



NEWS



China's Golden Week to trigger new round of void sailings

The shippers are in for struggle yet another time, with the market buzzing in speculations of liners planning of 'blank sailing' during China's Golden Week holiday in early October to extract maximised profits.

The record-high rates of the latest weeks, as can be seen in several global indexes, such as Shanghai Export Containerized Freight Index (SCFI), Drewry's composite World Container Index, Ningbo Containerized Freight Index (NCFI) and Freightos Baltic Index (FBX) are not expected to decrease in the next months.

With the pre-golden week rush starting usually three to four weeks before the main event, and with importers speeding up their production processes to ship their products out of China on time, constraints in ocean freight and land transportation increase the chance for cargos to be rolled and for deliveries to be postponed, according to the largest container line in the world, Maersk.

The strategy plans to significantly tighten space on vessels for the shippers close to the national holiday in China by skipping ports or even entire routes owing to lower demand after shut down and hence further push the rates higher.

Even though blank sailings close to the Golden week are a traditional practice to make up for lower demands during the winter months, this year, the cargo owners expected the liners to maintain the deployment of the entire fleet along transpacific routes after the pandemic, owing to the strong demand and elevated rates of freight transportation.

This year's Golden Week might as well increase the number of repercussions in ocean freight and inland transportation across multiple trades and regions.

With the Ningbo terminal shut down ensuring reversal of slight decrease in market rates in the past few weeks and increase in forward bookings on routes to the west coast of the United States, companies are expected not to let go of this opportunity to bump up the freight rates further up.

Reference:
<https://container-news.com/chinas-golden-week-to-trigger-new-round-of-void-sailings/>