

Red Sea crisis sees more vessels serving intra-Europe

February 28, 2024



YM Credential

Intra-Europe container shipping capacity has gone up nearly 18% year-on-year, as the Red Sea crisis results in more feedering and larger ships being assigned to this segment, according to Alphaliner.

There are now more than 170,000 TEUs serving the intra-Europe market, as the number of ships in this segment increased from 581 to 645.

In the past year, the average size of a container ship operating in the intra-European trade has grown from 1,671 to 1,773 TEUs. Longer sailing times from Asia to Europe, resulting from vessels being diverted to the Cape of Good Hope, have necessitated intra-Europe feedering to speed up cargo deliveries.

With a capacity growth rate of circa 23%, the North Europe-Mediterranean trade has made the largest jump in trades over the past year. One driver has been MSC's significant capacity upgrade of its North Europe East Mediterranean 'Levante Express' service from six 6,300 TEU to 7,800 TEU ships to six ships of between 8,600 TEUs and 9,200 TEUs.

The second main driver of growth between North Europe and the Mediterranean is the 12 ships of Dubai-based Crios Shipping and CStar Line, which added a total capacity of more than 30,000 TEUs.

These ships are linked to Russia-focused carriers that are plugging the vacuum left by mainline operators that abandoned Russia-bound services due to Russia's invasion of Ukraine.

Meanwhile, from early February, the Red Sea crisis has prompted carriers to deploy large neo-Panamax tonnage on extra loader sailings in Europe.

In intra-Europe, MSC is still in pole position by deployed capacity. With 339,978 TEUs of capacity giving a market share of 30%, the Geneva-based carrier has only gained 7.3% in capacity (versus 17.8% of the market) compared to a year ago but still has by far the largest market share of all carriers in the intra-European service segment.

CMA CGM again claims the second spot among Europe's largest mainline operators, after upping its capacity by 15% to 181,177 TEUs, and recorded a relatively stable market share of 15.8%, compared to 16.2% last year.

Maersk again claimed the third spot among Europe's largest mainline operators. The Copenhagen-based carrier has increased its market share from 11.3% or 110,000 TEUs last year to 11.7% today, equal to 133,500 TEUs. With 50 container ships deployed, Maersk now operates an additional seven ships, while at the same time, it has increased its average vessel size from 2,558 to 2,672 TEUs.

Maersk has significantly upsized its North Europe-East Mediterranean 'North Sea' service, which was previously operated with four ships of between 2,300 to 4,500 TEU. Today, this loop runs with five ships of 2,800 - 4,500 TEU.

Maersk also launched three new intra-Europe services with a total extra capacity of 6,500 TEU. One is the Germany-Sweden-Denmark loop operated by the 2,136 TEU Laura Maersk, the world's first methanol dual-fuel container ship.