



Global and tradelane reliability across 52 carriers. **New measurements for performance in April 2012.** See page 14 for details.

THE CONFIDENCE OF US CONSUMERS

Judging from the perspective of consumers, which way is the market for container shipping heading?

The main engine driving container shipping is the individual consumer. Either through a direct demand for goods produced elsewhere with need to be shipped, or indirectly as raw materials or semi-finished good are moved to factories and assembly plants across the globe.

It is well known that in times of crisis that consumers acting in their own self-interest can have an unfortunate effect on the overall market. An individual who is concerned about his own economic prospects has a tendency to spend less and instead increase his savings, as he prepares to weather bad times. However, this behavior also results in reduced demand, less profits for the companies and ultimately higher unemployment. Higher unemployment will then trigger the individual to spend even less, as he becomes increasingly concerned about whether he might lose his job.

This is clearly not a desirable situation and governments tend to respond by implementing various stimulus packages to get the economy going.

In this article we will take a look at the consumer sentiment in the US, as the American consumers are the key drivers behind the container flows,

“Container trade is making money”

The above quote is attributed to the CEO of AP Moller-Maersk. It was said in a recent presentation to the Danish Society of Financial Analysts. While undoubtedly this is good news for the carrier industry, it also heightens the stakes in the game for rate increases. If carriers are no longer losing money, will they be able to maintain the discipline which helped them regain profitability? Pacific increases this week says yes, whereas Asia-Europe decreases point in the other direction.

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