

Raft of new Asia to US and Europe services as market ramps up



The MSC Isabella is deployed on the Asia - Europe trade

MSC's new Britannia service between Europe and China is set to slash EU ETS costs with the last port of call outside of the EU in Liverpool as carriers beef up services in both the US and Europe as demand builds to the traditional August peak.

Nick Savvides | Jun 11, 2024

A raft of new services on both the Asia to US and Europe trades is a reflection of the growth now building in the market, according to consultancy Linerlytica with [MSC](#) leading the charge with a direct Asia to Liverpool service that could mean carbon charges from the EU ETS are dramatically reduced with the last port of call in the now ex-EU, port of Liverpool in the UK.

That is a move that Dynamar analyst Darron Wadey said: “Can’t be discounted but the experience to date suggests not for a while at least.”

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Wadey points out that there has been no “mad rush to put UK ports on North Europe mainline services”.

The Britannia service will call at Shanghai, Ningbo, Yantian, Vung Tau, Liverpool, Rotterdam, Antwerp, Hamburg, London gateway, Singapore and Shanghai.

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However, Wadey added that one should, “Bear in mind that the carriers have been collecting their ETS charges already since the start of the year, so you would have expected that to have happened already.”

He believes there could be many operational advantages that outweigh the ETS downsides to calling at European hubs first and last rather than dipping into UK terminals.

“This might change from January 2025 when the FuelEU Maritime regulations come into play as well. Unlike ETS, which is ‘tank-to-wake’, FuelEU Maritime is ‘well-to-wake’ so more extensive in that regard. However, it is to be applied under precisely the same conditions as ETS, i.e. 100% within EU and 50% if the voyage starts/ends outside the EU, this ‘voyage’ referring to the previous or next port,” said Wadey.

MSC’s move follows the return of Ellerman to the European trades last month, but Linerlytica sees a broader boost to the container shipping market as “Several new long-haul services have been launched in June,” most recently on the Pacific said the consultant.

SeaLead announced today that it has launched the AWC (Asia West Coast) service.

A SeaLead statement said: "This new service aligns with the increasing trade activities between the two countries. From January to March 2024, the US exported goods worth \$36.86 billion to China and imported goods worth \$97.63 billion."

Speaking at [TOC Europe](#) Lars Jensen, CEO and Partner of Vespucci Maritime noted an increase in opportunistic services much like was seen during the pandemic when there many new entrants on the mainline trades. As well as SeaLead entering the Transpacific he said a forwarder, that he declined to name, had started a service between Asia and the US West Coast.

Services to the US have been boosted by both [Cosco](#) and [Hapag-Lloyd](#) adding new Pacific services and Asia-Europe routes, while Chinese line BAL has launched a Mexico loop.

"Market sentiment is clearly rising, as seen by the IPO filing by TS Lines while Maersk's revision of its full year profit guidance only affirms what the market already knew. All these are reminiscent of the Covid bull run of 2021 but this time it's all due to Red Sea crisis that has upended the supply-demand balance while also spurring the return of port congestion and box equipment shortages," said Linerlytica.

Additionally, the tight container market is expected to last for another three months, cargo volumes are predicted to increase by 5% to 10% more as seasonal demand, which historically peaks in August, ramps up, added Linerlytica.

Additional reporting Marcus Hand

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