

## Chinese New Year - End to Equipment Shortage in Sight

After a bumpy 2020, an end to the equipment shortage is in sight. A positive trend of the Container Availability Index, with values of 0.34 for 20DCs and 0.37 for 40DCS, could make Chinese New Year the turning point.

**Container xChange - January 25, 2021** | For months, containers were extremely scarce across China, and prices have skyrocketed to record highs. Mainly as a consequence of unexpected demand for containerized goods created in the wake of global social lockdowns.

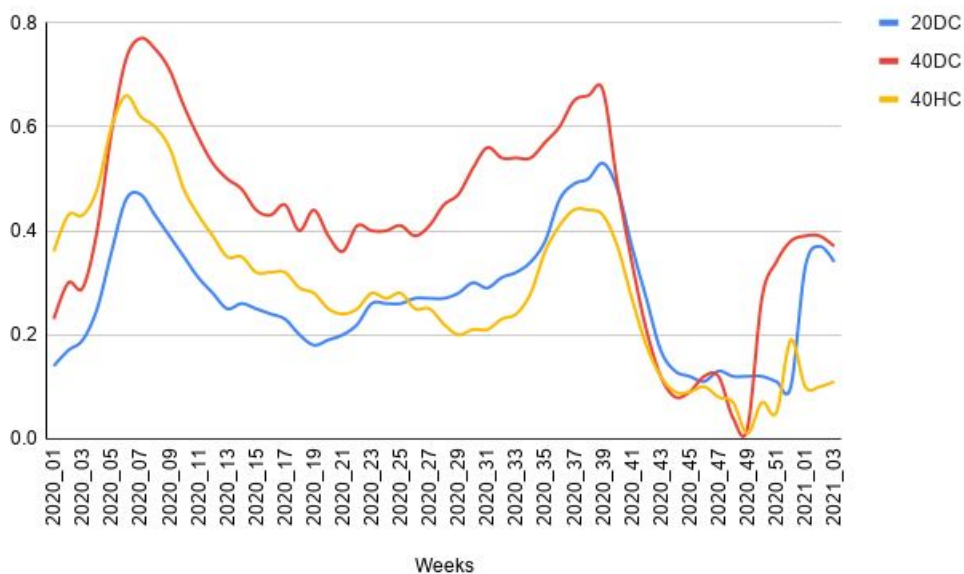
How bad the situation was, can be seen in the Container Availability Index (CAx). Developed by Container xChange, the index tracks millions of container moves to monitor and forecast equipment availability. "An index of 0.5 describes a balanced market, below 0.5 a shortage of containers", according to Dr. Johannes Schlingmeier, CEO of Container xChange.

For Shanghai, a city traditionally known for a deficit of containers, the index reached record lows in December 2020 of 0.13 for 40DCs and to an even lower 0.08 for 40HCs. A minus of 75% and 83% compared to equipment levels in the first quarter of 2020.

As a side effect, pickup charges for one-way containers skyrocketed to \$1850, and prices for used containers climbed up to \$2493 for 20DCs across China, according to Container xChange.

### Will Chinese New Year become the turning point?

Chinese container factories now work at full production. And due to the aggressive repositioning of empties back to China by the shipping lines, Chinese New Year stands to become the turning point of equipment shortage.



Container Availability Index in 2020/ 21 for 20DCs, 40DCs and 40HCs in Shanghai

An index of 0.5 describes a balanced market, below 0.5 a shortage of containers | Access the raw data here:  
<https://docs.google.com/spreadsheets/d/1BpfD6q8nTCq1OGAqIRtVN7GlfRpXWxVkwggc2tPTFek/edit?usp=sharing>

“With a growth of 37.5% for 40HCs and even 200% for 40DCs in January compared to December 2020, the Container Availability Index finally shows a positive trend for shippers and forwarders who are looking for equipment in Shanghai”, says David Amezcua, Head of Data Insights at Container xChange.

With the vast increase we're seeing in the container availability, Shanghai is on its way back to normal levels. A similar development is happening across other ports in China. Qingdao, for instance, even reaches index values of 0.5 for standard equipment - which represents a balanced equipment situation.

For some of the major hubs across Asia like Singapore, Nhava Sheva and Port Klang the Container Availability Index shows the same trend. Compared to December 2020, container availability is up 58% in Singapore, 35% in Nhava Sheva and 54% in Port Klang across standard container types in January 2021.

### **Forecast: Positive trend to continue in February**

Looking at the forecasts, the indications are that the equipment situation will remain stable in the coming weeks. Until mid-February, the Container Availability Index will settle at around 0.35 for 20DCs and even 0.38 for 40DCs.

The average availability of containers in Shanghai for 2019, a “normal year” for the shipping industry, puts the recent development into perspective. Average index values of 0.19 for 40DCs and 0.38 for 40HCs show that Shanghai used to be a deficit location even before COVID-19.

The positive container availability trend for Shanghai proves that actions taken by the shipping lines are working. The aggressive repositioning, which has grown by +125% in December on the online platform Container xChange, and the increased number of newly built containers contribute to normal availability levels again.

Chinese New Year becomes the turning point for the shipping industry.

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### **About the Container Availability Index:**

The Container Availability Index tracks millions of monthly container moves to monitor and forecast the global container equipment supply. An index of 0.5 describes a balanced market, below 0.5 a shortage of containers. For more information and weekly email updates, check out <https://container-xchange.com/features/cax/>

### **About Container xChange:**

Container xChange is the world's leading online platform used by 600+ companies to buy, sell and lease shipping containers. Container users and owners use the platform to find

containers, work with vetted partners and automate the operational workload. Started by Dr. Johannes Schlingmeier and Christian Roeloffs in 2017, the company has now more than 100+ employees with headquarters in Hamburg, Germany. <http://container-xchange.com/>