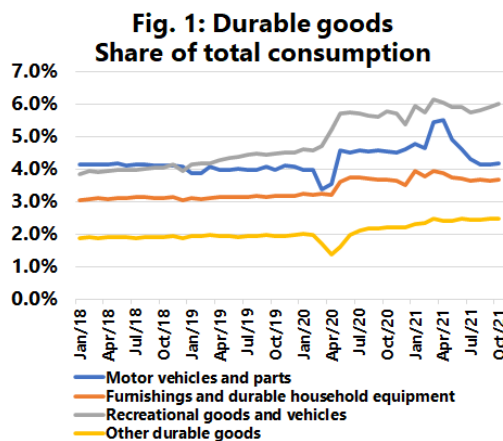


No sign of end to US demand boom

In issue 543 of the *Sunday Spotlight*, we analysed the latest figures published by the US Bureau of Economic Analysis (BEA) relating to personal consumption for October 2021.

Personal consumption in the US reached record levels in October 2021, with consumption of services nearing the pre-pandemic levels, and consumption of goods continuing to increase. Breaking it down further, non-durable goods plateaued at a higher level after the initial impact of the pandemic, whereas durable goods plateaued at a higher level, followed by an upwards spike in early 2021, followed by a down-shift to that higher plateau.



Diving into even more detail of the durable goods (shown in figure 1), we see an increase and a subsequent sharp decrease in motor vehicles and parts, with the decline caused by shortages of computer chips, and not due to container shipping supply chain issues. However, that decline, which largely does not impact container shipping, is compensated by the continued increase in recreational goods and vehicles and other durable goods, items which are overwhelmingly moved in containers.

Within recreational goods, the main driver of the increase is video, audio, and photographic goods. Within the other durable goods category, the growth is primarily driven by telephones and communication equipment, as well as jewellery and watches. Within the furniture and furnishings category, there was a slightly declining trend for furniture, and a slightly increasing trend for the consumption of glassware, tableware, and household utensils. One context to think this into, is the current supply chain issues. The extremely high freight rates, combined with capacity shortages, is increasingly favouring the shipment of goods which are smaller – and this is likely a key component underlying the decline in furniture.

In non-durable goods, there is a slight shift in how food is consumed – gradually shifting back to on-premises from off-premises, but from a shipping perspective, it does not matter how these goods are sold, they still need to be moved.

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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.