



# Trade Lane Focus: **The Transatlantic** Restoring Balance to a Loss-Making Lane

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# TPM<sup>24</sup>

by S&P Global





**Trade Lane Focus: Transatlantic**  
Current Position



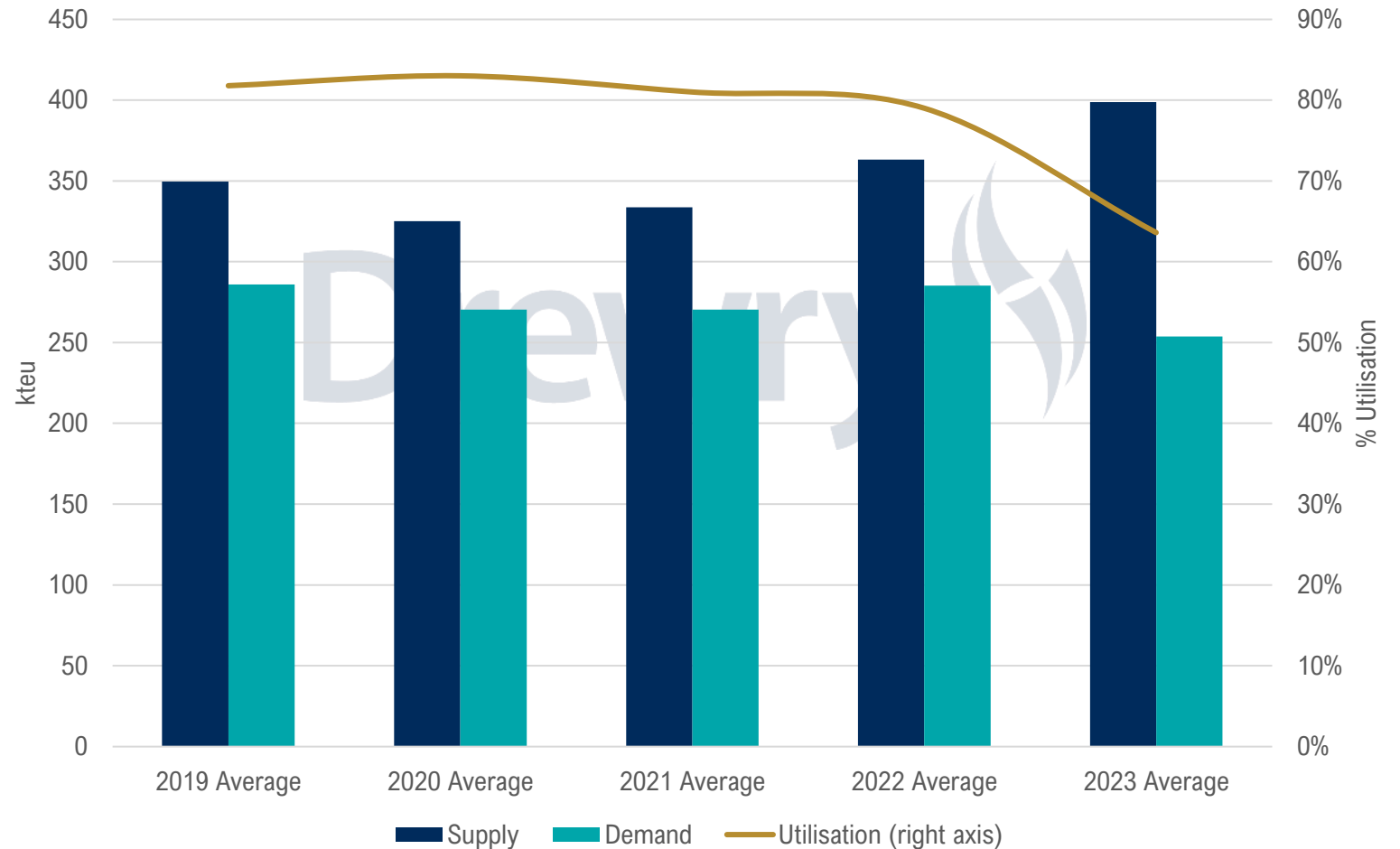
Historically the trade enjoyed high levels of utilisation (80+%).

2023 saw a sustained period of over supply, with muted demand growth.

Ended the year with a average monthly utilisation of 64% which is **15% lower** than 2022 average.

## Transatlantic – Current Position

### North Europe Westbound: Supply & Demand (Monthly Average)

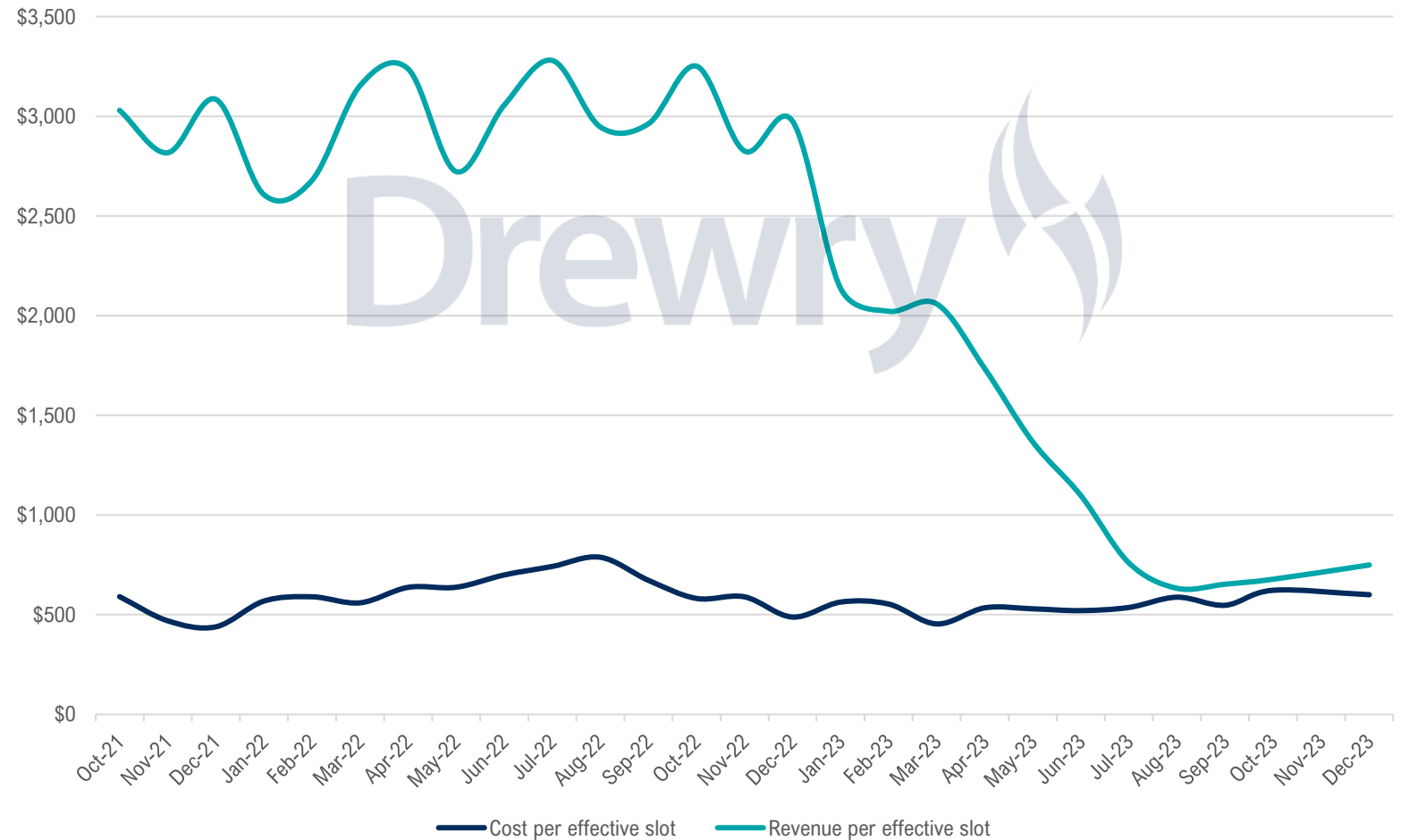


Carrier reluctance to reduce overall capacity on the trade lane, combined with muted demand, has eroded profitability on the trade during 2023.

Although not loss making, end December 2023, saw the trade at a break-even levels.

## Transatlantic – Current Position

Representative round voyage cost and revenue per slot

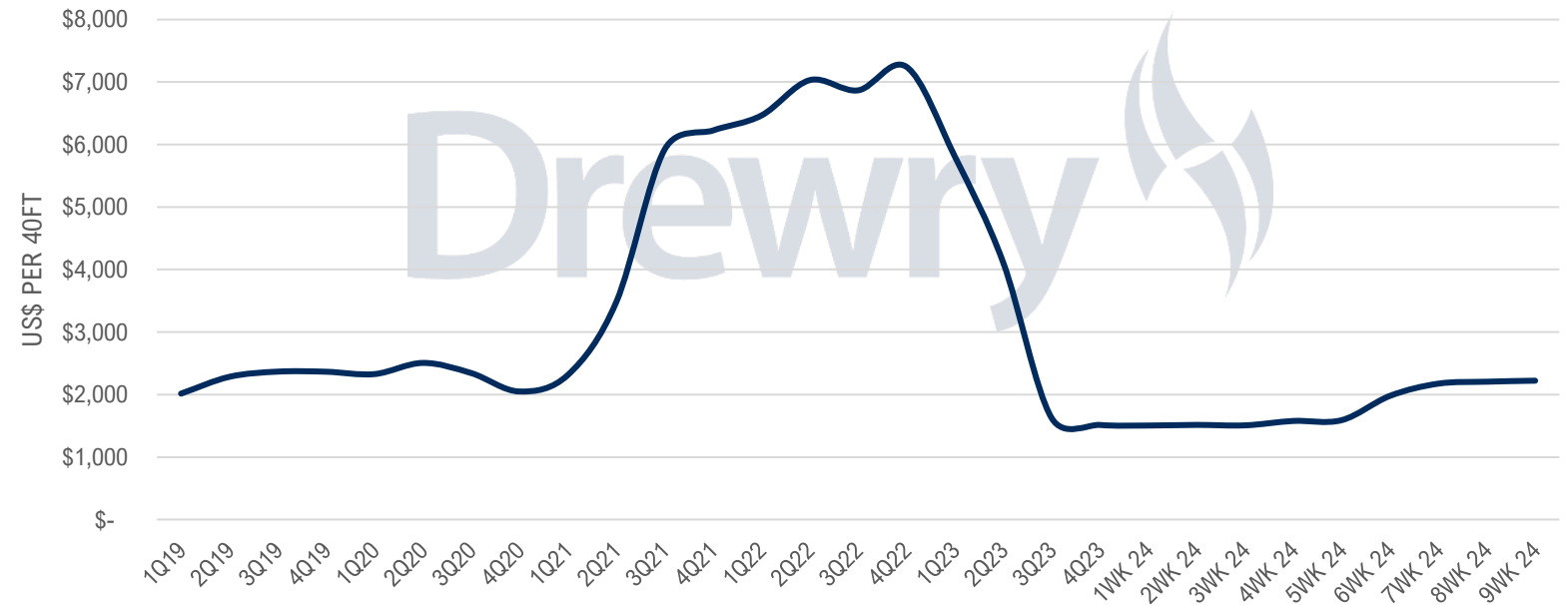


End 2023 saw rates below pre pandemic levels.

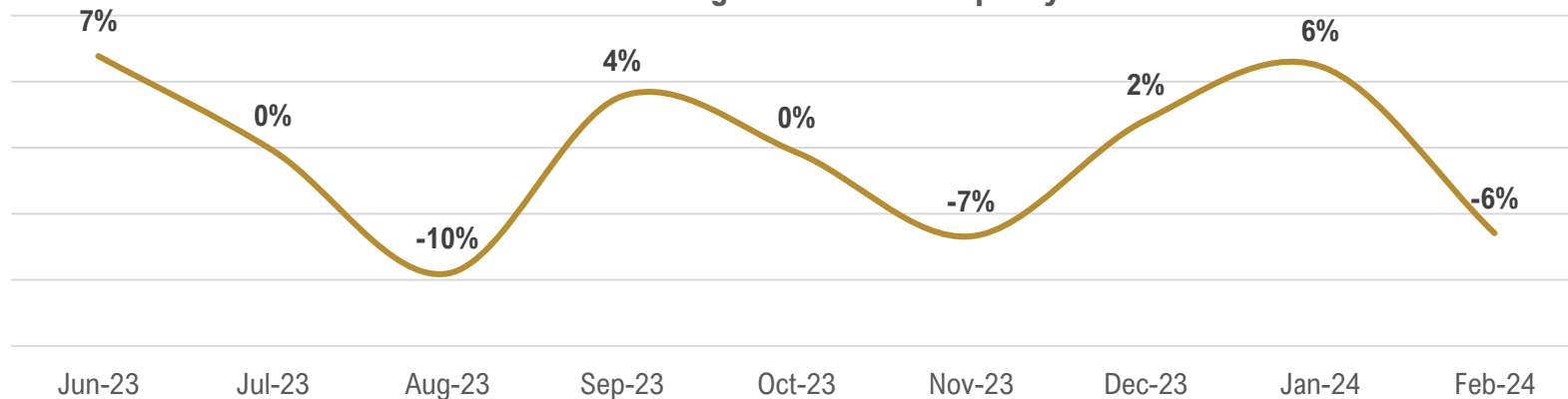
Despite low demand, we have seen a drop in effective capacity, which combined with the Red Sea Crisis and GRI's has boosted spot rates in the short term.

## Transatlantic – Current Position

Transatlantic Spot Rate Evolution – World Container Index



MoM % Changes in Effective Capacity:



Source: Drewry Maritime Research

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Looking ahead we know that there are limited cancelled sailings coupled with an increases in effective capacity on both headhaul trade lanes, this will make it difficult to sustain large rate increases.

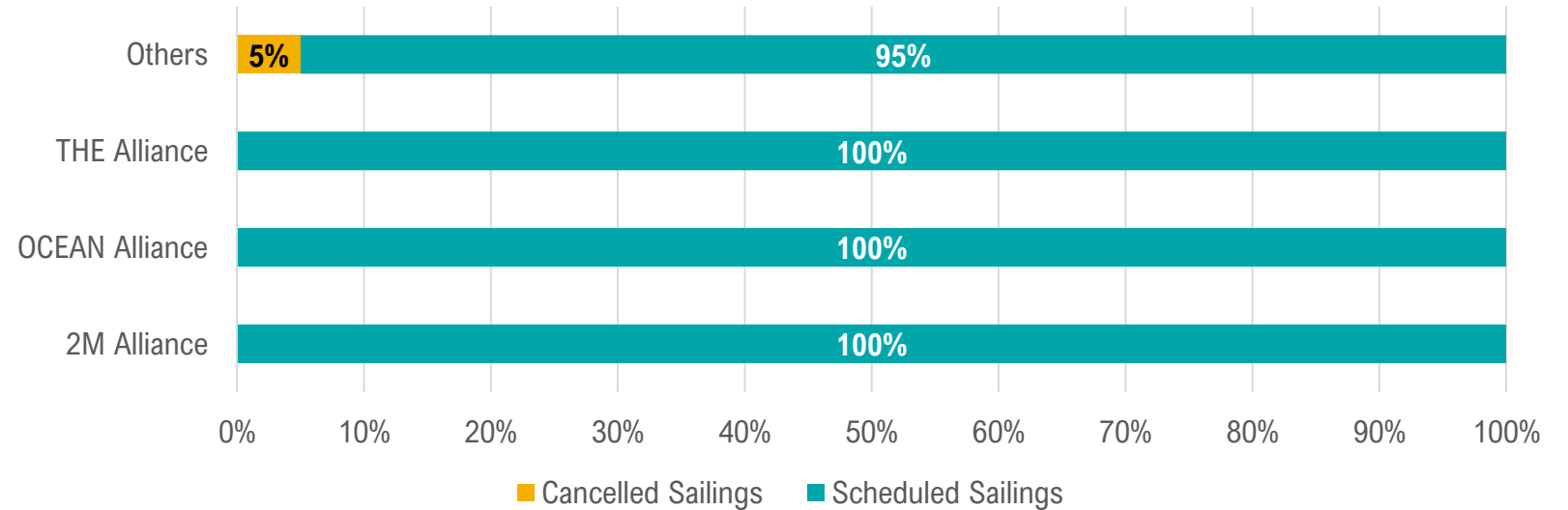
## Transatlantic – Current Position

### Capacity and Cancelled Sailings – Next 5 Weeks



Trade Lane	Effective Capacity % Change	Cancelled Sailings	Scheduled sailings
N.Europe	6%	2	84
Med	19%	4	60

### Cancelled Sailings by Provider – Next 5 Weeks





## **Trade Lane Focus: Transatlantic**

### **Drewry Transatlantic Outlook**



The demand outlook for the Trade is for muted growth.

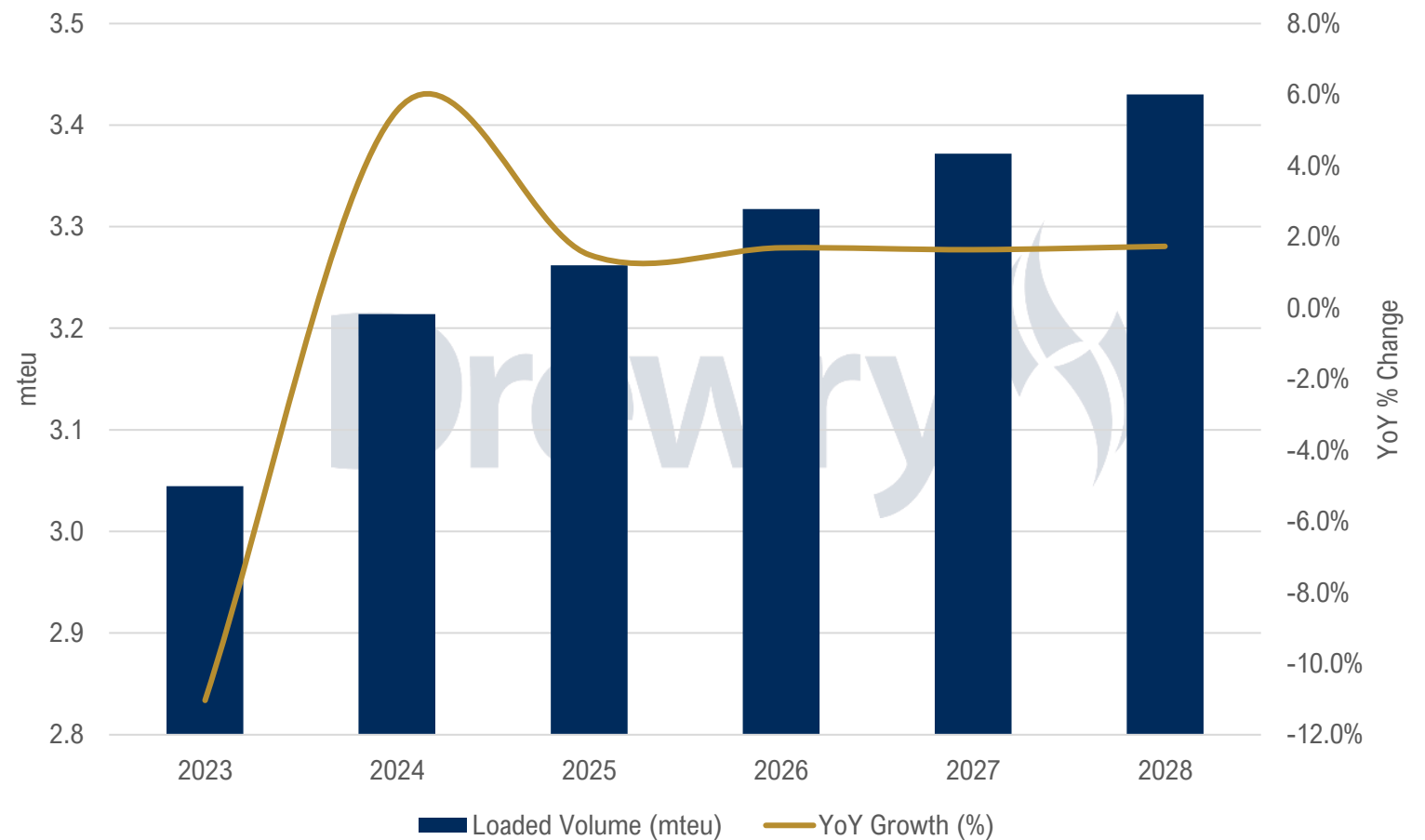
2024 reflects a recovery from a disastrous 2023 performance.

From 2025 the average annual growth is forecast to be 1.6%.

This collides with Alliance changes..

## Transatlantic – Outlook

### Drewry Demand Outlook





The Gemini Cooperation will alter the competitive landscape on the Transatlantic trade.

Key winner is Hapag Lloyd who will have access to 4 weekly loops vs current 3.

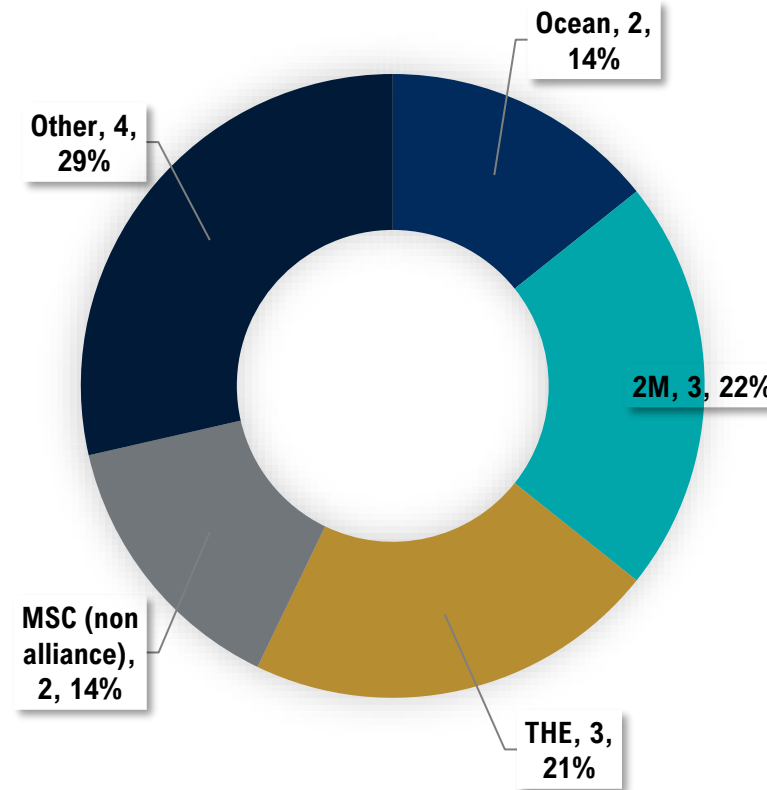
THE Alliance loses out, with 1 weekly loop in 2025.

MSC remains strong as an independent on the trade.

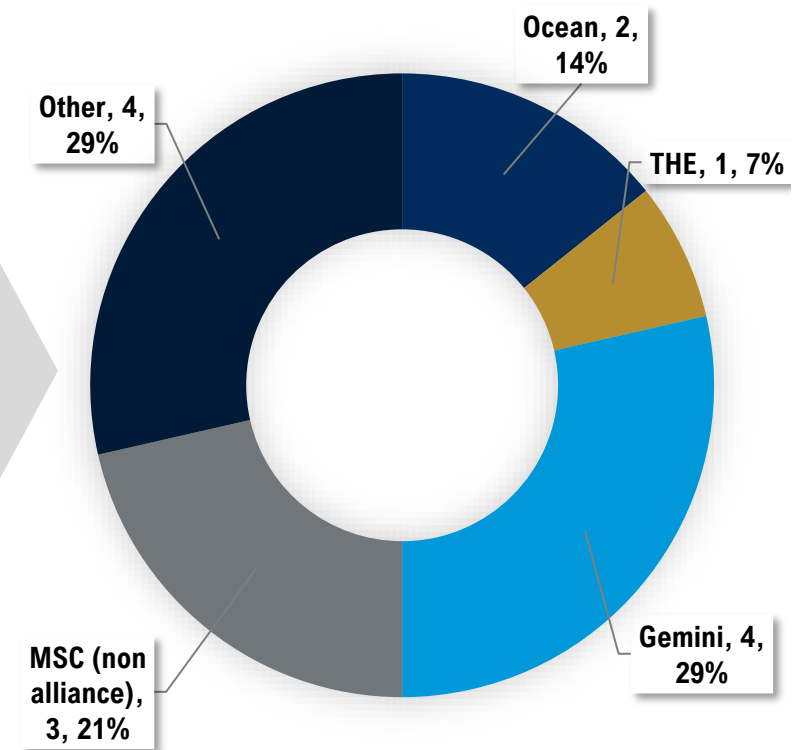
## Transatlantic – Outlook

### Impact of Changing Alliances – North Europe

Current Weekly Loops (Q423)















2025 Weekly Loops



Mitigating volatility and market risks are now at the front of shippers' strategies.

## Transatlantic Outlook – Market Threats

RISK	LEVEL OF UNCERTAINTY	DISRUPTION IMPACT	REMARKS
Carrier Behaviour			Red Sea Risks are now impacting carrier behaviour, rates and surcharges. Impact of Alliance changes
Global Economy			High inflation remains a drag
Rate Outlook			Overcapacity, and muted demand will drive rate negotiations during 2024
Port Congestion/Labour issues			Close to pre-pandemic levels, but concerns over bottlenecks around the world. East Coast labour strikes
Regulatory/ESG			Only certainty is the extra cost from decarbonisation, but how much and who will pay are not clear.
Black Swan Risks (i.e. Extreme climate events)			Frequency of extreme events impacting shipping on the rise



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# Container Capacity Insight

## Port congestion, freight rates and cancelled vs scheduled sailings

- Weekly assessment of global container capacity and cancelled vs scheduled sailings on the following four main trades routes for the next 5 weeks:
  - Transpacific Eastbound, Asia-North Europe & Mediterranean, South Asia-North Europe & Mediterranean, Transatlantic Westbound
- Global map of the container market forecasts for the next month (capacity and spot rate fluctuations, as well as cancelled vs scheduled sailings) for main E-W trade lanes
- Effective capacity and 'Ease of access to capacity' indicators for the main trade routes
- Port congestion and import container dwell time trend analysis at selected ports
- Average CO2 emissions and the most eco-friendly carrier on the major E-W routes
- Download example report [🔗](#)

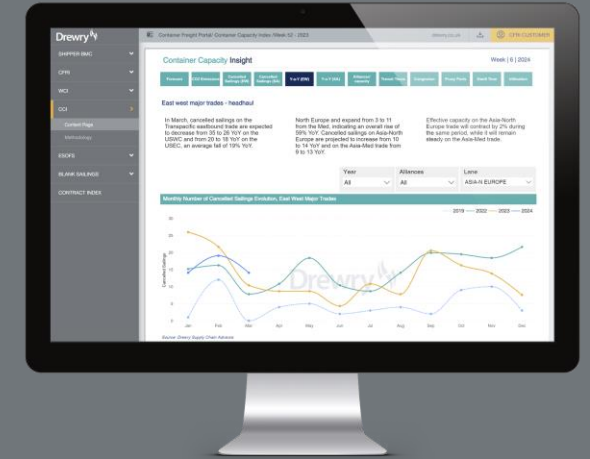
### SUMMARY FEATURES

- Annual subscription
- Interactive online service via Drewry Container Freight Portal: [view demo](#)
- Weekly PDF Insight reports and ZIP file of full data set

- Accompanying each weekly report includes detailed data sets covering:
  - List of the cancelled vessels, including name of the ships, capacity, operator and routing.
  - Weekly cancelled and scheduled sailings for the next 5 weeks.
  - Year-on-year monthly cancelled sailings by trade lane and alliance



Powered by Drewry AIS



- Cancelled vis scheduled sailings and effective capacity for the next 5 weeks
- Monthly year-on-year effective headhaul capacity broken down by alliance and trade lane
- Monthly year-on-year cancelled sailings broken down by alliance and trade lane
- Port congestion and transit times
- Utilisation trend on major E-W routes
- Average CO2 emissions and best performing carrier on major E-W routes

### BENCHMARKING CLUB PACKAGE

Preferential pricing available to CFRI/BMC subscribers.



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