KOIBITO VEST PRIVATE LIMITED
(Experience the growth together)

INDIA: August 15, 2022 Week 31/32

Weekly Port Congestion at Major Asia Sea Ports

Hong Kong	Waiting Time : 1 Days
Yantian	Waiting Time : 2 Days
Shekou	Waiting Time : 1 Days
Nansha	Waiting Time : 1 Days
Xiamen	Waiting Time : 0 Day
Qinzhou	Waiting Time : 3 Day
Shanghai	Waiting Time : 2 Day
Ningbo	Waiting Time : 2 Days
Tianjin	Waiting Time : 2 Day
Qingdao	Waiting Time : 3 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 : 2 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

China trade surplus under threat as peak season collapses and demand cools

China enjoyed a record $101bn trade surplus in July, but cargo volumes could soon decline, due to "cooling demand" and "no peak season" for Asia-Europe trades.

According to Chinese customs statistics, last month's exports jumped 18% in US dollar terms, while imports grew 2.3% year on year.

However, Julian Evans-Pritchard, senior China economist at Capital Ecomomics, said in a research note: "Exports held up well last month, thanks to a backlog of orders still being cleared. But it won't be long before shipments drop back on cooling foreign demand.

"Imports continued to trend down, pointing to further domestic weakness."
And, Mr Evans-Pritchard noted, the recent strength of exports "reflects the easing of supply chain disruptions coming out of lockdowns and, most importantly, fewer bottlenecks at ports."

SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS

Not all verticals are performing equally well, however, Mr Evans-Pritchard pointed out how electronics shipments were "a key exception", having dropped back considerably this year – "a sign that pandemic-related shifts in global demand are reversing", he explained.

Activity at China's ports has picked up recently, he said, throughput being helped by the weakness of domestic shipping demand, which has "freed up more port capacity for foreign trade".

Nevertheless, forwarders are still reporting pockets of delays and congestion at Chinese ports, partly due to ongoing Covid restrictions. Taiwan's Team Global Logistics (TGL) said delays at Shenzhen, for example, were becoming "more serious", and additional costs had "become normal due to the unstable epidemic situation".

TGL said there were vessel delays of seven to 10 days at Shanghai, where Covid policies were "constantly changing" which had a major impact on haulage operations.

Meanwhile, the Chinese military exercises near Taiwan were causing worsening delays at Ningbo and delays of three-to-five days from Qingdao, added TGL.

FourKites added: "As several large Chinese cities have been rolling out more stringent lockdown policies, volume at the port of Shanghai has started to decrease since the peak in mid-July, down 19% since then. The 14-day average ocean shipment volume is now down 14% compared with 12 March [when the lockdowns began]."

Indeed, according to Flexport, freight rates are falling on both the transpacific and Asia-Europe trades, despite widespread blank sailings.

And, Flexport added, while Asia-Europe "supply is still relatively tight due to the large amount of blank sailings, vessel slidings and port omissions", there was "no peak season and demand has been slowing down."

Source : https://www.theloadstar.com

Japanese shipping technology leaders in collaboration to develop digital engineering platforms for sustainable maritime logistics

A group of Japanese technology leaders have come together to establish a cooperation program called "Maritime and Ocean Digital Engineering" (MODE), at the University of Tokyo from the 1st of October. The program aims to promote and enhance digital engineering technology and skills for the maritime sector by building cooperative simulation platforms.

Japan's maritime industry is facing challenges, such as developing and implementing new technologies in the context of global decarbonization, maintaining shipping services by integrating autonomous ships to assist seafarers and improve safety, and ensuring high productivity among increasing complexity in ship design and manufacturing processes.

MODE aims to address these challenges by using model-based development (MBD) and model-based systems engineering (MBSE), which are increasingly being introduced in the automobile industry.

MBD and MBSE approach problems by examining the functions of products and components as computer

SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS

models, and then checking their behaviors through simulations. MBD and MBSE enable not only the optimization of complex system designs, but also the creation of a collaborative development process ("Maritime and Ocean Digital Engineering") involving a wide range of stakeholders, including shippers and operators.

Source :- https://www.hellenicshippingnews.com

Hong Kong faces more cross-border trucking restrictions

Supply chains operating through Hong Kong are once again facing restrictions on cross-border truck operations due to Covid-restrictions.

Freight forwarder Dimerco said that increasing Covid cases around Shenzhen have led to the city reducing daily cross-border truck movements from 3,500 to 1,500.

The restrictions began on July 25 and reduce truck capacity to around 10-20% of usual levels.
"In addition, stricter testing policies have been enacted. Truck drivers must show proof of a negative test result within 24 hours, versus the previous 48 hours, from July 24 to July 31," Dimerco said.

As a result of the truck restrictions, Dimerco is expecting to see a significant rise in demand for sea feeder services to transport cargo to Hong Kong. Flexport also warned of delays to Shenzhen shipments travelling via Hong Kong.

"Shenzhen-Hong Kong cross border operations have also been affected due to a surge in Covid cases and a subsequent quota reduction of at least 50%," it said.

"Shipments that need to be trucked to Hong Kong should expect longer transit times."

Restrictions were also put in place on cross-border truck operations earlier in the year as China battled a series of Covid outbreaks.

At the time, Hong Kong-hubbed airline Cathay Pacific said the trucking restrictions were one of the main reasons for its demand declines.

Source :- https://www.aircargonews.net/

Ban on Russian coal drives Europe to scramble for cargoes, reshaping trades

August will be a new era of sorts for coal buyers in Europe, and the shipowners that serve them, when the European Union ban on Russian coal enters into force this month.

SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS

European buyers have scrambled to stockpile coal, including stems sourced from Russia, ahead of the mid-August embargo as a cost-effective way to meet the continent's energy needs.

The bloc will ban imports of all forms of Russian coal, which the European Commission has said will affect 15% of Russia's coal exports and about €8bn of annual revenue. Contracts concluded before 9 April may be executed until 10 August.

The gulf in price differentials between European and Australian coal this year has made it viable for traders to source cargoes for Europe from the Asia-Pacific region, even when freight rates for bulk carriers have been high.

Changes in trading patterns are already being seen.

"With the EU ban kicking in in a few days and the majority of long-term contracts with Russian suppliers now unwound, EU imports from Russia dropped by 30% year on year in July,"

Source : https://www.tradewindsnews.com/

SMEs join sourcing shift away from China as Covid policy dents confidence

The production shift from China to South-east Asia is accelerating – now "even SMEs" are searching for alternative supply chains in the face of China's restrictive Covid policies.

According to Hong Kong-based digital wholesale marketplace Peeba, while the world is likely to see record Covid cases this winter, this is unlikely to lead to more supply chain disruption, except in China, where business disruption is "driving companies to alternative markets."

Peeba supply chain director Benny Wong said: "While global supply chains are beginning to resume normal operations post-pandemic, we're seeing an accelerating divergence between China's supply chain and the rest of the world's.

"For example, Japan saw record Covid cases last week, yet that did not lead to a change in its preventative policies, which is good for predictable supply chain operations and general business confidence.

"Meanwhile, China continues to clamp down hard when new cases spring up, leading to uncertainty and business disruption that damages the supply chain."

Indeed, Shanghai has announced yet another round of mass testing, beginning 26th July, and roughly 20%of the country, across 41 cities, is currently under some form of lockdown, according to analysis by Nomura. Most of the cases are in the northern province of Gansu and southern region of Guangxi.

Source : https://www.theloadstar.com

Pressure mounts on industry to tackle supply chain emissions

Consumer brands stand to be pilloried for their failure to rein-in their carbon footprint and they will suffer commercial consequences.
Although insulated from consumer brand problems, industrial firms are also feeling the heat build up to tackle emissions in their supply chains.

"We're definitely seeing more requests about reducing emissions," said Saleh ElHattab, founder and CEO of Gravity Climate, a company set up to help industrial firms and their supply chain partners manage their emissions footprint.

He has seen "an incredible groundswell" of interest in the industrial sector in getting a handle on and reducing their emissions.

These companies are facing mounting pressure from various sides – customers, regulators and investors – and the realisation has set in that they become more marketable if they measure and report their emissions footprint, he said.

Gravity Climate recently obtained $5m in seed funding from Eclipse Ventures, a venture capital organisation with over $2.6bn in assets under management. Mr ElHattab noted that the investment industry itself is showing rising interest in sustainability. This is partly because investors themselves have made commitments to carbon reduction, but also to ensure better marketability of the firms they are supporting financially, Mr ElHattab said.

Private equity firm Blue Wolf Capital Partners is using Gravity to measure the emissions of over ten of its portfolio companies. Gravity's technology makes it easy and cost-effective for industrial firms as well as their financial backers to track their emissions, decarbonise their direct operations and promote their sustainability efforts, the company claims.

In late July Gravity Climate launched a new carbon management software platform for industrial businesses and their supply chain partners. This is designed to give them a handle on their carbon footprint while driving cost-effective decarbonisation and long-term profitability.

Source : https://www.theloadstar.com ;

Chinese firms' development plans for ports will heat up East Africa competition

Ningbo-Zhoushan Port Co and China Merchants Port Holdings (CMPH) are to invest around $2.22bn in three port projects in Africa and the Mediterranean.

It forms part of the Belt and Road initiative in what has become a competition hot-spot on the African continent.

11th Aug announcement of a link-up between India's Adani Group and Abu Dhabi Ports to develop a port and logistics hub in Tanzania today was matched by China's second-busiest container port operator and CMPH to also develop hub facilities in Tanzania, as well as in neighbour Kenya.

Ningbo-Zhoushan Port announced that its first project will be in Tanzania's Bagamoyo Special Economic Zone, East Africa's main transport channel and the country's main export gateway. The investment cost is estimated at $740m.

The potential in Tanzania mainly stems from its "gateway access" to cargo volumes moving in and out of the six land-locked countries of Malawi, Zambia, Democratic Republic of Congo, Burundi, Rwanda and Uganda. Ningbo-Zhoushan Port intends to build an urban compound in Tanzania, modelled on the industrial zone around China's Shekou (Shenzhen) port, including logistics parks, tourism parks, industrial parks, international airports, banks, railway hubs and warehouses.

The second project, estimated at $787m,is said to be at Kenya's Lamu port, which the government is hoping to develop to alleviate pressure on the country's main port, Mombasa, more than 300km away. One of the flagship developments of Kenya Vision 2030, launched by President Mwai Kibaki in 2008, is a transport corridor linking Lamu Port, Ethiopia and South Sudan, including road, rail and oil pipelines, deep into the African hinterland.

Lamu Port has a 10km coastline, can accommodate 23 berths, and has a water depth of 17.5 metres, compared with 15 metres in Mombasa, enabling it to handle large containerships. The port will serve as a transhipment hub, competing with Durban and Djibouti to strengthen Kenya's position as a logistics hub in East Africa. Lamu is expected to handle 23.7m tonnes of cargo by 2030.

In 2019, the Kenyan government received a public-private investment proposal from CMPH to jointly develop the Lamu Special Economic Zone, which included the construction, management and operation of Berths 1-3 at Lamu Port and the development of the new Lamu Industrial City.

Ningbo-Zhoushan Port divulged little about the third project, except that it is in the Mediterranean and a gateway into Eastern Europe and West Asia, offering a bridge to east-west tradelanes. Chinese media reports suggest it could be a Turkish port development, and the investment cost is estimated at $696m.

Source :- https://www.theloadstar.com

Port congestion driving more shippers to China-Europe rail and road options

China-Europe rail freight volumes spiked last month, with demand for central Asian road freight connections also increasing. According to China State Railway Group, there were 1,517 Silk Road trains running in July, up 11% year on year, with volumes up 12%, to 149,000 teu.

However, total volumes for the first seven months were up only 4%, to 869,000 teu, continuing the slowdown in growth that began with the Russian invasion of Ukraine.

But Chengdu-based New Silk Road Intermodal noted how congestion on the network had improved over the past week. The forwarder said: “Piled containers at the border with Kazakhstan are being reloaded and delays at all departure stations have improved.

“The overall transit time of the Europe- and Russia-bound trains has gradually picked up. However, the overall market situation was relatively weak, with sufficient space available and freight rates reduced by about 5%… [due to] the weakening purchasing power in overseas markets and power restriction at factories in some parts of China.”

Nevertheless, Igor Tambaca, MD of Rail Bridge Cargo, said port congestion from strikes in Europe was pumping up demand for rail freight.

Source : https://theloadstar.com

Another profitable quarter, but HMM sees 'considerable uncertainties' ahead

South Korea’s national flagship carrier, HMM, reported a net profit of $2.24bn in the second quarter, for a $4.62bn half-year result – but is decidedly pessimistic on the outlook.

Similarly, last week, Maersk said it expected “a progressive decline” from the fourth quarter, and ONE has so far declined to forecast earnings for its full year, ending on 31 March, due to “market uncertainties”.

Nevertheless, with a very profitable third quarter now guaranteed for the sector, John McCown, founder of New York-based analyst Blue Alpha Capital, has raised his 2022 ocean carrier cumulative earnings forecast by $36bn, to a massive $256bn.

SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS

However, it looks more and more likely that the liner boom has reached its peak and earnings next year will come under considerable pressure.

"Demand growth is expected to be under downward pressure due to considerable uncertainties mainly related to widespread inflation, rising oil prices and recurrent Covid outbreaks, in addition to geopolitical tensions," said HMM.

The carrier's revenue surged 73% in Q2, compared with Q2 21, to $3.84bn, and edged up 2.3% on Q1 turnover as its spot market business began to cool.

HMM does not reveal its liftings and its average rate per teu cannot be calculated, but The Alliance partner ONE reported a 5% decline in its volumes for the same period, so, based on the financial information disclosed, HMM's average rates would appear to have increased during the period.

Source : https://www.theloadstar.com

Air cargo industry still eyeing a peak season, despite losing in-cabin capacity

Air cargo industry sources have played down the impact on capacity resulting from the end of cargo-in-cabin easements on 31 July.

Allowing cargo to be flown in passenger cabins was an exceptional measure introduced by the European Aviation Safety Agency (EASA) during the Covid pandemic.
Meanwhile, although the market is in a bit of a summer lull, it is expecting a peak season – although it won't be as strong as those of the past couple of years.

James Cristofoli, cargo director at the London office of air broker Air Charter Service, said: "Cargo-in-cabin capacity had a very limited scope – the freight had to be small packages that could load via a passenger door and could not be dangerous goods."

Jason Wilson, head of airfreight, Asia, at Denmark-based forwarder Scan Global Logistics said passenger-to freighter-conversions (P2F) had supported the market, notably to accommodate increased PPE commodities. However, they had been phased-out as airlines recalled aircraft to service the return of passenger demand.

He added: "We don't anticipate the suspension of cargo-in-cabin easements having a material impact on the current environment."

Mr Cristofoli noted that, with the gradual reintroduction of more and more scheduled passenger flights, the 'lost' capacity had been effectively replaced.
"It is also important to remember that cargo can still be carried in the cabin on some routes, and airlines will be attempting to deploy their 'preighters' on these routes."
Pierre van Der Stichele, VP global freigh at broker Air Partner, said that, even in taking into account the end of cargo-in-cabin, there was a certain "balance" at the moment in terms of freighter availability, but rates remained high.

Moreover, the market has been affected by high fuel prices, which have raised inflation and reduced consumer spending – a consequence of the crisis in Ukraine.

Source : https://www.theloadstar.com

Adani-AD Ports partnership aims to position Tanzania as regional logistics hub

Indian port conglomerate Adani Group (APSEZ) has concluded a memorandum of understanding (MoU) with AD Ports (Abu Dhabi Ports) to jointly pursue strategic investment opportunities in Tanzania.

The partners said they aimed to offer end-to-end logistics infrastructure and solutions covering rail, ports, maritime services, digital services and industrial zones in the East African country.

"A series of potential country-level investments to grow, improve, and promote an end-to-end maritime and logistics ecosystem will make Tanzania a hub for the African region," they said.
The move follows an official approach from the Tanzanian Port Authority (TPA), which governs port-inland waterways systems, for investment support from the Indian side to develop maritime infrastructure projects, notably a $500m three-berth expansion at Dar es Salaam Port.

Other projects on the drawing board include: construction of a major port in Bagamoyo, with some $1bn funding; a $600m plan for the Mangapwani multipurpose port in Zanzibar; and a $300m investment in a new oil jetty in the Dar es Salaam harbour.

"With the East African Free Trade Zone and African Continental Free Trade Area coming into play, Tanzania is likely to emerge as a major transit point for general commodities as well as petroleum products," said the Indian Ministry of Shipping. "In this backdrop, investment in the port sector or oil jetty in Tanzania would make good commercial sense."

The potential in Tanzania mainly stems from its "gateway access" to cargo volumes moving in and out of the six land-locked countries of Malawi, Zambia, Democratic Republic of Congo, Burundi, Rwanda and Uganda.

"This MoU with Adani Ports is significant in its impact on both Tanzania's ability to transform itself into an African trading hub, as well as our ability to further develop our global capabilities and connections that will bring goods to market faster and more efficiently," said Capt Mohamed Juma Al Shamisi, MD and group CEO of AD Ports Group.

Karan Adani, CEO of APSEZ, added: "We are pleased to be partnering with AD Ports Group in the development of key quality infrastructure in Tanzania, especially in the ports and maritime sector, which will improve and bring about positive change in the communities, standing by our commitment to growth with goodness." APSEZ has been aggressively working to extend its port network reach beyond India in a bid to become the world's largest port operator by 2030. And targeting the Tanzania market is expected to "yield significant contributions towards that goal".

While preliminary plans indicate landside connectivity development interests to speed up hinterland cargo flowing through Dar es Salaam, those project specifics were not immediately available.

"We are evaluating the areas for collaboration with concerned stakeholders," an Adani official told *The Loadstar*.

Currently, Dar es Salaam, Tanzania's busiest gateway, can handle more than 10 million tonnes of cargo a year, according to available data.

Source : https://www.theloadstar.com

FMC compenstation for shipper's plan will push carrier to return boxes

Shippers in the US may soon be able to claim compensation for the storage of empty shipping containers that also accrue detention and demurrage (D&D) charges.
These are imposed by carriers on customers unable to return empty containers before a certain deadline. Federal Maritime Commission (FMC) chairman Daniel Maffei told representatives of the trucking and terminal operating community at the port of New York and New Jersey shippers should instead be compensated for storing empties.

"When ocean carriers continue to bring thousands of containers every month to a port and only pick up a fraction of them, it creates an untenable situation for terminals, importers and exporters, trucking companies and the port itself," said Mr Maffei.

The FMC policy would increase incentives on carriers to promote the movement of cargo, as they would no longer "receive involuntarily subsidised storage for empty containers that belong to them", shifting the responsibility for the empty containers onto carriers and alleviate port and supply chain congestion.
The commission further plans to facilitate the movement of empty containers out of US ports by asking carriers which are furthest behind schedule for picking up their empty containers to provide the FMC with a plan to rectify the situation.

SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS

Mr Maffei's remarks came after the National Industrial Transportation League and the Bi-State Motor Carriers Association, a 170-member New York/New Jersey truckers' association, asked the FMC to suspend D&D charges for shippers at New York/New Jersey unable to return empty containers through no fault of their own.

The policy, if implemented could be transferable across the US.
Chronic port congestion in the US has seen terminal and warehouse storage space reach capacity, while chassis availability has also declined as shippers use equipment to store thousands of empty containers waiting to be returned to carriers.

Mr Maffei said the commission's investigations into complaints about unreasonable D&D charges, set out by OSRA, will be "broadened and intensified to cover instances where shippers and truckers are being forced to store containers or move them without proper compensation".

Complaints from shippers that attempts to return boxes have often failed through lack of communication with the lines, or a shortage of chassis to deliver boxes at the specified time and place, has seen D&D charges spiral out of control, according to some shippers.

Average D&D charges in the US were nearly five times higher in the US than in Europe, according to Container Xchange statistics for May.

The increase in cargo volumes post-pandemic, imbalances in volumes of containerships moving in and out of US gateways and congestion have all caused a build-up of empty containers at US ports. Carriers have been requiring shippers and truckers to pay daily charges for empty containers, despite port congestion making the return of these containers on specified dates virtually impossible in some cases.
This prompted the US government to introduce the Ocean Shipping Reform Act 2022 (OSRA) in an effort to deal with perceived injustices imposed on shippers by the terminal operators and the shipping lines.
One of the cases to reach its conclusion even before the enactment of OSRA saw Hapag-Lloyd fined $2m for infringements that will bring even greater scrutiny and the new legislation.

The FMC will alleviate this financial pressure on shippers and truckers by suspending the D&D charges for empty containers stuck in ports, and requiring carriers to provide compensation, if it can be shown that full containers cannot be picked up, or if shippers and forwarders are unable to return empties.

World Container Index – Week 31/32

Our detailed assessment for Thursday, 11 August 2022

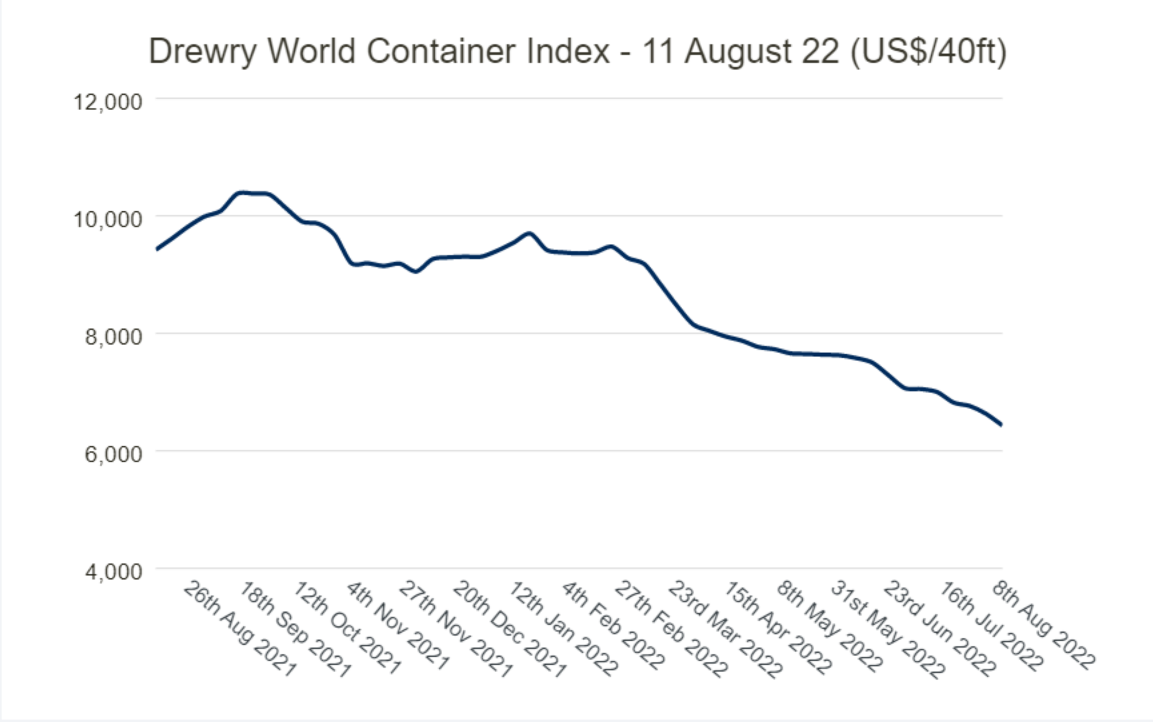
- The composite index decreased by 3% this week, the 24th consecutive weekly decrease, and has dropped by 32% when compared with the same week last year.

- The latest Drewry WCI composite index of $6,430 per 40-foot container is now 38% below the peak of $10,377 reached in September 2021, but it remains 78% higher than the 5-year average of $3,613.

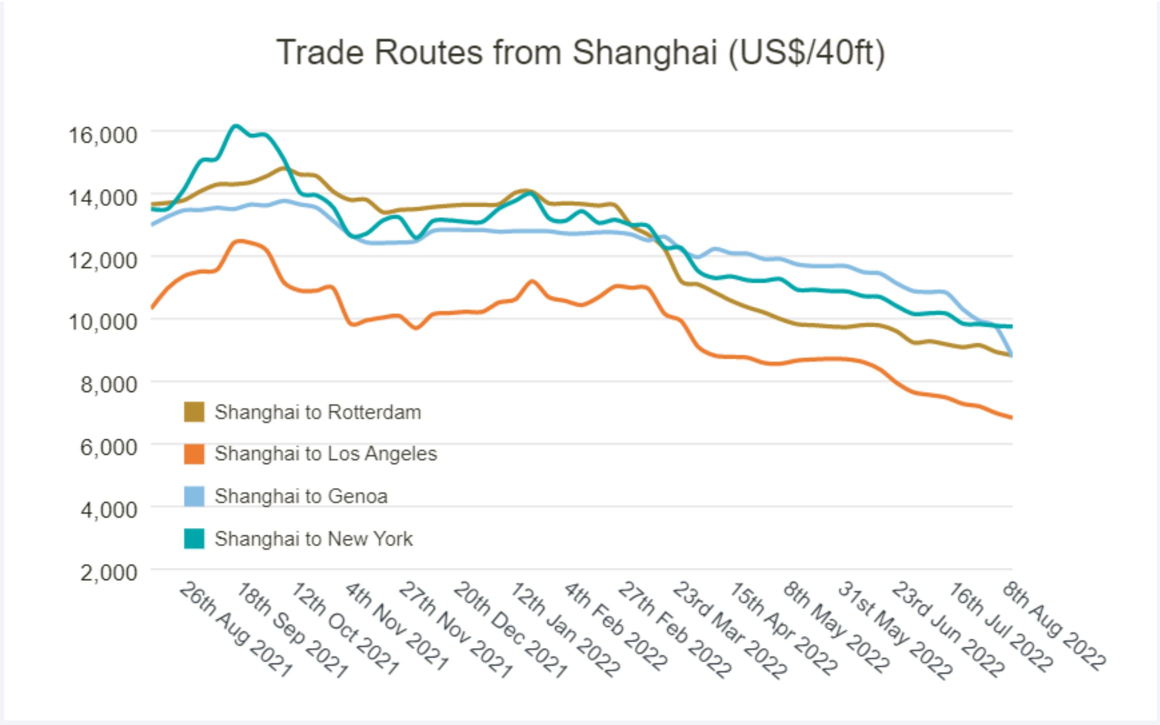
- The average composite index for the year-to-date is $8,113 per 40ft container, which is $4,500 higher than the five-year average ($3,613 mentioned above).

KOIBITO VEST PRIVATE LIMITED
(Experience the growth together)

- The composite index decreased by 3% to $6,430.07 per 40ft container, and is 32% lower than the same week in 2021. Freight rates on Shanghai – Genoa dropped 10% or $962 to $8,779 per feu. Spot rates on Shanghai – Los Angeles fell 2% or $151 to $6,834 per 40ft. Similarly, rates on Shanghai – Rotterdam decreased 1% or $106 to $8,833 per 40ft container. Rates on Los Angeles – Shanghai, Rotterdam – Shanghai, Shanghai – New York, New York – Rotterdam and Rotterdam – New York hovered around the previous week's level. Drewry expects the index to decrease in the next few weeks.

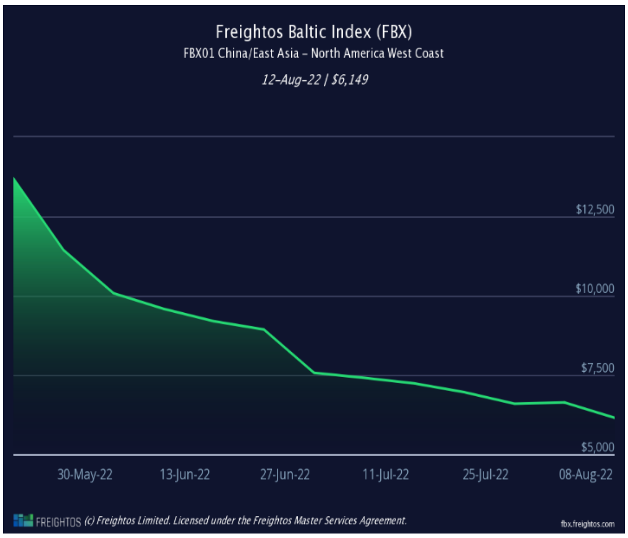
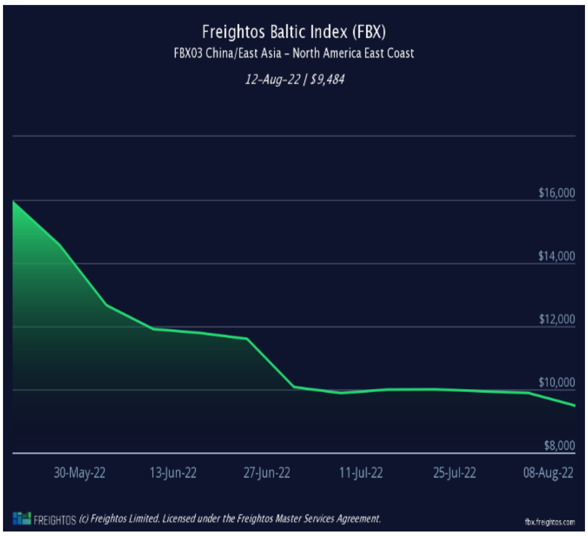


SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS

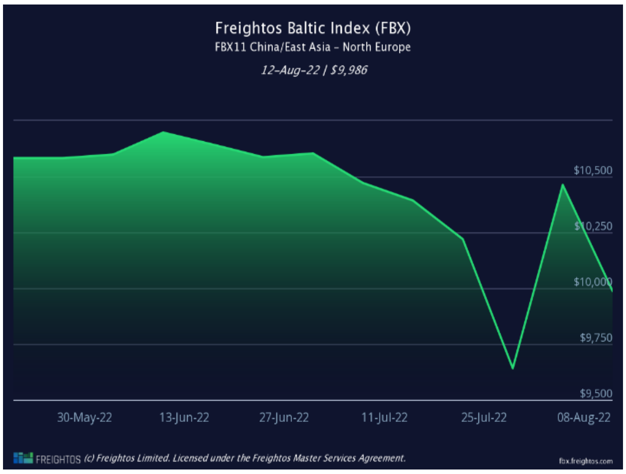
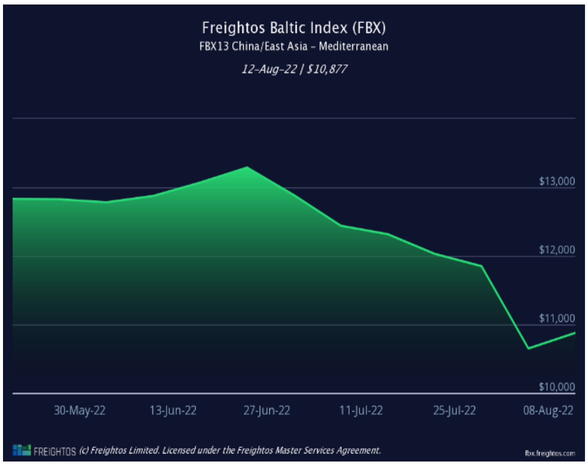


Source :- Drewry - Service Expertise - World Container Index

CHINA / EAST ASIA FREIGHT INDEX

China / East Asia to North America West Coast	China / East Asia to North America East Coast
	

SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS

China / East Asia – North Europe	China / East Asia – Mediterranean
	

AIR FREIGHT INDEX

SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS

KOIBITO VEST PRIVATE LIMITED
(Experience the growth together)

Source : Freightos Air Freight Index

SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS