

# Australia's seaborne containerised freight Forecasts to 2010-11

**The** BTRE has recently released a working paper *"Australia's Seaborne Containerised Freight"*, which forecasts container movements into and out of Australia. Combined Australian containerised imports and exports are expected to increase at an average annual rate of 5 per cent over the period 2001-02 to 2010-11. In absolute numbers, this represents about 3.8 million import and export containers expected to be handled in 2010-11 compared with 2.2 million in 2000-01. Figure 1 and 2 shows the forecast trends in terms of number of containers and in tonnes, respectively. Table 1 is the forecast number of containers and table 2 is the forecast in tonnes for export and imports separately.

The BTRE study forecasts that domestic containers will increase at an average annual rate of about 8 per cent over the period 2001-02 to 2010-11. Domestic containers comprise transshipment containers (import containers that are discharged at an Australian port and then transhipped to another Australian port) and local containers (containers carried on the coastal trade; that is, from one Australian port to another). This relatively high growth rate is expected because the larger ships entering the liner trade will not be able to berth at some ports, thereby increasing the number of transhipped containers.

Figure 3 shows world container ship deliveries as at 2001, and it reflects the dominance of ship sizes in the range of 5 000 TEUs and above in terms of capacity they offer. Although container ships in some trade routes have reached a capacity of 7 060 TEUs, given the lower volumes of Australian trade, the largest container ship currently operating to and from Australia is 4 100 TEU in size. Some industry experts believe that if for example, 6 000 TEU ships entered Australian trade, there would have to be an offsetting factor—such as reduced frequency (which would not be beneficial to Australia's trading task)—to balance capacity and to ensure cost-efficient slot utilisation. The use of larger ships would also cost Australian shippers more if the cost of transshipment and inland transport costs outweighed any savings in mainline shipment. Notwithstanding these concerns, the Australian trade is bound to slowly follow the world trend toward larger ships.

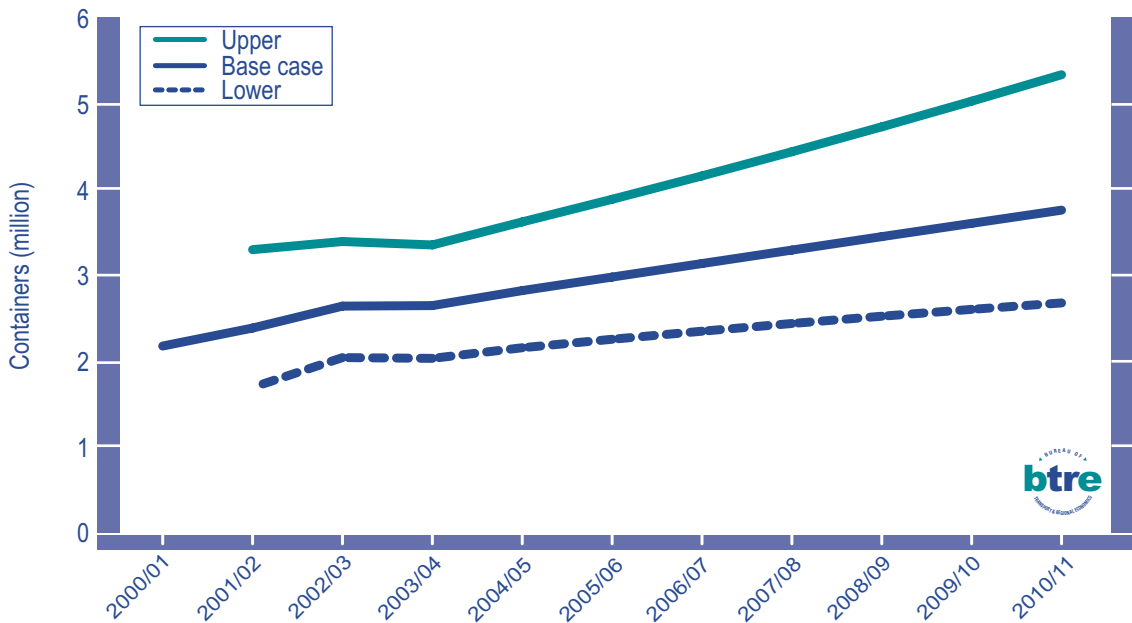
The working paper confirms that over 50 per cent of Australia's trade by value is currently carried in containers. The containerised share of Australia's international trade is expected to increase as greater quantities of cargoes traditionally shipped in bulk such as coal, grain and salt are shipped in containers.

The working paper also reviews the relative proportions of 40-foot and 20-foot containers. These proportions affect total container numbers, the efficiency of

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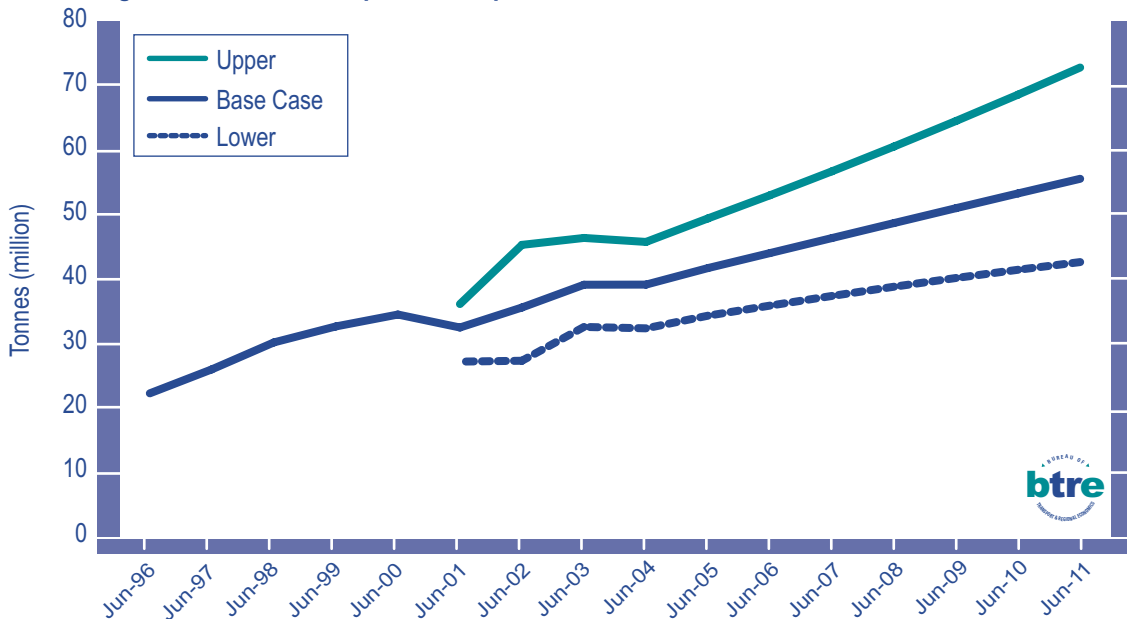
Forecasts to 2010–11

Figure 1 Container forecasts



Source: BTRE.

Figure 2 Combined import and export



Source: BTRE.

intermodal transfers and pressure on port facilities and connecting road and rail links. The proportion of 40-foot containers currently handled at all Australian ports is around 31 per cent (the average for the five major ports is about 33 per cent). The most likely forecast is that the proportion for all ports would average around 35 per cent during the forecast period.

However, under the high-growth scenario for 40-foot containers, their proportion would rise to around 56 per cent during the forecast period. In this case, there would be a three-fold increase in 40-foot containers handled in the next decade (from about 700 000 currently to up to 2.1 million by 2010–11). However, under this scenario, the total number of container movements would rise at a much lower rate, reaching around 2.8 million in 2010-11. The expected proportion of 40-foot

Figure 3 World container ship deliveries by size range in 2001

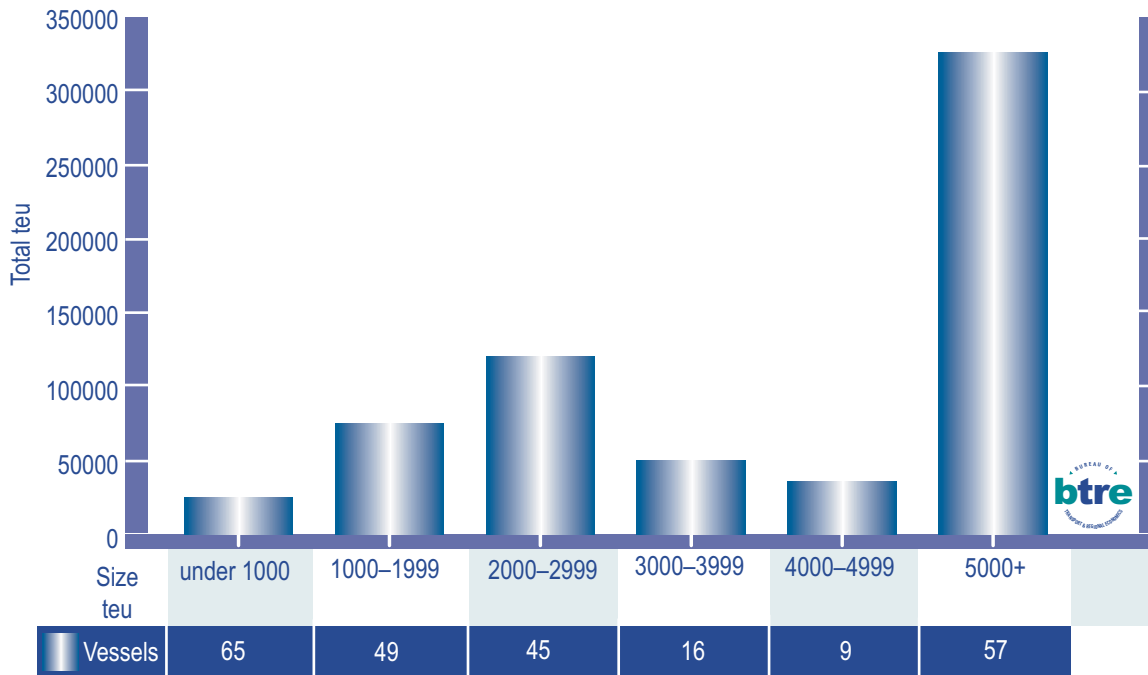
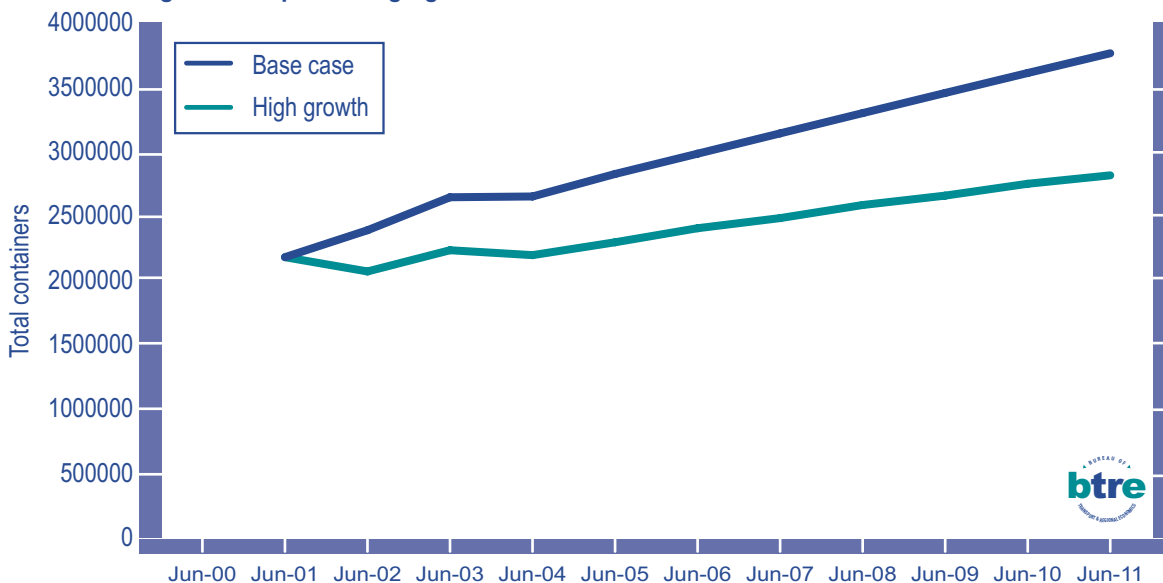


Figure 4 Impact of high growth in 40-foot containers



Note The upper line represents the base case forecast and the lower line represents the forecast incorporating the high growth for 40-foot containers.

Source BTRE.

containers is therefore an important issue in the planning and provision of port, road and rail infrastructure.

Figure 4 shows forecasts for combined export and import containers and the expected impact of a high growth rate in 40-foot containers on the total number of containers expected to be handled.

As with any forecast, these results are based on a number of assumptions. In this case, the assumptions involve Australia's economic growth rates and those of its major trading partners. The key economic factors are Australia's gross domestic product (GDP), trade weighted index (TWI) and the GDPs of OECD or G7 countries. The extent of availability of empty containers can also have some effect on containerised exports.

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**TABLE 1 FORECASTS—NUMBER OF CONTAINERS (MILLION)**

Year	Base Case Import & export	Lower Case Import & export	Upper Case Import & export
2000/01	2.18		
2001/02	2.39	1.70	3.31
2002/03	2.65	2.05	3.40
2003/04	2.66	2.04	3.36
2004/05	2.83	2.16	3.63
2005/06	2.99	2.26	3.90
2006/07	3.15	2.36	4.17
2007/08	3.30	2.45	4.45
2008/09	3.46	2.53	4.74
2009/10	3.62	2.61	5.04
2010/11	3.77	2.69	5.35

Source BTRE

**TABLE 2 FORECASTS (MILLION TONNES)**

year	Exports			Imports		
	Base case	Lower	Upper	Base case	Lower	Upper
2000/01	20.21	16.85	23.01	12.42	10.47	13.26
2001/02	23.11	16.71	31.25	12.62	10.75	14.21
2002/03	24.53	20.22	29.05	14.74	12.49	17.49
2003/04	24.38	19.89	28.53	14.91	12.60	17.39
2004/05	26.14	21.20	31.10	15.72	13.26	18.48
2005/06	27.64	22.12	33.58	16.55	13.91	19.60
2006/07	29.13	22.96	36.14	17.40	14.56	20.75
2007/08	30.60	23.74	38.79	18.26	15.22	21.96
2008/09	32.04	24.43	41.52	19.13	15.88	23.20
2009/10	33.44	25.05	44.33	20.02	16.55	24.48
2010/11	34.80	25.58	47.22	20.92	17.21	25.79

Source BTRE

[www.btre.gov.au](http://www.btre.gov.au)

### References

BTRE 2002, Working Paper 50: *Australia's Seaborne Containerised Freight—Forecasts to 2010–11*, BTRE, Canberra.

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