



# How to boost market introduction of foldable containers? The unexpected role of container lease industry

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## Abstract

Transport of empty containers, which arises from the need to reposition containers, is an expensive business. This holds in particular for shipping lines, who are usually responsible for container repositioning and have to bear these container management costs. Shipping lines are known to follow various strategies to reduce these costs of empty transport as much as they can. A rather unfamiliar, but interesting option to save costs is the possibility to fold empty containers. This could save transport costs, but also transshipment and storage costs. Using foldable containers could therefore be commercially attractive, provided that foldable containers can fulfil the technical and logistical conditions demanded by the users. Despite their potential benefits however, there seems to be a reluctance to use these containers.

In this paper we analyse this reluctance and we discuss the important role container lessors could play in initiating the use of foldable containers. The special relationship between shipping lines and container lessors appears to be of particular importance and is a key to pave the way for using foldable containers.

*Keywords:* Container fleet management; Container design; Container lease industry.

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## 1. Introduction

The arrival of the maritime container in the middle of the 1960s led to a great improvement of freight transport in many respects. The transfer of goods became much easier and safer and the use of containers paved the way for intermodal transport development. At present, the maritime container dominates the shipping industry and the extent of its influence in land transport is also abundantly clear.

An important downside of containerization however is that the place where containers are loaded and unloaded is often not the same, so transport movements of empty containers are unavoidable. These unproductive journeys are not too serious as long as repositioning of empty containers can take place over short distances. However, it becomes a real matter of concern if they result from cyclical or structural imbalances in trade patterns in the world economy, leading to long distance movements.

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