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VIRTUAL CONTAINER POOL: SOLUTION TO CONTAINER INVENTORY IMBALANCE

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Abstract

Shipping Container Imbalance causes a substantial additional cost to carriers. However there is no commonly accepted standard system in the industry to minimize the idle time of empty containers at storage resulting substantial cost and breakdown of container supply chain. Container imbalance represents a substantial cost amounting to twenty two percent in the overall cost structure of containers. The only mechanism that carriers practice is the repositioning of empty container from the idle location to other locations where they are in demand in most effective and efficient method. Therefore, majority of literature pertaining to container management relate to empty container repositioning. The maximum 'utilisation' can be achieved if containers are on consistent move with freighted cargo. However, containers remain for about half the time of their lifetime being idle as they are either being maintained, repaired or in storage. Therefore, core issue prevails in the industry is to find the best method to optimize the utilization of containers. This paper introduces a novel concept namely, Virtual Container Pool (VCP) that propose carriers to exchange containers between carriers. It is expected that it would be