

Covid pandemic wiped 24.6 million TEUs off container market growth

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"Due to the Covid-19 pandemic, the global container market grew only 1.5% from 171 million TEU in 2019 to 173.5 million TEU in 2023. Without the pandemic, that figure would have been 24.6 million higher, landing at 198.1 million in 2023," says Niels Rasmussen, Chief Shipping Analyst at BIMCO.

During the past four years, the container market has faced not only lower-than-expected growth in the global economy, but the ratio of market growth vs economic growth, the so-called GDP multiplier, was also substantially lower than normal.

In October 2019, the International Monetary Fund (IMF) forecast that the global economy

would grow at an average annual rate of 3.5% during 2020-2023, in line with the average annual rate of growth of 3.4% seen during the years leading up to the pandemic. Instead, the global economy ended with an average annual growth rate of only 2.6%.

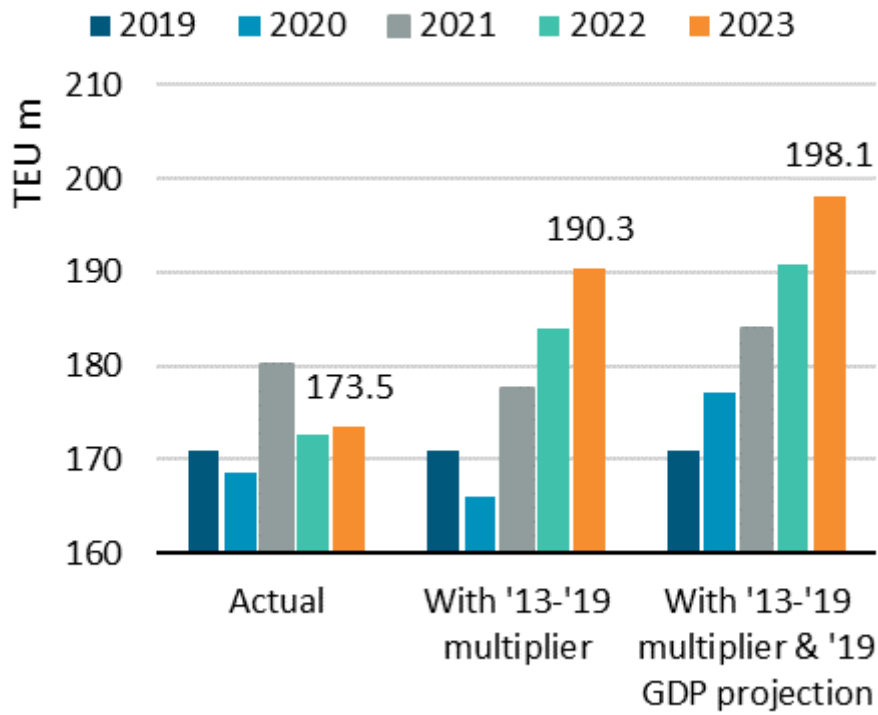
"At the same time, the container market grew at an average annual rate of 0.4% during the 2020-2023 period, equal to a GDP multiplier of just 0.14. Between 2013 and 2019 the GDP multiplier averaged 1.06. Had this been maintained during 2020-2023, the market would have grown at an average annual rate of 2.7% and the 2023 container market would have ended 16.8 million TEU higher," stated Rasmussen.

The multiplier between regional GDP growth and regional container import volumes was lower than during the 2013-2019 period in all regions. However, in the East & Southeast Asia and Europe & Mediterranean regions, the multiplier was negative during 2020-2023 and import container volumes ended lower in 2023 than in 2019. 11.4 million of the 16.8 million TEU lost due to a lower GDP multiplier was lost in the two regions.

Average annual GDP growth in North America ended the 2020-2023 period 3.6% higher than the IMF predicted in October 2019. However, in other regions, GDP growth was lower than the 2019 projection and global average annual GDP growth ended 28% lower than the projection.

"Had the global economy grown as originally predicted during 2020-2023, and had the GDP multiplier matched the 2013-2019 level, the global container market in 2023 would have been 24.6 million higher. Whether or not pent-up demand, and/or global economic growth above trend, can help recover part of the lost growth in coming years remains to be seen. However, current predictions for growth in the global economy do not indicate a resurgence in growth," added Rasmussen.

Market size excl. COVID effects



Source: BIMCO, Container Trades Statistics

This article was written by Niels Rasmussen, Chief Shipping Analyst at BIMCO