

Chicago/Turabian Style Essay Sample

Container Shipping Growth

Statistics is an extremely interesting science, as it helps to analyze the performance and historical highlights of the majority of industries. Let us consider the example of shipping industry to show how statistics can support the arguments.

Shipping market has been constantly growing during the last decade. In spite of the significant downfall in the development of containerized volumes in 2008, caused by the global economic crisis that hit all the industries, shipping remains one of the most capital consuming and profitable industries of the modern economics. Due to the dependence of shipping business on growth and downfall in international trade volumes, the effect of recession is especially visible and recovery period is generally reflective to the average growth of international trade volumes.

According to the statistics, provided by the major source of containerized data, the Containerization International, overall container shipping volumes fell down by 32% in the course of 2008 and the recovery started only in mid-2010, when Asia-Pacific trade started to see an increase in shipping rates and export volumes¹.

According to the information from the International Shipyard Association, access demand expected in the first quarter of 2011 will account for just about two million tonnes². The major concerns of the shipping companies are to where they can utilize the tonnage that will be released in the market. With these prospects in mind, companies start to look for innovative solutions that solve both problems variable costs, associated with the growing fuel prices and time charter rates, as well as fixed costs that will be flown into the network by provision of new ships.

One of the recent and extremely effective solutions is the slow steaming initiative that allowed to reduce by 21% overall costs of the companies per network corridor, by increasing a number of ships in the network and reducing average steaming speed of the vessels. With no effect on the actual schedule and delivery time it allowed a lot of companies to optimize their cost picture.

Notes

1. M.E. Wilson, *Electric rhetoric: Container Shipping: new age* (Cambridge: MIT Press, 2009), 155.
2. M. Simson, "Order Book. Container Ships", *The New Yorker*, no. 26 (May 2010): 15.

Bibliography:

Simson, M. 2010. "Order Book. Container Ships." *The New Yorker*, no 26 (May 2010): 15-17.

Wilson, M.E. "Electric rhetoric: Container Shipping: new age." Cambridge: MIT Press, 2009.