



Moving Inside the Box: The Containerization of Commodities

Author(s): T. Notteboom and J.P. Rodrigue

This paper had been published in the proceedings of the 2009 IAME Conference, Copenhagen

Please site this article as: **Notteboom, T. and Rodrigue, J.P., (2009). "Moving inside the box: The containerization of commodities". Proceedings of the 2009 International Association of Maritime Economists (IAME) Conference, June, Copenhagen, Denmark.**

This article was uploaded to www.porteconomics.eu

On: 22/01/2010

Porteconomics.eu is a non-profit, web-based initiative aiming to advance knowledge exchange on seaport studies. Developed by researchers affiliated to various academic institutions throughout Europe, it provides freely accessible research, education and network-building material on critical issues of port economics, management and policies.

PLEASE SCROLL DOWN FOR MANUSCRIPT

Moving Inside the Box: The Containerization of Commodities

Theo Notteboom ^a, Jean-Paul Rodrigue ^b

^a *Institute of Transport & Maritime Management, University of Antwerp, Keizerstraat 64, B-2000 Antwerp, Belgium. E-mail: theo.notteboom@ua.ac.be*

^b *Department of Global Studies & Geography, Hofstra University, Hempstead, New York 11549, USA. E-mail: Jean-paul.Rodrigue@Hofstra.edu*

International Association of Maritime Economists (IAME) 2009 Conference,
24-26 June 2009, Copenhagen, Denmark

Abstract

Containerization is entering a new phase in its global diffusion. The first phase of containerization was mainly fuelled by a process of substitution, mostly in the form of the containerization of conventional general cargo. This also led to the development of a global containerized freight distribution system supporting a wide array of supply chains, particularly for manufacturing and retailing. The margin for further substitution is getting smaller as the degree of containerization has already reached high levels, particularly in developed economies. The latest phase of containerization encompasses an emerging complementarity with the commodity sector and the extraction of niche market opportunities to satisfy new demands. This new phase is driven by a commodity-wise approach which inherently creates an array of challenges. For instance, niche markets develop or disappear based on temporary market conditions, the balance of flows on trade routes and the need for market size. Still, the nature of the commodities being carried is a fundamental element in the emerging containerization of commodities. This paper aims at analyzing the latest phase in the containerization process by “moving inside the box”. It particularly unravels the supply chain dynamics for a number of commodities (fruit, cold chain, tobacco, etc.) and demonstrates which role the container fulfils in these commodity markets. The paper also discusses the underlying factors that enable the growth or decline of commodity-based niche markets in containerization.

Keywords: Containerization, Commodities, Global Supply Chains.