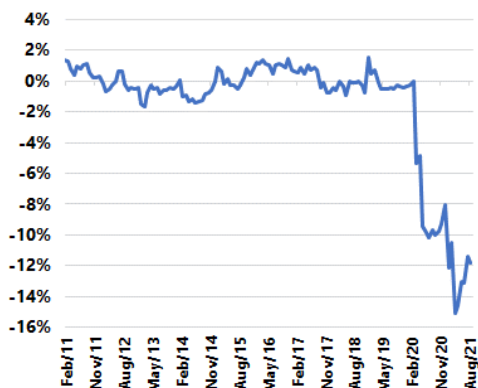


## US container imports boom unlikely to last

In issue 535 of the *Sunday Spotlight*, we used data from the US Bureau of Economic Analysis (BEA), to see whether the ongoing container demand boom in North America is sustainable, or whether – and when – it might come to an end.

Historically, the rate of growth in spending in services has consistently exceeded that of goods. This changed starting in the spring of 2020 following the initial impact of the pandemic, where the deviation from the 60-year trend line was very quick, followed by a brief period of stagnation, and an even higher peak touching nearly 8%.

**Fig. 1: Relative change in goods to get back to 2011-2019 trend**



To see the level of decline in consumer spend needed to bring it back in line with the trend, we need to factor in the relative share of goods and services. When looking at the 60-year long term trend, the sale of goods would need to see a downwards correction of some 20% compared to the present level. However, as seen in figure 1, compared to the past decade, the sale of goods needs to decline by 15% compared to the peak impact in March 2021. There has already been some correction taking place until August 2021, where the “gap” has been reduced to 12%.

Over the past few months, the growth rate on spending on goods has been slowly declining. At the same time, the spending on services has shown a slow but consistent growth since the early pandemic shock, suggesting signs of consumer behaviour shifting towards services.

The baseline assumption going forward must be that consumer spending patterns will normalise. The timing is much more difficult to ascertain, as this depends in part on the development of the pandemic itself. However, it might be instructive to look at the period after the financial crisis, where it took a little over two years from peak impact, until full reversal to the long-term trend. The reversal might therefore not appear as a sudden shock to the container flows, but potentially as a more gradual correction taking place over a couple of years. But there is no guarantee of this, as the current impact is caused by a forced pandemic imposition on behaviour, in which case, the transition might come faster.

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Sea-Intelligence is a leading provider of Research & Analysis, Data Services, and Advisory Services within the global supply chain industry, with a strong focus on container shipping. Combining strong quantitative analytical skills with a deep understanding of the supply chain industry, based on many decades of experience at all central parts of the Ocean supply chain, Sea-Intelligence supports customers across all stakeholder groups.