

### Weekly Port Congestion at Major Asia Sea Ports

Hong Kong	Waiting Time : 1 Day
Yantian	Waiting Time : 2 Days
Shekou	Waiting Time : 2 Days
Nansha	Waiting Time : 2 Days
Xiamen	Waiting Time : 1 Day
Qinzhou	Waiting Time : 4 Day
Shanghai	Waiting Time : 3 Day
Ningbo	Waiting Time : 3 Days
Tianjin	Waiting Time : 1 Day
Qingdao	Waiting Time : 2 Days
Kaohsiung	Waiting Time : 2 Days
Keelung	Waiting Time : 1 Day
Port Klang	Waiting Time : 2 Days
Singapore	Waiting Time : 1 Day
Busan	Waiting Time : 1 Days
Tokyo	Waiting Time : 1 Day
Nhava Sheva	Waiting Time : 1 Days
Mundra	Waiting Time : 2 Day
Chennai	Waiting Time : 1 Day

Source :- <https://www.gocomet.com/real-time-port-congestion>

### MARKET UPDATES

#### Co-ordinated action will decarbonise shipping

The maritime industry is highly dependent on fossil fuels, emitting about 1.2 gigatons of carbon dioxide equivalents (CO<sub>2</sub>e) in 2020, equivalent to about 3% of global greenhouse gas (GHG) emissions. This is more than the world's fifth GHG-emitting country; however, given the cross-border nature of the maritime sector, it is not addressed in the national determined contributions (NDCs). The International Maritime Organization (IMO) has challenged the shipping industry to cut annual GHG emissions by at least half by 2050, compared with 2008. According to the fourth IMO GHG study, using 2008 as a basis and without major decarbonisation, maritime GHG emissions will likely increase by 90% to 130% by 2050. Given the harmful effects of global warming, the shipping industry needs to act urgently, collaboratively and comprehensively across multiple dimensions to put the sector on a path to zero emissions.

Source : <https://theloadstar.com>

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### **Zero emissions not the sole responsibility of the shipping industry: INTERCARGO**

It would be a mistake to place responsibility for meeting IMO's zero emission shipping targets fully on the shoulders of the shipping industry, warns INTERCARGO, representing dry bulk shipowners, managers and operators, as the International Maritime Organization's Marine Environment Protection Committee meeting (IMO's MEPC 78) debates steps to meet IMO ambitions for zero emission shipping by 2050.

Mr Spyros Tarasis, Vice Chairman of INTERCARGO, says: "Global challenges require global solutions, but it must be remembered that the commercial development of these solutions is within the direct control of other stake holders and not shipowners. Such a target requires a drastic and urgently needed acceleration in the commercial development of the required technologies, fuels, propulsion systems and related infrastructure.

"Whilst INTERCARGO fully supports the drive and the ambition to achieve zero emission shipping by 2050, it urges governments to adopt the necessary measures to accelerate R&D of zero carbon technologies and expedite their deployment. The net-zero target will only be plausible if governments take the necessary action to achieve this at IMO."

In order not to jeopardise the 2050 target, INTERCARGO has called for immediate approval of the industry proposal for the establishment of an International Maritime Research and Development Board and an IMO Maritime Research Fund. In the medium term, it has stressed the need for a global levy on carbon emissions from ships as a Market Based Measure, to accelerate the uptake and deployment of zero-carbon technologies and fuels.

INTERCARGO believes that without these concrete actions, it will be premature to revise intermediate targets for 2030 or indeed for any subsequent year beyond, it stressed in a release.

Source :-Exim New Service

### **Omicron in Asia & Russia-Ukraine conflict creating a challenging environment for air cargo**

The International Air Transport Association (IATA) recently released April 2022 data for global air cargo markets, showing a drop in demand and contraction in capacity. The effects of Omicron in Asia and the Russia Ukraine war continue to create a challenging operating backdrop that is driving the decline, it said in a release. The comparisons are of year-on-year traffic, instead of with the 2019 period, unless otherwise noted.

Global demand, measured in cargo tonne-kilometres (CTKs), fell 11.2% compared to April 2021(-10.6% for international operations). Global demand is down 1% compared to April 2019.

Capacity was 2% below 2021 (+1.2% for international operations). Both global capacity and international capacity decreased slightly in April compared to March. Asia experienced the largest falls in capacity.

Key factors in the operating environment should be noted:

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The war in Ukraine led to a fall in cargo capacity used to serve Europe as several airlines based in Russia and Ukraine were key cargo players. And the zero-Covid policy in China led to capacity challenges due to flight cancellations because of labour shortages.

New export orders, a leading indicator of cargo demand and world trade, are now shrinking in all markets except the US. Global goods trade has continued to decline in 2022, with China's economy growing more slowly because of Covid-19 related lockdowns (among other factors). The lockdowns have brought much of the world's largest port, Shanghai, to a standstill. Supply chain disruptions due to the Ukraine-Russia conflict are also adding to the downward pressure on trade.

Air cargo demand fell by 11.2% in April and capacity contracted 2% compared to April 2021. The combination of the war in Ukraine and Covid-19 lockdowns in China have pushed up energy costs, intensified supply chain disruptions and fed inflation. The operating environment is challenging for all businesses, including air cargo. But with China easing lockdown restrictions, there is cause for some optimism and the supply/demand imbalance is keeping yields high," said Willie Walsh, IATA's Director General.

Source :- Aviation Cargo Express

### Sliding freight rates: a blip or harbinger of weaker demand?

Container spot rates are falling below long-term contract rates and shippers will look to reopen negotiations with carriers if short-term rates further decline materially.



According to a customer survey conducted by freight rate benchmarking firm Xeneta, 71% of respondents said they would seek to renegotiate long-term contracts if the market changed significantly.

More worryingly for ocean carriers, 11% said they would be prepared to breach their contract and look for better deals and just 18% of respondents said they would continue with their existing contracts regardless of the market.

Although the spot rate indices are not in freefall, there has been a continued gradual erosion, and this week Xeneta's XSI, Drewry's WCI and the Freightos Baltic Index (FBX) were either showing red or were flat for the Asia-North Europe and transpacific components. Spot rates for North Europe ranged from the WCI's \$9,784 per teu to the FBX's reading of \$10,660 per teu, while the Ningbo Containerized Freight Index (NCFI) commentary reflected an increasing pessimism hanging over the trade.

"Some carriers have taken the initiative to reduce freight rates to strengthen bookings, driving the spot price to fall," it said.

On the transpacific, the WCI recorded the biggest fall of the three indices for Asia to the US west coast, shedding 3% on the week, to \$8,378 per 40ft, while its reading for the east coast was unchanged, at \$10,695 per 40ft.

"The demand for transportation on the North America route has not improved, the space was obviously surplus, and the decline in pricing has increased," said the NCFI.

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Source :- <https://theloadstar.com>

### **China congestion easing after projected cargo boom fails to materialise**

China's port congestion is easing as Shanghai's post-lockdown cargo boom fails to materialise, and the city's container supply chain recovery seems unaffected by a sudden lurch back to lockdown last weekend.

Crane Worldwide Logistics said Shanghai was operating as usual after yet another round of mass testing, noting only shippers with facilities in quarantined areas would be impacted.

The forwarder added: "The majority of cities outside of Shanghai are now accepting trucks and drivers, so long as a driver's Covid test report is negative and a 'green health code' has been issued.

"The backlog of containerships created during the lockdown period is under control and is systematically being cleared, while some carriers have cancelled or delayed their sailings in the last week of June from Shanghai to the US."

Source :- <https://theloadstar.com>

### **HONG KONG EXTENDS SLOT-USE RULE WAIVER TO OCTOBER**

Hong Kong International Airport (HKIA), the world's busiest cargo airport, is extending its slot-use rule waiver until October this year, superseding an earlier announced deadline of resuming the normal slot use rule by March 2022.

The Hong Kong Civil Aviation Department (CAD) said it will continue to allow airlines flying to and from the financial hub to keep their airport slots until October 29, 2022, even if they decide to cut capacity, for now, as the industry is yet to fully recover from the impact of the Covid-19 pandemic.

Currently, lockdown measures are also still being implemented in countries that continue to battle new strains of the coronavirus.

CAD told *Asia Cargo News* that it is extending the waiver it earlier implemented governing the use of airport slots through the International Air Transport Association (IATA)'s Summer 2022 season due to still ongoing restrictions related to the pandemic.

The Hong Kong Schedule Coordination Office (HKSCO), under the CAD, performs the schedule coordinator function for the HKIA and the city's aviation regulator said the HKSCO adopts and maintains a "neutral, transparent and non-discriminatory slot allocation mechanism in accordance with the Worldwide Airport Slot Guidelines (WASG) and applicable local guidelines."

This is to ensure the efficient utilization of existing airport infrastructure and meet the demand as far as possible, it added.

Source :- *Asia Cargo News*

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### President Biden signs OSRA 2022 into law

President Joe Biden signed the Ocean Shipping Reform Act (OSRA) 2022 into law yesterday to praise from shippers and opprobrium from shipping lines.

The White House announced that Mr Biden's signature meant the Federal Maritime Commission (FMC) could issue new rules "related to certain fee assessments, prohibited practices".



In addition, OSRA will establish a shipping registry while also authorising the FMC, in certain circumstances, to issue emergency orders that require shipping lines to share information with other stakeholders including shippers, railways and truck operators.

The National Industrial Transportation League, which supports US shippers, said OSRA would: "Modernise our federal shipping law to address disruption to US companies' supply chains that depend on competitive and

efficient international ocean transportation services."

Source :- <https://theloadstar.com>

### Shippers say easing of India rates is 'calm before peak season storm'

Cargo owners in India believe the easing of container freight rates across the major tradelanes in June will be short-lived, with the peak season hitting in July.

After months of sky-rocketing rates and acutely tight equipment supply, freight forwarder sources said average contract rates for North America, Europe and intra-Asia routes had seen double-digit declines this month.

Costs for exports from the ports of Nhava Sheva (JNPT) and Mundra on India's west coast to the US east coast (New York) are down to \$8,317 per teu, from \$10,090 last month, and \$10,500 for a 40ft, down from \$12,700, a 17% decrease. Freight to the US west coast has seen a 13% decline, on average.

June rates on the India-Europe trades have also dropped: from west India to London Gateway, carrier contract pricing is now hovering at around \$6,009 per 20ft, versus \$7,615 in May, down 21%, and at \$7,141/40ft, down 11% compared with \$8,015 at the end of last month.

In the intra-Asia market to China, Hong Kong and Singapore, average pricing has fallen between 10% and 25%, data suggests.

Industry observers attributed the pricing correction, in large part, to better equipment availability, with cargo diversions from Sri Lanka's Colombo Port – lately caught up in multiple bottlenecks – to Indian east coast ports helping that inventory flow.

Shippers and freight forwarders, however, fear the pricing respite could be temporary, with projections that rates will shoot up again next month as the industry heads into peak season.

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“There are also some indications that larger carriers are changing strategies by keeping more inventory on hand for the peak season period,” a Mumbai-based forwarder told *The Loadstar*. “At the moment, the pricing situation is better than in the past few months.”

A new analysis by equipment marketplace provider Container xChange seemingly aligns with those findings, noting: “While the global average container prices have increased by up to 15% in May, the average container prices in India have declined, similar to the trend observed in China and many more countries worldwide. There has been a continued month-on-month decline in the prices of 40ft high-cube containers in Chennai from \$4,044 in April to \$4015 in May, while the prices in the ports of Nava Sheva and Mundra have increased.”



Source :- <https://theloadstar.com>

### **Lithium battery fires require different firefighting techniques, says safety OEM**

Maritime safety equipment manufacturer Survitec is raising the alarm about the unique challenges of battery fires, which are distinct and often poorly understood.

Thanks to their chemical makeup, lithium-ion (Li-Ion) batteries release oxygen when they heat up and, should they catch fire, it is impossible to smother the flames with water or foam.

Worse, however, is that while some are taught to fight battery fires using CO<sub>2</sub> foam, spraying CO<sub>2</sub> onto a battery fire will make the situation far worse, warned Finn Lende-Harung, commercial director of Survitec Group.



“A lot of the regulation says you can use CO<sub>2</sub>, but if you disperse CO<sub>2</sub> into a lithium-based fire at a high temperature, it actually splits the CO<sub>2</sub> atom and you end up with pure oxygen.”

The batteries are made of thousands of small cells and it is not unusual for a battery fire to appear to ‘reignite’ after it has been put out, as the fire spreads from one cell to the next. This means existing single-discharge firefighting systems are unsuitable, Mr Lende-Harung explained.

“If you use Novec CO<sub>2</sub> foam, you typically have one dischargeable. So, there’s a fire in the machinery room, we fill it with CO<sub>2</sub> and the fire is out. But since in this case [with a battery], the temperature would still be there and will slowly continue to release oxygen.”

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Source :- <https://theloadstar.com>

### **Korean traders urge truckers to end strike as it hits computer chip production**

The Korea International Trade Association (KITA), representing importers and exporters, has called on striking truckers to end their industrial action and get goods moving again.

As the strike reached its eighth day today, KITA urged truckers to consider the long-term economic effects of the strike and resume negotiations with the government.

It said it had received 236 complaints from members, alleging financial damage from the strike that has resulted in delays to cargo deliveries.

While South Korea's steel, automobile and petrochemical sector have reported at least \$1.23bn in damages, KITA said SMEs could bear the brunt of the trucking stalemate.

Citing rising fuel costs, the truckers want the Safe Trucking Freight Rates System, implemented in 2020 to prevent speeding and overwork, to be extended beyond original expiry in December, but talks with transport ministry officials broke down on Sunday.



KITA said 90 tons of isopropyl alcohol, used in making computer chip wafers, could not reach China last week and the delay had affected wafer production, adding: "These are key materials that should be supplied to each industry. Export shipments are being cancelled and delivery failures continue to occur."

The association said SMEs could face severe losses if the shipping and trucking disruptions continued, as they may have cash flow pressures.

Source :- <https://theloadstar.com>

## **World Container Index – Week 23**

### ***Our detailed assessment for Thursday, 16 June 2022***

- The composite index decreased by 1% this week, but, remains 8% higher than a year ago.
- The average composite index of the WCI, assessed by Drewry for year-to-date, is \$8,524 per 40ft container, which is \$5,078 higher than the five-year average of \$3,446 per 40ft container.
- Drewry's World Container Index composite index decreased by 1% to \$7,502.43 per 40ft container, but is 8% higher than the same week in 2021. Freight rates on Shanghai – Los Angeles dropped 3% or \$235 to \$8,378 per feu. Spot rates on Rotterdam – New York fell 2% or \$162 to \$6,938 per 40ft box.

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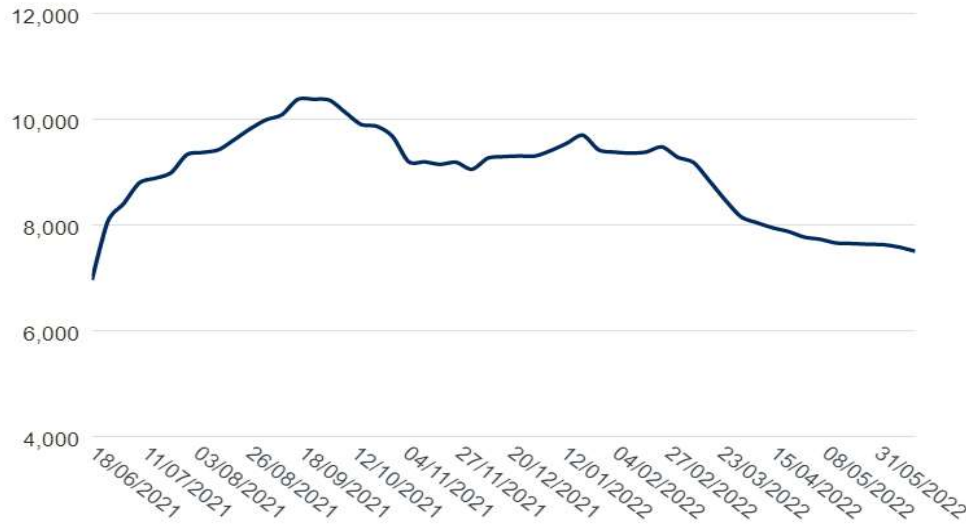
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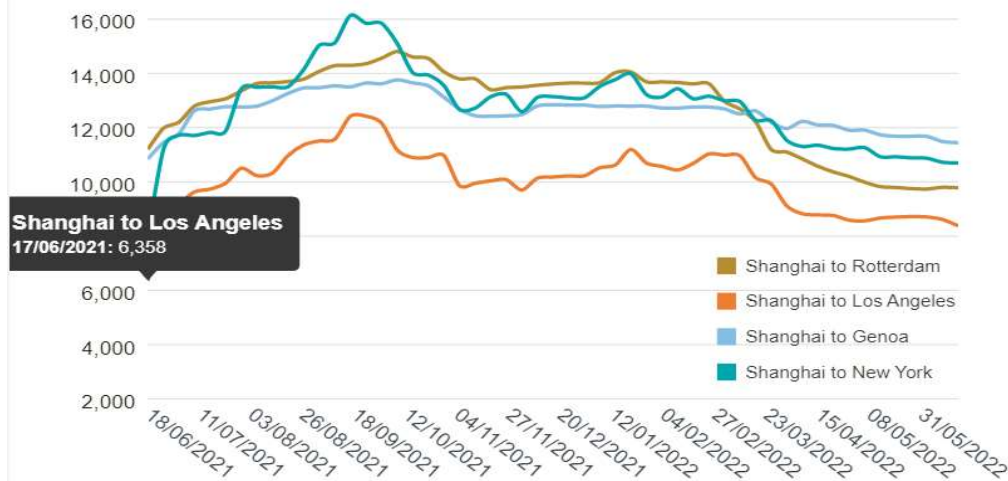
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Similarly, rates on Rotterdam – Shanghai and Los Angeles – Shanghai plunged 1% each to \$1,414 and \$1,235 per 40ft container respectively. However, rates on New York – Rotterdam gained 2% to \$1,204 per feu. Rates on Shanghai – Rotterdam, Shanghai – New York and Shanghai – Genoa hovered around previous weeks level. Drewry expects the index to decrease slowly in the next few weeks

Drewry World Container Index - 16 June 22 (US\$/40ft)

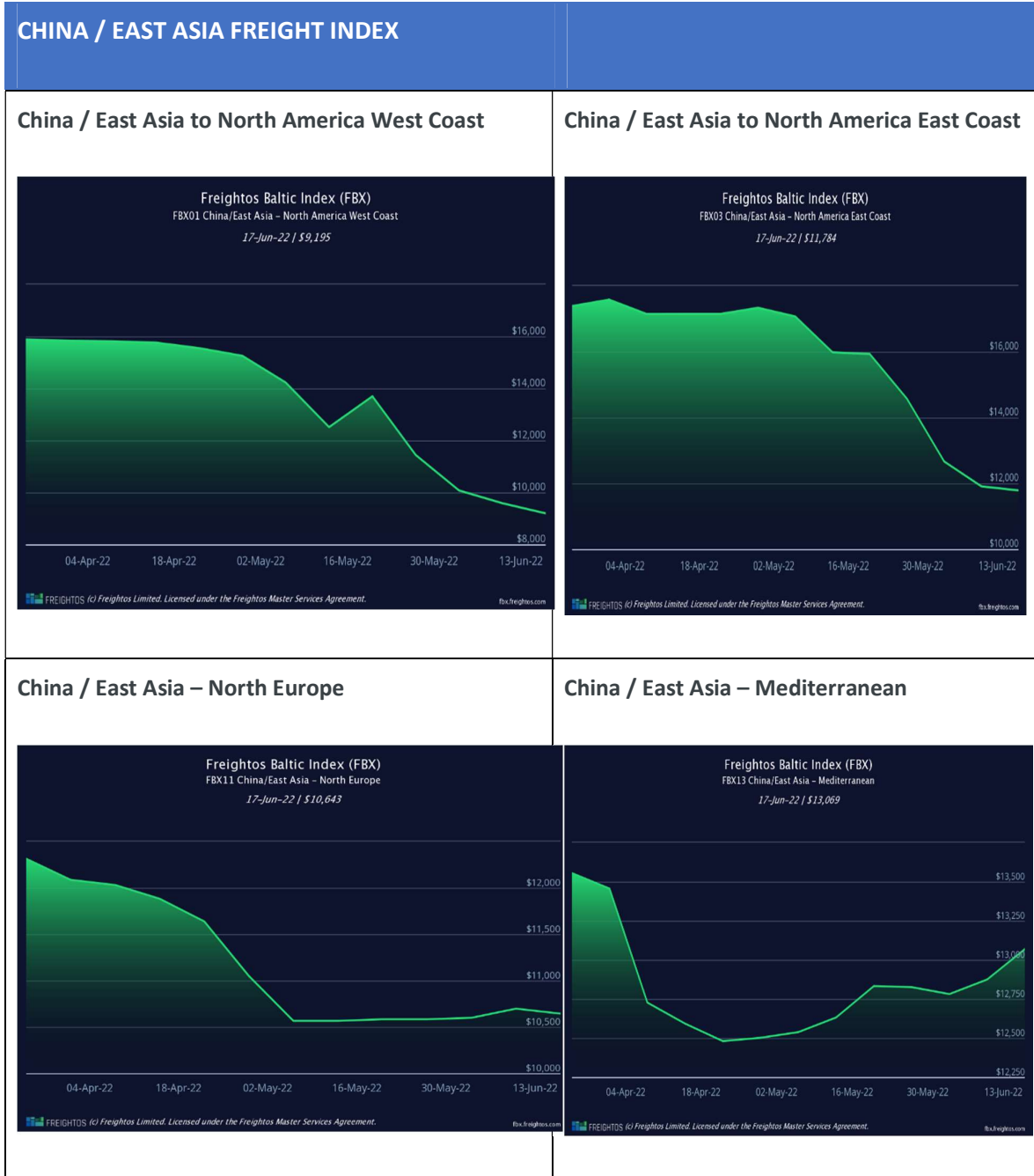


Trade Routes from Shanghai (US\$/40ft)

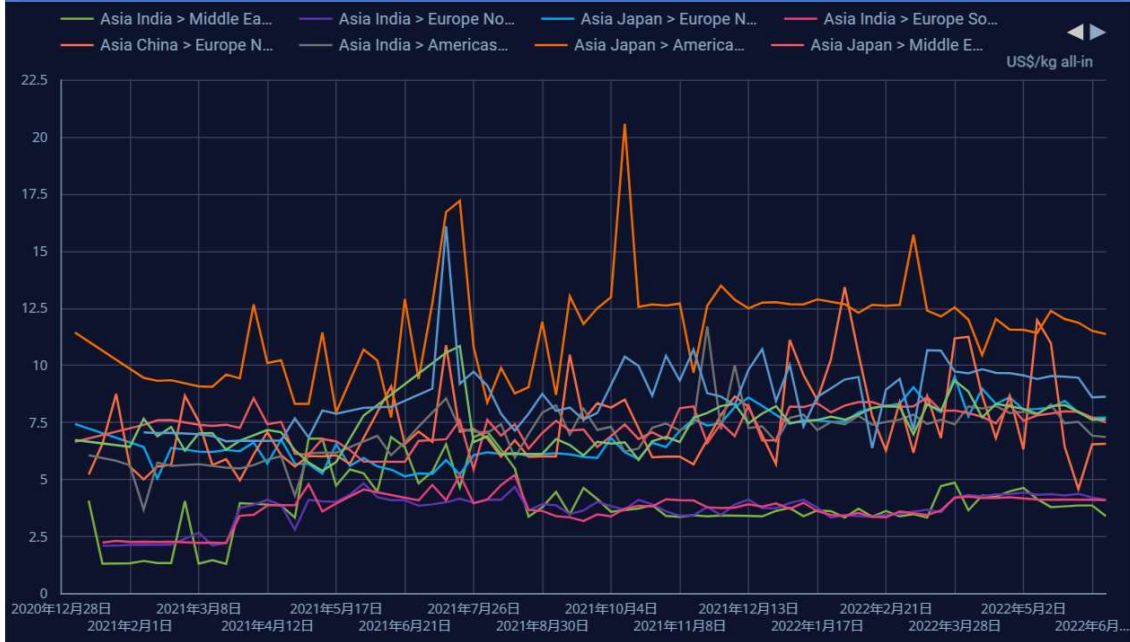


Source :- [Drewry - Service Expertise - World Container Index - 16 Jun](#)





## AIR FREIGHT INDEX



Source : Freightos Air Freight Index