KOIBITO VEST PRIVATE LIMITED
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INDIA: July 05, 2022	Week 27

Weekly Port Congestion at Major Asia Sea Ports

Hong Kong	Waiting Time : 1 Day
Yantian	Waiting Time : 2 Days
Shekou	Waiting Time : 1 Days
Nansha	Waiting Time : 2 Days
Xiamen	Waiting Time : 1 Day
Qinzhou	Waiting Time : 2 Day
Shanghai	Waiting Time : 2 Day
Ningbo	Waiting Time : 3 Days
Tianjin	Waiting Time : 1 Day
Qingdao	Waiting Time : 5 Days
Kaohsiung	Waiting Time : 1 Days
Keelung	Waiting Time : 1 Day
Port Klang	Waiting Time : 1 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 : 1 Day
Chennai	Waiting Time : 1 Day

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

MARKET UPDATES

Scan Global Logistics buys Sea-Air Logistics

SGL is increasing its presence in the Asia market with the takeover of Hong Kong-based Sea-Air Logistics, with effect from 5 July. The acquisition supports SGL's strategic growth plans to build further global scale and will further strengthen its operations in mainland China and Hong Kong.

Nine months ago, SGL acquired SAL's longstanding partner, Horizon International Cargo (UK, USA, the Netherlands, Spain and Japan). The addition of SAL to the SGL family connects the dots and creates additional important synergies, which allow for further penetration in segments like Technology and Pharma & Healthcare.

"The acquisition of SAL is a natural fit for us and supports the continued development of our expanding organization in Asia and worldwide. SAL's strategically placed offices will strengthen our existing setup and bolster our service offerings to our existing common customer portfolio," explains Group CEO Allan Melgaard.

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Combining the experience and capabilities of the two organizations will allow for further expansion in several segments such as consumer electronics, technology, and pharma & healthcare, all sectors with significant growth potential, says SGL.

Furthermore, an increased market share in Intra-Asia, Far-East Westbound and Trans-Pacific Eastbound trade lanes coupled with SAL's experience in cross-border supply-chain services will enable SGL to provide extended and improved services to its customers worldwide.

Source : https://www.worldcargonews.com/news/news/scan-global-logistics-buys-sea-air-logistics-69283

GateHouse Maritime & leogistics announce collaboration

OceanIO is the OceanIO is the new data platform GateHouse Maritime launched earlier this year. myleo / dsc from Leogistics is a cloud platform for site and transport logistics.

Under the terms of the agreement GateHouse Maritime will provide ocean visibility and ocean prediction services including container tracking, vessel tracking and arrival prediction to leogistics. "Myleo / dsc customers can use the data provided to streamline their incoming and outgoing goods processes, automate complex yard and port processes as well as improve communication with supply chain partners regarding the status of containers in transit," GateHouse said.

The collaboration aims to produce a connected API during Q2 2022. "This will be further augmented by connecting container numbers to business documents (e.g., SAP documents, Bill of Lading numbers), the addition of Multimodal Transport Stages, map-based data visualisation and port congestion information," GateHouse added.

Michael Rölli, Co-Head of Product and Solution Management, myleo / dsc said, "Today, digitization and changes in communication offer a huge opportunity for more integrated services and greater customer satisfaction. However, to achieve this means we have to rethink collaboration in the business and logistics world. Working together with GateHouse Maritime, we can advance the capabilities of myleo / dsc and move closer to our goal of delivering an easy-to-use, efficient and future-proof logistics execution and collaboration platform for all industries and modes of transport."

Source : https://www.worldcargonews.com/news/news/gatehouse-maritime--leogistics-announce-collaboration-69279

Air cargo rates out of India on the decline as volumes drop and capacity rises

Air freight rates out of India have seen measurable corrections over the past month, due to a slowing of the country's export market and enhanced capacity, according to freight forwarder sources.

According to them, the end of traditional perishables season, especially Indian mango shipments, also contributed to the cooling of rates.
"Air cargo rates from India are currently trending down due to the global demand slowdown," Joy John, director of air and sea freight at Mumbai-based Jet Freight Logistics (JFL), told *The Loadstar*.
Mr John added that cargo volumes were down, in some part because factory production and freight transport in and around Shanghai had taken a hit following Covid-related lockdowns/restrictions from mid-March.
"Due to strong passenger travel demand, air freight capacity has increased with a few carriers increasing their service frequencies into India," Mr John said. "The combined impact of inflation, a weak demand environment, enhanced capacity and volumes declining in April-May, due to the geopolitical war, lockdowns and labour shortages, has led to the demand drop."
He added: "Air freight rates to Europe and the US have softened due to the increased capacity by the carriers. North American carriers posted a 6.6% decrease in cargo volumes in April, compared with April 2021, according to IATA. Lower trade and manufacturing activity due to Omicron-related lockdowns in China has affected the airline capacity."

Source : https://theloadstar.com

Warning to shippers: don't tear up contracts to rush into a tempting spot market

Xeneta's ocean shipping contract rate index jumped by 10% in June, but further big monthly increases seem unlikely as container spot rates head south and shippers have more supply options.
The increase in the freight rate benchmarking firm's XSI crowd-sourced index followed a 30% leap in May, meaning the index now stands 170% higher than a year ago.

"After last month's colossal rise, we see another hike of 10%, pushing cargo owners to the limits, while the carriers fill their pockets," said Xeneta CEO Patrik Berglund.

But, he added: "Again, we have to question, is this sustainable?"

He said the signs were that "it might not be", as falling spot rates "may increasingly tempt shippers away from traditional contracts".

"As we enter another period of turmoil, shippers will transform themselves into risk-averse buyers. Top of mind for them will be which trades they will procure on the spot market and which on the contract market, and their duration. They will aim to strike the best possible balance between both markets, depending on their business needs," said Mr Berglund.
Drewry agrees the container market "has definitely turned" and believes the bull run for ocean carriers is coming to an end. Its latest quarterly *Container Forecaster* report says: "The slide in spot rates has become entrenched, rolling on for four months now with dips getting bigger by the week."

The consultant has downgraded its world port handling growth for this year significantly, from 4.1% to 2.3%, against a background of negative demand projections by economists.

Moreover, it said that even the growth downgrade of 2.3% was “certainly not a given”, adding: “A harsher than expected slowdown in volumes, or a contraction, would both hasten the spot rate decline and reduce the time it would take to clear port bottlenecks.”

However, continued port congestion, obliging alliances to blank voyages or slide sailings, could underpin rates by taking out capacity.

“We think the bottlenecks will last sufficiently long enough for carriers to secure decent contract renewals next year, although much will depend on the speed of the spot market downturn and how watertight existing contracts are,” says the Drewry report.

Meanwhile, analyst Lars Jensen said suggestions of a weak peak season may be premature, and even if demand was muted, port congestion, particularly in North Europe and on the US east coast, could linger for some time.

“It is too early to assess the coming whole peak season as weak,” said the CEO of Vespucci Maritime. “Even if demand is weak, the risk remains that bottleneck problems will further reduce available capacity.”
In this respect, Mr Jensen advised contracted shippers not to rush into the spot market in case there was an uptick in short-term rates.

“Shippers now facing a situation where spot rates are dipping below contract rates would be wise not to break or initiate renegotiations of those contracts just yet,” he said. “Additional capacity constraints might still lead to spot increases in the coming months.”

Source :-The Loadstar

Limited ground handling' sees Frankfurt 'forced' to cut freighter flights

Frankfurt Airport has been forced to curtail some freighter flights as the labour shortage bites.
Airlines were told on Friday that Fraport’s ground handling arm, BVD, was “severely limited”, owing to traffic peaks, schedule changes and limited staff.

“As a further measure to relieve the ground handling services during these traffic peaks and to stabilise handling at FRA, [handler] BVD is asking certain cargo airlines not to route flights through Frankfurt until the end of August.”

BVD said the capacity restrictions would affect Fridays, Saturdays and Sundays. Fraport told *The Loadstar* BVD was “in contact with individual cargo airline partners to pro-actively cancel individual flights to and from FRA, or reschedule flights in advance to periods when traffic volumes are lower”.

Lufthansa Cargo confirmed it had to cancel four flights on Friday and encountered delays on Saturday and Sunday. However, added a spokesperson, while "we are monitoring the situation very carefully, at the moment we are not considering other airports".

Lufthansa said it had embargoed animal and passive-cooled shipments until Sunday 10 July, "at least", and added: "We've organised more storage capacity for freight at Frankfurt Airport, and will rebook all shipments at the best possibility."

The airline had already been forced to cut its passenger schedule from last month, but said this was the first time freighter flights had been affected.

"All partners at Frankfurt Airport are working close together to find the best possible solutions for the situation," added the spokesperson.
A spokesperson for Fraport explained to *The Loadstar*: "We are experiencing extreme traffic peaks at Frankfurt Airport – with arriving and departing flights spread unevenly through the working day.

Source :- https:The LoadStar.com

MSC set to build super port in Vietnam, despite 'poor economic justification'
The world's biggest shipping line, MSC, wants to build a new transhipment "super port" in south Vietnam. According to local media, MSC-owned Terminal Investment Ltd (TIL) has signed an agreement with Ho Chi Minh City to build a $6bn port in Can Gio, a district on the city's outskirts.

The proposed facility would have a 7.2km wharf, annual capacity of 15m teu and be capable of handling 24,000 teu containerships.

Can Gio Port is expected to handle up to 80% transhipment and 20% gateway cargo, some reports suggest, with the project's backers apparently eyeing Singapore's success.
MSC is partnering with Vietnam National Shipping Lines and Saigon Port to build the terminal, with the first phase of construction earmarked to begin in 2024.

Vietnam's container throughput has seen record growth in recent years, alongside the country's export boom and success in attracting manufacturing away from China.

National throughput increased by 7% last year, to 24m teu, despite Covid's drag on the economy, with volumes largely split between the ports of Cat Lai in Ho Chi Minh City (HCMC) (pictured above), Cai Mep in neighbouring Ba Ria-Vung Tau province and Hai Phong in the north.

While container growth has been strong, question marks remain over the need for an additional deepwater port next to HCMC, given the recent success and planned expansion at Cai Mep, where both Maersk and CMA CGM have terminal investments.

Source : https://theloadstar.com

French government 'presses' CMA CGM to cut ocean rates for retail imports

In a seemingly patriotic gesture, against a backdrop of rising inflation, CMA CGM has announced it is lowering ocean freight rates to support the purchasing power of French households.

It will introduce a €500 ($520.70) reduction per container on all imports for its major retailer customers in France and its overseas territories for a year from 1 August.

The move follows talks with the French government, said CMA CGM.

Recent months have seen the Macron administration play a behind-the-scenes role in the Marseilles-based group, as it forged a major air cargo partnership with Air France-KLM (taking 9% of the airline group, in which the state has a 28.6% shareholding) and acquiring domestic automotive and logistics company Gefco, which was 75%-owned by Russian Railways.

CMA CGM said it was essential that retailers supported the measure (in their own pricing) to maximise the impact and ensure an effective reduction in consumer prices, adding it "represents reduction of nearly 10% in freight rates".

Consultant Lars Jensen said: "Seems like the reverse to government subsidies – shipping lines being asked to subsidise shippers in a specific country. To be frank, such political pressure should not be seen as surprising, rather we should expect to see more pressure, going forward."

He said governments were seeing a (shipping) industry which has become extremely profitable, which "makes them an easy political target, as they can potentially 'deliver' on multiple fronts. Consequently, we should see this as the beginning of a process".

Source : https://theloadstar.com

Carriers return to aggressive voyage blanking to mitigate reduced demand

Ocean carriers are resorting to more aggressive blanking strategies to manage a dip in demand, according to the latest report from project44.

The supply chain logistics and technology platform's June *Ocean Carrier Report* says the 2M alliance of Maersk and MSC was "the most aggressive, cutting back its services by as much as 71% in the second week in May".

"With ocean freight spot rates in freefall and demand for containers down year on year, carriers have moved to protect profitability," said p44.

It suggested "other tactics", including more slow-steaming, would be employed by shipping lines to underpin rates and mitigate the impact of soaring bunker costs.

Moreover, p44's report notes the increasing trend of carriers to divert vessels to "more profitable" routes, leaving some network trades as "'ghost" services –without a ship assigned.

"Vessel nominal teu capacity data shows there's more tonnage available, but carriers appear to be putting the brakes on softening spot rates by tightening up supply on certain routes while switching tonnage to the most profitable tradelanes," said Josh Brazil, VP of supply chain insights at p44.

Meanwhile, cargo lead times are improving, due to an easing of port congestion, and transhipment rollovers are decreasing, according to p44.

"Vessel delays across three main tradelanes – Asia-Europe, transpacific and the transatlantic – all showed signs of improvement from the horrific months of January, February and March, which were the worst months for shippers," said p44.

Source : https://theloadstar.com

AirBridgeCargo's Europe staff given termination notices, and bonus if they go

AirBridgeCargo (ABC) staff in Europe were on 30th June handed termination notices and packages, according to numerous sources.

The staff, who actually work for Air Freight Logistics, ABC's GSA and are thought to number about 60, were said to have been offered two months' salary and a termination bonus if they accepted the deal.
One source said they thought most people would accept, but under German labour law some might query the package.

Senior management at AFL headquarters in Luxembourg have been retained, leading to speculation that the company might relaunch under a new name.

"I think they may create a fresh company without any Russian connections, and then contact useful staff again," said one source.

ABC's contract with AFL was due to expire in August, and staff were said to be expecting some redundancies.

Staff in Moscow are thought to have been transferred to Volga-Dnepr Airlines, which continues to operate on instructions from President Putin.

Last month, founder and owner of ABC and Volga-Dnepr Alexei Isaikin was sanctioned by the UK, with measures including an asset-freeze and travel ban. One source close to Moscow said he was considering resigning from ABC in a bid to keep the carrier going.

Last month, *The Loadstar* exclusively revealed that ABC was in talks for Etihad to take the Russian carrier's aircraft and put them on its AOC. But the addition of Mr Isaikin to the sanctions list is likely to have made any deal more complex. The UAE is treading a fine political line between trying to retain relations with Russia and with western governments such as the US.

ABC staff were thought to be in talks in Abu Dhabi last month, while an Etihad board meeting last week was set to discuss whether it was possible to legally keep ABC flying.
Sources said there was little further information on the talks, but that if any ABC rescue operation did go ahead, it would not need all of AFL's staff.
AFL has been contacted for comment

Source : https://theloadstar.com

Air freight companies urged to prepare for next phase of EU import controls

The EC has urged companies to start preparing for the second phase of its customs security and safety programme for air freight.

This launches on 1 March next year – testing processes in advance is mandatory and must be done before February.

Advance cargo information must be submitted via an entry summary declaration (ENS), which will impact forwarders, airlines, express couriers and postal operators transporting goods to or through the EU, Norway and Switzerland.

Under Import Control System 2 (ICS2), companies which handle, send or ship cargo by air to or via the EU must comply with new advance data requirements for pre-loading and pre-arrival customs risk assessments.
The new regulations are designed to enhance risk-based customs controls, while helping legitimate goods flow freely.

The EC said: "ICS2 will simplify the movement of goods between customs offices at the first point of entry and final destination in the EU. For economic operators, ICS2 will streamline requests for additional information and pre-departure risk screening by customs authorities."
Airlines must file under ENS, but other parties, including forwarders, are legally responsible for providing data, which they must share with carriers or submit directly to ICS2. Postal and express operators must coordinate with the air carrier to submit the required data.
"Those in the air transport sector currently filing advance cargo information into the current Import Control System will have to gradually start filing this data into ICS2 during its operational roll-out," said the EC.
"Economic operators are strongly advised to prepare in advance for Release 2, in order to avoid the risk of delays and non-compliance," it added.

The mandatory testing begins this month and runs until February, enabling companies to ensure they are able to comply.

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Release 3 will be implemented on 1 March 2024, which will require operators carrying goods on maritime and inland waterways, roads and railways to comply with the new regulations.

Two factsheets are available: one showing businesses how to get IT systems ready in time; while the explains the new data reporting requirements for business with facilities outside the EU.

Source : https://theloadstar.com

Air cargo rates plummet alongside consumer demand for Bangladesh apparel

Demand for Bangladeshi apparel is falling significantly in the US and EU and air cargo rates from Dhaka have seen a drastic decline.

Airlines are now charging $3.50 per kg to Europe and $8.50 to the US and Canada, compared with $8-$12 and up to $16, respectively, only a few months ago.

Following the Russian invasion of Ukraine and subsequent global economic downturn, consumers in the US and Europe, the major buyers of Bangladeshi apparel, are buying much less, giving priority to food and other necessities, said forwarders.

As a result, retail clothing stores remain fully stocked, which reduces demand for air shipments.
Nasir Ahmed Khan, director at the Bangladesh Freight Forwarders Association (BAFFA), told *The Loadstar:* "Though the fuel oil rate increased significantly after the start of the Russia-Ukraine war, the airlines are failing to raise rates due to the significant fall in demand."

He said there should have been a big rush of air cargo ahead of the Eid-ul-Azha Islamic holiday on 10 July, but "we feel a total reverse of demand". Buyers who were supposed to import 10 containers were taking just two or three, he added.

"The rate is falling day by day, five to 10 cents a day," he noted.

Airport officials said there was no problem with the repaired and renewed explosive detection scanners (EDSs) that had previously caused delays, as the pressure had fallen.
"Three EDSs are always ready now, but as the cargo flow is very low, one is enough or when needed, another is operated," said an official.

After attaining significant growth during the past year, which helped Bangladesh reach $50bn in export earnings, Bangladesh Garment Manufacturers and Exporters Association president Faruque Hassan told local media: "International clothing retailers and brands have cut work orders by 20% for the September to November season."

Source : https://theloadstar.com

Box tracking popularity soars – but the big debate is, who owns the data?

With the rapid rise in the use of container tracking devices, the cargo insurance industry is increasingly concerned over the question of data ownership.

Shipping consultant Drewry said there would be almost nine million boxes fitted with tracking and telemetry equipment by 2026, with Hapag-Lloyd's decision to fit trackers to its fleet of dry boxes likely to initiate a scramble among container lines to implement similar systems.

However, Mike Yarwood, loss prevention MD at insurer TT Club, told *The Loadstar*: “I’ve yet to get a satisfactory answer to the question of who owns the data, and there is, of course, a utopian idea where the data is available for everyone who needs it.

“The great benefit for the shipper and the consignee is where the delivery is and where it is being held up, and that gives them the ability to plan better.

“On the insurance side, access to that data would be valuable – potentially identifying where, when and how in the supply chain an incident occurs,” he added.

And, Mr Yarwood said, tracking devices could provide “very compelling evidence as to who the rival parties are and who you can recover from,” in the aftermath of an incident.

Source : https://theloadstar.com

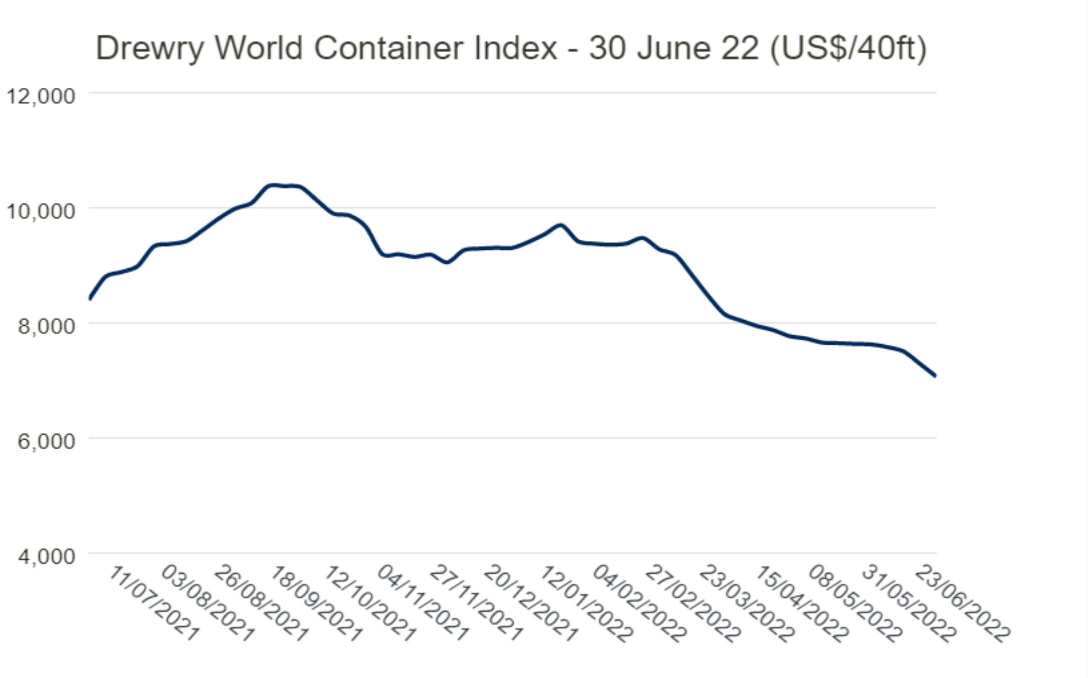
World Container Index – Week 27

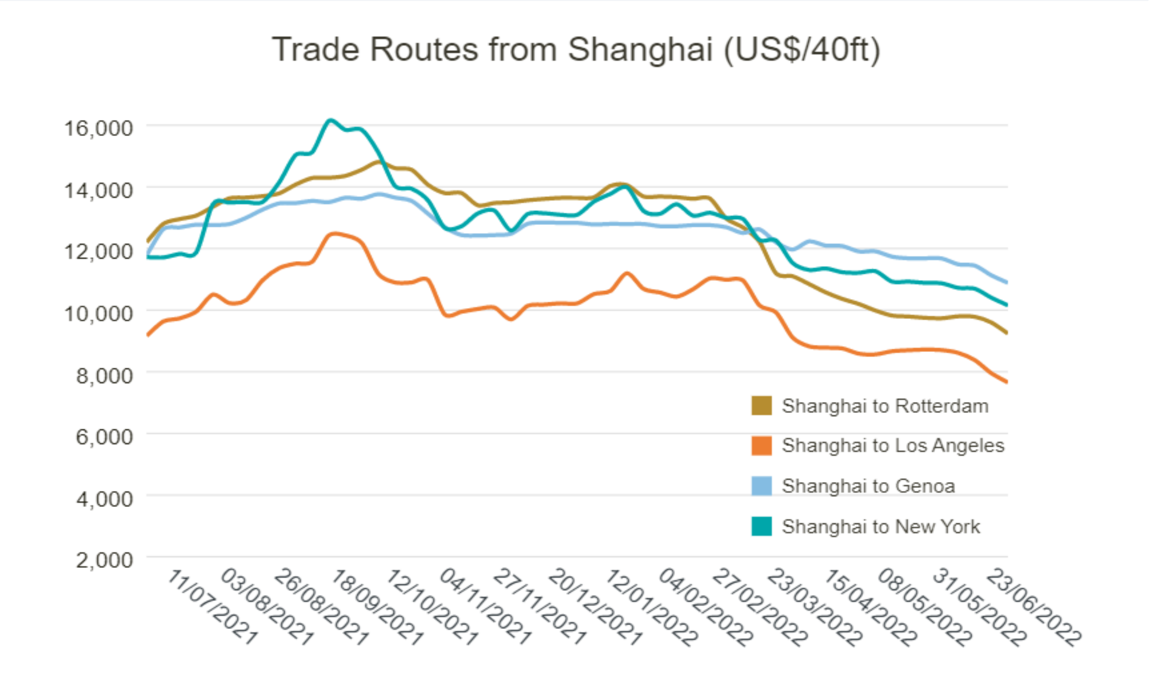
Our detailed assessment for Thursday, 30 June 2022

The composite index decreased by 3% this week, and, 16% lower than a year ago.

The average composite index of the WCI, assessed by Drewry for year-to-date, is $8,421 per 40ft container, which is $4,930 higher than the five-year average of $3,490 per 40ft container.

Drewry’s World Container Index composite index decreased by 3% to $7,066.03 per 40ft container, and is 16% lower than the same week in 2021. Freight rates on Shanghai – Los Angeles dropped 4% or $300 to $7,652 per feu. Spot rates on Shanghai – Rotterdam fell 4% or $358 to $9,240 per 40ft box. Similarly, Spot rates on Shanghai – Genoa and Shanghai – New York sank 2% each to reach $10,884 and $10,154 per 40ft container respectively. Rates on Los Angeles – Shanghai dipped 2% or $27 to $1,238 per feu. Rates on Rotterdam – Shanghai, New York – Rotterdam and Rotterdam – New York declined 1% each per 40ft container. Drewry expects the index to decrease in the next few weeks.





Source :- Drewry - Service Expertise - World Container Index - 30 Jun

CHINA / EAST ASIA FREIGHT INDEX

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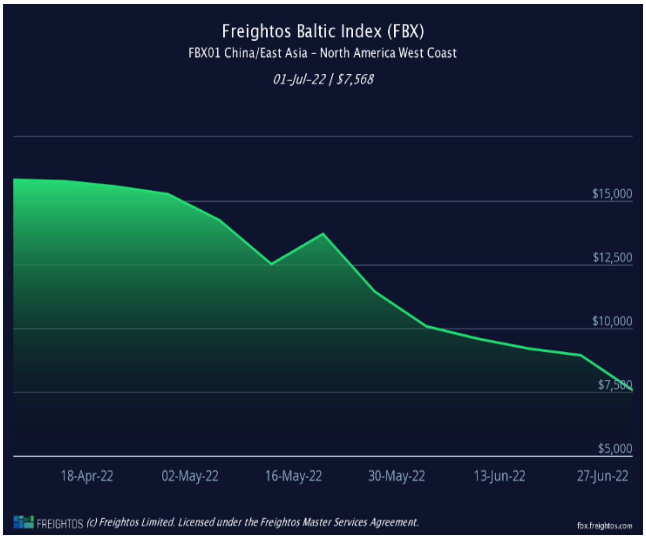
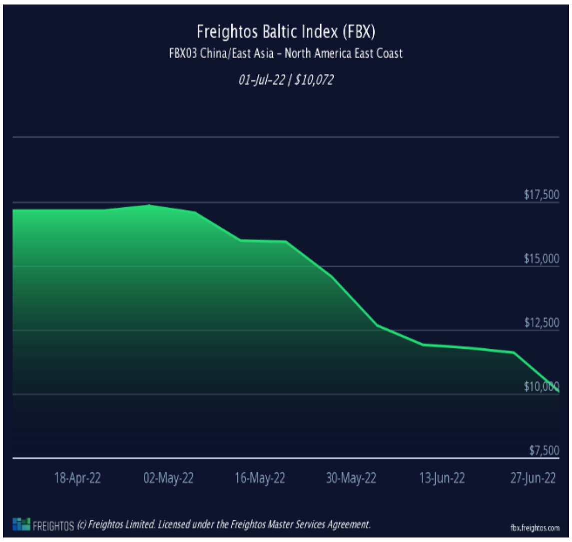
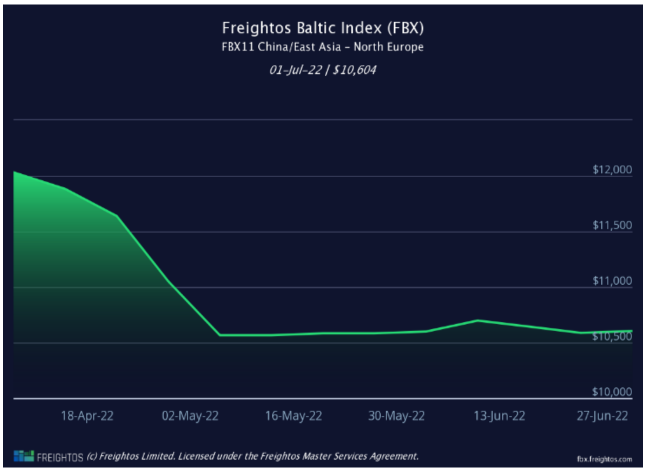
China / East Asia to North America West Coast



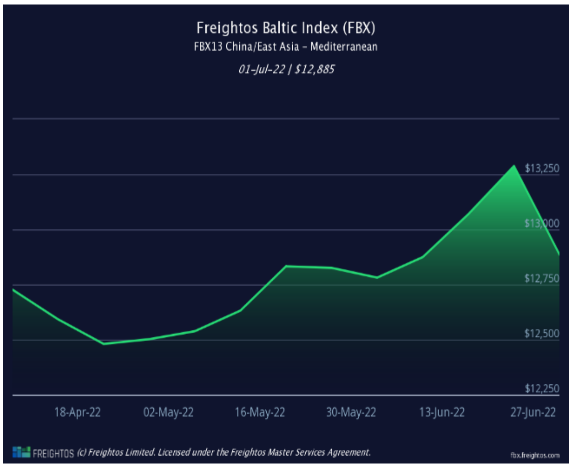
China / East Asia to North America East Coast



China / East Asia – North Europe



China / East Asia – Mediterranean



AIR FREIGHT INDEX

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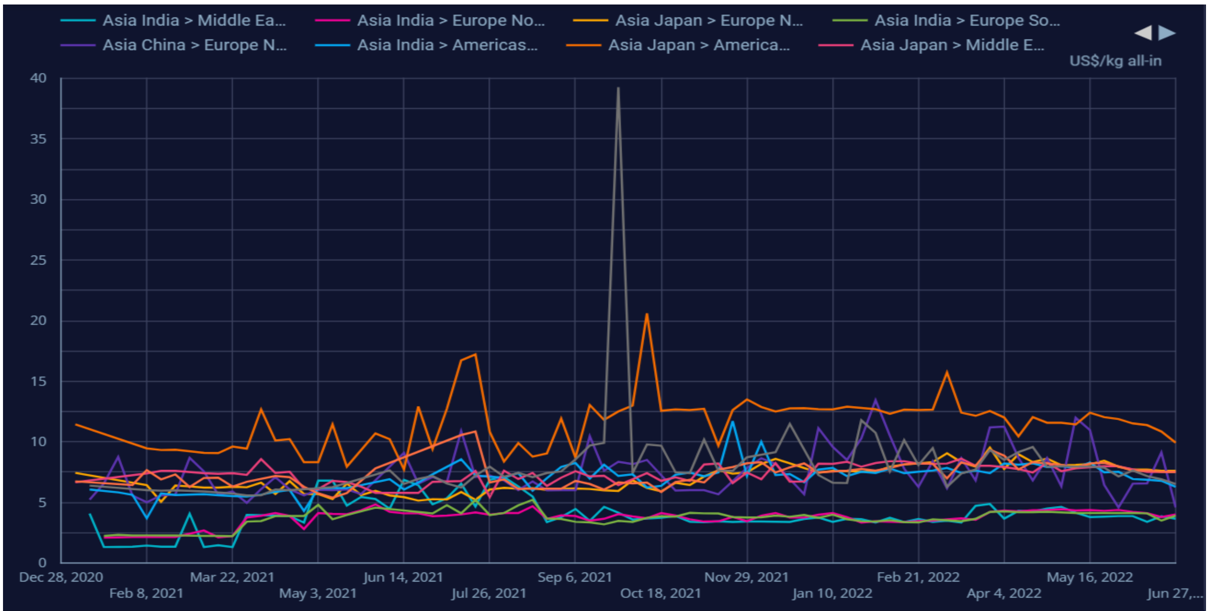

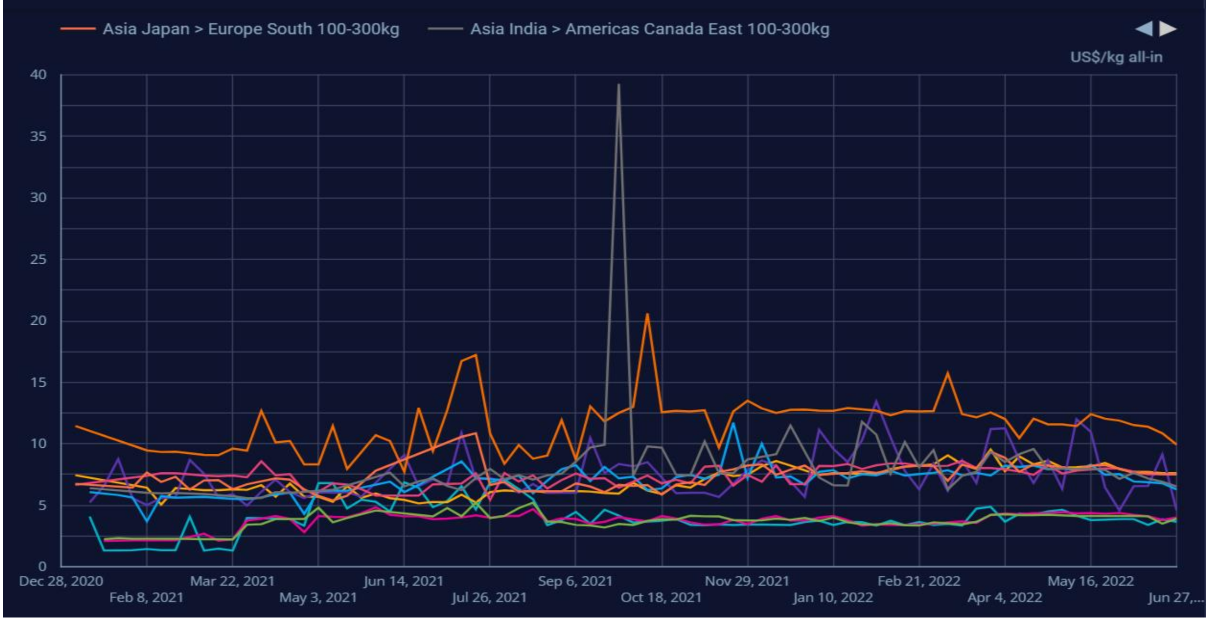

Source : Freightos Air Freight Index

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