

The Maritime Executive

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Schedule Reliability for Boxships Rebounds to Highest Level in 2024



Schedules improved for 2024 lows but remain behind due to Red Sea diversions (file photo)

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Schedule reliability for the container segment rebounded from the lows of January and April to reach the highest point in 2024. While the industry has been able to stabilize after the shocks caused by the Red Sea diversions, it remains far behind its post-pandemic while Maersk is warning customers that the pain is going to continue.

Data intelligence firm Sea-Intelligence released its monthly analysis of global trade reports showing a rebound on the container liner routes to nearly 56 percent, which is the highest for the year. However, in the mid-50s the rate is the same levels as in late 2022 and 10 percentage points behind the recovery in 2023.

“This is now the highest schedule reliability figure for 2024,” notes Alan Murphy, CEO of Sea-Intelligence. “Schedule reliability in May 2024 was 11 percent points lower.” He notes versus year-ago levels.

Maersk's CEO Vincent Clerc speaking to customers told them the coming months will continue to be challenging for carriers as he predicted the disruptions in the Red Sea will continue into the third quarter of 2024. He noted that the extended rotations to travel the longer route around Africa takes two to three ships. With the availability of additional capacity low to begin with, Clerc said all the ships that can sail are employed. He said that ships previously not well utilized in other parts of the world have been redeployed to plug holes.

This is demonstrated by the overall improvement in schedule reliability between April and May as well as by 10 of the top 13 carriers which all improved between April and May. CMA CGM and Maersk had the strongest improvements each now over 55 percent. Evergreen showed similar strength in May, but three Asian-based carriers, Wan Hai, Yang Ming, and PIL, were the only ones among the top carriers to show declines between April and May. The top carriers average 51 percent down from 64 percent.

"Despite the improvement in schedule reliability, the average delay for late vessel arrivals deteriorated," highlights Murphy. "This figure is now inching closer to the pandemic highs than the pre-pandemic lows."

Asian ports have been especially challenged with reports of vessel bunching and increased waits due to the disruptions in schedule to Europe. Singapore has been especially challenged with reports that it was accelerating the opening of new berths and restoring space closed at the older terminal to address delays. In the U.S. there continued to be diversions from Baltimore while Charleston had reduced capacity while it was working on the seawall at the terminal. Charleston suspended the work in June to help reduce backlogs.

Sea-Intelligence however calculates that the late arrivals increased by .34 days month over month. It now stands at an average of 5.1 days. It is better than the nearly 6.2 days in January but significantly behind the 4.4 days a year ago. The average so far for 2024 is second only to the peaks during the pandemic and the surge in container volumes.

Maersk reports it is doing whatever is reasonable to bring the supply in line with demand for capacity. They however also warned that the price increases in shipping due to the diversions risk reigniting inflation. Clerc told customers that they could move back to normal routings quickly but it would not happen when the safety of seafarers, vessels, and cargo was guaranteed.