

## **Multiple challenges have slowed down the growth rate of global port production significantly**

Recently, Shanghai International Shipping Institute (SISI) released *the Global Port Development Report for the First Quarter of 2022*. Affected by unexpected emergencies such as the epidemic breakout in Asia and the Russian-Ukrainian conflict, as the report revealed, international energy prices rose sharply in the first quarter of 2022. In addition, the high inflation in European and American countries and the accelerated tightening of monetary policy have significantly inhibited cross-border trade and international procurement. At the same time, the lack of labor has led to poor logistics collection and the lack of resilience of the global supply chain. As a result, the growth rate of global port production has slowed down significantly compared with the same period of the previous year, and the growth rate of throughput of major ports is only 1%. Growth was almost zero. Ports in South America, Africa and other places fell into the negative growth range.

### **1. North American port throughput growth led the world**

In the first quarter of 2022, under the influence of the complex international economic and trade environment, the growth rate of global port cargo throughput dropped sharply. Among them, the ports of some emerging economies in Asia, South America and Africa have the most obvious decline. On the one hand, the repeated epidemics have led to the shortage of labor and other production factors, and the international energy and raw material prices have continued to increase, which in turn affected new orders in the manufacturing industry; On the other hand, unexpected events such as geopolitics, extreme weather, inflation, and supply chain chaos posed multiple challenges to the development of international trade and port logistics. Taking ports in mainland China as an example, the growth rate of port throughput in the first quarter has dropped from 18.8% in the same period of the previous year to 1.6%, of which foreign trade throughput has dropped by 4.7%; most ports in South Korea, India, and Southeast Asia were in a state of stagnation. The European region was most seriously affected by the Russian-Ukrainian conflict. The food crisis and energy crisis

continued to reduce the purchasing power of European consumers, causing important ports such as Rotterdam, Hamburg, and Valencia to fall.

Table 1 Cargo throughput and growth rate of the world's top 20 ports in the first quarter of 2022

Rank	Port Name	The first quarter (10,000 tons)	Year-on-year growth	Rank	Port Name	The first quarter (10,000 tons)	Year-on-year growth
1	Ningbo Zhoushan	30325	3.4%	11	Rotterdam	11356	-1.5%
2	Shanghai	18227	2.2%	12	Yantai	11329	10.7%
3	Tangshan	17887	2.7%	13	Busan	10648	0.1%
4	Qingdao	15826	2.9%	14	Taizhou	8971	14.2%
5	Singapore	14574	-3.6%	15	Beibu Gulf	8615	4.2%
6	Guangzhou	14474	-2.3%	16	Jiangyin	8026	18.7%
7	Rizhao	13959	7.5%	17	Dalian	7508	-2.4%
8	Suzhou	13701	3.3%	18	Huang Hua	7462	-5.0%
9	Hedland	13443	5.1%	19	Gwangyang	6966	-2.1%
10	Tianjin	12755	-0.6%	20	Lianyungang	6963	8.7%

Data source: official websites of major ports, collated by SISI.

Note: The data of the South-Central Louisiana Port of the top 20 ports has not yet been released and will not participate in the ranking for the time being.

In contrast, although North American countries also speeded up the tightening of monetary policy under high inflation, the demand for restocking of food, automobiles, and industrial products was still strong. And they also increased energy exports to Europe such as oil products and natural gas. In addition, despite the drop in trade demand, western US ports operated around the clock to deal with backlogs of ships and cargoes; In order to avoid uncertain risks such as strikes brought about by labor negotiations at US and western ports in the second half of the year, more and more liner companies chose to call at US eastern ports and Mexico coastal ports. The cargo volume of Houston, Virginia, Manzanillo Colon and other ports has increased, which further improved the throughput of American ports, making the growth rate of American ports lead the world.

## 2. Global port container throughput growth stagnated

In the first quarter of 2022, the global container shipping market was affected by

the lack of supply chain resilience, the Russian-Ukrainian conflict and other unexpected emergencies, the growth momentum was greatly weakened, and the port container throughput in most regions except those in Americas fell into negative growth. In addition to the impact of geopolitical conflicts and epidemic prevention measures, the explosive growth of the container shipping market in the same period last year brought about a high cardinality effect, which also reduced the growth rate of port containers to a certain extent. Among them, the container throughput of European ports fell the most. As the stimulus consumption policies withdrew, container liner delayed and supply chains blocked, combined with the impact of trade sanctions in the Russian-Ukrainian conflict, Europe's fragile maritime trade has been largely impacted. Among European ports, the container volumes of Antwerp and Rotterdam fell by 11.6% and 1.7% year-on-year respectively in the first quarter, mainly caused by the sluggish demand, poor logistics collection and distribution channels under the epidemic and the failure to meet the centralized loading and unloading needs of delayed arrival ships. Although there was an epidemic outbreak in March in Shanghai, the volume of containers in Shanghai Port increased thanks to establishing an empty container transfer center, giving full play to water-to-water transfers, and expanding the terminal capacity and international routes. However, judging from the overall performance of global port container throughput, it was still worrying, and the growth trend seemed stagnate.

Table 2 The container throughput ranking of the top 20 ports in the world in the first quarter of 2022

Rank	Port Name	The first quarter (10,000 TEU)	Year-on-year growth	Rank	Port Name	The first quarter (10,000 TEU)	Year-on-year growth
1	Shanghai	30325	3.4%	11	Dubai	11356	-1.5%
2	Singapore	18227	2.2%	12	Tanjung Pelepas*	11329	10.7%
3	Ningbo Zhoushan	17887	2.7%	13	Xiamen	10648	0.1%
4	Shenzhen	15826	2.9%	14	Antwerp	8971	14.2%
5	Qingdao	14574	-3.6%	15	Los Angeles	8615	4.2%

6	Busan	14474	-2.3%	16	long beach	8026	18.7%
7	Guangzhou	13959	7.5%	17	Kaohsiung	7508	-2.4%
8	Tianjin	13701	3.3%	18	Klang*	7462	-5.0%
9	Hongkong	13443	5.1%	19	New York/New Jersey	6966	-2.1%
10	Rotterdam	12755	-0.6%	20	Laem Chabang	6963	8.7%

Data source: official websites of major ports, collated by SISI. Note: \* indicates forecast data.

### **3. The growth rate of dry bulk cargo throughput of major ports in the world has fallen**

In the first quarter of 2022, the global dry bulk seaborne trade volume still maintained a slight growth, among which iron ore and coal transportation demand was relatively strong, while grain trade declined. The Russian-Ukrainian conflict has changed the global bulk commodity trade pattern, forcing European countries to purchase bulk commodities and energy materials from Middle East, South America, and Australia and making the global bulk carrier capacity in short supply. Although the high price of bulk commodities affected the import demand of various countries to a certain extent, but the demand for raw materials in Europe to maintain industrial development was still strong. Trade in coal and other energy commodities such as coal was more active due to strategic security, which has led to the growth of dry bulk cargo throughput in many ports. In contrast, Asian countries were affected by prices, which further reduced purchasing demand. Among them, China's import demand for steel, coal, soybeans, iron ore, etc. all fell sharply. The performance of Australian ports was not optimistic as well. The number of cases of COVID-19 at the beginning of the year greatly increased, which led to the closure of the border in Western Australia and the labor shortage. It even caused the underground accident at the Moranbah Mine in March, which significantly reduced iron ore production; In the meanwhile, Australian coal production was affected by floods in New South Wales and Queensland, and the export volume fell slightly.

### **4. Liquid bulk cargo throughput of major ports in the world maintained**

## **growth**

In the first quarter of 2022, global liquid fuel consumption continued to exceed its production, causing international fuel oil and liquefied natural gas prices to continue to rise. As the Russian-Ukrainian conflict broke out, European and American countries imposed trade sanctions against Russia and reduced oil and natural gas purchases from Russia, which gradually increased the scale of maritime energy trade under the awareness of the energy crisis. Although Port of Rotterdam stopped transferring Russian business, the throughput of liquid bulk cargo such as crude oil, liquefied natural gas and vegetable oil still maintained a good upward trend. In order to meet the needs of their own manufacturing and economic development, some Asian countries, including India, did not impose sanctions on Russia's oil trade under pressure from the United States, however, they increased their efforts to purchase at low prices. In March, India imported four times as much crude oil from Russia as in the same period of last year. American ports also seized favorable opportunities to vigorously develop the transportation of liquid bulk cargoes such as oil products. On the one hand, the United States was gradually becoming a supplier of oil products and natural gas in Europe, and its export trade was growing well; On the other hand, Brazil was also actively increasing crude oil production to cope with the impact of Russian energy interruption.

## **5. Global terminal operators were stable, but the growth rate has slowed down**

In the first quarter of 2022, under the background of the weakened global economic recovery, unsolved port congestion in European and American, low operating efficiency of terminals and low base effect in previous years, the growth rate of terminal container throughput of most global terminal operators has dropped, and the container throughput of COSCO Shipping Port, China Merchants Port, Dubai universal, Philippines International and AP Muller terminal in the first quarter increased by 6.1%, 0.7%, 1.4%, 4.5% (equity throughput) and 1.4% (consolidated report throughput) respectively. In view of the long-term impact of the epidemic and the uncertain economic and trade environment, in the first quarter, global terminal operators took few actions to expand their terminal assets, and their business strategies focused on

improving the layout of existing terminals and upgrading infrastructure.