

# Service additions in trans-Pacific drive big boost in July deployed capacity



*The capacity increase in the trans-Pacific comes as retailers forecast strong peak season import volumes. Photo credit: Robert V Schwemmer / Shutterstock.com.*

**Bill Mongelluzzo, Senior Editor | Jul 16, 2024, 4:52 PM EDT**

The launch or restart of 10 Asian services calling North America has put almost 16% more deployed vessel capacity on the eastbound trans-Pacific this month compared with June and the most tonnage on the water in at least three years.

The capacity injection is already dulling the eight-week ascent in container spot rates that had been driven by the frontloading of Asia imports and global capacity stretched by Red Sea diversions and port congestion.

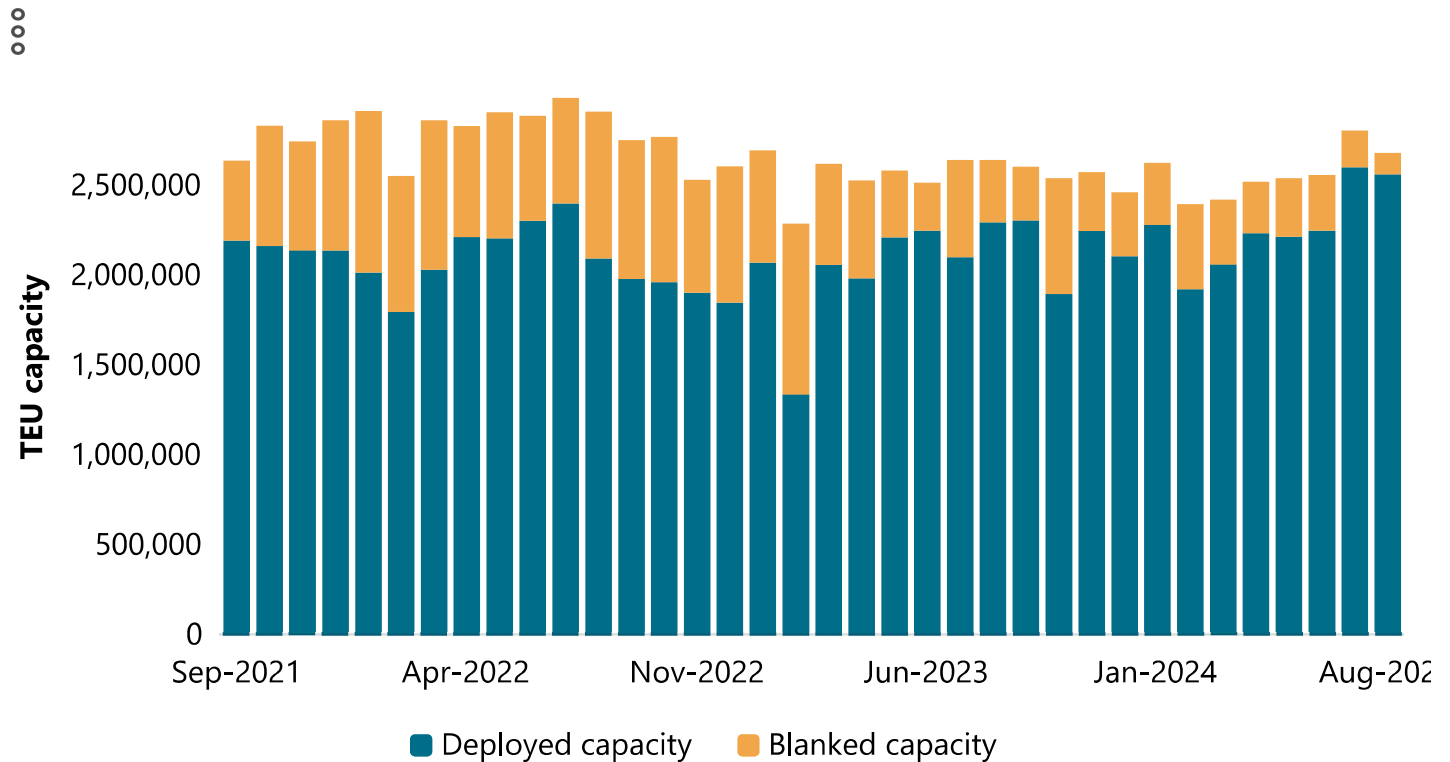
Trans-Pacific carriers in July plan to deploy 2.6 million TEUs of combined capacity to the US West and East coasts, up 15.6% from 2.25 million TEUs in June, according to Sea-Intelligence Maritime Analysis. In July 2023, 2.1 million TEUs were deployed.

And as the deployed capacity rises, blank sailings are falling. Just 7.2% of July's total available capacity in the eastbound trans-Pacific is due to be blanked, down from 12% in June and 20% a year ago, the Sea-Intelligence data shows.

As of mid-July, August figures show 2.56 million TEUs of capacity being deployed on the trade lane and just 4.4% of total available capacity being blanked next month.

### Eastbound trans-Pac deployed capacity jumps in July

Deployed and blank capacity from Asia to US West and East coasts



Source: Sea-Intelligence Maritime Analysis

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Carriers over the past two months have launched or reinstated seven services from Asia to Los Angeles-Long Beach, and three to Vancouver and the Northwest Seaport Alliance of Seattle and Tacoma.

Retailers have diverted some discretionary cargo to the West Coast from the East and Gulf coasts as carriers continue to avoid the Suez Canal amid ongoing attacks on commercial shipping by Houthi militants due to Red Sea hostilities. Retailers are also concerned about the possibility of a strike by the International Longshoremen's

Association as the coastwide contract for 45,000 dockworkers along the East and Gulf coasts is set to expire on Sept. 30.

The 1.55 million TEUs of capacity scheduled for deployment from Asia to the West Coast in July is up from 1.33 million TEUs in June and 1.16 million TEUs in July 2023. Carriers in July are scheduled to deploy just over 1 million TEUs of capacity to the East Coast, up from 915,315 TEUs in June and 934,290 TEUs in July 2023, according to Sea-Intelligence.

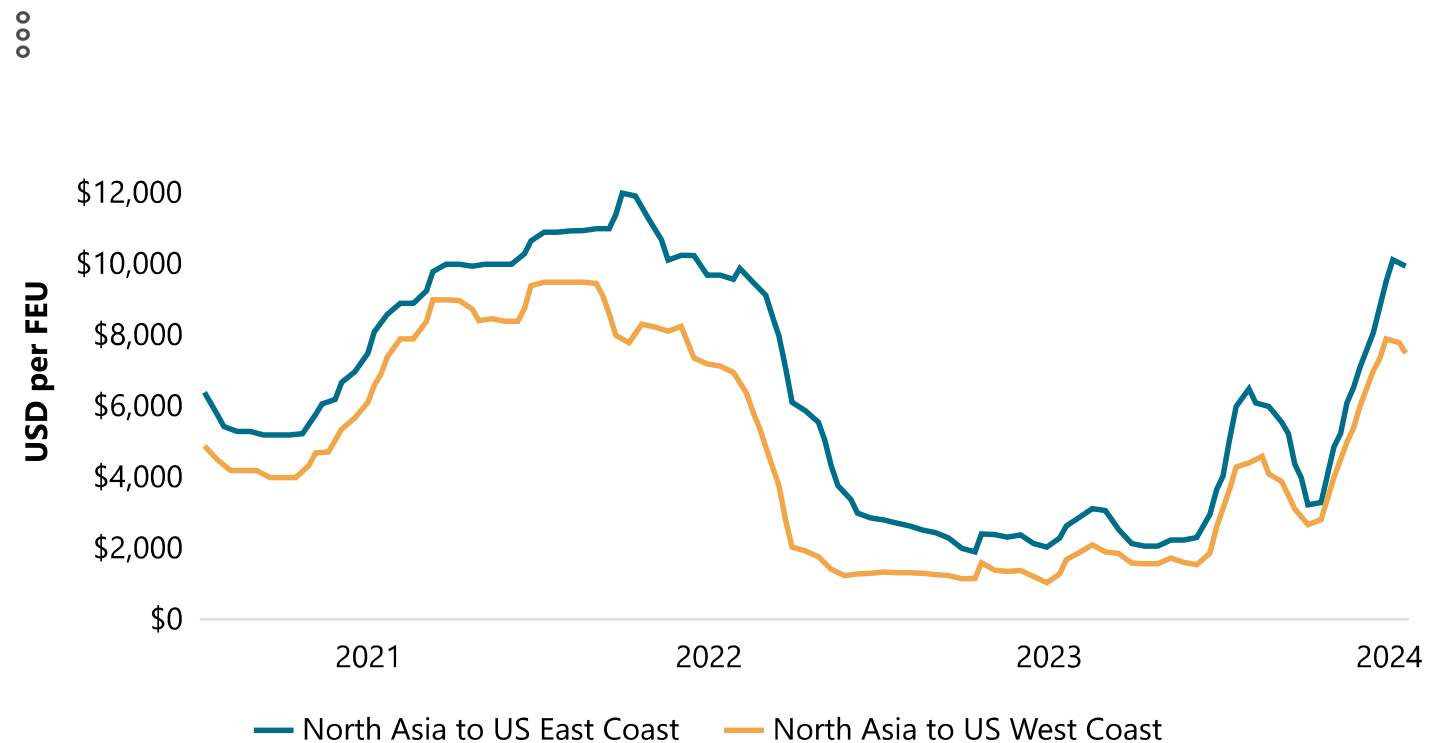
## Spot rates in eastbound trans-Pac have peaked

Spot rates from Asia to the West Coast last week edged lower for the first time since carriers on May 1 began implementing twice-monthly general rate increases. The West Coast spot rate as of Monday was \$7,600 per FEU, down 3% week over week, according to Platts, a sister company of the *Journal of Commerce* within S&P Global.

The East Coast spot rate was \$9,950 per FEU, down 1% week over week, according to Platts.

### Asia-USWC spot rate dips after two-month bull run

Container rate from North Asia to US East and West coasts in USD per FEU



Source: Platts, S&P Global

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3M 6M 2Y YTD MAX

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July is expected to see a 15.5% increase in US imports compared with July 2023, according to the Global Port Tracker, which is published monthly by the National Retail Federation and Hackett Associates.

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