

Supply Chain in the Post Covid world

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How are you feeling ?



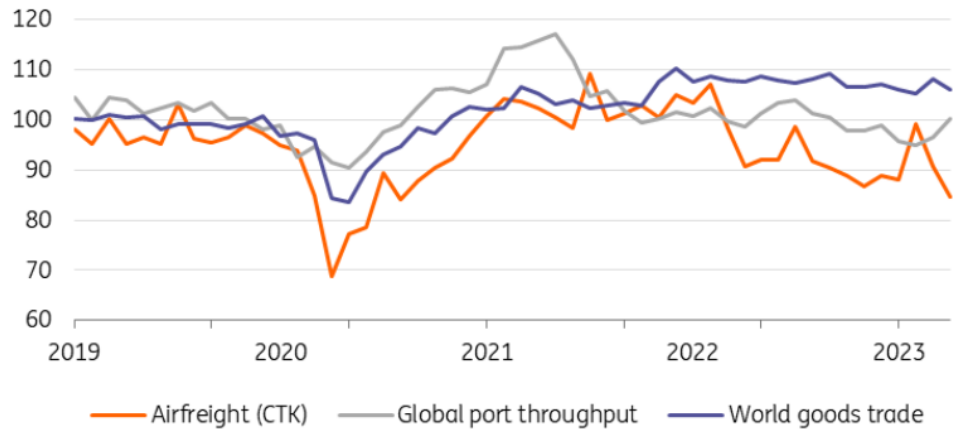
1. Why current supply-chain disruptions
2. Impact on shipping
 - Container Shipping
 - RoRo Shipping
3. What to expect going forward



Why supply-chain challenges ?

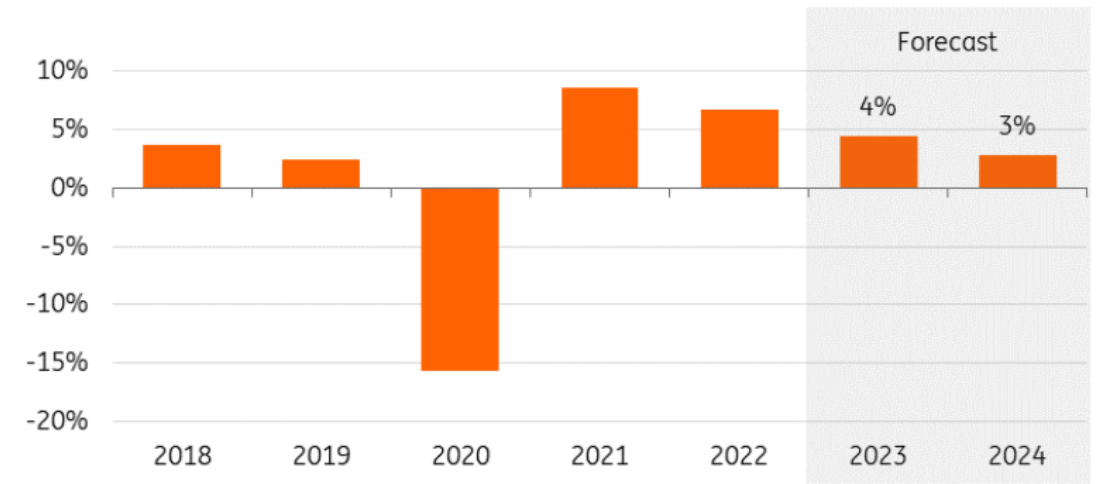
World trade flattens, air and sea freight slump on consumer products correction

Indices global trade, airfreight traffic and global ports throughput 2019 = 100



CPB, IATA, RWI, ING Research, last data point: April

Global transport and logistics sector slows as post-pandemic rebound fades



ING Research based on Oxford Economics

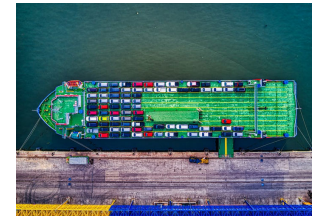


Overall, a change in transport and logistics in the wake of the covid pandemic – but the sector is still set for a growth of 4% in 2023 and 3% in 2024.

The supply shock from the pandemic and the impact of the war in Ukraine have also left their mark on various parts of the transport and logistics sector. Either long because of excess capacity after a historic boom (in container shipping) or short because of lagging deliveries of capacity and increasing complexity (and cost) of building.



- Container shipping rates now dropped to pre-pandemic rates
- Global Container shipping volumes is limited by global economic growth
- Declining container rates are plummeting, but from such high that no immediate concerns
- Over next 24 months significant additional capacity will be added



- RoRo shipping rates remain high – and is expected to remain high for next ~ 24 months driven by unprecedented pent-up demand
- Global RoRo shipping is limited by current available capacity (~ 4.2 Mill CBU's), most carriers are “booked out”
- Over next 36 months significant additional capacity will be added
 - 144 orders confirmed for vessels above 2000 CBU capacity – equal 21% of total vessels above 2000 CBU's
 - Orderbook will add 1 mill CBU in capacity
 - 36% of capacity ordered by Chinese owners



Over the last 6-8 months Australian ports on have experienced unprecedented port and cargo congestions – driven by a 17% increase in Vehicle imports and 15-20% Bio Security failings

The Challenge



The Stakeholders





Predictions ?

Volatility, Capacity and Geopolitical issues will continue to challenge the transport & logistics industry – but for the smart shipper this also represent significant opportunities

- Multiple sustainability regulations are coming into force over the next few years – which will impact vessels and shipping companies ref. EU Transmission Trading System and IMO Carbon Intensity Indicators and Energy Efficiency Existing Ship Index
- Commodity prices and trade patterns are adjusting to Russian sanctions – resulting in increased shipping cost
- The US attempt of reduce dependency on China will be a long-term process – it will not happen fast
- Supply chain uncertainty will continue – including issues such as
 - Labour Market (lack of stevedores and truck drivers ?)
 - Biosecurity (impacting the flow of cargoes)
 - Climate change (extreme weather, i.e. restrictive low water in Panama Canal and Port Closures)
 - Geopolitical (Freedom of navigation)