

# The Importance of Container Shipping To The Global Supply Chain

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# Global Value of Container Shipping to Merchandised Trade



In the last decade, Global Supply Chains have been affected by:

**Volcanic eruption:** Iceland's Reykjanes eruption halted around 100,000 flights in Europe as ash clouds enveloped the sky.

**Ever Given:** The six-day disaster blocked The Suez Canal and held up \$9.6bn of trade along the waterway each day (BBC News, 2021).

**Panama Canal:** Extreme low levels of water due to a 30% reduction of rainfall in 2023 (Carbon Brief, 2024), prohibiting large vessel passage.

**Red Sea Diversion:** Diversion around The Cape Of Good Hope adds 3,500 nautical miles to the vessel journey (The Loadstar, 2023) and 7 to 14 days to transit time (Hapag-Lloyd, 2023). About 12% of the world's global traffic passes through the Suez Canal.

**Covid-19:** Inland and terminal /port congestion - the closest we have been to a complete clogging of the global supply arteries.

# Which Industries Would Be Potentially Most Affected By A Global Stoppage?



**Automotive:** Manufacturers have created low-volume warehousing relying on just-in-time deliveries

**Electronics and Technology:** Phones and laptops are entirely built in Asia and exported

**Pharmaceuticals & Healthcare:** For supplies, equipment and medicine

**Chemicals & Raw Materials:** raw materials , intermediaries and finished product

**Food & Beverage:** Across all areas, perishables, beverages and agricultural products – refrigerated containers

**E-commerce:** A surge post covid in retail demand ,restocking of inventories

**Retail Giants :** A number of big names to manage risk have taken to chartering their own vessels



# Global Value of Container Shipping to Merchandised Trade



## Comparing 2019 (pre-pandemic) with 2023:

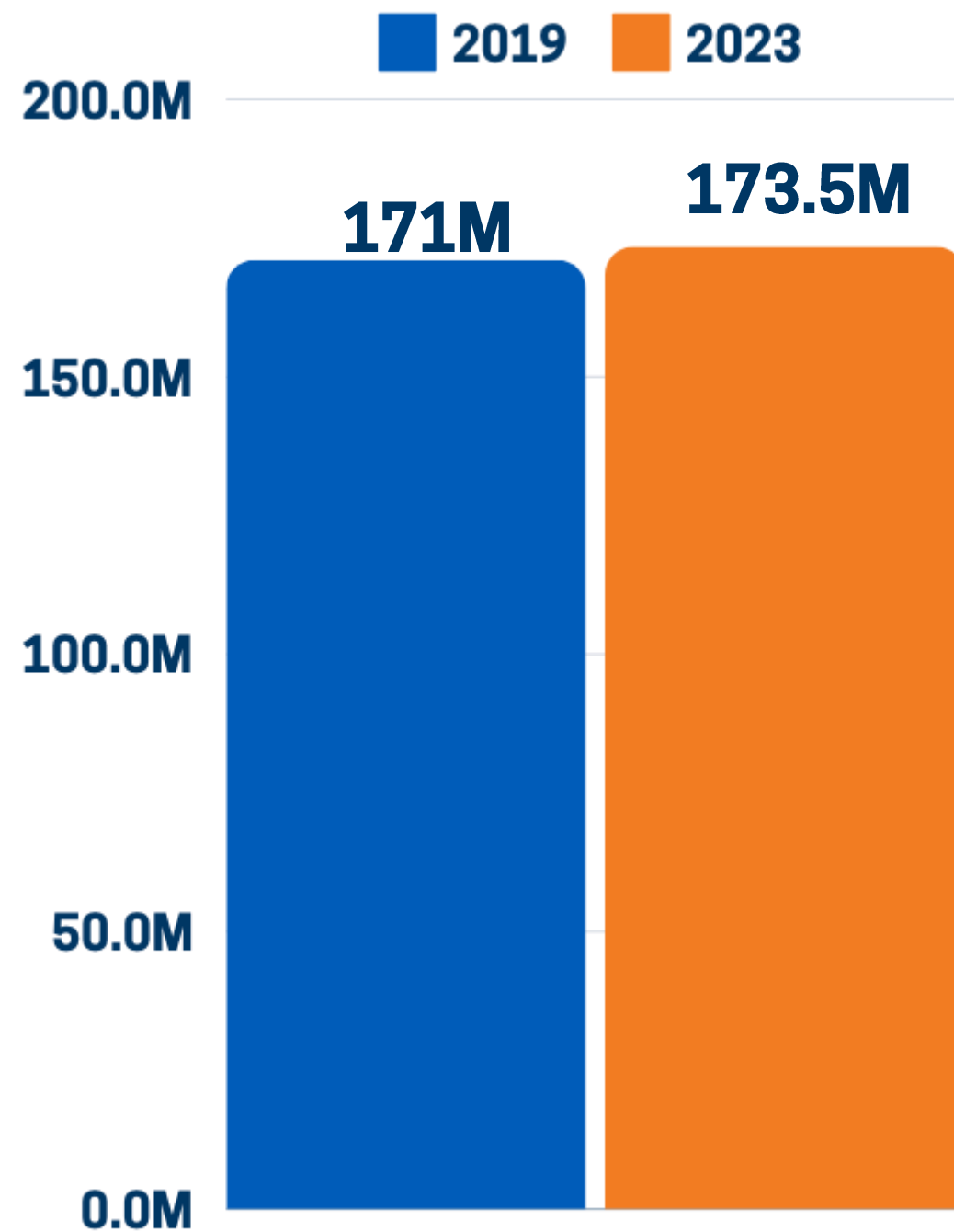
- Total Global Trade was at 2019 USD **19.0Tn** (trillion) vs USD **23.8Tn** in 2023
- Total Global trade carried by container ships in 2019 was USD **8.3Tn**, vs USD **10.3Tn** in 2023
- Total Global container volumes in 2019 were at **171M** (million) vs **173.5M** in 2023



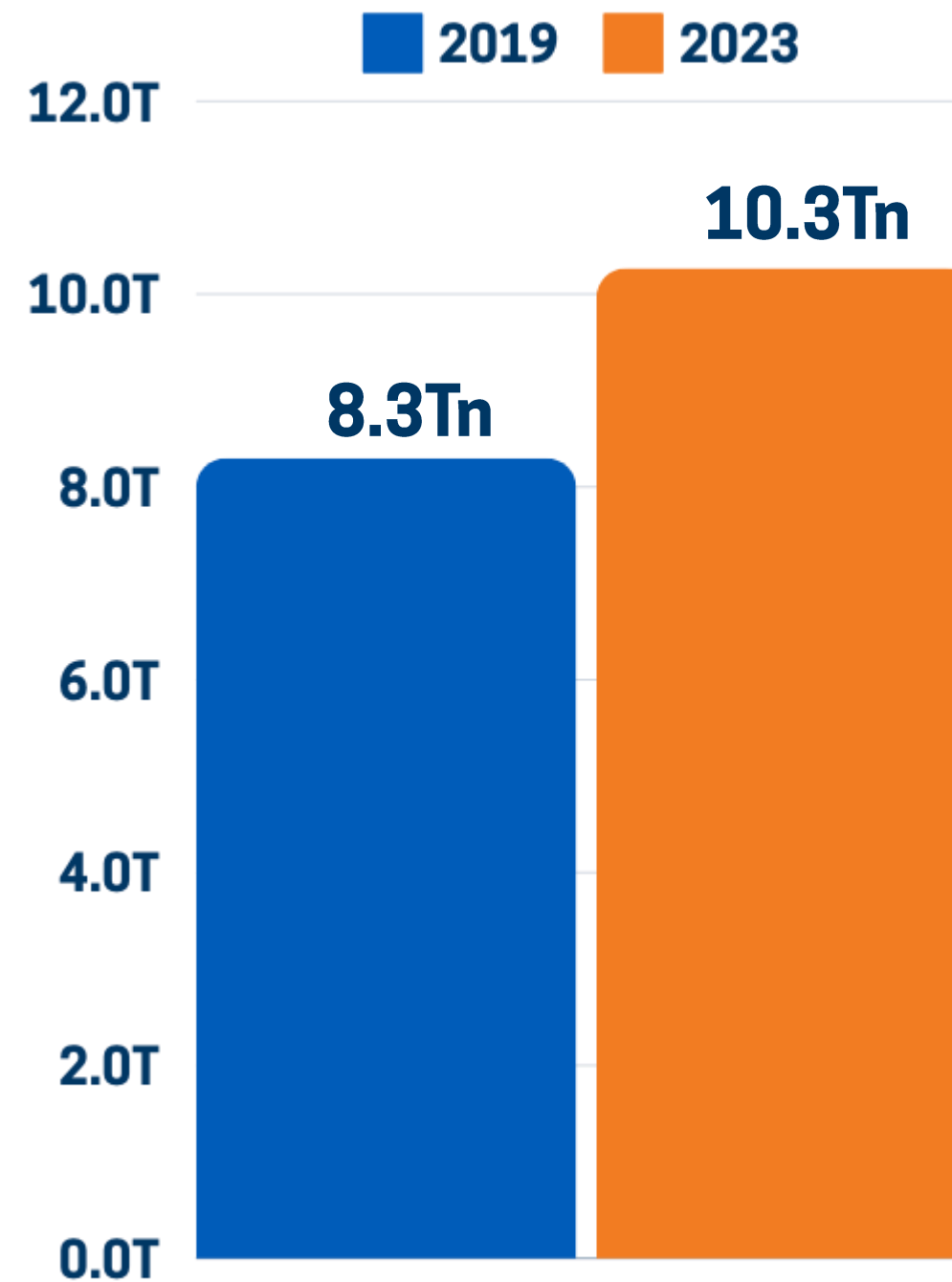
# Global Cargo Value of Container Shipping to Merchandised Trade



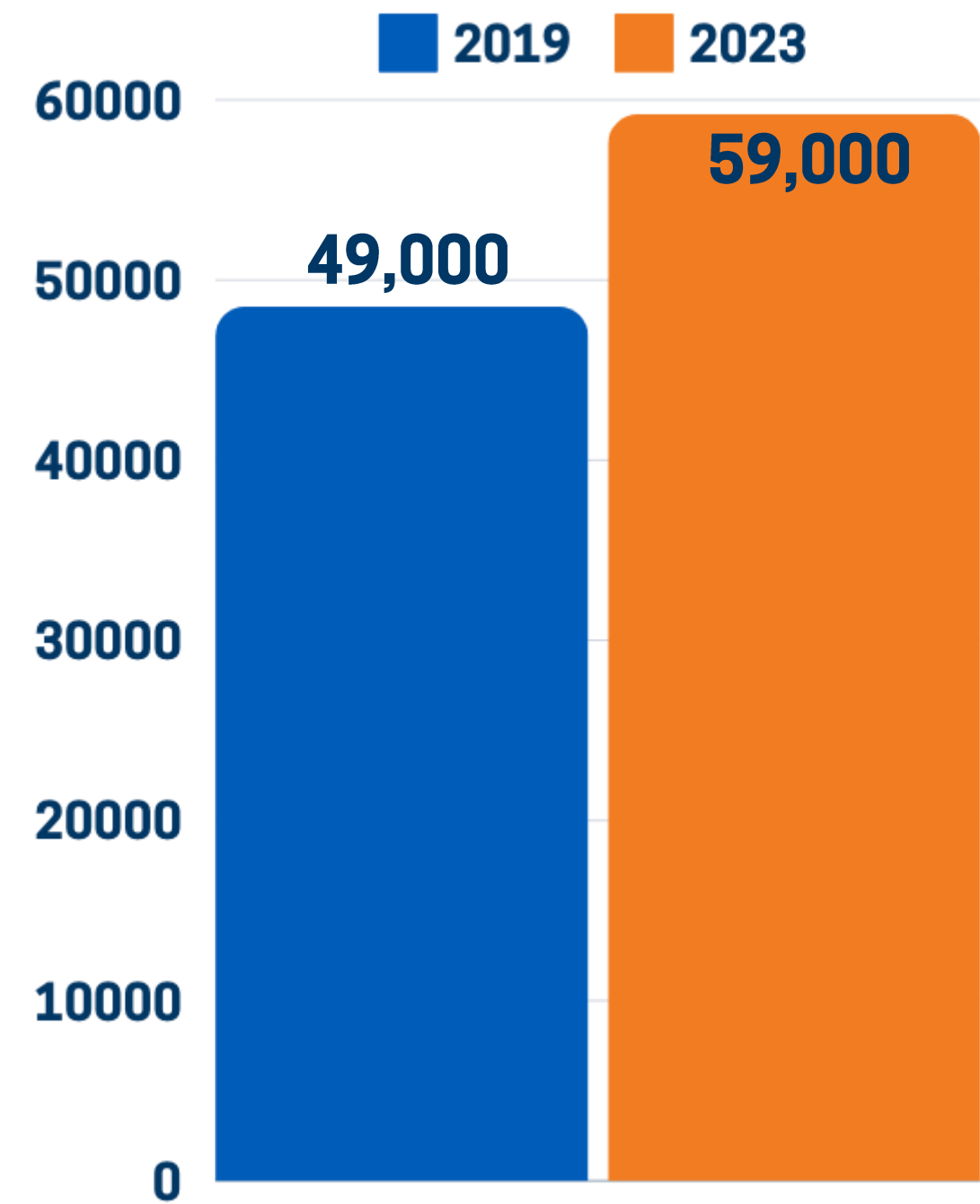
## Global Volumes



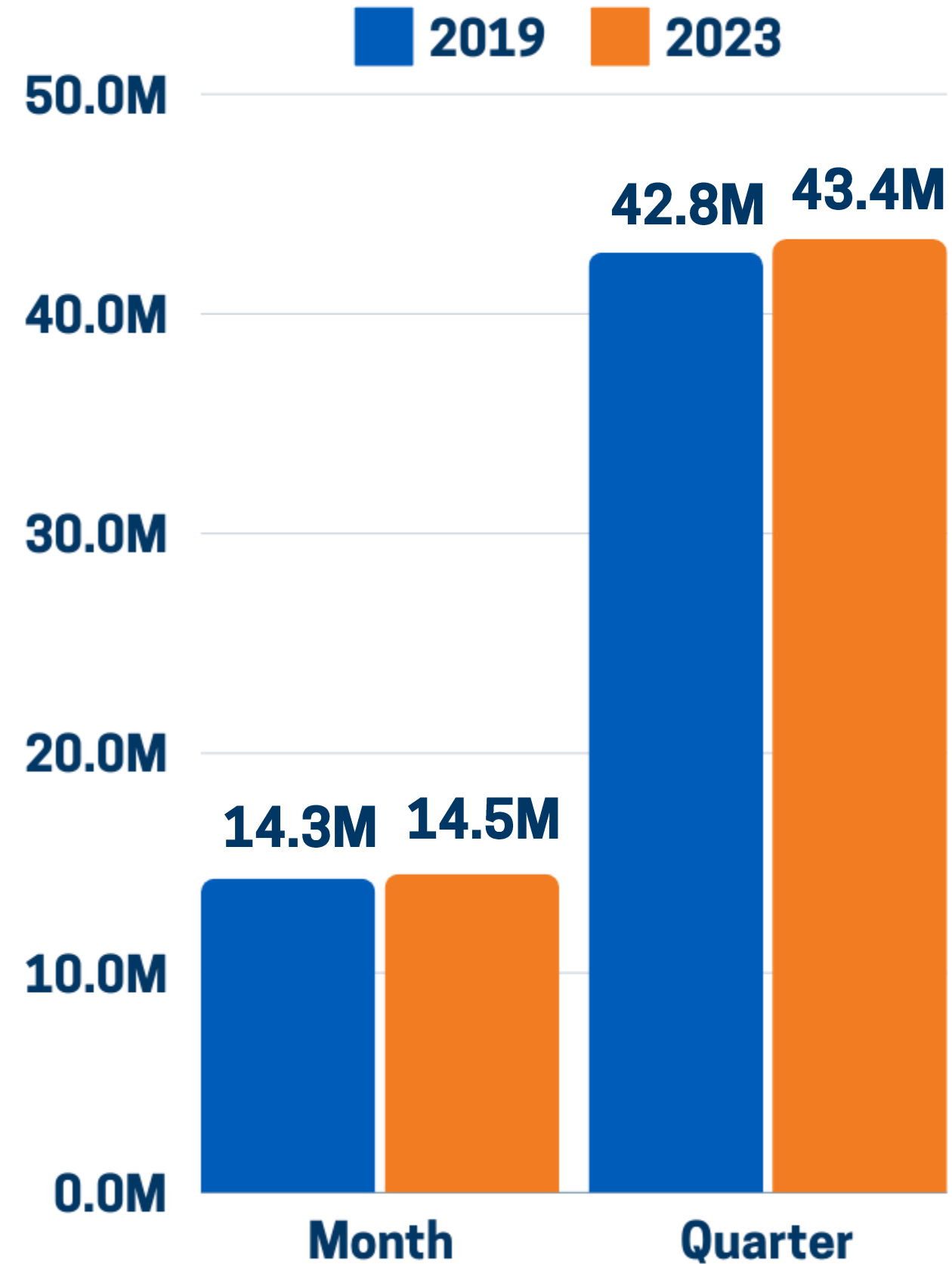
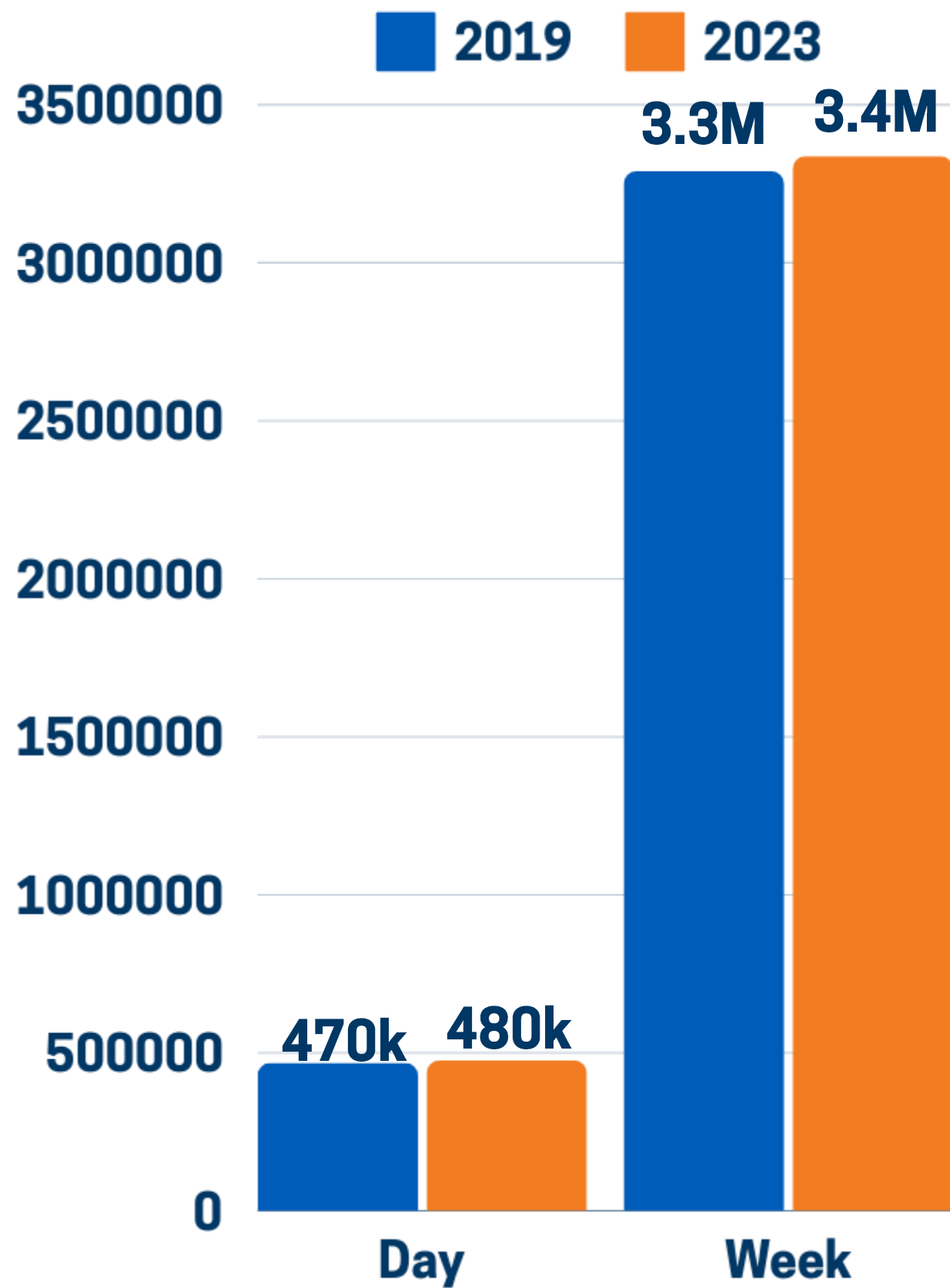
## Global Cargo Value Of Containerised Trade (\$)



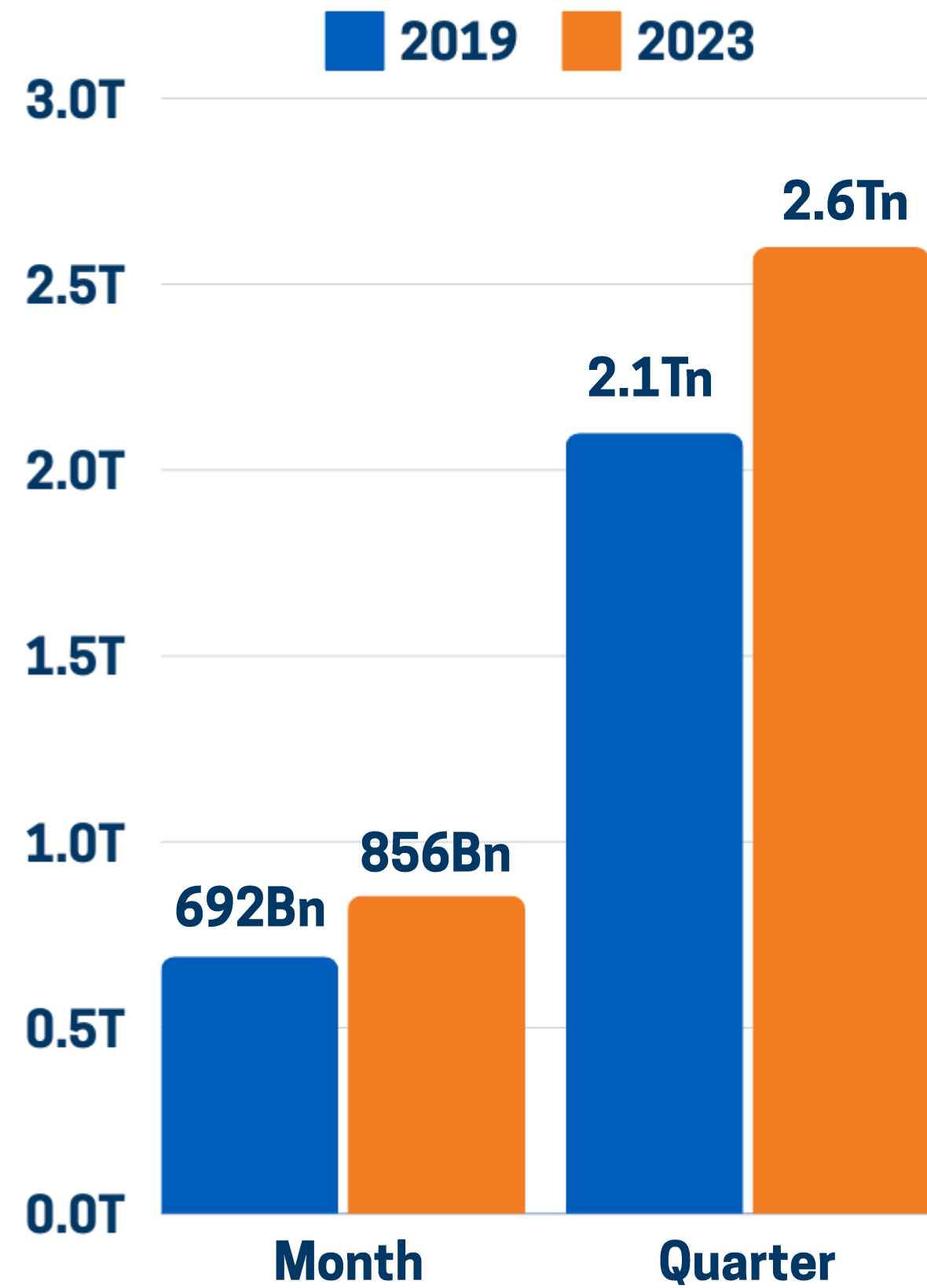
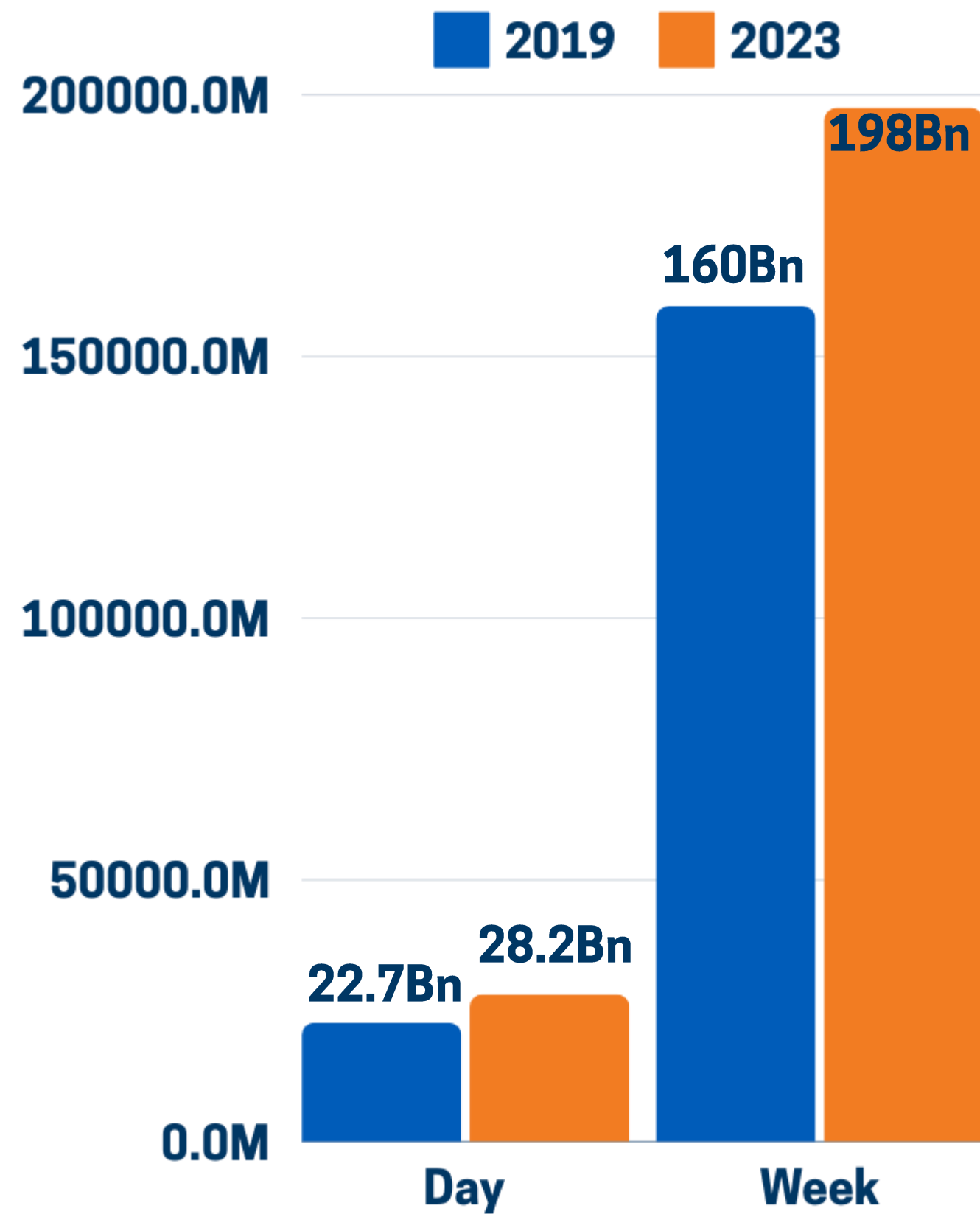
## Average Cargo Value per Container (\$)



# Number of Global Containers Moved Per Time Period



## Cargo Value of Containerised Trade Per Time Period (\$)



# Which Regions is Container Shipping Trade Most Critical?



## Import values of Containers across regions :

The Graph shows the value of goods contained in a twenty-foot box on average for each region.

## Highlights

Electronics and consumer goods driving high values in Europe USD **2.0T**, North America USD **1.6T** and Asia USD **3.9T**. **Being the amount of cargo carried in containers on a yearly basis in 2023**

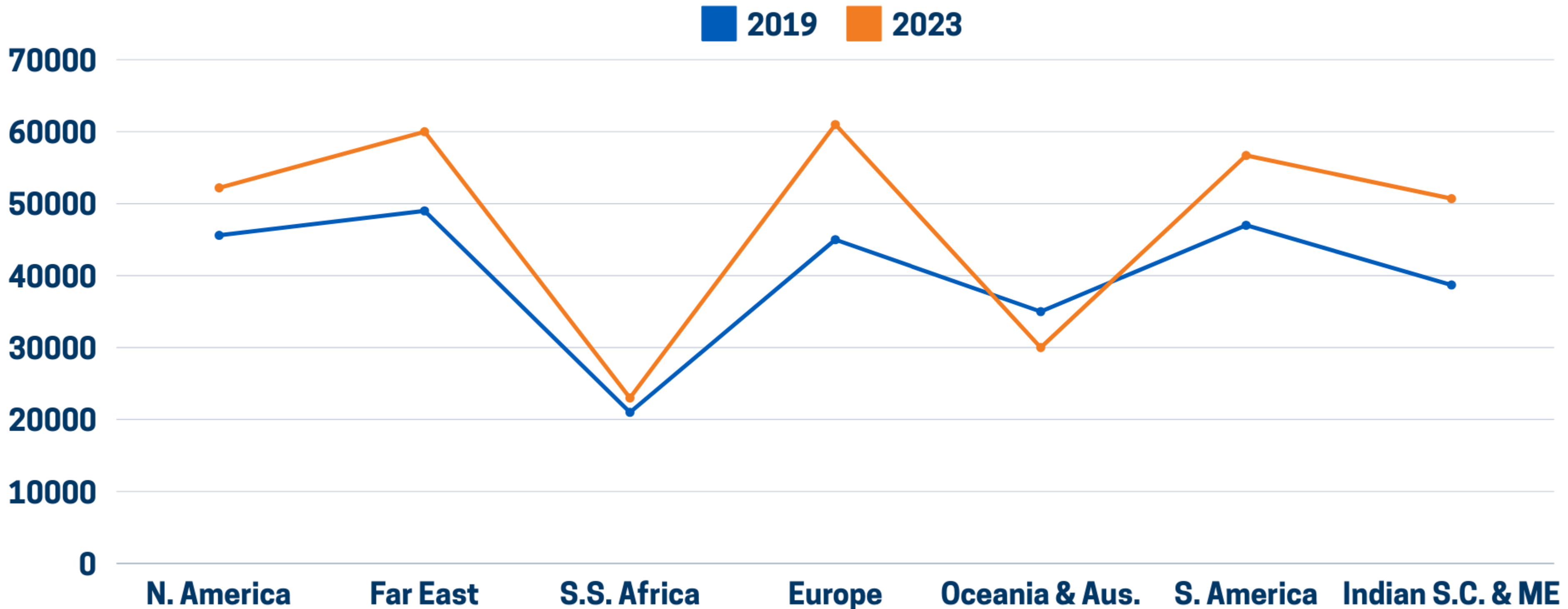
By comparison , Sub Saharan Africa and Australasia, and Oceania show the weakest growth over the comparison years.



# Which Regions is Import Container Shipping Trade Most Critical?



## Average **Import** Cargo Value per Container (\$) and Region



Data Source: (CTS, 2024) & (UNCTAD, 2024)

Intra-EU trade: (Statista, 2024)

# Which Regions is Export Container Shipping Trade Most Critical?



## Export values of Containers across regions :

The Graph shows the value of goods contained in a twenty foot box on average for each region.

### Highlights

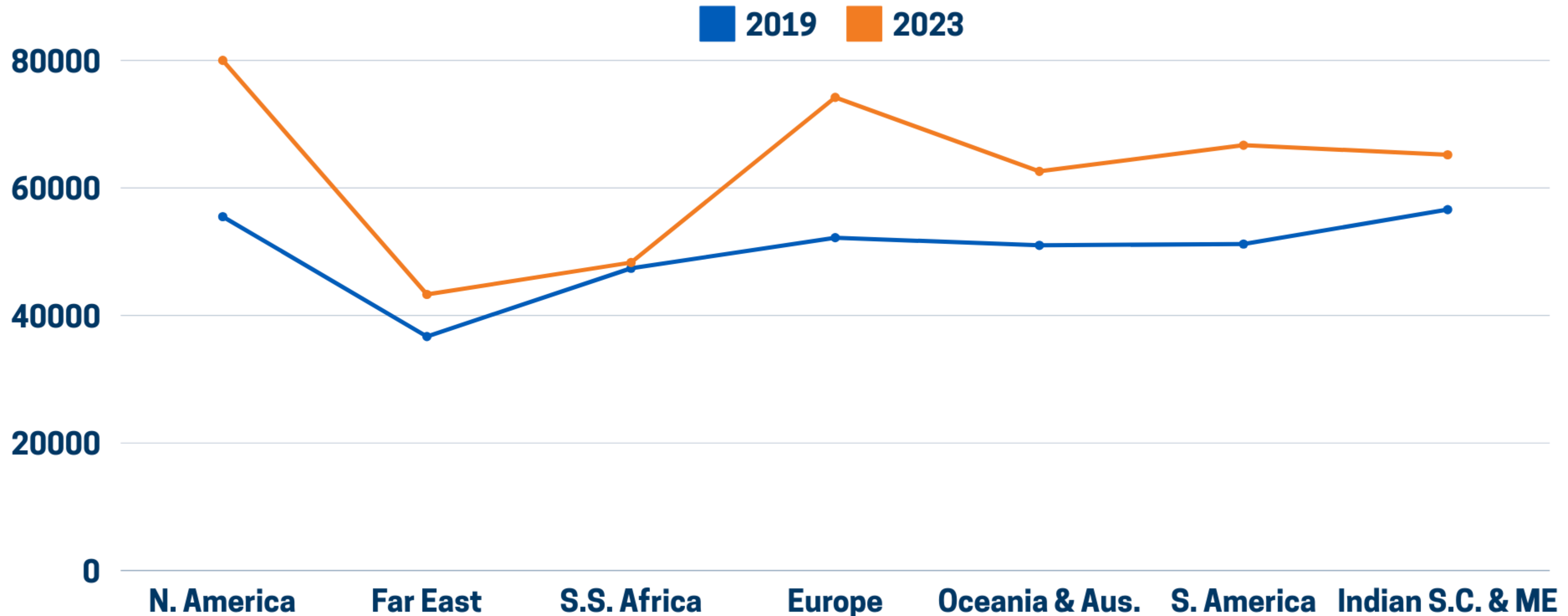
Sub Saharan Africa USD **194Bn** and South America USD **625.5Bn in 2023** showing constant growth reflecting the nature of exports being foodstuffs and raw materials.

Higher value good as pharmaceuticals and chemicals in Europe USD 2.0Tn and North America USD 1.1 Tn in 2023

# Which Regions is Container Shipping Trade Most Critical?



## Average **Export** Cargo Value per Container (\$) and Region



Data Source: (CTS, 2024) & (UNCTAD, 2024)

Intra-EU trade: (Statista, 2024)

# Concluding Thoughts



A vital set of arteries keeping the global economy alive

The idea that container shipping would halt globally for a day is unlikely.

- There are sufficient **global blockages** which can create a swift and damaging block to the lifestream of global trade
- **Nearshoring** of goods and **3D printing** have all been mooted as solutions to global trade, but they only really play at the edge of the issue
- Global trade **ebbs and flows** -China is dominant today, India is emerging, Europe and North America are reducing in importance, which will affect future planning
- **Environmental issues** will press the industry to find solutions.

However, the shipping of goods has been around since humanity began to trade and will continue to evolve to meet new challenges.



**Thank you for listening**

**Any questions?**



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