



THE VOICE OF THE CARIBBEAN SHIPPING INDUSTRY

UNCTAD-CEPAL Webinar COVID-19 and Maritime Transport: Disruptions and Resilience in Latin America and the Caribbean

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CARIBBEAN REGION – A MICROCOSM OF GLOBAL SHIPPING

- Blend of global and regional ocean carries
- LNG-enabled fleet since 2015
- Jones Act carriers
- Regional logistics “integrators”
 - Warehousing, land transportation, LCL...



NATURE OF DEMAND

- Heavily reliant on travel & tourism (USD59B in 2019, or 14% of overall GDP)
 - Others: Agriculture, mining and drilling
- COVID-related situation: Mostly under control in most of the region
 - Economic situation adversely impacted by halt in tourism activity and drop in oil/gas demand
- Governments in the region heavily indebted, even before the pandemic hit



SUPPLY-DEMAND BALANCE ON CARIBBEAN TRADE

- Less dramatic changes in container service schedules: communities depend on less bulky, more periodic services
- Rate conditions different in larger container tradelanes (Asia to Jamaica, Dom Rep and Panama) vs most other smaller market/routes
- Rates up from SAEC and Asia to the region
 - Rates from Europe, however, are down



REGIONAL BOX LINER STRATEGY

- Container carriers have already gone through huge adaptation in short period of time
 - Remote working, ensuring business continuity, service/frequency changes, VSAs, slot agreements
- Second/additional wave would have an impact on execution, but strategy seems to have been fairly defined by 1st wave
- With 2nd/additional waves of infection, instead of bankruptcy, regional container carriers could face consolidation or takeovers options



CRUISE BUSINESS INTERRUPTION IN THE CARIBBEAN

- Effects go beyond the direct volumes of cruise ship stores and supplies
 - Restaurants, shopping, duty free stores, local excursions, and a LONG etc...
- Impact on employment, consumption and recreational activity along with the seaports, airports, hospitality and infrastructure activity generated



TECHNICAL EXPERTISE / FUNDING SOURCES

- Regional shipping mainly composed of MSMEs/family-ran companies
- In general, shipping MSMEs understand the need for urgent digital transformation
- However, lack of access to technical expertise/funding sources, big barrier





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THANK YOU