

# 03 TANK SOLUTIONS:

ITCO

An External Perspective on the Work of ITCO

April 2020

**In the third of a series of external perspectives on the work of ITCO, Peter Mackay considers the impact of the COVID-19 Pandemic on the tank container business**

The world has been turned upside down in this “Year of the Virus”. Just take a look at the small seaside town where I live: shops which sell scented candles - normally full of tourists all year round - are closed up and going out of business. Meanwhile, there is not a bag of bread flour to be had anywhere - not for love nor money.

These small, intimate, changes to our daily round may well cause us to pause in our normally busy lives and contemplate how we are all living. And - if the crisis is long enough and sufficiently threatening - perhaps we will come out at the other end with a new view on how to live. We - and the world at large - may be all the better for it. Then again, perhaps we will all need to get back to work as fast as we can to make up for lost income during the lockdown.

But at the moment, I understand there are many in the logistics business who are managing to continue with their businesses with staff working from home, and with reasonably good demand still coming from the petrochemicals sector. Chemical manufacturing has, of course, been affected by the crisis: demand from the automotive and construction sectors (and from producers of scented candles) has evaporated, but the healthcare and pharmaceutical sectors are, not surprisingly, going strong.

Logistics providers in the oil sector are also finding significant work. Road traffic volumes in the UK, as an example, have fallen to the level they were in 1955, with a resulting collapse in sales of road fuels; the virtual disappearance of passenger air traffic, together with a reduction in containership sailings and the collapse in the oil price, all mean that there is a glut of crude oil and refined products that has to be accommodated along the supply chain. Storage tanks are getting full, while old tankers and even rail tank cars, are being repurposed as storage vessels.

I hear too that tank containers are being increasingly used for temporary storage, and that tank container operators, tank depots and haulage companies are all active. That is testament to the versatility of the tank container concept and the multiple uses to which a tank can be put.

It also helps that there are plenty of tanks available. ITCO's latest Global Fleet Survey - always a good read, and available on the ITCO website - shows a slight slowdown in the output of new tanks in 2019 but suggests that this level of production still outpaced demand from tank operators. However, this latest surge in customer demand for tanks is beginning to ease the supply overhang and, more significantly, the urgency with which users are seeking tanks means that service has become more important than price. The market seems to be realising the value that lies in service - something that service providers have been urging on them for years now. Will that new view outlast the crisis? Or will users just go back to buying the next “scented candle on the shelf”?

Other impacts of the Coronavirus pandemic have been felt among service providers to the dangerous goods logistics sector, especially those supplying packagings for infectious substances or documentation and compliance services to companies coming new to the business. Some of those have also seen a surge in demand for online training courses, as it is virtually impossible now to carry out face-to-face training.

In that regard, it is worth remembering that ITCO has its own e-learning course and, as the tank container community itself is expanding, there are plenty of people who could benefit from its teachings. Some of them may have time on their hands right now, and they can take the course from home. ITCO members are entitled to two copies of the course free of charge and this might be a good time to take them – more information is available on the ITCO website, [www.itco.org](http://www.itco.org).

Until the next time, stay safe.

- *Peter Mackay*

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This is the third in a monthly series providing an external perspective on the work of ITCO. Members are invited to comment to the ITCO Secretariat ([hicks@itco.org](mailto:hicks@itco.org)) or to the author via email on [peter@meredithandco.info](mailto:peter@meredithandco.info). Previous articles are available on the ITCO website.