

Weekly Market Update

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Latest News

Ontario imposes restrictions in northwest as wildfires burn. New restrictions on mining, rail, construction, and transportation industries. Ontario imposed new restrictions on mining, rail, construction, and transportation industries in the province's northwest on Tuesday to reduce the likelihood of human-caused wildfires. The move came as 107 active wildfires burn in the region, with 32 of those not under control. The restrictions are aimed at high-risk operations that could cause sparks and ignite fires. Certain specific drilling operations, using heavy machinery with rubber tires and no chains, and rail production grinding are among the activities being restricted. Greg Rickford, the minister of northern development, mines, natural resources and forestry, said the new measures will help the province's firefighting efforts. "To continue to protect public safety, it is necessary to increase precautionary measures in the Northwest as the fire situation there continues to escalate," he said in a statement. "We appreciate the ongoing co-operation of our industry partners and the continued support to the community." The restrictions have been imposed under an emergency order currently in place for the northwest and will come into effect on Tuesday. The wildfires in the northwest have led to evacuations from three First Nations communities — Poplar Hill First Nation, Deer Lake First Nation and Patagium First Nation — with more than 2,455 people going to communities such as Sudbury, Timmins, Thunder Bay and Cornwall. The province said the wildfire hazard is particularly high in the southern Nipigon and Thunder Bay districts as well as in some parts of the Red Lake district. The fire situation is better in the province's northeast region, where a total of 14 fires are currently active. No evacuations have occurred in the northeast. Crews from Nova Scotia, Newfoundland, New Brunswick, Prince Edward Island, Quebec, Wisconsin and Mexico are helping Ontario firefighters battle the blazes.

Sea Freight

CN | Network Update | Wildfires in British Columbia - Last night, British Columbia declared a State of Emergency provincially in order to heighten awareness of evacuations in areas with elevated wildfire risk. During this State of Emergency, CN continues to operate, and we continue to work with the BC Wildfire Service to ensure the safety of the communities and our employees working in the province of British Columbia. Temperatures also remain high in Western Canada and therefore we are adjusting our train speed accordingly. Please be aware that this situation constantly evolves, and we remain committed to informing you as quickly as possible to changes in operations.

This is the current situation with regards to Intermodal:

Domestic Intermodal: Traffic to/from Vancouver has now fully resumed and is currently experiencing minor delays in departure and transit.

International Intermodal: We continue to load import traffic at the Ports located in BC South as car supply with incoming trains improves and yard congestion reduces with trains departing eastbound.

We have now opened acceptance of export loads from all origin points to Ports in Vancouver. With regards to empty containers, we have opened acceptance from certain origins. Capacity is available online for customers to book and in-gate.

Covid outbreak brings congestion havoc to South Vietnam ports. Port congestion in South Vietnam is deteriorating, amid the country's latest Covid battle. The lockdown in Ho Chi Minh City (HCMC) was extended for two weeks on Sunday, alongside the 19 other cities and provinces making up the entire southern region. Saigon Newport (SNP), which operates inner-city river terminal Tan Cang Cat Lai in HCMC, told customers this morning the outbreak had "heavily disrupted" manufacturing operations. "[This] has created a negative impact on Tan Cang Cat Lai terminal's operations and there is high risk of backlogs due to slow pick-up or release of import containers," SNP explained. The terminal operator called on carriers and shippers to "expedite" the pick-up of import containers to reduce yard congestion and help Cat Lai's "normal receiving and handling capability of upcoming ship calls." It also warned of reduced transport capability between Cat Lai and Cai Mep, the deep seaport complex in nearby Vung Tau. Indeed, according to Seko Logistics, drivers travelling between provinces need to show negative Covid test results within three-to-seven days, while Maersk reportedly said the cut-off time for cargo at Cai Mep had been cut to 72 hours, which is reducing available truck capacity. The manufacturing situation in HCMC, Binh Duong and Long An province is becoming serious, Seko added, with around 1,800 Covid cases in factories and industrial zones. "This is particularly severe in labor-intensive productions, such as footwear and garments," the forwarder said. "Factories are only allowed to open when they have a labour force planning to stay and work in the factory."

Third ship anchored off Newfoundland with Covid cases among crew. There are now three ships anchored off Newfoundland and Labrador's Avalon Peninsula with confirmed Covid-19 cases on board, provincial health authorities said Monday. The latest ship is in a bay off the small community of Bay Bulls, about 30 kilometers south of St. John's, and the Department of Health said four of its crew members tested positive for the disease over the weekend. One of those patients has been taken to hospital. The department's news release doesn't identify the vessel, but ship-tracking websites indicate a Portuguese fishing trawler called the Santa Cristina is anchored in the bay. For Karl Risser, an Atlantic Canadian inspector with the International Transport Workers' Federation, it's another sign that international seafarers need a Covid-19 vaccination plan. "Especially in the fishing industry," he said in an interview Monday. "They're packed on those vessels really tight; a lot more than you'd see on a container ship or an oil tanker." Fishing is already a dangerous way to make a living, he said, and the working conditions in the Covid-19 pandemic have only made it worse. The vessel off Bay Bulls is the third now anchored and waiting out Covid-19 infections, and the fourth to do so in the past three months. The Princesa Santa Joana, another Portuguese fishing trawler, and the Iver Ambition, a bitumen tanker sailing under the Italian flag, are both anchored in Conception Bay, about 25 kilometers west of St. John's.

Trucking

Teamsters hit out, claiming 80s deregulation drives recruits from hauler jobs. De-regulation in the 1980s paved the way for a worsening driver shortage in the US 40 years later, with haulers struggling to recruit as a once "essentially American" industry loses its appeal. Figures from the American Trucking Association (ATA) suggest annual turnover rates for drivers has reached 92% for larger firms (those with an income of at least \$30m a year), with the rate for smaller firms passing 70%. But a spokesperson for the Teamsters union told The Loadstar focusing on company size clouded the issue, saying much of the problem was tied to de-unionization efforts since the 1980s. It claims employers with staff covered by union contracts do not struggle with driver retention, it is non-unionized competitors that suffer, because unionized companies offer higher wages, better health care and secure retirement and grievance procedure protection. Deregulation saw the number of unionized truckers fall from a mid-70s high of more than 2m to fewer than 75,000 today, it adds. "There isn't a shortage of good drivers, there's a shortage of good wages and benefits," said a Teamsters spokesperson. "Being a truck driver is a difficult and highly skilled craft that demands compensation that reflects this. "The more companies recognize this, the less they will struggle to find talent." Despite salaries falling 36% since 1980, the US is "utterly dependent" on its 1.8m drivers who move some 71% of all the country's freight, said the union. The Teamsters claims 1980s deregulation allowed employers to bypass union contracts in favor of the short-term gain of lower wages, ignoring the long-term effects of an ageing workforce

Market Sources

<https://theloadstar.com/teamsters-hit-out-claiming-80s-deregulation-drives-recruits-from-haulier-jobs/>

<https://theloadstar.com/covid-outbreak-brings-congestion-havoc-to-south-vietnam-ports/>

<https://www.insidelogistics.ca/health-safety/ontario-imposes-restrictions-in-northwest-as-wildfires-burn-176518/>

<https://www.insidelogistics.ca/covid-19/third-ship-anchored-off-newfoundland-with-covid-cases-among-crew-176501/>

<https://www2.gov.bc.ca/gov/content/safety/wildfire-status/wildfire-situation>

This announcement applies to all Kintetsu World Express Transportation Services, including our Air Freight, Sea Freight, Ground Freight and Logistics.

Kintetsu World Express is continuously monitoring the situation and will provide further updates as the information becomes available.

If you have any questions, please contact your local KWE representative.

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