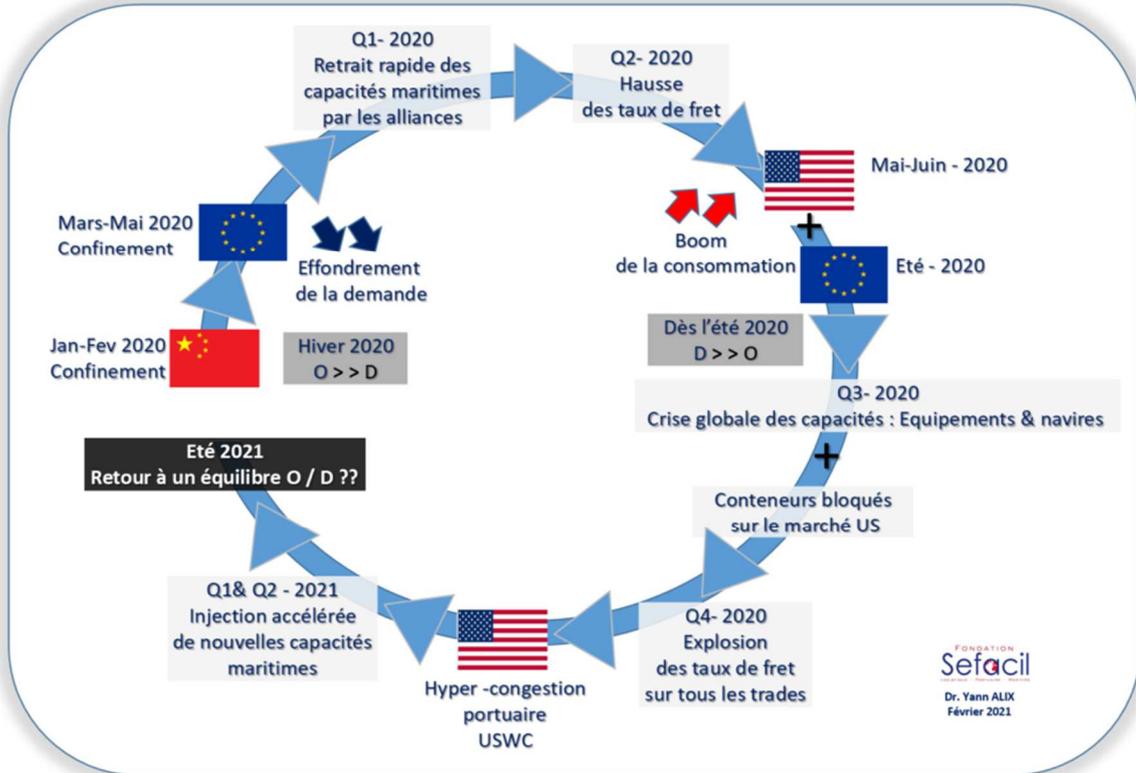
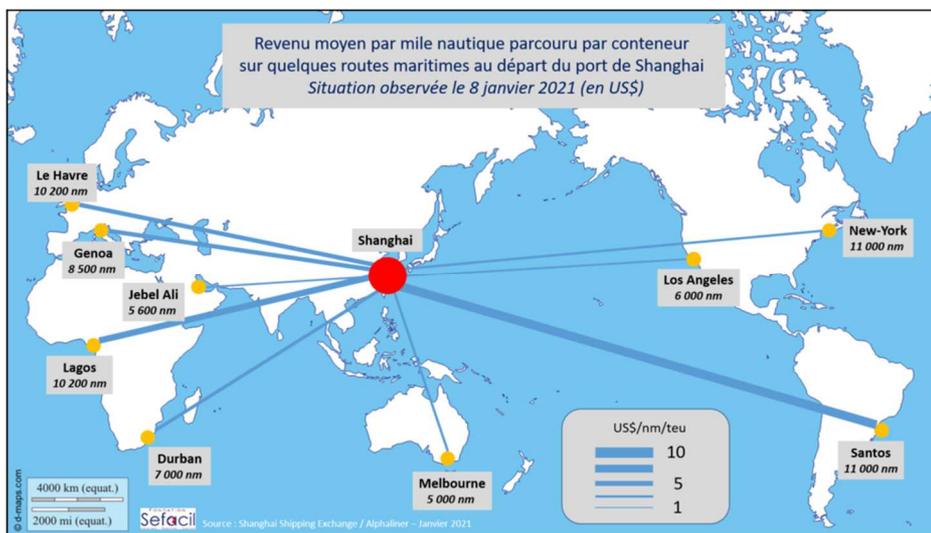


12,000 and even in some testimonies up to 15,000 US\$ to have a 40-foot container on the world's busiest maritime routes between China and the USA or China and Europe. This totally hysterical situation reveals the dysfunctions of a global supply chain that has oscillated between strategic anticipation and total operational inadequacy



A look back at a contemporary historical anomaly

The graph, constructed as a hellish spiral (or a vicious circle, as you like), begins with Chinese containment and its manufacturing disruptions that already hamper the world's factory's ability to supply European and American stocks. This is followed by a closure of the European economies, which has the effect of immediately generating an imbalance that manifests itself in a destructive overcapacity on the maritime furrows. The managerial agility of major maritime alliances leads to a dramatic withdrawal of ships from the market, coupled with a strategy of selecting port touchdowns carried out at the expense of the ports least resilient in the face of a paroxysmal economic and logistical situation. The U.S. economy has up to 35 million unemployed and the pandemic appears to be uncontrollable in key economies such as California and Florida.



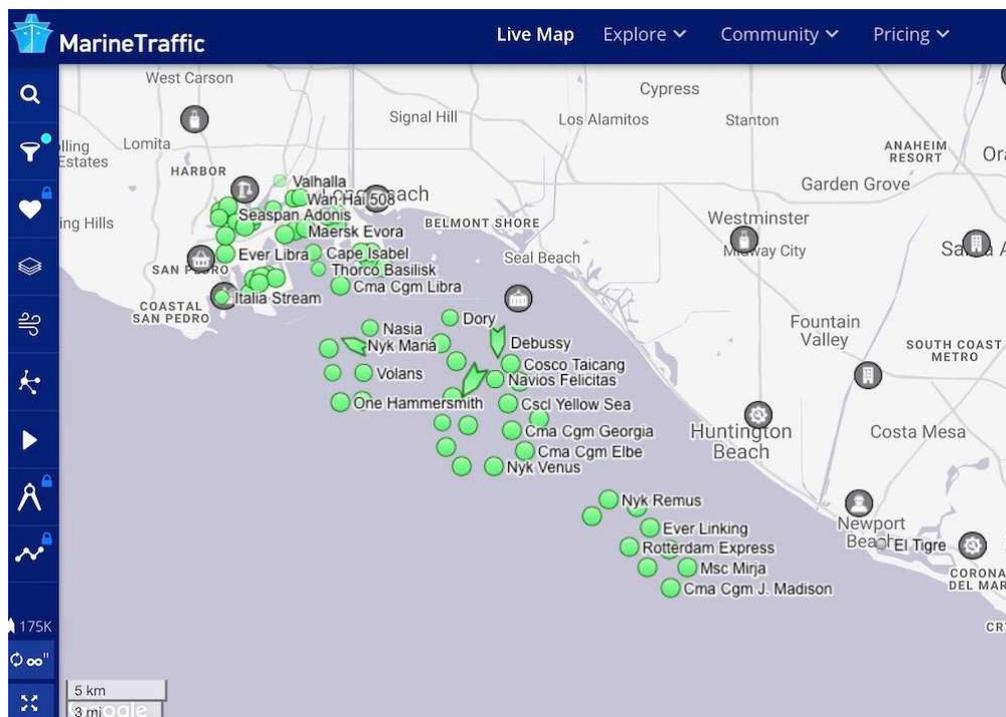
Freight rates from the port of Shanghai in early 2021

The rebound of the U.S. and European consumption

In the pandemic slump, the summer's breathing window will be translated into a consumerist frenzy that will surprise all analysts, starting with the maritime Shipping lines themselves. The supply/demand imbalance is fuelling the containerized transport market and freight rates are playing their role as a corrective as ships come out of Chinese ports full. In a few weeks, from 2500 US\$ per 40 feet, we see spot rates exceeded 5,000 US\$ with mostly an inability to take slots as Thanksgiving, Halloween and Christmas preparations !

California's gigantic congestion

The equipment (containers) are located in the backyards of U.S. warehouses and the spread of boxes on the North American hinterland will generate an incredible capacity crisis that will be amplified from the beginning of 2021 by the inability of the twin-California-Ports of Los Angeles - Long-Beach to evacuate boxes. The consequences are global with shortages of equipment and organizations urgently repatriating available empty boxes that will freak out freight rates on almost all transoceanic routes. Paradoxically, the most exposed roads where the giants of the seas of 18,000 TEUs do not unfold. Santos in Brazil or Lagos in Nigeria are illustrative examples of the collateral effect of congestion on triad roads.



Navires en attente dans la Baie de San Pedro en Californie

On February 21, 2021, 41 container units are waiting in San Pedro Bay with delays in docking that can reach a week. The organization of the loading/unloading of the boxes and their ground evacuations is totally saturated. Logistics shifts in the pre and post-delivery periods are now in weeks. The extra costs of transport and transactions risk adding to the bill of the end consumer, who is used to paying only a few tens of euro cents for maritime freight in his value-added manufactured product.

What impacts are freight rates on emerging economies such as Africa?

Following this contemporary containerized story, we will try to decipher it together in the coming weeks with a new article to understand how global value chains will innovate to cope with this global situation never before experienced by shippers, transport organizers, port authorities and even less shipping carriers.

Extrait de <https://www.sefacil.com/une-annee-inedite-que-la-situation-conteneurisee-synthetise-dans-son-aphorisme/> Publié le 24 février 2021

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