Multimedia Journalist of the Year 2024
Runner up Submission

Mike King

This was recorded as a podcast but for YouTube with graphs alongside so we're using both mediums to tell the tale of container shipping in mid-2024 and we also accurately forecast what came next. Description and link below.

EP 19 - Container shipping: Navigating turbulence in 2024

Link: https://youtu.be/SlBXDPSodTQ

Guest Joo Tan, Founder, LINERLYTICA

The current global container shipping landscape, viewed through the lens of freight buyers, rivals the complexity seen during the Covid era. Threats of new US tariffs, shipping and geopolitical risks spanning the Middle East and beyond, and substantial shifts in the liner shipping alliance system are casting significant shadows. In the US market, challenges such as the temporary closure of the port of Baltimore, potential dockworker union actions at Gulf and east coast ports, and low water levels on the Panama Canal add further layers of complexity. Amidst these dynamics, freight buyers find themselves negotiating transpacific contracts with carriers. This episode, sponsored by Dimerco Express Group, delves into strategies for effectively categorizing and navigating these turbulent waters, while also pondering the potential container shipping-demand balance under less disruptive circumstances. Guest Hua

Why is air cargo so 'slow' (and what to do about it)?

The Freight Buyers' Club video explainer – summer 2024

Guests

Glyn Hughes, Director General, TIACA

Kathy Liu, Vice President, Global Sales & Marketing, Dimerco Express Group

Peyton Burnett, MD, TAC Index

Link here: https://youtu.be/Z-3Yr9ib0eo

The Loadstar Podcast:

Title:

Deep Dive: The future of globalisation and supply chains in a more fragmented and divided world

Hi guys
Description of the podcast and the transcript follow below along with links to listen.
This was recorded in October 2023, and I think it has proven quite prescient about some of the challenges we've faced in 2024. I also have a 'who's who' of commentators.
Guests
Michael Every, Global Strategist, Rabobank
Marc Levinson, author, historian and journalist
Luisa Rodriguez, Economic Affairs Officer, United Nations Conference on Trade and Development (UNCTAD)
Lars Jensen, CEO, Vespucci Maritime
Alex Lennane, Publisher, The Loadstar
Neil Johnson, Co-Founder, TNETS
For those who don't edit audio, I'd add that there's just so many more things that can go wrong – there's something like 40+ different pieces of media used in this podcast. It all needs to be equalised and merged together, and this is a short one. I think you can probably tell from the complexity of the transcript below how much this has been edited to make sense of it all.
This type of podcast is a very different challenge to the (pretty easy to do and produce) one-on-one chat that is rather standard for podcasts. I'm not sure anyone else is doing anything this complex in our industry – although perhaps I've missed one or two and apologies if so. It's also a difficult topic.
I've tried to explain some of the major geopolitical and economic forces impact the world, and what this means for global trade and globalisation, via some of the world's leading economists and thought leaders.
And I've then tried to make it accessible and understandable to people wherever they are, and whatever form of shipping or transport business they're doing, via leading voices from our industry. It's actually a great and varied line-up too!
Anyway, have a listen, but maybe read the transcript below as you do, and you'll see that it's essentially a feature - just in 3D rather than 2D.

Links here:
https://theloadstar.com/deep-dive-podcast-the-end-of-globalisation-and-a-new-trade-cold-war/
https://open.spotify.com/episode/0ykS4Tc0bMug6n3A66y9An?si=b347ddbdf34d42ab

Description
In a more divided and fractured world, the logistics landscape is rapidly changing, and the future of trade and globalisation is getting ever cloudier. In this episode, host and editor Mike King speaks to global thought leaders about where geopolitics - and conflicts about ideas, ideology and forms of government - are directing the very concept of globalisation.
If China is a less trusted location to do business, where does that business go? And if manufacturing moves closer to home, what does that mean for the long-term investment decisions being made by forwarders and carriers as they seek to serve their shipper customers?
And finally, if supply chains are regionalising and global institutions that foster collaboration are losing their power, what does this mean for the ability of those in the business of trade to decarbonise supply chains?

Published October 2023
INTRO

Henry: [00:00:00] You're listening to the Loadstar, the supply chain and logistics industries leading source of insight. This podcast was created and produced by MK and associates and your host, Mike King

Marc: I think people are paying much more attention now to the geopolitical risk, the risk that a government is going to simply intervene in a way that disrupts international trade and investment.

Neil: you know, we are dealing with client. Almost every day who are looking to diversify, the geography of their supply locations

Luisa: A more fragmented world, means, altering trade patterns,

every: Is this a new Cold War? Very obviously it is. Just because, in the West, we're reticent about calling it one, doesn't mean it isn't.

MUSIC ENDS

Microphone (Logi 4K Stream Edition): Welcome to the Lodestar podcast. My name is Mike King and this deep dive is looking at the future of global trade because in case you hadn't noticed, the world is becoming a more divided place and [00:01:00] the implications for

Microphone (Logi 4K Stream Edition)-14: globalization

Microphone (Logi 4K Stream Edition): itself are multifaceted.

Media 1: The mayor of Kyiv says two people have been killed and another wounded in the latest Russian air attack on the Ukrainian capital.

Media 2: Weeks after the Chinese Coast Guard used water cannon against these two wooden boats, they're back with supplies for Filipino troops. Sailing towards the 2nd Tomas Shoal in the South China Sea.

Media 3: There's a major flashpoint in Asia which has been brewing for decades. It's about claiming and sometimes even forming new land. About redrawing the borders of nations.

Media 4: In 2008, Samsung's smartphone manufacturing facilities were scattered throughout mainland China. Just 15 years later, those factories have disappeared,

Marker insert a mix of news reports about various events including war in the Middle East

Microphone (Logi 4K Stream Edition): As you can hear there, the Middle East is in flames. We have war in Ukraine.

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Microphone (Logi 4K Stream Edition): Karabakh has been back in the news as Armenia and Azerbaijan continue their decades long animosity, often [00:02:00] fuelled by regional and neighbouring power brokers. In 2023, a host of African countries have suffered coups, while organised crime threatens the very basics of civil society and democracy in parts of Latin America.

Microphone (Logi 4K Stream Edition): Meanwhile, tensions rise in the Balkans and in the South China Sea, all of which serves to remind that even as a post COVID world emerges one where economic and trade growth is tepid and inflation high geopolitical Russians can quickly transform the logistics outlook.

Microphone (Logi 4K Stream Edition): Take the terrible war in Ukraine. Of course, it has killed the trade between Russia and the West and it has cut off the thriving China to Western Europe rail business. But it's also changed the nature of air travel and cargo operations over to Alex Lenane, Lodestar publisher.

air freight, because of its speed, it's always influenced by geopolitical or other disruptions almost immediately. And that can be both a benefit and a disadvantage to the industry. So what we saw when Russia invaded Ukraine was, was a multitude of [00:03:00] effects really. The closure of Russian airspace hit loads of carriers, which effectively meant capacity came out of the market, and there were additional costs because the routes came longer, some airlines, such as the Japanese carriers, Finnair, they had to suspend operations for a while there.

And the other major impact was a loss of airbridge cargo from the market. What we're hearing now is that the loss of ABC cause something of a vacuum in the region, and there are new operators looking to fill that vacuum. Apparently there are many new routes springing up between China and Russia via Central Asia.

One theory is that not only is, does this help Russia with imports and exports, but it's also a way for the country to snap up and hold onto capacity, which could benefit it in the event of the war ending. If and when it does end, of course, the airspace would reopen, costs would come down, capacity would increase again.

But I think a lot of that rather hidden, and dare I say it, possibly smuggling focus capacity in Central Asia is likely to remain.

Microphone (Logi 4K Stream Edition)-1: [00:04:00] The U. S. is also increasingly a hotbed of division. Some say politics there has not been this hateful since perhaps the civil war. One area where there is quite often cross party agreement is on the existential threat that many in the U. S. now see from China. Fears that are also shared in Europe, but perhaps not to quite the same degree.

Microphone (Logi 4K Stream Edition)-1: Michael Evry, Global Strategist at rabobank believes this rivalry with China and other countries is not going away anytime soon.

every: Is this a new Cold War? Very obviously it is. Just because, in the West, we're reticent about calling it one, doesn't mean it isn't. Russia very clearly calls it one. Iran calls it one. China, in its own internal rhetoric, uses not exactly that phrase, but language which is very, very similar, even if in English, when it's reaching out to the world, It says it doesn't want to see a Cold War mentality.

every: Now you could argue it's chicken and egg, that China is saying that in English, and [00:05:00] internally reacting to what we are doing, but that still means it's a Cold War, even if we don't declare it to be one.

Microphone (Logi 4K Stream Edition)-15: Another thought leader takes the view that geopolitics is changing the future of, or even the very nature of globalization. Mark Levinson is an economist, historian, and journalist with a long track record of writing and speaking about economic and business issues, especially globalization.

Microphone (Logi 4K Stream Edition)-15: He's also the author of the widely read The Box, and he has a new book out called Outside the Box.

Marc: Globalization was already in the midst of change really before COVID and before the outbreak of the war in Ukraine. already were seeing companies concerned about excess exposure to China. We were already seeing companies concerned about risk in their supply chains. What's happened is that that whole process has been sped up.

Marc: And I think people are paying much more attention now to the geopolitical risk, the risk that a government is going to simply intervene in a way [00:06:00] that disrupts international trade and investment. So I think there's heightened sensitivity to it. There's clearly more attention at the top level of corporations risk in their supply chains, and that's affecting the way that businesses think about globalization.

Microphone (Logi 4K Stream Edition)-3: Nearshoring and reshoring are concepts that have been loaded as solutions. When supply chains are deemed to have failed and resilience is demanded, or when there is potential political win for those calling for an end to offshoring.

Microphone (Logi 4K Stream Edition)-3: Yet for the most part, efficiency and cost have tended to trump built in resilience. Most shippers have simply concluded that the extra overheads of higher inventories A more

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Microphone (Logi 4K Stream Edition)-3: complex supply chains would render their businesses less competitive. This rationale has tended to favor China, whose role as the world's factory has has largely remained intact until recent years.

Microphone (Logi 4K Stream Edition)-3: That is it's aging population and rising production costs. It's severe lockdowns and travel restrictions during the COVID [00:07:00] pandemic. The introduction of US tariffs on its exports and its diminished legal protection for businesses have all led to China's appeal waning.

every: In terms of China remaining the world's factory for now, it absolutely is. We are seeing supply chain shift. And for example, the B. I. S., the Bank for International Settlements, recently released a report which shows that the U. S. and China are decoupling.

every: But what's happening is that supply chains are shifting from China to the rest of Asia and then on to the U. S. So, for example, a textile factory in Vietnam. May make the clothes to go to America, but the material and the yarn, the cotton, et cetera, and even the looms all come from China. First of all, before the value added in Vietnam is then shift off to the U S.

every: Does that mean that we're as far as we're going to go in terms of global decoupling and the industrialization in China? The answer is no. logically what that tells you is that therefore much, much more supply chain shifting. Needs to happen because if you're only decoupling one [00:08:00] step removed, that isn't enough.

every: America will ultimately turn around and say, Okay, we need to see the supply chains moved completely so that the looms aren't made in China. The yarn isn't made in China. The thread isn't made in China, etc, etc. And that involves a real bifurcation of the global economy on a scale we just simply haven't seen yet.

Microphone (Logi 4K Stream Edition)-4: As Michael Every noted there, it's far too early to think the bonds forged with China over many decades are close to breaking, but the political winds are undoubtedly changing in a more fragmented world, one in which the post World War II rules based order that has enabled globalization is Is losing its luster and every is not alone in arguing that more supply chain resilience is needed to guard against reliance on China, a partner that many think has already proved itself unreliable.

Microphone (Logi 4K Stream Edition)-4: The old lexicon. of reshoring or nearshoring has now morphed into more political buzzwords such as friend shoring and ally shoring. And of course it's early days [00:09:00] but there is hard evidence that a shift in

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Microphone (Logi 4K Stream Edition)-4: capacity out of China is underway, albeit a slow and gradual one.

Microphone (Logi 4K Stream Edition)-4: The latest data from Drury Maritime Research outlines that China is losing market share of exports into the US. For example, china's share of U. S. container imports from Asia has dropped dramatically since the two countries trade war erupted in 2018.

Microphone (Logi 4K Stream Edition)-4: It's dropped from 69 percent in 2017 to 59 percent in the first five months of 2023. By contrast, Vietnam has increased its share of us container imports from 7 to 8 percent in 2018 to 13 percent over the first five months of this year.

Microphone (Logi 4K Stream Edition)-4: Korea, Malaysia and Thailand have also been beneficiaries. Notes Dru Indeed China share of US goods Infants fells the lowest level since 2006 in the 12 months through July. According to a new report by the US Census Bureau, while an American Chamber of Commerce survey in August found 40% of US companies are already

Microphone (Logi 4K Stream Edition)-4: redirecting investment [00:10:00] destined for China to other countries. Or are planning to do so back to levinson

Marc: Manufacturing was already moving away from China before the pandemic and before these geopolitical tensions, because China is no longer an inexpensive place to manufacture. We saw many companies beginning to shift operations, particularly labor intensive operations to other countries in Southeast Asia to places like Bangladesh and to India.

Marc: And so those trends were already underway. we've seen now, I think that hasn't perhaps gotten so much attention, but maybe most. Significant for companies that want to manufacture in China has been arrests and detentions of business executives. There haven't been a lot of those so far as is known.

Marc: If you're running a company in another country, do you want to send your executive to China to oversee operations? If you think that there's some risk that your executive [00:11:00] may be accused of. gaining access to secret information or something like that. Companies are afraid of sending their executives to China.

Marc: Executives are afraid of going to China, and that's going to make it very difficult to manage supply chains that are based in China. These sophisticated supply chains require frequent contact. Companies that organize these supply chains travel frequently. And if people are afraid to go to China, they will move their supply chains.

Microphone (Logi 4K Stream Edition)-5: Of course, , as mentioned, Southeast Asia has many of the demographics and attractions that some people feel that China does not, but there are also many, many challenges over to Neil Johnson, who's the co founder and partner at T Nets based in Singapore.

Neil: you know, we are dealing with with client. Almost every day who are looking to diversify, the geography of their supply locations. But I think it's important to, to sort of, yes, acknowledge that there is a decoupling from China.

Neil: but there's other things happening, around the [00:12:00] world, which is sort of driving all of this. So I think the big one, that we've been dealing with, in fact, uh, in this region, Southeast Asia region for a while, is the changing, demographics. So you've got a growing. Middle class, , emerging in, various countries.

Neil: You know, Indonesia, the middle class is going to be huge. They're gonna have tremendous spending power. Now, yes, Indonesia is definitely going to benefit from the, the China sort of plus one or plus two or plus 12, whichever it is, strategy. But Indonesia, in its own right, needs, additional investment in logistics and that has been.

Neil: it's been forthcoming, but it's been forthcoming very, very slowly. So, there are new ports being built. the airport is getting some investment, but it's still not going to be sufficient, to meet the needs of that, growing sort of middle class and, and beyond. So in Indonesia is, the largest economy in Southeast Asia.

Neil: and yes, it's going to benefit from the [00:13:00] decoupling, It needs more infrastructure and that's right across the archipelago. There is infrastructure, it's creaking, but then there's also the issues around that infrastructure.

Neil: So, just taking, that particular country as a, as, a case in point , and you can draw sort of parallels with, the Philippines and Vietnam here. having the port infrastructure in place is one thing. Having government departments that have got the know-how to sort of smooth the way for businesses to flourish, being able to issue licenses, being able to get out of the way, when, infrastructure is going in when, money is made available. Rather than being a sort of unnecessary gatekeeper. Those are critical things and, it's still something which is quite slow in coming, around the region. And I think as, far as the, the other reasons driving the diversification supply, you've also got more free trade [00:14:00] agreements in place.

Neil: So, people more willing to look at, manufacturing or, selling into certain markets. So, yeah, the, China thing is very real. Mexico and Vietnam, I, I think, are the two most immediate beneficiaries, perhaps Bangladesh, with the, garment trade? to a lesser degree, but the decoupling from China is a very, very long-term project, compared to the speed with which, carriers can, for example, switch on and switch off services.

Neil: order to, for example, replace a semiconductor plant that's been, churning out product. Very, very smoothly and consistently in China that's gonna take, , three to five years to replace in even a well-developed economy such as Singapore or Malaysia. So, there are issues with, the whole decoupling thing, but there are other drivers, beyond that, decoupling, which are gonna drive this diversification.

Neil: and, the carriers, uh, are coming. are, we are seeing flexing [00:15:00] of. of shipping services. We're seeing more investment, in freight of services, more investment in airlines around the region. So, so yeah, I think, the physical part is probably the, the easier part to deal with.

Neil: I think that's been, consistent over the years.

Microphone (Logi 4K Stream Edition)-11: India too is doing its utmost to attract major manufacturers and with some success, not least due to its young population of 1. 4 billion people, ample land and impressive cargo and infrastructure focused investments which are making it increasingly attractive

Microphone (Logi 4K Stream Edition)-12: to foreign investors, including the likes of Apple and Foxconn.

Microphone (Logi 4K Stream Edition)-11: and India is not alone in that area of the world in bringing in more foreign investment. Lars Jensen, CEO of Vespucci Maritime, expects the entire Indian Ocean region to thrive in the years ahead. And this will of course have consequences for the strategies of those supply and build the ships, planes and know how which make supply chains function efficiently.

Lars: What I expect to see likely over the next call it even 10 to 20 years. One of the [00:16:00] large growth Indians we're going to see is going to be what I tend to call the Indian Ocean Rim. So the countries around the Indian Ocean, Africa on, uh, Especially demographics and imports going over to there, you're going to see, at least if India gets their act together with bureaucracy, going to see India as a major growth engine.

Lars: The Middle East already is quite a growth engine. So the whole Indian Ocean rim is going to be a locus for a lot of growth. We are so used. To a world where, the major trades are

Asia, Europe, and Asia, North America, and maybe Atlantic, this East, West, and then everything else is North, South, that is going to change over the next decade and two.

Lars: This is going to be a much more complex landscape where. It is not the traditional trunk routes that are necessarily the growth drivers that we've

Lars: been used to.

Microphone (Logi 4K Stream Edition)-7: and of course, all of these changes to trade flows affect the demand for shipping. Luisa Rodriguez is the Economic Affairs Officer covering Transport and Logistics at the United Nations Conference on Trade [00:17:00] and Development, UNCTAD.

Microphone (Logi 4K Stream Edition)-7: She's also the co author of UNCTAD's new released review of Maritime Transport 2023.

Luisa: a more fragmented world, means, altering trade patterns, and this could mean perhaps longer distances. For some commodities, it will depend on the commodity, I would say. I mean, we have seen that, for instance, in the context of this disruption created by the war in Ukraine, we have seen an important increase in the distance traveled for some products.

Luisa: We're talking about grains being sourced from U. S., from Brazil. these alternative suppliers are further away. So, this means Longer distance for this type of commodities. In the case of containerized trade, the story is a bit different in the sense that what we have seen in analyzing this containerized trade data is that there has been an intra Asia increase and that the distance have gone down.

Luisa: So this [00:18:00] is an interesting development, and indicates that there is this. importance or predominance of intra Asian trade in containerized trade that is set to continue. and, that has an important bearing in overall, containerized, uh, trade flows.

Microphone (Logi 4K Stream Edition)-8: For container shipping in particular, all of this raises a number of questions. In a world where the fastest growth is regional,

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Microphone (Logi 4K Stream Edition)-8: container shipping lines been making the right investments?

Microphone (Logi 4K Stream Edition): and

Microphone (Logi 4K Stream Edition)-8: what does this mean for the air cargo industry and the type of freighters that we might need in the future and the airports that they will serve?

Microphone (Logi 4K Stream Edition)-8: Over to Levenson and Ledane.

Marc: The ultra large vessels are certainly suitable for Asia to Europe if the owners are able to keep them filled. And I think that's a big question. People, of course, have already forgotten the really bad times that the industry experienced before the pandemic, when most companies were losing lots and lots of money, and many companies were going bust because they couldn't keep their [00:19:00] vessels filled.

Marc: These ultra large vessels are going to be serving a market, a very important market to be sure the Asia to Europe market is not going away. Are they really ideal for the growth markets? For example, It appears that there's going to be rapid growth in international trade involving India, involving Indonesia, involving a number of other countries that previously had much smaller roles in the world trading system.

Marc: Does it make sense to operate an ultra large vessel on a relatively short route between, say, China and India? I don't know the answer to that question, but it's one that I'm sure the ship lines have to be thinking about because the economics may not be there for these sorts investments. That said, I think all of the ship lines have been struggling with what to do with all the money that they earned during the pandemic.

Marc: That's certainly a nice problem to have. [00:20:00] Whether it makes sense to put those proceeds into freight forwarders, road haulers, airlines, that's a whole other question, and we're going to have to see whether the ship lines are actually capable of managing those sorts of investments as part of their portfolios.

Demand for smaller aircraft is already on the rise, particularly for e commerce, and for sure, if supply chains got shorter, then aircraft won't need to be as large, but that would also be dependent on demand, supply of capacity and so on. It might also be the case, though, that in a more regional world, Destinations might become more targeted, as in shippers and forwarders might want to fly to secondary airports directly instead of passenger focused hubs, which will rely on freighters rather than bellies.

It could also perhaps impact Middle Eastern or carriers that do transit stops. Um, I spoke to a European shipper recently who said that while they continue to source from various parts of Asia, and that wasn't likely to change, he was always on the lookout for direct flights as there's less chance of [00:21:00] damage and disruption.

Microphone (Logi 4K Stream Edition)-13: Not only is trade getting more regional in nature and forecast to become more fragmented as reliance on China declines, but the nature of that trade and where it grows will also be affected by other factors including population growth rates, and of course by the products that we want to buy

Microphone (Logi 4K Stream Edition): and

Microphone (Logi 4K Stream Edition)-13: the products that technology does not render obsolete, according to Levinson.

Marc: What I do see is some fundamental shifts in the world economy that are going to dramatically affect the flow of international trade. One of them is simply demographics. Many countries are experiencing very slow population growth. Some are experiencing decline.

Marc: Median ages are rising around the world. in Japan, almost half the population is more than 50 years old. Older consumers don't buy so much stuff. And this is a fundamental force that is going to constrain the growth of goods trade. There just isn't going to be [00:22:00] as much growth in demand for the kinds of products that move in containers.

Marc: As has been the case in, in previous years. Some kinds of products, are just going to go away as traded goods. What's going to happen, for example, as electric vehicles become more popular around the world, electric vehicles have thousands and thousands fewer parts than internal combustion vehicles

Marc: That's a whole category of cargo. I'm talking distance and I'm talking mufflers and I'm talking catalytic converters. Fewer of these are going to be needed and that's less stuff to move in containers. And I think we're seeing that, a of what used to be investment in machinery, fixed capital, is now investment in software.

Marc: This is also affecting the flow of trade in goods. A company may not need to replace its... Machines as often, if it can update the software rather than updating the hardware. So these are factors that have nothing to do with Ukraine or COVID or [00:23:00] U S China tensions, but are just fundamental forces that are going to cause international goods trade to grow more slowly in the future.

Microphone (Logi 4K Stream Edition)-14: The Lodestar will be returning to many of these themes in the podcast to come. I'm sure we've prompted as many questions to their solutions about what globalization and trade look like in a world that is getting more fragmented and divided. But a final point, many would agree that the biggest challenge currently facing the planet is global warming and the biggest challenge for the shipping and logistics industries.

Microphone (Logi 4K Stream Edition)-14: Is how we go about contributing to a solution by finding ways to green supply chains, but there is perhaps a fundamental flaw in much of this thinking decarbonization solutions in general, but especially those focused on the business of trade, assume that the great powers will collaborate

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Microphone (Logi 4K Stream Edition)-14: that the World Trade Organization, the UN, IATA will lead the way, or at least bring people together.

Marker finding this bit hard tosort Kaz,. Should say people together, not that existing fissures will widen....

Microphone (Logi 4K Stream Edition)-14: not that existing fissures in relations [00:24:00] will widen, leaving the power of these enabling global institutions diminished. But as some of the contributors in this podcast have argued, , it is perhaps more rational to assume that existing conflicts will deepen rather than be overcome.

Microphone (Logi 4K Stream Edition)-14: That confrontations between ideas and ideology and forms of government will intensify and that a new type of geopolitical power system even or a new cold war could emerge that will by definition transform the nature of trade and therefore what we think of as globalization

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Microphone (Logi 4K Stream Edition)-14: maybe, maybe not, we will see.

Microphone (Logi 4K Stream Edition)-14: But if in future collaboration proves to be the exception rather than the rule, what that mean for climate change solutions and the decarbonisation of supply chains? I'll leave the final word to Rabobank's Michael Every. In terms of decarbonization, it's very clear. If you want to do it rapidly on the scale we want to you have to involve China And that isn't going to be possible if the west wants to take supply chains out of china And move them back [00:25:00] into europe which europe just said it wants to do or into america, which america wants to do So you can't have rapid decarbonization on the scale we need and not include China.

every: But I think the far more logical outcome, and I said this all along from years back, is that that means we will decouple, we'll have slower decarbonization, but we'll do it in, Fragmented pockets where Europe and America, or maybe Europe and America together, will have their own green standards, their own green champions, their own green supply chains, and China will have its.

every: And the argument will be over who gets to sell to the global south, because Europe will sell to Europe, America will sell to America, China will sell to China. That's again a very 19th century world, and the problem for Europe in particular is they don't have any of the minerals required. So you can decarbonize.

every: Only if you're prepared to get a supply chain that works for you. China's got one. America can set one up, either domestically or via Australia. Europe's got nothing. So there are some very hard choices that need to be made there.

[00:26:00] I'd like to thank T Index, the Loadstars air freight data provider, and Zen, our sea freight data supplier. Big thanks to my editing team, Karen Ball, and Tom. Matthews .

And most of all, gratitude to you all for listening. We'll be back soon.