

# Opportunistic intra-Asia carriers reenter trans-Pac trade amid soaring rates, demand



*Taiwan's Wan Hai Lines launched its US West Coast Asia America 1 (AA1) service from Shenzhen's Shekou terminal on June 4. Photo credit: Jack Hong / Shutterstock.com.*

Keith Wallis, Special Correspondent | Jun 11, 2024, 4:48 PM EDT

Surging cargo demand and soaring freight rates have triggered a return to the trans-Pacific market by intra-Asia carriers approximately 18 months after they withdrew with a post-pandemic hangover. Established long-haul carriers are also launching a raft of new services between Asia and the Americas to take advantage of the buoyant market.

That comes as US retailers have further upgraded their monthly import forecasts through September, while Drewry said China-to-US freight rates will continue to gain this week as they near a 20-month high. Drewry said composite index rates from Shanghai to Los Angeles were \$5,975 last Friday, the highest since Aug. 25, 2022.

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intra-Asia carriers returning to the trans-Pacific trade after an 18-month gap, while Taiwan's TS Lines is also rekindling its trans-Pacific ambitions. Cosco Shipping, Wan Hai Lines, Maersk and Mediterranean Shipping Co are also bolstering their Asia-Americas trades with new services.

Peter Sand, chief analyst at rate benchmarking platform Xeneta, said many issues in the current market — port congestion, strong demand and tight capacity — “appear familiar to what we experienced during COVID.”

The current strong market was highlighted by SeaLead in announcing the launch of its Asia West Coast (AWC) service later this week.

“The introduction of the AWC service is a strategic response to the robust demand we’ve seen in trans-Pacific trade,” Chan Soo Chee, acting head of SeaLead, said in a statement Tuesday.

SeaLead launched its first US West Coast trans-Pacific service at the height of the COVID-19 pandemic and inaugurated a US East Coast service in March 2022. Both were halted in December 2022 as rates and demand dropped.

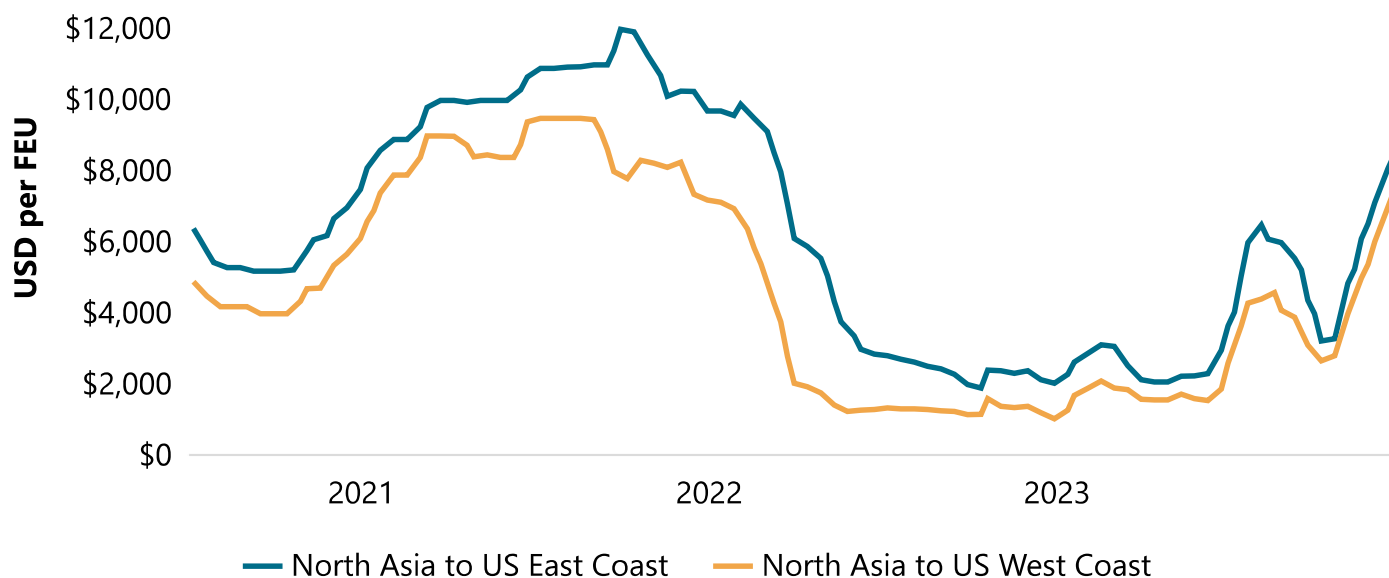
The latest service will be inaugurated by the 1,827-TEU feeder vessel *Adamastos* that will depart Nansha, the main international gateway port for Guangzhou in South China, on June 16-17, according to SeaLead and Linerlytica. The full port rotation is Nansha, Ningbo, Shanghai, Qingdao, Busan, Long Beach, Nansha and Shanghai.

The second vessel, the 5,610-TEU *Suez Canal*, will depart Nansha on June 26. SeaLead said five vessels will initially be deployed on the service that will eventually expand to a weekly schedule.

The carrier said the eastbound transit time from Nansha to Long Beach will be 25 days, with an 18-day westbound voyage. Transit time between Busan and Long Beach is 15 days in both directions.

“South Korea holds significant importance for the AWC service, offering excellent transit times between Busan and Long Beach in both directions,” SeaLead said.

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Separately, BAL Container Line, the shipping subsidiary of Hong Kong-listed LC Logistics, relaunched its China-Mexico Express (CMX) service on June 2 from Shenzhen's Yantian terminal in South China with the 1,809-TEU *Amoureux*. BAL will also restart its China Pacific Express (CPX) service using the 1,809-TEU sister vessel *Arionas* on June 19 from Yantian, according to the carrier's latest sailing schedules.

Both services provide a similar rotation, with calls at Yantian and Qingdao and the Mexican ports of Lazaro Cardenas and Manzanillo. But whereas the final call on the CMX service is Manzanillo after a 25-day transit from Yantian, the CPX ends at Lazaro Cardenas following a 23-day voyage, the sailing schedules show.

BAL launched its first CPX service to Los Angeles in June 2021, but that and the CMX service were halted in January 2023.

two, 14,000-TEU container ships from China's Shanghai Waigaoqiao Shipbuilding last week. The carrier launched a weekly China-Vancouver service in October 2021 but retreated from the trans-Pacific last year.

## Mainline carriers expanding with new services

Taiwan's Wan Hai Lines launched its US West Coast Asia America 1 (AA1) service from Shenzhen's Shekou terminal on June 4. The carrier will deploy six vessels of approximately 3,000 TEUs on the service that will call Shekou, Qingdao, Ningbo, Long Beach and Shekou.

The carrier, although focused on the intra-Asia trade in terms of liftings, is deriving an increasing percentage of revenue from the US and South American markets partly because of its membership in THE Alliance.

China's Cosco Shipping Lines and its Hong Kong-listed affiliate OOCL are expanding their West Coast trans-Pacific operations with a China-Pacific Northwest Coast/Vancouver (CPV) service that will be inaugurated by the 4,253-TEU *Cosco Venice* from Ningbo on June 12. The carriers will deploy a total of six ships on the loop that will have a rotation of Ningbo, Shanghai, Vancouver, Seattle, Lianyungang and Ningbo.

Maersk, meanwhile, said it is revamping its Asia-Latin America (AC) services with a new AC1 string calling at Ningbo–Qingdao–Busan–Lazaro Cardenas–Posorja (Ecuador) starting July 1.

The existing AC2 service will have an updated rotation of Shanghai–Qingdao–Busan–Yokohama–Lazaro Cardenas–Manzanillo–Balboa (Panama)–Lazaro Cardenas–Manzanillo starting from Shanghai on June 25.

MSC has also announced the launch of its weekly Carioca service from Asia to Brazil from July 19 by the 8,046-TEU *MSC Yokohama*, to “provide additional coverage, as well as increase connectivity and frequency with Asia.” The new string will increase the frequency of services connecting South Korea and China to ports in southern Brazil, the carrier said.

The full rotation is Busan–Shanghai–Ningbo–Shekou–Singapore–Rio de Janeiro–Paranaguá–Itapoa–Santos–Itaguaí–Colombo–Singapore–Busan.

Contact Keith Wallis at [keith.wallis@hotmail.com](mailto:keith.wallis@hotmail.com).

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