

5 Takeaways from 2018 GA Foreign Trade Conference

1. Transoceanic shipping rates will stay low over the next few years due to increased capacity of large 22,000 TEU vessels and China building ships to offer inexpensive shipping rates to promote Chinese exports.
2. The larger ships pose challenges from a loading / unloading standpoint as they are significantly longer and deeper.
3. In the future, there are likely to be fewer, but much larger ports in the US due primarily to larger ships. The Port of Savannah has specific growth plans recently detailed by executive director Griff Lynch. Plans include goals of 42 ship to shore cranes, 200 yard cranes, new lanes for yard cranes (RTGs) and significant expansion of the intermodal system by 2028.
4. The 2020 Global Sulphur Cap, mandating a reduction in sulphur in fuel oil used on board ships from 3.5% to 0.5%, is a looming compliance issue that will have a fiscal impact on the entire shipping industry.
5. There is a huge push for a consolidated plan of digitization of container and shipping information. This is a complex task due to import / export rules across more than 20 countries, multiple languages, multiple carriers, and more than 50 ports. It should be implemented within the next 3-5 years and will make all aspects of shipping more efficient.