



# Container Shipping: Winter is coming!

Container shipping has been a roller coaster ride during the pandemic. Some call it a shipping crisis; some see it as a record-breaking good market. The turbulent market comes at a cost, and now is the time to exercise diligence.

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# The container shipping market

The onset of Covid caused immediate recession in production and trade. The bounce-back came quickly and hard, which is good news for logistic companies and container carriers. Commentators have, however, called it a container shipping crisis depending on their perspective. The major ports in Asia, USA and Europe have become bottlenecks as covid outbreaks and restrictions slow operations down. We have seen temporary closing of terminals, massive congestion of vessels in some ports and lack of empty containers in others. Cancelled sailings have caused headaches for cargo shippers. Blockage of the Suez Canal did not help the disruption in supply chains either. A range of consumer products are simply not available in Europe or the USA. Analysts are worried about Christmas this year.

Looking at all this from the container carrier side: the demand for transportation is currently at an all-time high. The cost for shipping goods is skyrocketing with increases in shipping prices per container exceeding 600% during the last year for certain areas. This will have a positive effect on the bottom line for the container shipping industry. A purchase of a container ship may currently be earned back by only a few voyages from east to west. The struggle is to find enough containers and slots on board. This means that certain cargoes and bookings move quickly these days. Ships are maximizing capacity with higher, wider and heavier container stacks than ever.

## The flipside

Shortcuts are tempting in a fast-moving highly profitable market. Badly produced, wrongfully secured, and mis-declared cargo has tormented container shipping with catastrophic fires for many years. This year is no exception with a high number of incidents and near misses although it is only catastrophic, high severity cases that reach the public eye. Shippers, terminals, vessel planners, cargo professionals or container carriers should maintain their integrity: be careful and pay attention to details. No shortcuts should be allowed in the cargo supply chain, or when containers are booked and shipped.

Surging markets, as always, result in creativity. For instance, Gard has received an increasing number of enquiries regarding shipping containers on-board other types of vessels including bulkers. Such carriage could be arranged, but you need to know what you are doing which will include class and flag approval. Further information can be found in our recent article on [the carriage of containers on bulk carriers](#).

Finally, let's not forget that last winter season was the worst we have seen in terms of container losses at sea. Carriers and insurers were hit by a high number of multiple stack collapse cases. You find several cases amongst the incidents of last season which on their own would be groundbreaking compared with comparable cases from earlier years in terms of number of containers lost. The complications which come with these cases are severe in terms of environmental damage, costs, liabilities, authorities' demands and bad publicity to mention a few. The market gain for container carriers comes at a cost.

So be diligent, check the twistlocks and fasten the lashing gear--winter is coming!

See also Gard's articles on [causes and liabilities arising out of container-loss at sea/stack collapse incidents](#) and [container ship fires and the need for change](#).