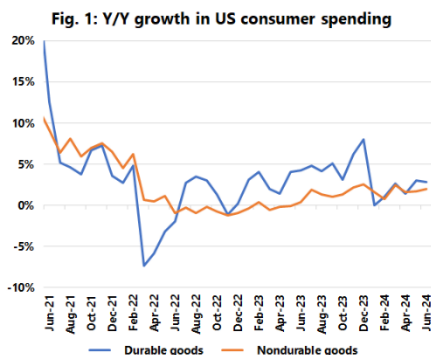


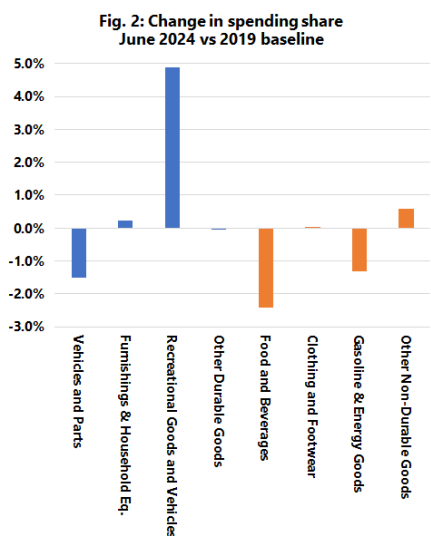
No sign of sudden US spending boom

The US consumer spending data released by the US Bureau of Economic Analysis (BEA) shows that there has not been a sudden boom in the consumer spending, lending support to the notion that the early peak season for container goods is driven by front-loading of imports and not a sign of consumer spending surge.



At the highest level, data is separated into 'goods' and 'services'. 'Goods' are further divided into 'durable goods' and 'non-durable goods'. Figure 1 shows the Y/Y growth in both 'durable goods' and 'non-durable goods' for the last 3 years.

The Y/Y growth in spending across 'durable goods' shows a sharp drop in the early part of 2024, and whilst it has been recovering again, it is not yet back to the same growth level as in 2023. In the case of 'non-durable goods', the growth rate has been steadily increasing since end-2022. What is however abundantly clear here, is that there has not been a sudden surge in consumer spending in late spring/early summer 2024.



Furthermore, the only sub-section of 'goods' showing any significant increase in share of consumer spending is 'recreational goods and vehicles', with the share of total goods spending increasing from an average of 10.2% in 2019 to 15.1% in June 2024. Looking into the components under this sub-section, we find that the major driver of this growth is 'information processing equipment', and more specifically 'computer software and accessories'. Since these components do not move in containers, this boost to consumer spending in the 'goods' sector does not benefit container shipping.

None of the categories that support container shipping have seen any significant level of growth in recent months, strongly suggesting that the growth in container volumes in May and June was largely driven by frontloading of peak season cargo.

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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.