



# State of the Industry September 2024

Hillebrand **GORI**

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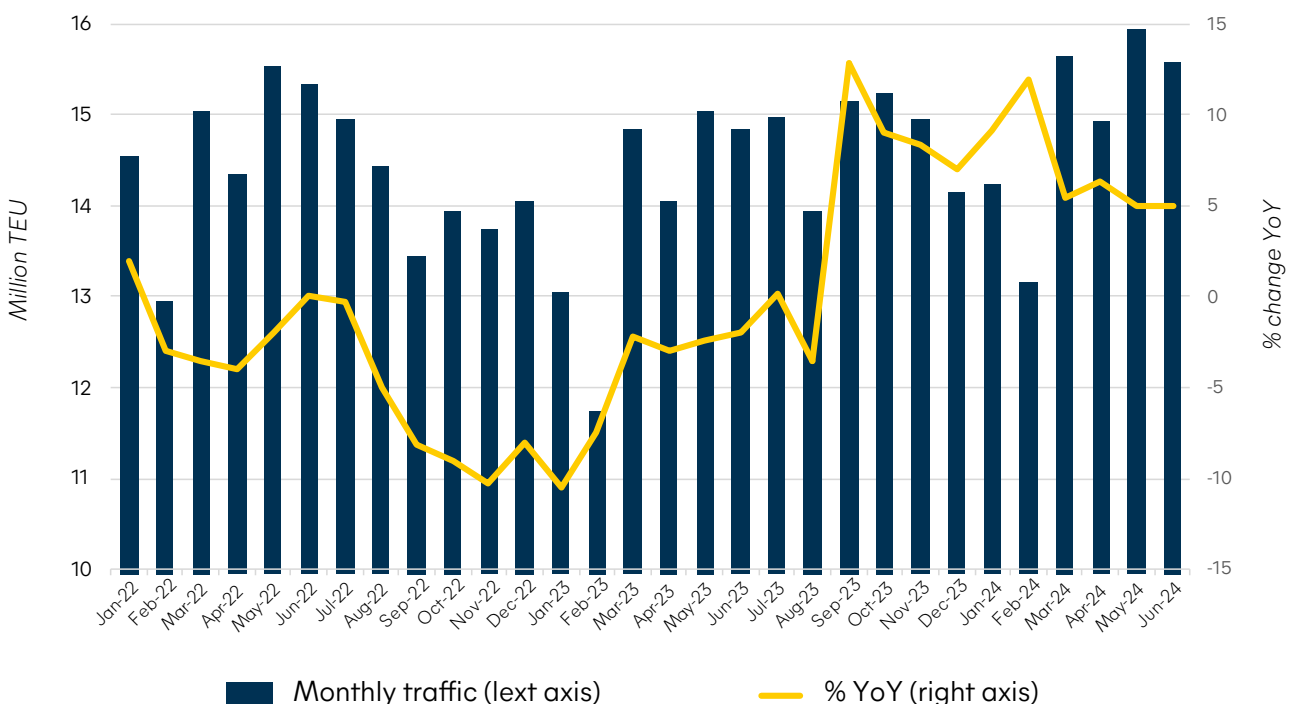
# State of the Industry September 2024

The global shipping industry has continued to evolve in 2024, with sustained growth in container demand, supply chain challenges and significant operational shifts. As of September, the sector faces both opportunities and obstacles as companies adjust to emerging trends in capacity, fuel consumption and geopolitical factors.

## Persistent growth in demand

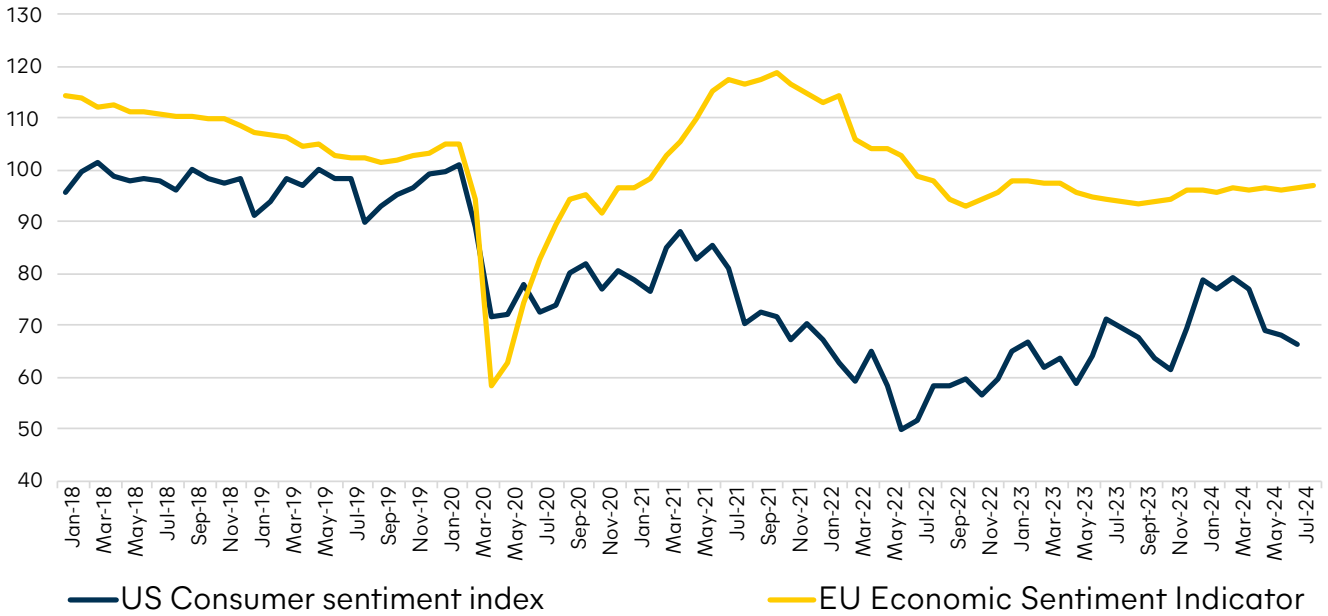
Global container volumes have steadily increased throughout 2024, driven by robust demand in various markets. The first quarter saw an impressive 10% year-on-year growth, with container demand maintaining a similar pace through Q2. This is despite geopolitical tensions and modest GDP outlooks. In fact, May to July 2024 witnessed the highest ever recorded container volumes, pushing global demand up by 7% in the first half of the year.

### World loaded container traffic



Even in regions where economic caution prevails, shippers have prepared for year-end sales by restocking early. North and Latin America, along with Oceania, saw double-digit growth in import volumes during the first half of 2024, demonstrating strong market activity across all major routes.

### Consumers confidence index

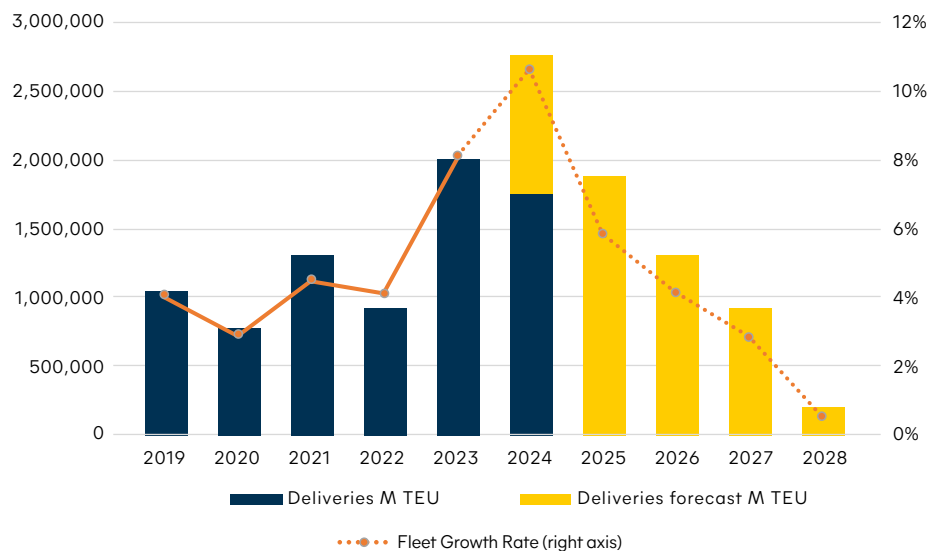


(Indices are not comparable)

## Capacity growth and operational challenges

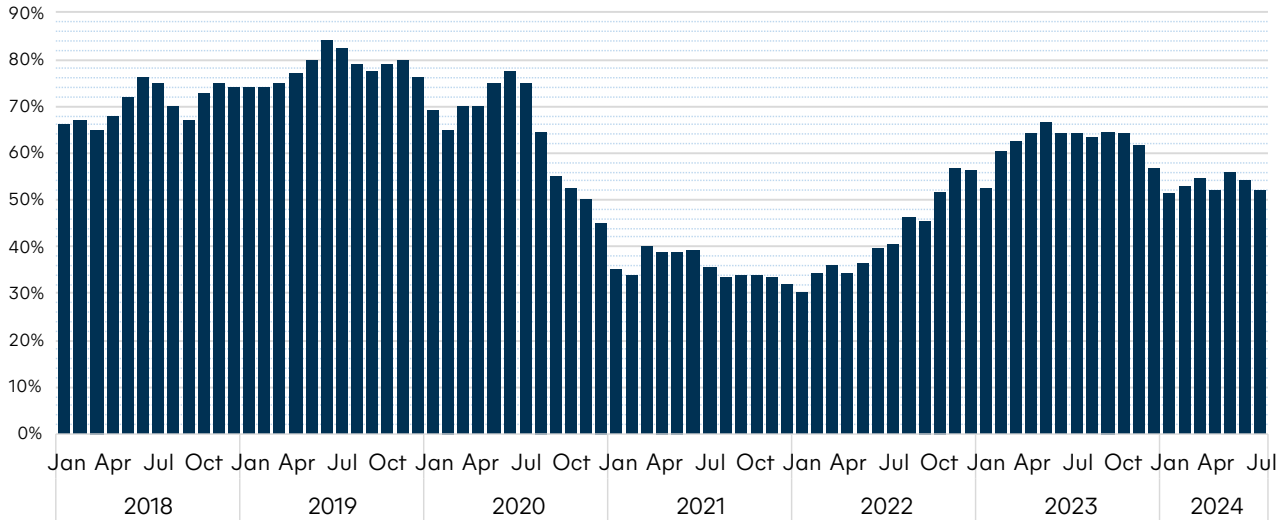
While container demand is rising, the supply side of the equation has been equally dynamic. The global container fleet is expected to expand by 10% in 2024, with an additional 5% growth projected for 2025. New vessel deliveries continue, with 1 million TEUs anticipated before the end of the year. Alongside this, carriers have reactivated their idle fleet to align supply with increasing demand.

### Deliveries and Orderbook



However, operational hurdles remain a key concern. The Red Sea continues to present a significant challenge, with increasing incidents of Houthi attacks on vessels. This has resulted in persistent re-routings via South Africa, contributing to schedule delays and reduced capacity. The average delay for late vessels in July was over five days, exacerbating capacity shortages and driving up costs.

### Carriers Global Schedule Reliability

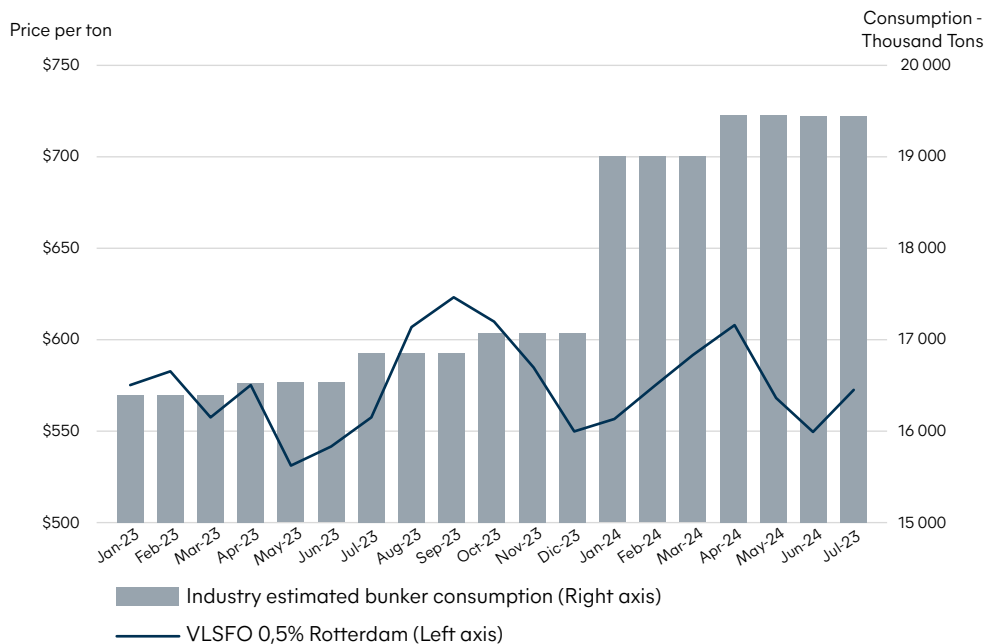


In response to these challenges, container owners have made record investments in new container manufacturing, particularly in Q2 2024. These investments aim to alleviate equipment shortages, but the ongoing re-routing and longer voyages have also increased fuel consumption and operational costs.

## Geopolitical risks and supply chain pressures

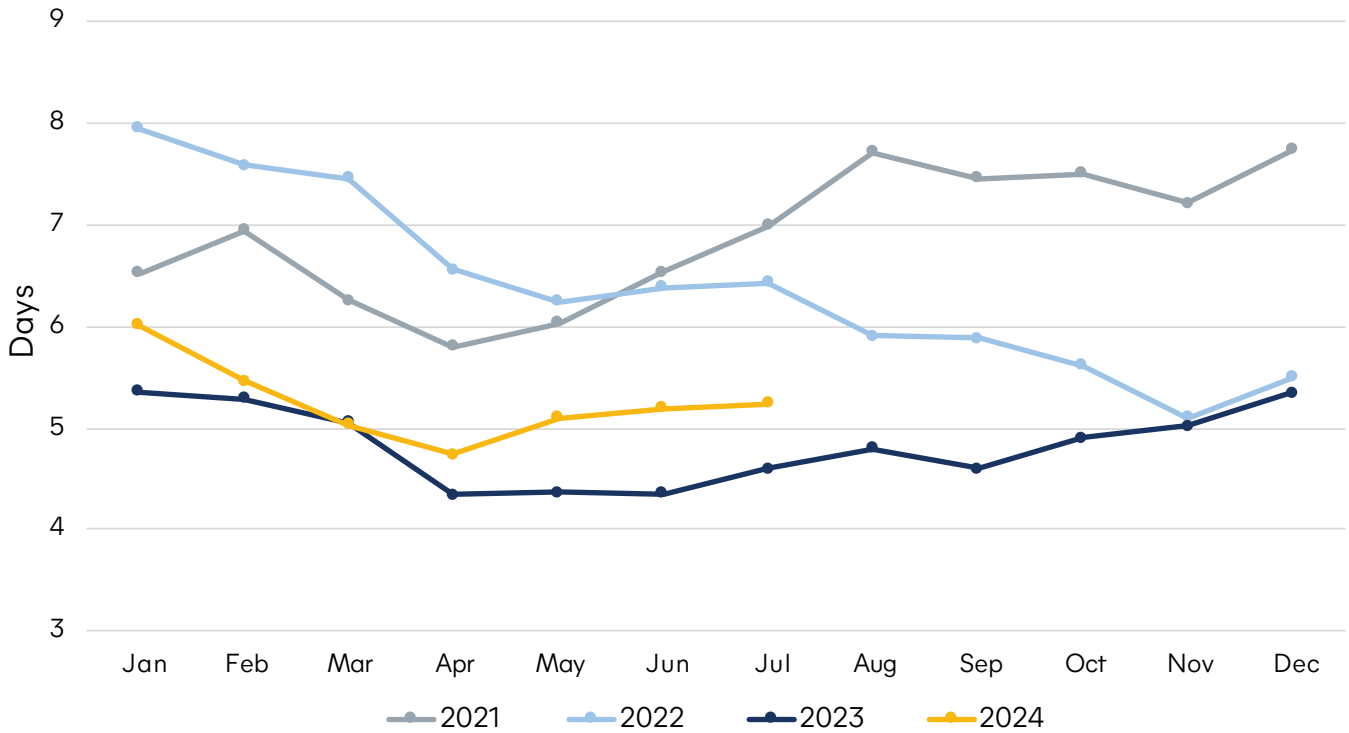
Geopolitical tensions, particularly in the Red Sea, have led to heightened risks for global shipping. Rerouting vessels via longer routes not only causes delays but also puts pressure on fuel costs. Additional factors, such as labor unrest in markets like India and the US East Coast, pose further risks to the smooth functioning of global trade. With labor strikes potentially occurring in October 2024, the industry may face further disruptions.

### Fuel cost and estimated consumption



Port congestion also remains an issue. Despite efforts to improve throughput, delays persist, with congestion levels high across various global ports. These issues compound the supply-demand imbalance, increasing waiting times, missed port calls, and higher fuel costs.

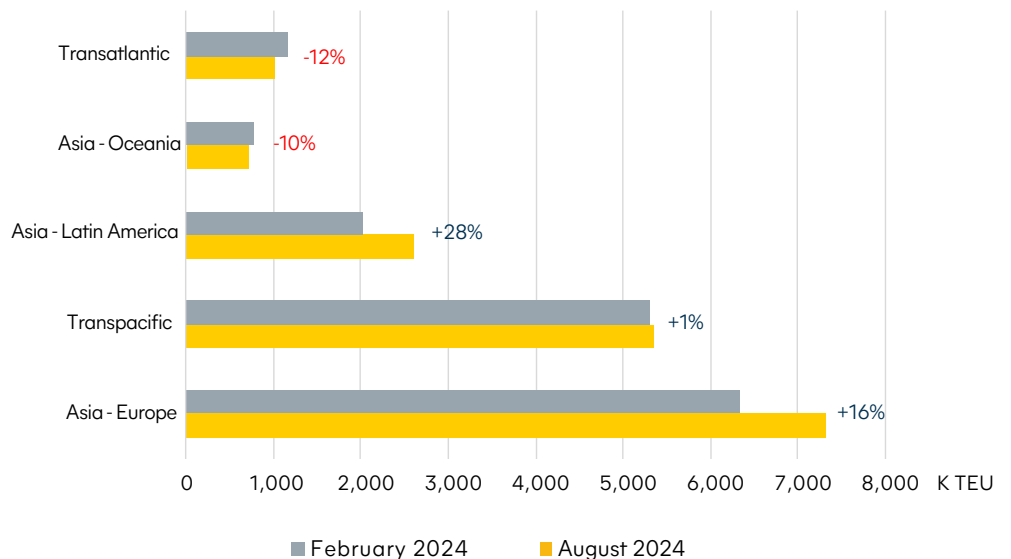
### Global average delays for late vessel arrivals



## Ocean rates and carrier alliances

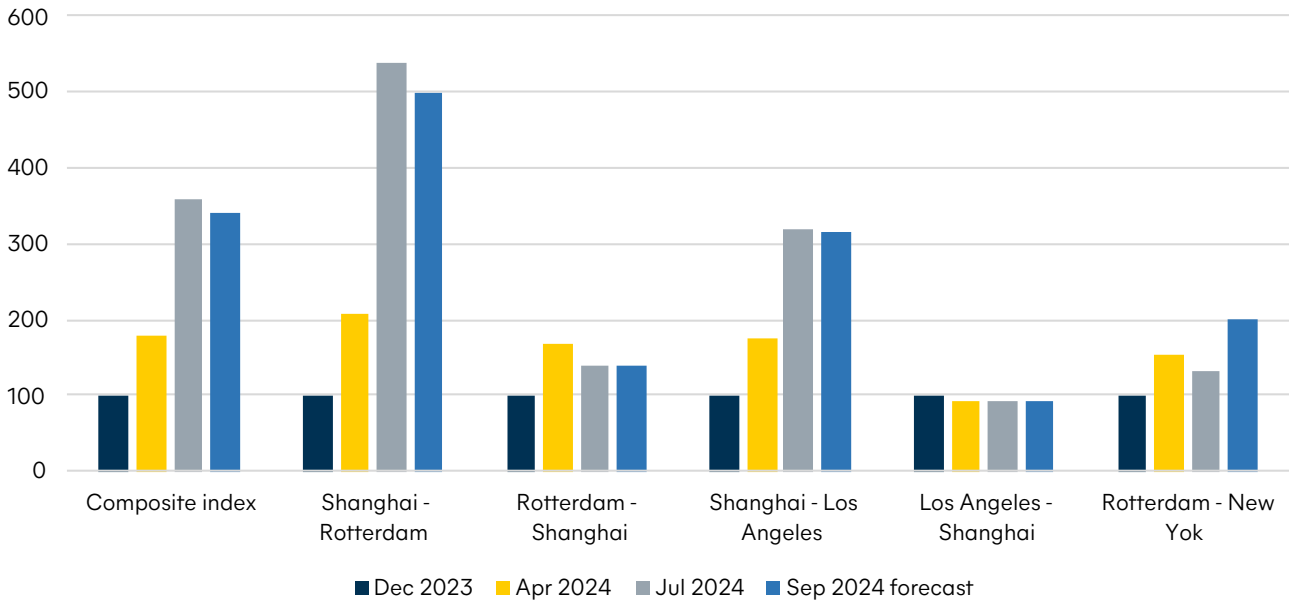
### Capacity Deployed per Trade

Ocean rates have surged in 2024 due to the combination of capacity shortages and rerouting costs. While some predict that rates may soften on the Far East head-haul trades after the pre-Golden Week rush, other routes, like those to Oceania and across the Atlantic, are likely to see rate increases due to ongoing capacity constraints.



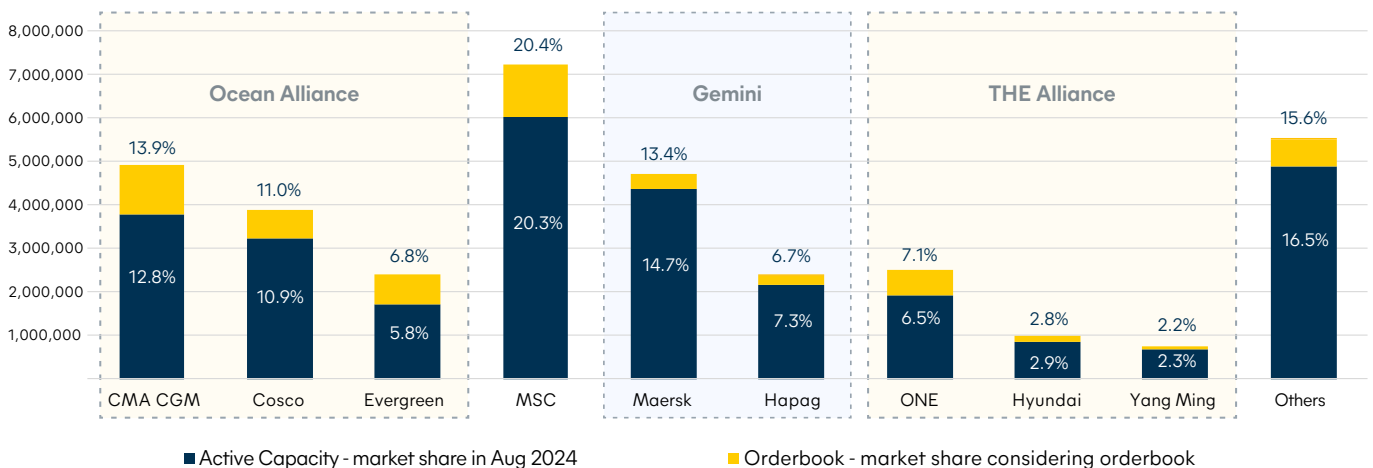
## Development of freight rates

(base 100 - Dec 2023)



In the broader carrier landscape, alliances and partnerships continue to evolve. MSC’s decision to leave its 2M partnership with Maersk by early 2025 could shift the balance of power. New alliances, such as Gemini, formed by Maersk and Hapag Lloyd, along with other players rethinking their strategies, signal an era of consolidation in the shipping industry. These partnerships will likely shape the capacity distribution and competitiveness in the years ahead.

## Aug 2024 - Active capacity plus orderbook (TEU)



## Looking ahead: industry outlook

As 2024 progresses, the industry faces both opportunities and uncertainties. Whether container demand will maintain its current growth trajectory is still up for debate. Accenture predicts a 5% growth for the second half of 2024, continuing into 2025. However, potential risks, such as labor strikes and the need for compliance with new environmental regulations, could impact supply chains.

The future of global shipping will depend on the industry's ability to adapt to these challenges. Capacity management, fuel efficiency, and alliance strategies will play critical roles in shaping how the industry navigates these waters in the months and years ahead.



## How Hillebrand Gori can help

As a leading logistics provider, Hillebrand Gori offers expertise in the global transportation of alcoholic beverages. With our industry knowledge and commitment to operational excellence, we help importers navigate complex logistics challenges, from capacity management to supply chain disruptions. Contact us to learn more about how we can assist your business in optimizing its global shipping operations.



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