

Perishable cargo growth prospects looking good

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There's a rosy outlook for perishable cargo which is forecast to better weather the Covid-19-induced economic storm than the dry cargo trade given the broader resilience of the food supply chain, according to Drewry's latest Reefer Shipping Annual Review and Forecast 2020/2021.

The bad news, however, is that the availability of refrigerated container equipment is expected to tighten as buoyant trade and a continued modal shift boost expansion in reefer cargo carried by containerships, the report states.

It's an issue further exacerbated by the trade imbalance on import/export trade routes, with southern Africa singled out as having particularly high negative imbalance ratios.

Growth in perishable cargo last year slowed to its weakest level - at 1.7% or 130.5 million tonnes - since 2015.

"It was held back due to lower shipments of both deciduous and citrus fruits on the back of extreme weather conditions in Europe and drought in South Africa and Chile, though aided by soaring pork traffic into China following the outbreak of African swine fever," according to the report.

The forecast is that seaborne reefer traffic will reach 156 million tonnes by 2024, representing average annual expansion of 3.7%, which is faster than the anticipated growth in the wider dry cargo trade.

“Drewry expects the reefer trade to be more recession proof against the economic impacts of Covid-19,” said Drewry’s head of reefer shipping research Philip Gray. “And near term, it will continue to benefit from African swine fever-induced protein demand into Asia. The continuing trade standoff between the US and China remains a threat to transpacific trade, but could provide opportunities on other routes through trade substitution, such as East Coast South America to Asia.”

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