Global Port Throughput Rises in Q1 2021

Shanghai International Shipping Institute recently published Global Port Development Report of Q1 2021. According to the report, as governments around the world strengthened the control of the pandemic and expanded the scope of vaccination, the impact of the pandemic on the economy gradually weakened, the global economy showed a momentum of recovery, and the trade pattern featured booms in both supply and demand in the first quarter of 2021. In this context, the throughput of major ports in the world in the quarter gradually entered the rising track.

1. Asian and North American ports led the cargo throughput growth of global ports

In the first quarter, as the impact of the pandemic on the economy gradually weakened, the production of major ports in the world showed a strong recovery. The cargo throughput of the world's top 20 ports was almost all on the rise, and half of these ports posted growth rates of more than 10%. In the first quarter, the top 20 ports recorded a total cargo throughput of 2.47 billion tons, a significant increase of 10.3% year-on-year. Region specific, Asia and North America led the cargo throughput growth of global ports. Specifically, the port production in Asia rebounded obviously due to the proper control of the pandemic and rapid recovery of the economy. The port production in North America showed a strong recovery, benefiting from the thriving trade between China and the United States and effective control of the pandemic. The port production in Europe and Australia demonstrated a weak recovery under the influence of repeated outbreaks and tensions of Sino-Australia relations, respectively.

2. Container throughput of major ports in the world showed a full recovery

In the first quarter of 2021, the international container shipping market continued to rebound, and some ports still suffered from congestion despite full-load production. The world's top 20 container ports experienced a general rise in container throughput, with a total container throughput of 91.69 million TEUs and a year-on-year increase of 12.8%. Specifically, Chinese ports such as Shanghai, Ningbo-Zhoushan, Shenzhen, Guangzhou, Qingdao and Tianjin ports maintained high growth rates of more than 10%, and the Ports of Los Angeles and Long Beach in the United States even recorded growth rates of up to 40%.

Region specific, ports in all the other regions of the world, except Europe, were generally in the growth range. Specifically, most of the major ports in Asia showed growth. In particular, Chinese ports maintained normal operations during the Chinese Lunar New Year when various parts of the country responded to the call of "staying local for the Spring Festival". Major ports in Korea, Thailand, Singapore and other countries also maintained a steady rise in container throughput. In the Americas, major ports in the United States and Canada witnessed a surge in container throughput year-on-year, boosted by the rapid recovery of the U.S. consumer market and substantial increase of import demand for medical equipment, electronic products and other goods. Under the influence of repeated outbreaks of the pandemic and continued traffic congestion at ports, major ports in the Europe still showed negative growth in container throughput although the decline had narrowed.

3. Global major dry bulk ports showed an increasingly differentiation trend

In the first quarter of 2021, due to the continuous recovery of global trade and periodical shortage of effective capacity caused by port congestion in some regions, Baltic Dry Index (BDI) showed a contra-seasonal rising trend. However, according to the Drewry report, there has been a slowdown in the growth of global dry bulks shipping volume (down by 1.5% year-on-year), and the shipping volume of three major categories of dry bulks showed varied growth rates. Specifically, the iron ore throughput once again fell into the negative growth range (-1.1%), the coal throughput still experienced a large decline (-10.8%), but the grain throughput maintained a relatively high growth rate (8.2%). Against this backdrop, the world's major dry bulk ports were increasingly differentiated in both regions and cargo categories. The strong demand in Asia promoted the growth of iron ore imports, so major iron ore export ports in Brazil, Australia and other countries experienced strong growth in throughput. The coal imports of China, India, Japan, and Korea all declined to varying degrees, so the coal exporters such as Colombia suffered sluggish port production.

4. Global major liquid bulk ports experienced a general decline in throughput

In the first quarter of 2021, as Saudi Arabia cut production twice in a row, global consumption demand for liquid fuel was generally higher than its output. In this context, the liquid bulk throughput of major ports in the world except China generally declined in the quarter. Region specific, major ports in China experienced a general increase in liquid bulk throughput, since the economic recovery and the expansion of the petrochemical industry continued to boost the oil demand. Korea was undergoing structural adjustments in crude oil imports and Europe showed a weak demand for automobile fuel consumption, so major crude oil importing regions presented a sluggish demand. The production restrictions by Saudi Arabia and strong recovery of domestic demand for fuel oil in the United States led to a substantial decrease in oil exports, and the ports' liquid bulk throughput declined accordingly.

5. Global terminal operators showed good performance but slowed down their pace of expansion

In the first quarter of 2021, with the advancement of vaccination worldwide, the global economy recovered significantly, trade activities were vitalized, and major global terminal operators maintained positive growth. In the quarter, the container throughput of COSCO Shipping Ports, China Merchants Port, and DP World increased by 9.9%, 27.8%, and 10.2%, respectively. The equity throughput of ICTSI grew by 8.0% year-on-year, and the consolidated statement throughput of AP Moller-Maersk rose by 10.2% year-on-year. However, due to the prolonged pandemic and uncertain economic and trade environment, global terminal operators further slowed down their pace of expansion, and preferred to expand and upgrade existing terminals. Only COSCO Shipping Ports introduced new terminal investment projects in the first quarter.