

Most newbuild capacity headed to Asia-Europe amid ongoing diversions



Major container carriers have put most of their new ships into the Asia-Europe trade, while smaller carriers have been the largest capacity contributors to Asia-US. Photo credit: HMM.

Michael Angell, Senior Editor | Jul 15, 2024, 12:49 PM EDT

Ocean carriers have thrown almost 250,000 TEUs more of their newbuild capacity this year at the Asia-Europe container trade than they have at the Asia-US trade, reflecting the deployment challenges of the Red Sea diversions and the capacity limits posed by North American ports as bigger ships get delivered into the global fleet.

The capacity deployments during the first half of 2024 also show that smaller carriers such as HMM and Zim Integrated Shipping Services have been deploying many of the new large ships serving the North American trade, while major alliance carriers have deployed most of their big vessels on the Asia-European trade.

During the first half of 2024, liner operators took delivery of 257 container ships totaling 1.65 million TEUs of capacity, according to Bespoke Maritime Data Services, a sister company of the *Journal of Commerce* within S&P Global.

Of that total, some 641,770 TEUs across 41 ships have called or are scheduled for Asian and Indian subcontinent load ports before arriving in Northern European and Mediterranean ports, the data shows.

The Asia-US trade lane is seeing slightly more ships deployed in that time — 42 — but the total capacity of those ships is 390,696 TEUs, according to the data.

The capacity imbalance reflects the much higher number of super-post-Panamax ships being deployed between Asia and Europe, totaling 34 of the new vessels deployed on that lane during the first half of 2024.

Many of those are the ultra-large container ships over 20,000 TEUs of capacity that currently only call Asian and European ports. OOCL took delivery of five ultra-large ships so far this year and Hapag-Lloyd another three, Bespoke data shows. But most of the additions to the Asia-Europe trade are in the capacity range of 15,000 to 16,000 TEUs, which major ports along the US West and East coasts can generally handle.

During the first half of 2024, ocean carriers regularly deployed 16 ships above 13,000-TEU capacity on Asia-US trades, Bespoke Data shows. Among alliance carriers, South Korea's HMM, part of THE Alliance, leads in new Asia-US capacity with seven new 13,700-TEU ships calling ports on the West and East coasts. Ocean Alliance member Evergreen Marine deployed two ships of 15,400 TEUs to the trans-Pacific trade this year.

Most of the newbuilds deployed on the Asia-US trade during the first half of 2024 are post-Panamax, with 23 new ships added that have capacity ranging between 5,500 and 8,000 TEUs.

HMM confirmed the seven neo-Panamax deployments to the *Journal of Commerce*, adding that it will add more ships of the same capacity in the second half of 2024.

“We deployed four ships to the West Coast and three to the East Coast,” HMM said in the statement. “We have decided to deploy more vessels to expand our fleet on the Asia-US route.

We will deploy five more 13,000-TEU ships in the second half of the year, a total of 12 on the route.”

Independent carrier Zim has deployed three 15,000-TEU ships to its US East Coast services, while Wan Hai Lines has also brought on three 13,100-TEU ships for the Asia-US East Coast trade.

Wan Hai confirmed the deployments but declined to say where it will position new ships in the second half of 2024. Zim did not respond to a request for comment.

Some ships shifted trade lanes

The Bespoke data reflects the most recent port calls for new ships delivered into the global fleet during the first half of 2024. For ships built in June — which are still undergoing sea trials before their official deployment — carrier service schedules were used to determine where the ships would eventually trade.

The total deployments also include a few feeder-size ships such as those from niche carrier Hede Hong Kong, which entered the trans-Pacific this year. While a few ships owned by non-liner operators also called Europe and the US from Asia, they were excluded from the data due to likelihood of being privately chartered and not in a regular rotation.

In some instances, newbuild ships made their first port calls from Asian shipyards to the US West Coast before returning west for the Asia-Europe trade. That was the case with Mediterranean Shipping Co.'s 16,520-TEU *MSC Carmelita* and Ocean Network Express's 15,258-TEU sister ships, *ONE Focus* and *ONE Forever*.

Although the three ships called US West Coast ports on their first voyage, they subsequently called European ports from Asia, hence they were included in the Asia-Europe numbers.

In another case, the 15,524-TEU *CMA CGM Cedrus* called European ports as late as March, but has since called US East Coast ports, putting it in the Asia-US trade lane.

Bespoke's data aligns with other views on how ocean carriers have deployed their newbuilds.

Maritime consultancy Drewry said that ocean carriers have increased capacity on the Asia-Northern Europe trade by 24% thanks to newbuilds but have only increased Asia-US East Coast capacity by 9%.

The super-post-Panamax newbuilds delivered into the Asia-Europe trade during the first half effectively allowed ocean carriers to make up some of the functional capacity lost due to the longer transits container ships are taking around Africa's Cape of Good Hope, Alphaliner said in a July 3 report.

“The additional ships were needed for the longer voyages and to avoid gaps in the schedule, which would otherwise have reduced the available slots for bookings ex Asia,” Alphaliner said.

MSC, HMM top deployers

With the largest order book relative to the size of its fleet, MSC is deploying 14 new ships, each approximately 16,000 TEUs in capacity, to the Asia-Europe trade. Its 2M Alliance partner Maersk had four such ships deployed, while ONE also put four newbuilds in that size range serving the Asia-Europe trade.

Among major ocean carriers, CMA CGM has deployed the most ships to North America, with data showing nine post-Panamax vessels operated by the company regularly transiting the Asia-US trade lane, in addition to the Cedrus, for a total of 75,000 TEUs of new capacity deployed.

But HMM’s super-post-Panamax deployments in the trans-Pacific put it in the lead for overall Asia-US deployments, with its seven newbuilds effectively adding 95,000 TEUs of new capacity to the trade lane.

Zim’s newbuilds have contributed the second-most capacity to North America so far this year, according to Bespoke data. Along with the three super-post-Panamax ships, the carrier has also deployed another six post-Panamax ships to the Asia-US trade for a total of 89,784 TEUs.

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