

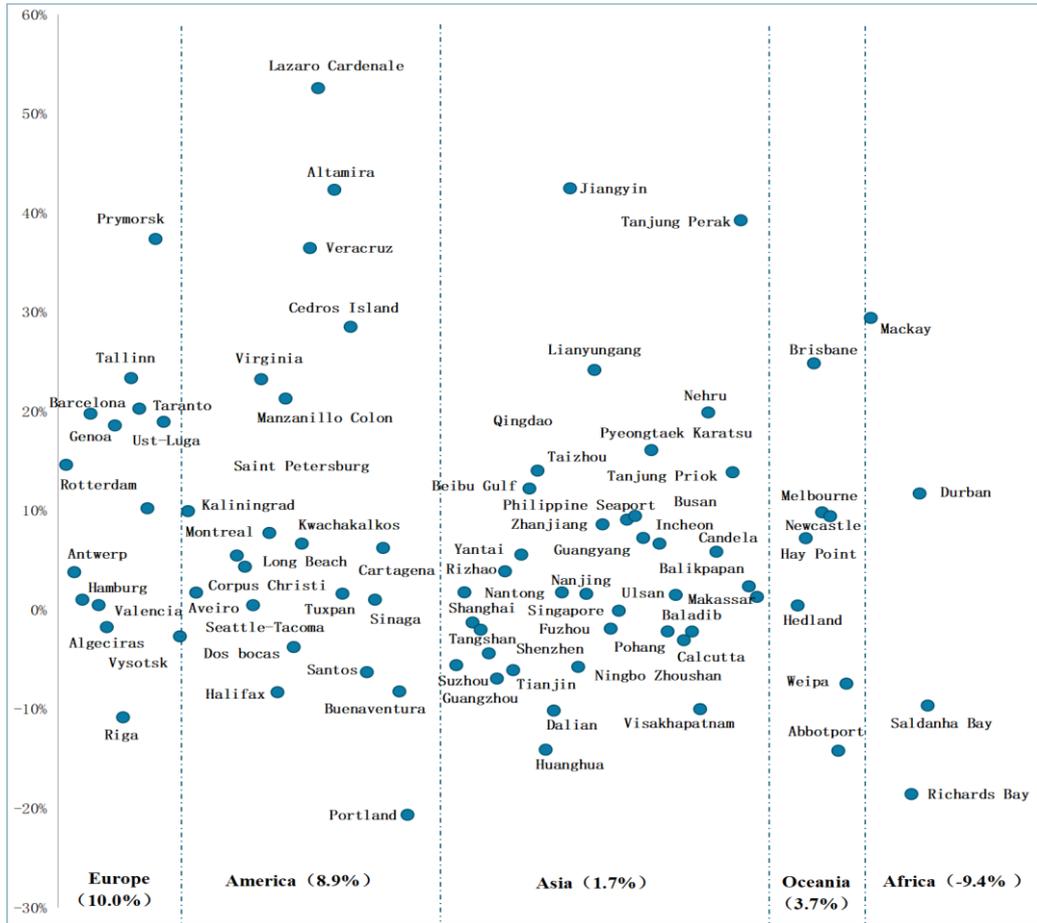
Global Port Production Falls Back as Epidemic Repeating

Shanghai International Shipping Institute recently published Global Port Development Report of Q3 2021. In the third quarter of 2021, affected by the rebound of the epidemic, the recovery momentum of global trade slowed down, coupled with the weakening effect of national manufacturing support policies and consumption subsidy policies, as well as the rapid rise of commodity prices and international shipping charges, resulting in the decline of industrial production enthusiasm and consumer demand in some regions, and the widening gap of economic recovery among countries. In this environment, the global port production situation in the third quarter was in a relative contraction state, among which the growth rate of port throughput in Asia and America decreased significantly.

1. The cargo throughput growth rate of Asian ports decline significantly

In the third quarter of 2021, the growth rate of global port cargo throughput generally slowed down, especially in Asia, which is mainly due to the continuous decline in the demand for bulk commodities and the cancellation of some foreign trade orders due to the rebound of the epidemic, port congestion in the United States, high freight rates and global supply chain chaos. In addition, China's power rationing policy has had a certain impact on the manufacturing industry. The slowdown in production activities and the reduction of import demand for raw materials have further reduced the trade vitality of the Asian market. In Europe, due to government assistance and the recovery of market consumer demand, port throughput still maintained a good growth rate, but decreased compared with the first half of the year. With the rebound of the epidemic in the Americas, the increase of inflationary pressure, and the unresolved problems such as the loss of logistics drivers and the wharf workers' salary issues, the port efficiency has been further reduced.

Overall, the growth rate of most ports in the third quarter decreased significantly compared with that in the second quarter. Among them, only the throughput growth of major ports in Australia has increased, mainly due to the increase in coal and grain import demand in some regions such as India and South Korea. 40% of the world's top 20 ports showed negative growth in port cargo throughput.



Source: Websites of various port authorities, sorted by SISI.

Figure 1 Cargo Throughput of Global Major Ports in 2021Q3

Table 1 Global Top 20 Ports by Cargo Throughput in 2021 Q3

Ranking	Port	2021Q3 (million tons)	YoY Growth Rate	Ranking	Port	2021Q3 (million tons)	YoY Growth Rate
1	Ningbo Zhoushan	300.3	-5.6%	11	Rotterdam	118.5	14.6%
2	Shanghai	195.2	1.8%	12	Busan	110.0	9.5%
3	Tangshan	185.7	-1.3%	13	Yantai	106.6	5.6%
4	Suzhou	184.4	-6.9%	14	Beibu Gulf	92.4	12.2%
5	Qingdao	161.9	-2.0%	15	Jiangyin	89.7	42.5%
6	Guangzhou	153.8	-4.4%	16	Taizhou	86.7	14.0%
7	Singapore	148.3	-0.1%	17	Nantong	77.6	1.8%
8	Hedland	137.4	0.5%	18	Dalian	77.0	-10.1%
9	Tianjin	136.9	-6.1%	19	Lianyungang	74.5	24.2%
10	Rizhao	135.6	3.9%	20	Guangyang	73.8	6.7%

Data source: Official Websites of Ports, compiled by SISI.

Note: The Data of South Louisiana Port have not been published and will not participate in the ranking temporarily.

2.Container throughput growth rate of major ports in the world generally

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The global logistics supply chain continued to be challenged by port congestion, container shortage and inland transportation delay in Q3 2021. Severe weather such as typhoon also had a certain impact on port operations. Sea freight prices continued to fluctuate at a high level, and the traditional peak season of container shipping market was less than expected. According to the statistics of Drewry, a British Shipping Consulting Company, the growth of container volume of ports on Europe, Asia, the United States and Australia fell to 9.8%, 4.2%, 11.4% and 9.3% in the third quarter, generally slowing down compared with the second quarter. Among them, the decline was most obvious in Asia, and the container throughput growth of ports such as Ningbo Zhoushan and Guangzhou changed from double-digit to negative growth. Among them, the decline was most obvious in Asia, and the container throughput growth of ports such as Ningbo Zhoushan and Guangzhou changed from double-digit to negative growth. The shortage of raw materials in Europe affects the recovery of manufacturing industry, and the lack of labor force and insufficient warehouse space affect port production. Container throughput in the Americas still maintained a high growth rate, although congestion had an impact on the growth of port container volume, most ports still maintained a growth rate of more than 10% due to the fiscal stimulus plan and the import demand for medical goods. Problems such as insufficient port capacity and poor land collection and distribution system in the rear continued to affect.



Source: Websites of various port authorities, sorted by SISI.

Figure 2 Container Throughput of Global Major Ports in 2021 Q3

Table 2 Global Top 20 Ports by Container Throughput in 2021 Q2

Ranking	Port	2021Q3 (thousand TEU)	YoY Growth Rate	Ranking	Port	2021Q3 (thousand TEU)	YoY Growth Rate
1	Shanghai	11860	8.1%	11	Dubai	3430	4.2%
2	Singapore	9420	10.1%	12	Xiamen	3100	11.6%
3	Ningbo Zhoushan	7900	18.0%	13	Antwerp	2930	8.0%
4	Shenzhen	7650	14.1%	14	Los Angeles	2750	44.5%
5	Qingdao	6170	3.3%	15	Tanjong Palapas	2640	15.0%
6	Guangzhou	6090	15.2%	16	Bason	2600	8.0%
7	Busan	5560	10.0%	17	Kaohsiung	2470	35.9%
8	Tianjin	5500	19.9%	18	Long Beach	2340	40.4%
9	Hong Kong	4610	2.2%	19	New York/New Jersey	2260	16.7%
10	Rotterdam	3890	19.8%	20	Hamburg	2190	8.8%

Source: Websites of various port authorities, sorted by SISI.

3. Dry bulk throughput growth rate of major global ports pick up

In the third quarter, international dry bulk shipping market rebounded as a result of tight supply of capsized vessels, and growth in grain and small bulk cargoes increased as governments boosted their economies and expanded domestic demand, but coal and iron ore have both fallen back. Due to the uncertainty of China's real estate market, the impact of steel production restrictions and power rationing policies, iron ore throughput has an overall drop, and the tension between supply and demand in the coal market have eased, rising demand from Japan and South Korea for their reserves has boosted coal imports from Australia. Dry bulk cargo situation in Europe and the United States, mainly due to industrial production demand for raw materials, as well as government incentives to promote the recovery of production links. Australia's dry bulk exports have also been helped by a loosening of government controls on ore prices and a shortage of coal in places such as India and Russia, increasing demand for imports.

Table 3 Dry Bulk Throughput of Major Ports in 2021 Q3

Region	Country	Port	Throughput (million tons)	YoY Growth Rate	Region	Country	Port	Throughput (million tons)	YoY Growth Rate
Europe	Spain	Major ports in Spain	22.4	16.3%	South / North America	America	Long Beach	2.6	34.0%

	Netherlands	Rotterdam	20.5	39.1%		America	Corpus Christi	1.8	5.6%
	Italy	Ravina	6.3	42.8%		Canada	Montreal	1.5	-25.0%
	Belgium	Antwerp	3.1	13.1%		Mexico	Major ports in Mexico	41.0	68.1%
	Latvian	Riga	2.7	-17.9%		Columbia	Major ports in Colombia	19.9	24.2%
	Total throughput in Europe		32.5	29.4%		Brazil	Santos	16.9	-23.0%
Oceania	Australia	Hedland	136.4	0.2%		Total throughput in America		83.7	23.0%
	Australia	Dampier	36.4	4.2%					
	Australia	Newcastle	43.7	8.6%					
	Australia	Gladstone	24.3	5.2%					
	Total throughput in Oceania		240.8	2.7%					

Source: Websites of various port authorities, sorted by SISI.

4. Major global ports post slow growth rate in liquid bulk cargo throughput

In the third quarter, as countries eased their closures, employment picked up and the Northern Hemisphere began its winter, global consumption of liquid fuel was higher than production. But as international liquefied natural gas and crude oil prices continue to climb, trade demand has receded. China's "Carbon Peak" target to limit the use of fossil fuels, liquefied natural gas imports, so that the overall demand for oil in Asia showed a decline. In order to promote the economic development and support the recovery of the manufacturing industry, the demand for oil products in European market is generally strong, while the Nordic oil products exports also maintained relatively high growth, Spain's main port liquid bulk cargo throughput maintained a high growth of more than 30%. Affected by Hurricane weather in the Americas, crude oil is in a state of shutdown, inventory is reduced, and the import demand for oil products remains moderate.

Table 4 Liquid Bulk Throughput of Major Ports in 2021Q3

Region	Country	Port	Throughput (million tons)	YoY Growth Rate	Region	Country	Port	Throughput (million tons)	YoY Growth Rate
Asia	China	Ningbo Zhoushan	52.8	-10.0%	Europe	Spain	Major ports in Spain	55.2	35.3%
	China	Qingdao	30.5	-10.9%		Netherlands	Rotterdam	51.2	18.7%
	China	Dalian	23.2	-17.3%		Belgium	Antwerp	18.0	3.2%
	China	Rizhao	21.3	-14.4%		Sweden	Gothenburg	4.9	6.5%
	China	Tianjin	17.2	-13.1%		Total throughput in Europe		129.3	22.0%

China	Yantai	11.9	-15.1%	America	America	Corpus Christi	40.2	5.3%
China	Huizhou	14.7	14.1%		America	Long Beach	8.8	24.6%
Korea	Gwangyang	34.6	5.4%		Canada	Montreal	2.8	-12.0%
Korea	Ulsan	31.7	2.1%		Mexico	Major ports in Mexico	30.6	5.8%
Korea	Dashan	17.1	6.2%		Columbia	Major ports in Colombia	13.5	21.7%
Korea	Incheon	12.3	20.2%		Brazil	Santos	5.0	3.1%
Singapore	Singapore	47.5	-3.6%		Total throughput in America		100.8	8.2%
India	Major ports in India	56.1	9.4%					
Total throughput in Asia		314.9	-5.2%					

Source: Websites of various port authorities, sorted by SISI.

5. Global terminal operators' growth rate slow down while Chinese port companies show good performance

In the third quarter, the momentum of the global economic recovery weakened, the repeated outbreaks of disease combined with an earlier burst of cargo growth were not fully digested, port congestion continued and port operations became less efficient, the level of production and operation of terminal operators has increased slightly compared to the same period last year, in the third quarter, container throughput increased 0.4% , 4.1% , 7.6% , 6.9% (equity throughput) and 9.6% (consolidated statement throughput) for COSCO SHIPPING Ports, China Merchants Port, Dubai Globe, Philippines International and AP mill terminals, respectively. Different terminal operators adopt different development strategies due to their different interpretations of future market trends.

In the first half of 2021, China's domestic economy has been improving, and global orders have been gathering in China, boosting the volume of China's import and export trade. China's port enterprises have fully grasped the market opportunities, made great efforts to improve infrastructure, quality of terminal services, and realized different increases in operating income. The revenue of SIPG, Ningbo Zhoushan Port Co. Ltd. , Tianjin Port Holdings, Rizhao Port Co. , Ltd. and Gulf of Tonkin Co. , Ltd. increased by 44.22% , 22.11% , 26.83% , 7.86% and 11.13% respectively.