INDIA: July 12, 2022	Week 28

Weekly Port Congestion at Major Asia Sea Ports

Hong Kong	Waiting Time : 2 Days
Yantian	Waiting Time : 2 Days
Shekou	Waiting Time : 1 Days
Nansha	Waiting Time : 1 Days
Xiamen	Waiting Time : 2 Day
Qinzhou	Waiting Time : 2 Day
Shanghai	Waiting Time : 3 Day
Ningbo	Waiting Time : 3 Days
Tianjin	Waiting Time : 3 Day
Qingdao	Waiting Time : 4 Days
Kaohsiung	Waiting Time : 2 Days
Keelung	Waiting Time : 2 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 : 1 Day
Chennai	Waiting Time : 2 Day

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

MARKET UPDATES

Shanghai Covid scare raises spectre of further lockdown disruption

With mass testing again underway, there are renewed fears that Shanghai could go back into lockdown and disrupt peak season.

It's only been five weeks since the major port and manufacturing hub emerged from its two-month "zero-Covid" ordeal, and already several districts are undergoing mass testing again, from July 12 until Thursday. Officials say the measures are needed to avert another citywide lockdown, but critics claim mass testing has generally been the precursor to further restrictions in China, not the prevention.

Nevertheless, UBS Global Wealth Management said it expects "rolling mini-lockdowns" for the rest of the year, which would be "less disruptive to supply chains".

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

The lockdown threat is not limited to Shanghai. According to *Bloomberg,* up to 30m people in China are currently under some form of Covid restrictions, with the current hot spots being Henan province and the South China port city of Guangzhou, which is also carrying out mass testing again.

The latest Covid scare comes at time when China's ports and supply chains are already under pressure. Zencargo said: "Although the rise in cases has not yet impacted shipments, there is growing concern that local lockdowns in China will result in further congestion in already strained ports.

"In addition to restrictions, Chinese vessels have been affected by typhoons, impacting operations in Ningbo, Shenzhen and Hong Kong, and resulting in fewer vessels berthing."

Indeed, the forwarder said the average waiting time for vessels to berth at Shanghai was up from 12 to 24 hours, and that "most terminals" have severe congestion at Ningbo, due to the bad weather.

Source : https://Thelaodstar.com

OOCL sees liftings down while revenue surges

Orient Overseas (International) Limited (OOCL) has released its unaudited results for the Q2 2022.

"For the second quarter ended 30th June 2022, total revenues increased by 52.4% to US Dollars 5,285.0 million, as compared to the same period in 2021. This record result was achieved despite severe congestion around the network, which drove down liftings by 5.6% and loadable capacity by 6.1%. The overall load factor was 0.5% higher than the same period in 2021. Overall average revenue per TEU increased by 61.5% compared to the second quarter of last year," the company said.

For the first six months of 2022 revenues increased 61% while total liftings decreased 7.4%. OOCL noted that "loadable capacity" decreased by 6.3% over the period, and the overall load factor was 1.1% lower than the same period in 2021.

Source : https://www.worldcargonews.com/news/news/oocl-sees-liftings-down-while-revenue-surges-69315

Bangladesh sees exports rise

The value of Bangladesh's exports surged 34% in its Fiscal Year 2022, which concluded on 30 June, to US$52 billion.

This is the first time the figure has exceeded $50 billion, but exporters believe the value could have reached $55 billion were it not for uncertainty created by the war in Ukraine slowing the rate of growth in recent months.

The quantity of goods exported did not, however, increase in proportion got the dollar value. Container traffic at Chattogram increased 5% to 3.255 million TEU, compared to 3.097M TEU the previous fiscal year. Total tonnage through the port rose from 113.72 million tonnes to 118.17 million tons over the same period, and vessel calls increased from 4,062 to 4,231.

Chattogram Port Authority Chairman Rear Admiral M Shahjahan said growth may have increased further had there been no impacts from the Russia-Ukraine war and the pandemic. He noted that during the year under review a direct shipping service between Chattogram, Italy, Slovenia, Rotterdam, and Liverpool started, where goods are sent to final markets much faster than using transhipment ports in Singapore, Colombo, and Port Klang. The service has also helped boost exports.

Meanwhile the Port of Colombo, which handles 40% of Bangladesh's exports as transhipment cargo, is now reported to be offering priority berthing for services coming from Colombo, something Bangladesh had been pushing for.

Back in Chattogram port, another port official said new equipment that arrived in recent months is helping to boost productivity and turn ships around faster. The New Mooring Container terminal has just taken delivery of two new STS cranes and three RTGs from ZPMC. The STS cranes increase the number at the terminal to 14 and are expected to reduce average vessel handling time at the terminal from 59 hours to 48hours when they become operational next month.

An investigation by the port authority into the fire at the BM Container depot where 49 died and hundreds were injured has found mismanagement in the handling and storage of chemical cargoes. The investigation continues.

Source : https://www.worldcargonews.com/news/news/bangladesh-sees-exports-rise-69308

U.S. Chamber of Commerce worried about rail strikes

The U.S. Chamber of Commerce is urging President Biden to intervene in stalled contract negotiations that impact seven Class I railroads operating in the US.

Negotiations with 12 different rail unions covering over 135,000 workers across the seven Class I railroads have been ongoing for over two years. Over that period that landscape has changed significantly, and inflation has soared to its highest point in 30 years. Negotiations had moved to mediation by the National Mediation Board, but in June it said that the process had reached a dead end. The Unions are reported to be refusing arbitration and now the US Chamber of Commerce is worried about strikes or other disruptions.

"I urge you to help resolve the ongoing labor negotiations between the Class I freight railroads and the twelve rail unions by following historic precedent and appointing a Presidential Emergency Board (PEB) comprised of individuals who are impartial, belong to the National Academy of Arbitrators, and have direct experience in resolving rail disputes," Chamber CEO Suzanne Clark implored President Biden. "It is imperative that the Administration act to prevent any disruption to America's rail service.

"The National Mediation Board's (NMB) decision to release the Class I freight railroads and the twelve rail unions from mediation presents a new challenge to the U.S. business community, which is already navigating a difficult environment. Unless the Administration acts, either party is free to exercise "self-help" options – including a strike – beginning on July 18, 2022."

The Chamber believes that a strike would cause disruptions as its members start to prepare for the holiday shopping season. "Any breakdown would be disastrous for U.S. consumers and the economy, and potentially return us to the historic supply chain challenges during the depths of the pandemic,"

Source : https://www.worldcargonews.com/news/news/us-chamber-of-commerce-worried-about-rail-strikes-69323

Bilbao gets shore power support from EU

The European Commission has selected the project for the electrification of the docks of the Port of Bilbao (BilbOPS) as one of the 135 European initiatives to be given an EU grant under the Connecting Europe Facility (CEF)

Forty five projects with Spanish involvement were submitted for the 2021-27 CEF call for proposals, of which seven have passed this first phase, which is now expected to be ratified once all the required administrative procedures have been duly completed.

The BilbOPS project requires an investment of €51.8M and has already received a grant of €4.3M for the new A5 Dock through the Recovery and Resilience Facility. The current award would mean a subsidy of 30% (€14.2M) for the cruise, ferry and container docks of the port of Bilbao.

These facilities should all be in place by 2025. With this initiative and other complementary measures, the port authority hopes to meet the 55% emissions reduction target set by the European Union for 2030.

The project also provides for the commissioning of renewable energy facilities such as solar photovoltaic, wave and wind power, thereby contributing to speeding up the energy transition alongside other projects such as Petronor's new plant for the production of synthetic fuels using green hydrogen as a feedstock.

The port authority also recently completed another EC-backed project (to the tune of 20%). This is the first phase of the Central Quay, with 1,120 m of berthing line, 362,000 m² of surface area and a total investment of €112M.

The Central Quay will be one of the quays which, in addition to having rail infrastructure, will be equipped with shore power.

Source :- https://www.worldcargonews.com/news/news/bilbao-gets-shore-power-support-from-eu-69318

BAL seals slot deal with Alibaba carrier Transfar for China-US/Mexico trade

Hong Kong-based BAL Container Line has signed a slot charter agreement with Transfar Shipping for an initial 12 month period, starting on 27 June.

The agreement is for the Pacific trades from China to US and Mexican Pacific ports, with the Hong Kong carrier chartering space "as needed, as available".

According to Alphaliner, Transfar, a subsidiary of online retailer Alibaba, currently operates six ships on the Pacific trade, but only three call at west coast ports, the others operate to ports on the US east coast and are not part of the slot charter deal.

Transfar operates ships of between 1,730 teu to 4,400 teu on its west coast AES1/FEA service, which Alphaliner says is also dubbed the Ali Express, from Chinese ports ranging from Qingdao in the north to Shanghai, Ningbo and Yantian, to Long Beach, Oakland, in the US and Manzanillo, Lazaro Cardenas, in Mexico. Port rotations are flexible said Alphaliner.

BAL will use its own containers for its customers' cargo and will be responsible for handling charges at both load and discharge ports.

In what appears to be a loose arrangement as far as rates are concerned, the agreement includes the clause: "The parties are authorised to discuss and agree on the financial and other terms and conditions applicable to the space chartered to BAL."

Source : https://theloadstar.com

Zim and MSC quick to boost capacity, but rivals miss growth opportunities

The world's fully cellular container fleet grew by 1.7% in the first half of this year, to just under 25.5m teu, but some ocean carriers have been able to expand their capacity much faster than others.
An analysis by Alphaliner reveals Israeli carrier Zim had the most aggressive growth, at 16.8%, followed by Evergreen with 5.2% and MSC's 4.2%.

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)

At the other end of the table, ONE recorded negative growth, with capacity falling 1.2% during the period, followed by Cosco at -1% and Maersk and HMM with -0.6%.

"Zim recorded the strongest growth percentage-wise by chartering many classic panamax vessels at elevated rates of up to five years," said Alphaliner.

Nevertheless, in pure capacity terms, the consultant said, the "growth champion" was "undoubtedly MSC", which added some 179,000 teu of second-hand tonnage to its fleet in the first six months this year. "In some cases, MSC paid more for the second-hand purchases than the original order price," said the consultant. "The big advantage of buying second hand tonnage is, however, that this capacity is promptly available, which has allowed MSC to take maximum advantage of the bullish market."

Indeed, MSC has launched a raft of new standalone services in the past few months, taking advantage of the newly acquired tonnage, boosting its total to almost 4.5m teu, creating a gap of 200,000 teu between it and Maersk.

Source : https://theloadstar.com

Hong Kong extends block exemption for VSAs for another four years

Hong Kong's competition authority today extended its block exemption for vessel-sharing agreements (VSAs) in the liner industry for four years.

The exemption will be valid until 8 August 2026, despite originally being scheduled to run until 2027.
"While the order had an initial duration of five years, it is only being renewed for a further four. This is in light of the continuing impact of the Covid-19 pandemic on the prevailing market conditions, which warrants a review of the order within a shorter time frame. The commission will commence a review in three years' time," it said.

Hong Kong's block exemption was granted to liner shipping VSAs on the basis that none has more than a 40% market share – or a 45% market share that did not last for more than two consecutive years – which marks a slight difference to the EC's 30% market share threshold.
Hong Kong Competition Commission documents reveal that, during its enquiry phase, it received 18 comments from liner companies and lobby groups, as well as associations representing shippers and ports, but no outright objections to the exemption continuing. This was despite soaring spot rates during the pandemic and continued container supply chain congestion issues.

It said: "Several organisations opined that the current market issues were the result of exceptional circumstances beyond the shipping lines' control, and did not refer to any specific collusive action by shipping lines (whether or not through VSAs), during the pandemic, aimed at achieving higher rates.
"The information and data obtained in the review suggest shipping lines added capacity and services to certain trades during the pandemic, particularly the transpacific and Asia to Europe trades, that vessel utilisation

remains high and that the number of new ships being ordered has increased. This would not be consistent with a collusive attempt to obtain higher rates by deliberately withholding capacity

Source : https://theloadstar.com

'The air cargo market hasn't collapsed, it's just the seasonal norm'

When Shanghai's lockdown ended most companies expected a surge in cargo and a bounce in airfreight rates, as China attempted to rebuild its export market,

This, of course, has not happened. But the question is, why?

According to Stifel, writing for the Baltic Exchange, there are four possible explanations – or a mix thereof.

First, it said June's "fuel prices tapered steadily during the month, tempering increases on base rates". IATA's jet fuel monitor recorded prices down 6.4% in June, from May, and down 5.4% in Asia and Oceania. Stifel said the fall had "removed upward pressure on fully baked airfreight rates".

Second, noted Bruce Chan, Stifel's director global logistics, it was June. He said: "We are currently entering the normal late-summer lull before the onset of the holiday peak. So there is a potential that seasonal demand patterns are helping to keep pricing stable."

The third potential explanation is that the manufacturing ramp-up in China is more gradual than expected. Mr Chan added: "Manufacturing PMI in China recovered in May, but was still below trend and in contraction territory."

Some forwarders in China, however, have suggested that exports continued to flow, to some extent, but via hubs other than Shanghai.

Fourth and finally, noted Mr Chan: "There's the possibility that demand is starting to moderate on a longer-term basis.

"Are we seeing signs that the recessionary bogeyman has arrived? Airfreight volumes and airfreight rates are likely a leading indicator, in our view, but we don't have clear evidence to support that thesis.

"Annualised US GDP contracted 1.6% in Q1 22, for example, but unemployment and absolute consumer spending figures have been more resilient, and US inventory-to-sales ratios remain near all-time lows.
"We don't and cannot discount the possibility of the fourth scenario. And, while we do expect a broader slowdown at some point in 2023, we believe what is currently impacting rates is shorter-term in nature."
One airfreight forwarder agreed that the demise of the market had been exaggerated, and likely a short-term lull.

Source : https://theloadstar.com

Box lines undercut forwarders' ocean rates in fear of soft market

Shipping lines have "moved first" to lower spot rates and undercut forwarders, fearing a deteriorating market.

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

However, supply chain bottlenecks could yet "save the day" for carriers by propping up long-term contract rates.

According to Sunny Ho, executive director of the Hong Kong Shippers' Council, forwarders have "refused to lower their rates", even while shipping line rates have dropped as much as 30%.
He added: "Forwarders are resisting lowering rates but carriers have moved first – this year they are offering more competitive rates to BCOs than forwarders, reflecting the lines' desire to secure cargo sources in fear of market deterioration."

Peter Sundara, global head of ocean freight at a major Singapore-based cargo owner, said so far the carriers hadn't given "any indication" of lowering long-term contract rates.
He told *The Loadstar:* "Spot rates have fallen 5%-10% across most trade lanes, but it's only on the transpacific where they have fallen below contract rates. On Asia-Europe, the gap has narrowed, but spot rates are still slightly higher.

"The main reason is because the port congestion in Europe is now much more severe than the US west coast."
Mr Sundara added he believed the "only thing stopping" carriers from having to lower rates was bottlenecks, adding: "Largely due to the port congestion in Europe and the US east coast.

"But we're now hearing again about Covid in South China, which would be another potential disruption if Yantian was affected. So if you're a carrier right now, you have no real incentive to drop contract rates.
"There's a lot of talk about an economic downturn and that the market is softening, which may be the case. But at the same time, in other sectors of the market cargo is still moving, including raw materials.
"Overall, the supply chain challenges are still there, and I think that is going to save the day for the carriers."

Source : https://theloadstar.com

Airlines cut capacity and import cargo to Sri Lanka as its fuel crisis bites

Sri Lanka's economic crisis and lack of fuel has resulted in airlines cutting capacity to the country and embargoing inbound cargo.

The lack of passengers and fuel, which airlines have to carry for the return journey, have isolated the country as carriers cut capacity or ban imports.

One Sri Lankan forwarder said: "We are getting into a peak in Colombo, as prominent carriers have cut capacity. A severe shortage in jet fuel [means] most carriers were compelled to cut down or halt services to/from Colombo."

He said Qatar Airways was adding freighter services until 16 July in a bid to mop up some volumes, while Turkish has cancelled all passenger flights until 15 July over jet fuel shortages, but it is operating one freighter every Wednesday.

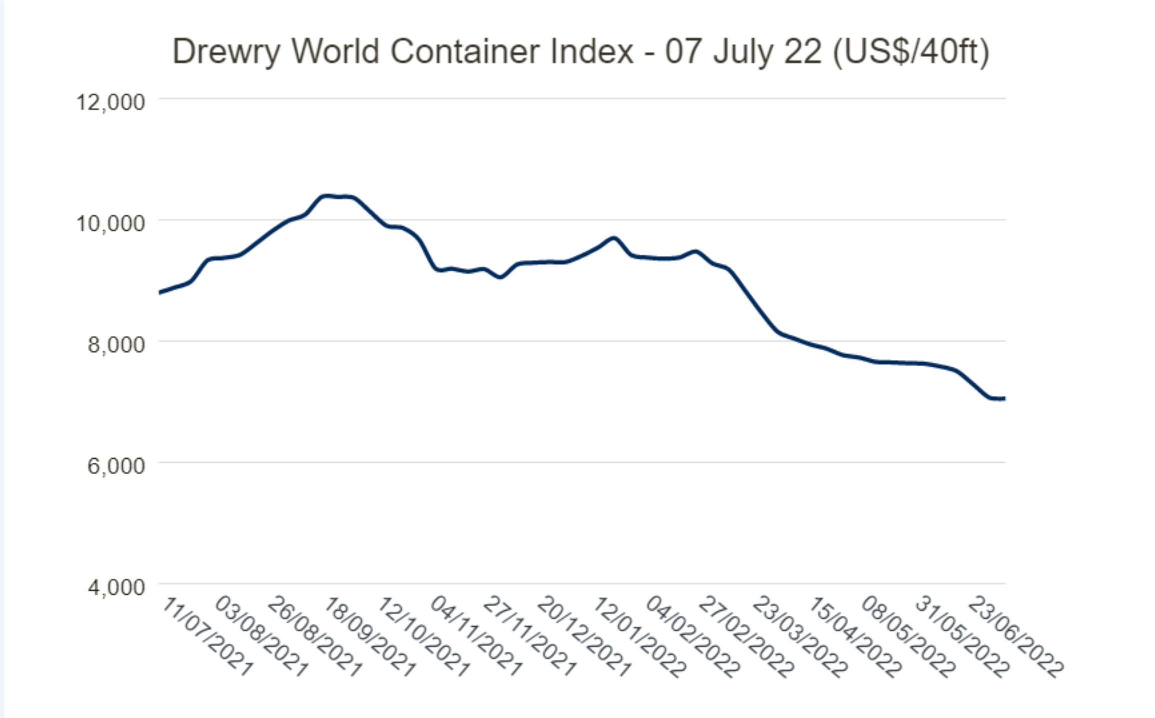
SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS

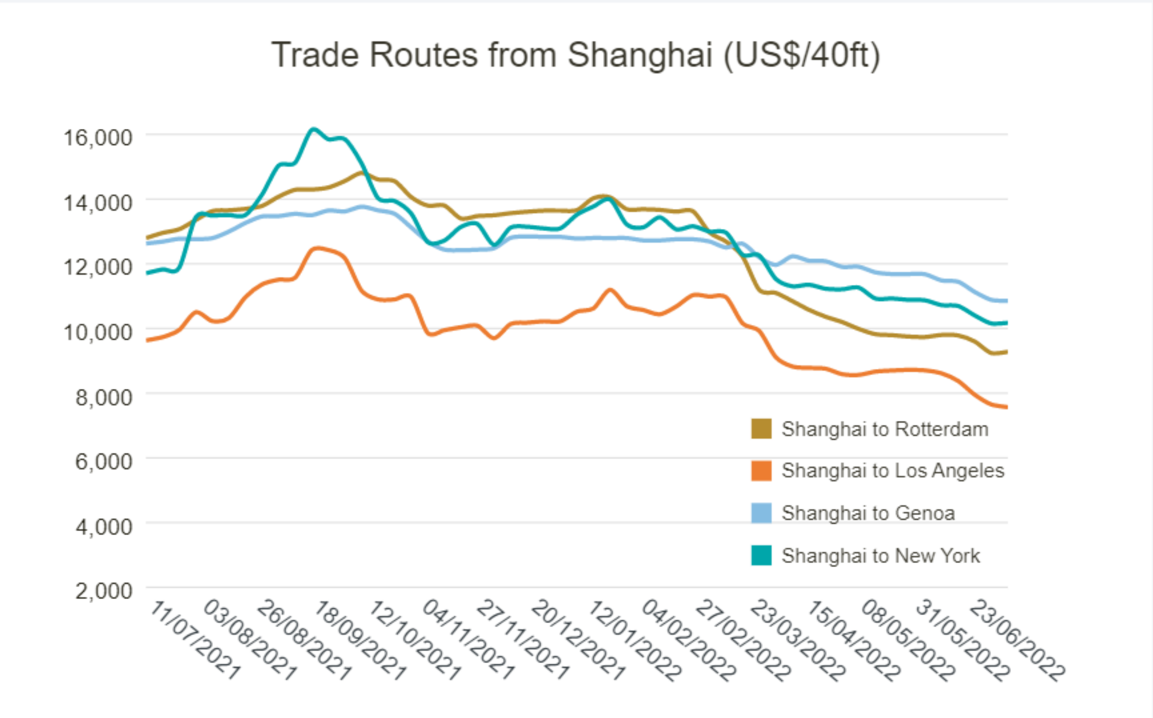
Emirates has two passenger flights a day, with one coming via the Maldives – where there is also a fuel shortage. The forwarder said Emirates was looking at switching to direct flights, but was concerned about the additional fuel needing to be carried, which would reduce payload.
Etihad and Singapore are operating normally, with four flights a week, while Thai has two flights. Cathay is putting in one freighter a week,. while Sri Lankan Airlines is operating long-haul flights, getting fuel from nearby locations such as South India and returning with a full tank, cutting payloads severely.
"Latest updates confirm that Sri Lankan is having issues with fuel," noted the forwarder. "Most of the carriers have suspended carrying import cargo into Sri Lanka, instead taking additional fuel. A heavy peak is on for import air cargo from regular areas such as the far east."

World Container Index – Week 28

Our detailed assessment for Thursday, 07 July 2022

- The composite index decreased marginally by 0.2% this week, and, 20% lower than a year ago.
- The average composite index of the WCI, assessed by Drewry for year-to-date, is $8,370 per 40ft container, which is $4,858 higher than the five-year average of $3,512 per 40ft container.
- Drewry's World Container Index composite index decreased marginally by 0.2% to $7,050.94 per 40ft container, and is 20% lower than the same week in 2021. Freight rates on Shanghai – Los Angeles dropped 1% or $86 to $7,566 per feu. Spot rates on Rotterdam – Shanghai fell 5% or $74 to $1,328 per 40ft box. However, rates on Los Angeles – Shanghai gained 3% or $42 to $1,280 per feu. Similarly, rates on New York – Rotterdam surged 4% or $45 to $1,239. Rates on Shanghai – Rotterdam, Shanghai – Genoa, Shanghai – New York and Rotterdam – New York hovered around previous weeks level. Drewry expects the index to decrease in the next few weeks.

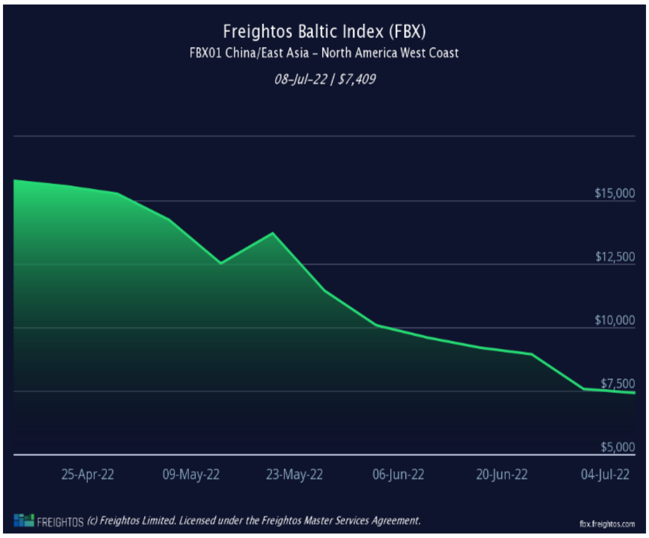
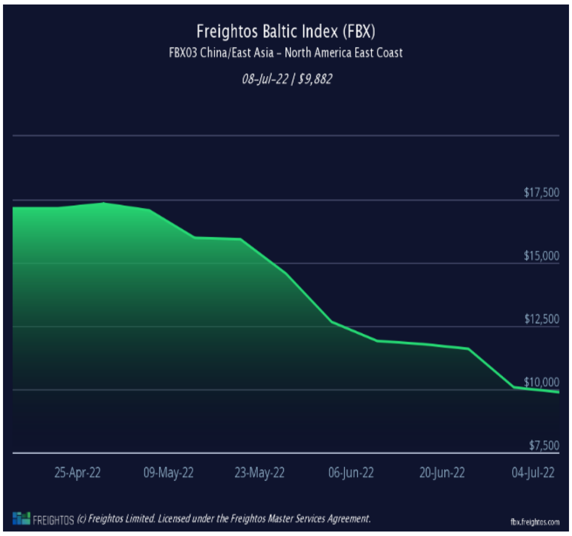
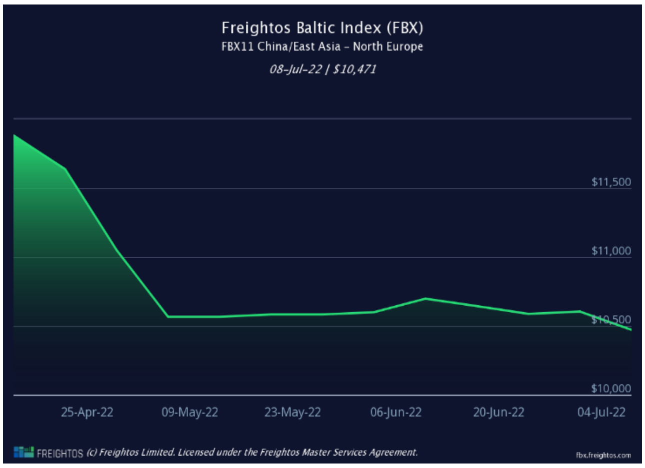
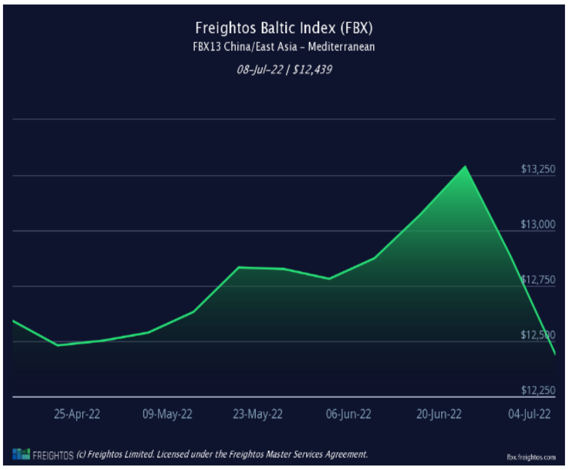




Source :- Drewry - Service Expertise - World Container Index - 07 Jun

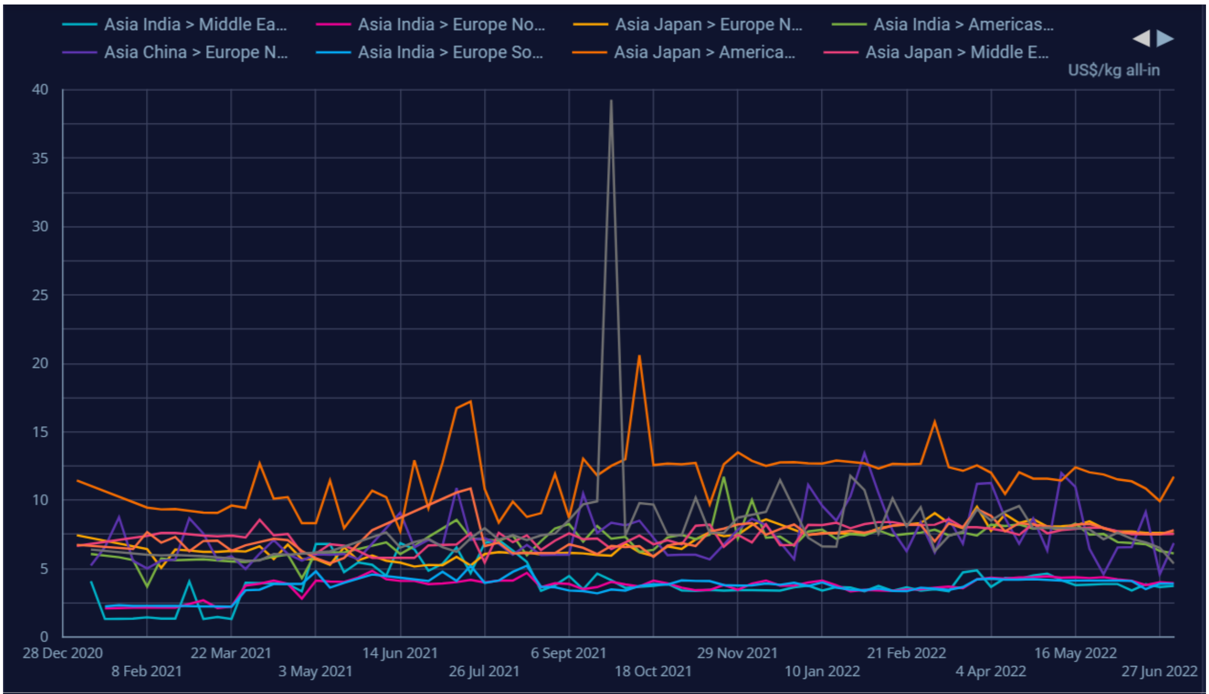
CHINA / EAST ASIA FREIGHT INDEX

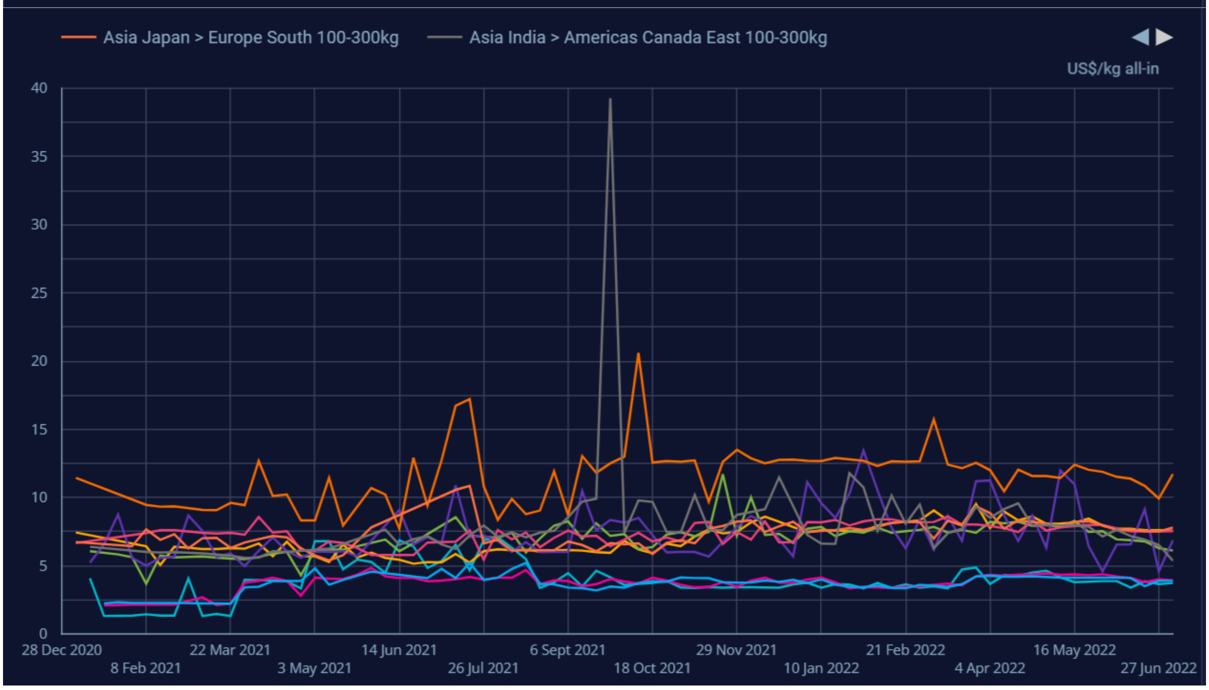
SVPL 242, Vikas Marg, Sector 51, Gurugram-122018 (HR)
Email : sales@koibitovest.com
TEL No. +91-9711124234, 9999098765
GSTIN : 06AAJCK4132F1ZS

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





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