

HBI NEWSLETTER

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Growth slowdown

The resumption of Covid 19 in China and the consequences of the war in Ukraine should, according to economists, slow global growth.

The trend in maritime freight rates has been downward for several weeks. The FBX Global Container Index fell another 1% this week.

From China, the index drops by 3% for Northern Europe and drops by 1% for Mediterranean ports.

Is this a return to cheaper rates? It is not sure, every year after the Chinese New Year the rates go down and this year they also follow this trend. There are still uncertainties, and even before the lockdown in Shanghai, Shipping lines were considering blank sailings to adjust capacity and keep freight at a high level. In the Export bound, Europe to Asia, the index fell by 1%. On the other hand, export rates from Europe to the American continent are up sharply this week: +8% for South America and +15% for North America.

Activity in Shanghai on break



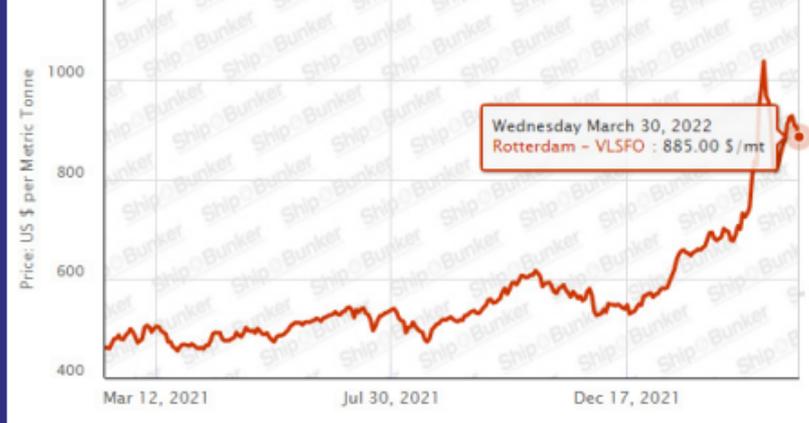
The resurgence of the Covid in China has led to a two-stage lockdown in Shanghai: the eastern part of the city is closed until Friday and the western part will be from April 1 to 5.

Ports remain open, but factories and warehouses are closed and road transport severely restricted, so that the port production and the availability of goods are expected to decline. The shutdown could also shift some exports to Ningbo

Fuel prices

Oil prices are still very volatile. After an excursion to \$1,037 per ton on March 9, the price has come down almost as fast as it has gone up. The price seems to stabilize around \$900.

Price pressure is fueled by supply problems in the Black Sea. On the other hand, if the European Union is working to reduce its dependence on Russian hydrocarbons, it does not seem to have the intention of imposing a total embargo on Russian oil, which curbed this buying fever at the end of last week.



Transit time reliability improves (slightly) in February 2022

Sea-Intelligence has released its Global Liner Performance (GLP) report, with reliability figures for transit times up to and including February 2022. Sea-Intelligence sees a 4% improvement in February 2022. Average ship delay also improved month-on-month, decreasing by 0.77/day, to reach 7.11 days in February 2022. However, it should be noted that the delays are now more than 7 days, and this since August 2021.



Ecological transition: electric ships

The Chinese shipowner COSCO has placed an order for 2 fully electric container ships with a capacity of 700 TEUs. These vessels will not be deployed on the high seas, but in feeder service on the Yangtze River to serve river ports from Shanghai to Chongqing.



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