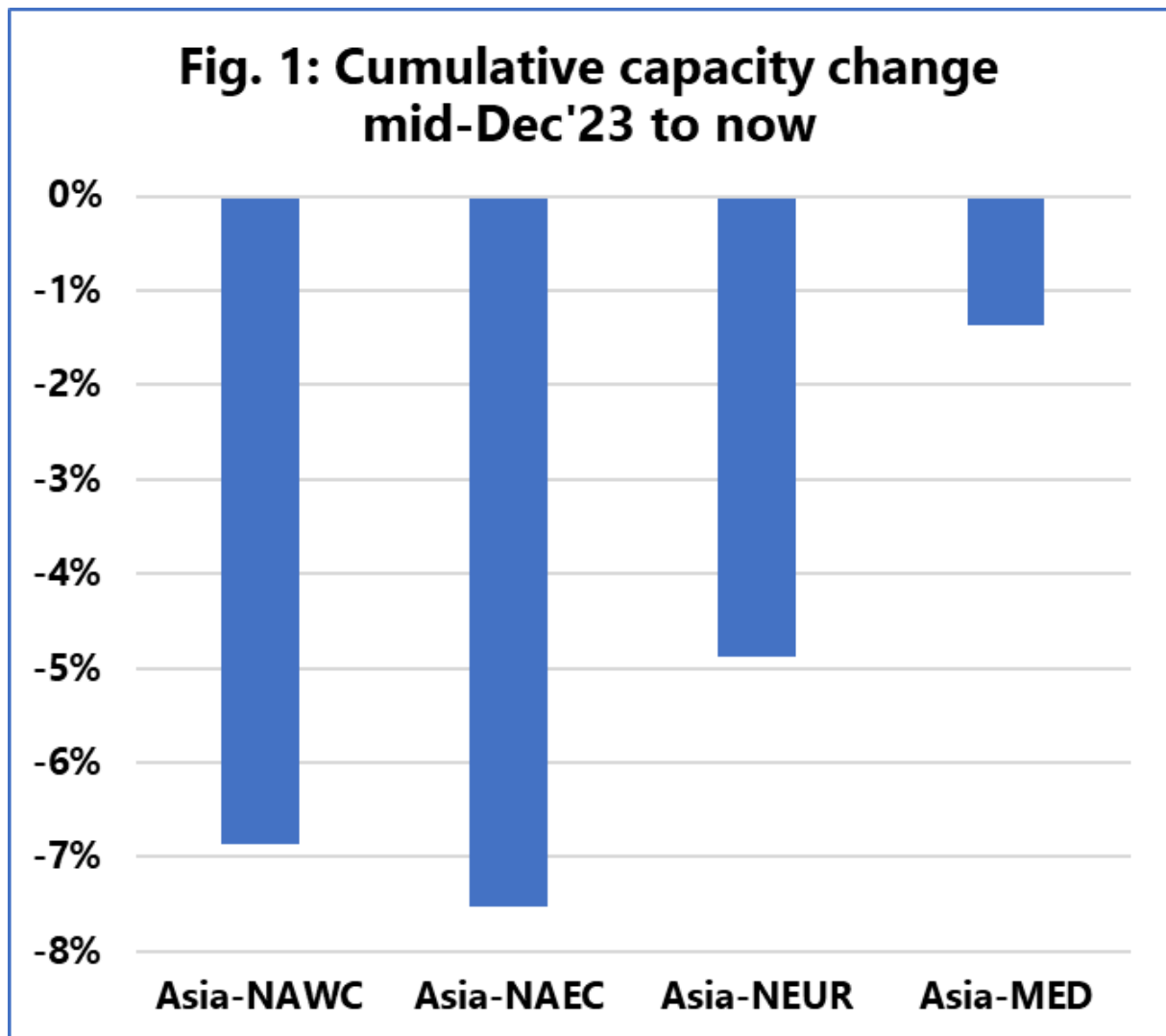
February 8, 2024

The significant disruptions in services due to the round-of-Africa routing naturally raise questions about the impact on deployed capacity.

Here comes Sea-Intelligence's *Trade Capacity Outlook* database, which shows the differences in offered capacity between the immediate pre-crisis and the present situation.

The following figure illustrates, for each of the four major East/West trades out of Asia, the cumulative change in offered capacity over the fill period from mid-December to the present date.

"We have deliberately not included future capacity as this would overlap with Chinese New Year effects. The cumulative changes up to the present date would therefore more 'cleanly' represent the Red Sea impact," said the Danish analysts.

Fig. 1: Cumulative capacity change mid-Dec'23 to now

According to the Sea-Intelligence analysis, a noteworthy observation is that the most significant capacity reduction, compared to the planned deployment in mid-December, has occurred on the Transpacific trade route.

Specifically, the Asia-North America East Coast trade lane has experienced a decrease of -7.5%, while the Asia-North America West Coast trade lane has seen a decline of -6.9%. Additionally, the capacity impact on the Asia-North Europe trade lane has resulted in a contraction of -4.9%, while the Asia-Mediterranean trade lane has witnessed a reduction of only -1.4%.

"What this shows is that despite the extreme upheaval in the vessel schedules, the capacity offered from Asia to Europe has only been reduced quite marginally because of the Red Sea crisis. The capacity reduction here measured is not measured Y/Y, but of the planned schedules in mid-December versus what has materialised until now. Curiously, as shown in the figure, the impact on the Transpacific is larger, and it is particularly interesting to see the capacity drawdown on Asia-North America West Coast," stated Alan Murphy, CEO of Sea-Intelligence.