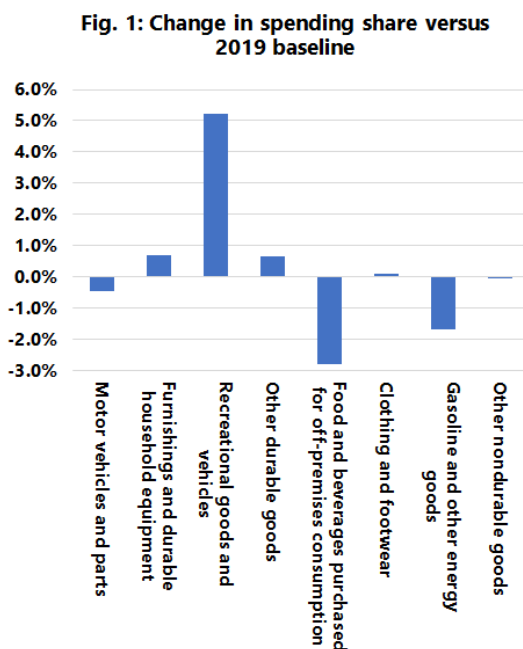


## Large spending on goods not in containers

As we near the end of the traditional peak season, the spot rate declines over the past 2 weeks are a very clear indicator that the peak season did not really materialize. Further to that, there are dark clouds looming over the horizon for the Transpacific trade, in part linked to US consumer behaviour.

One element is the change in consumer behaviour we saw during the pandemic (from services to goods), which is very likely to change back and have a negative impact on import volumes. Digging deeper, we see that in recent months, the growth is concentrated on goods which are not predominantly moving in containers. This data comes from the US BEA (Bureau of Economic Analysis).



As we can see in Figure 1, the largest increase is for recreational goods and services, from 12% of the consumption in 2019 to 17.2% by July 2023. Diving deeper, we see that the largest growth within this category is exhibited by 'Video, Audio, Photographic, Information Processing Equipment, and Media'. Going a step further, the 'Information Processing Equipment' is genuinely growing fast mid-2023. The main driver of strong growth within this category is clearly seen to be Computer Software and Accessories; and software is mainly not moving in containers, which means that this strong boost to consumer spending does not benefit container shipping lines.

Another major growth component on goods spending is the overall 'Vehicles' category. New vehicles are indeed growing well, but once again, these are mainly not containerized.

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All quotes can be attributed to: Alan Murphy, CEO, Sea-Intelligence.

For more information, please contact: [ia@sea-intelligence.com](mailto:ia@sea-intelligence.com), [am@sea-intelligence.com](mailto:am@sea-intelligence.com)

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.