



SUBURBIA PRESENTS

**IS BREXIT ALREADY
HAPPENING FOR
FELIXSTOWE?**

ALTERNATIVE DATA **BETTER DECISIONS**
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Summary

Port congestion is vital in shipping industry and the dependent businesses. If more ships are anchored waiting, the expected costs of shipping goes up. Felixstowe in the United Kingdom is one of the most efficient ports in the world. However its efficiency has slightly trembled during the last months of 2018. In November, the waiting time for ships at Felixstowe spiked above 1 hour and 15 minutes, signalling increased unease at one of Britain's most important ports.

1. Introduction

Felixstowe is one of the most efficient ports in Europe. It serves three thousand ships each year to unload their containers which will then be distributed around England through its rail and road links connecting the port with distribution hubs. Alternative data from Marine Traffic shows that efficiency of Felixstowe has slightly decreased since Brexit was announced. Is Brexit already happening for the biggest port in the UK?

Port congestion is the term commonly used to describe the situation where vessels have to queue up outside a port and are waiting for a spot so they can load or offload their containers. The more boats are on queue to enter the port, the higher the congestion rate.

Congestion can be filtered through different ways: Number of vessels waiting to anchor informs us on the weekly intensity of ships that have to wait. This can be filtered down to the number of calls, which denotes the number of ships that call to be informed about the remaining waiting time. Weekly median time in anchorage or at port show central tendencies of waiting time measured in hours.

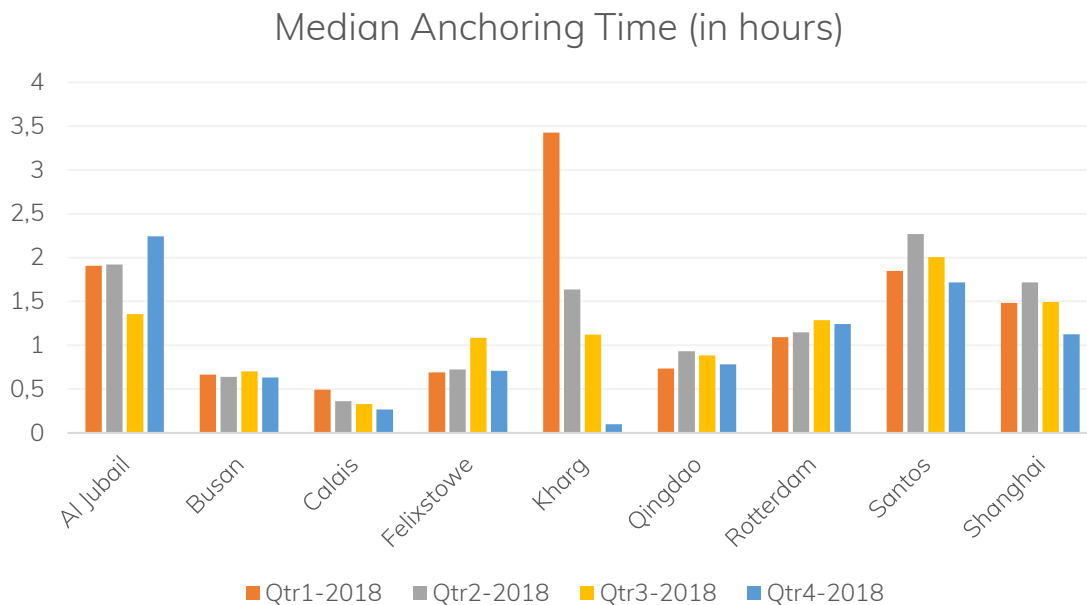
The best measurement with respect to efficiency is the standard deviation of port or anchoring time. The larger the standard deviation the higher the risk that a ship can wait longer at a port. Higher deviations on waiting time lower the efficiency and increase uncertainty. A higher deviation of anchoring time would ultimately suggest a higher and more risky port congestion.

On the other hand, The port of Felixstowe is Britain's biggest and busiest container port, and one of the largest in Europe. More than seventy percent of containers coming through Felixstowe are delivered to what is known as the 'Golden Triangle', the busiest economical region in the middle of England.

On top of that, it is one of the most efficient ports in the world with one of the lowest standard deviation of anchoring time. It is startling to notice that the peaks of standard deviations are increasing at this uncertain time for the United Kingdom.

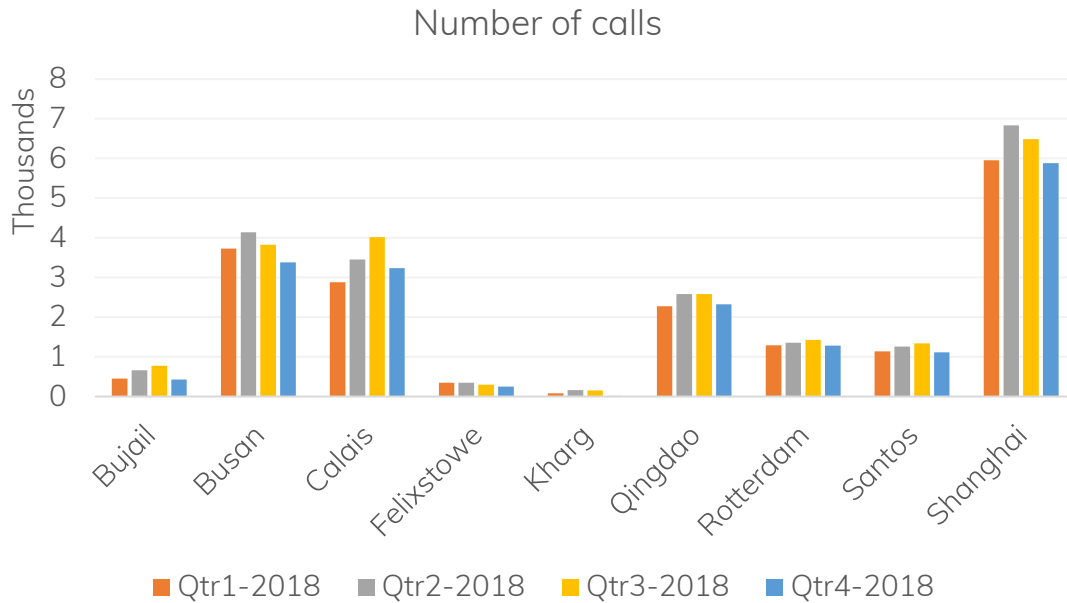
2. Data and Insights

The figure below shows the median number of calls in some of the main ports around the world during the four quarters of 2018. The main advantage of looking at the median instead of the mean, is that the median is not skewed so much by extremely large or small values, and so it's safe to assume that in this instance, it provides the most accurate value as it divides the sample in two parts.

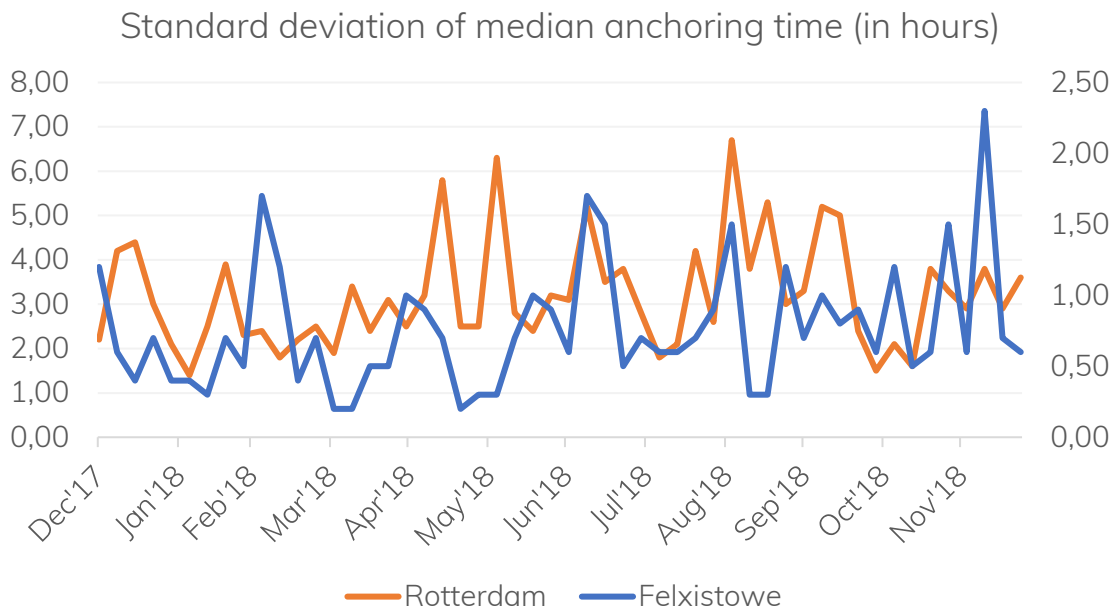


Felixstowe has a median anchoring time of around 45 minutes which is far better than other ports. During the third quarter of 2018, the port was also the busiest and the median waiting time was over one hour.

The figure below shows the median number of calls per port. As noted, Felixstowe appears to have the second smallest amount of calls after Kharg. This is an impressive score given the size of the port and the number of ships it anchors each year.



However, when it comes to risk of anchoring time, Felixstowe has been showing some unusual volatility after Brexit was announced. Figure below gives a summary:



At no time before, the standard deviation of median anchoring time was above two hours. In November 2018 this deviation reached above two hours and 15 minutes increasing uncertainty and showing signs of weak efficiency for Felixstowe.

Why might have this happened?

Data viewpoint: During the first and the last week of November two of the highest extremes were noticed in the standard deviation of anchoring time of Felixstowe. A period of frequent extremes can signal that the port cannot predict short run congestion. This indicates an increased unease at one of Britain's most important port.

A summary table for the year 2018 on the median anchoring time, the average number of calls and vessels and the standard deviation of the median anchoring time is given below.

	Al Jubail	Busan	Calais	Felixstowe	Kharg	Qingdao	Rotterdam	Santos	Shanghai
Median Anchoring time	1.87	0.67	0.37	0.80	1.92	0.83	1.19	1.97	1.45
Number of vessels	42	229	11	24	8	181	92	91	425
Number of calls	45	293	265	24	9	191	105	95	492
Standard deviation of median anchoring time	2.34	3.50	0.32	0.76	2.98	1.24	3.20	6.89	2.70

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