

LATEST News

Ambassador Bridge remains clogged by protestors. The busiest Canada-U.S. land crossing remained closed to vehicles seeking to enter Canada on Tuesday as a protest against COVID-19 measures prevented traffic from flowing. Windsor police said they negotiated the resumption of U.S.-bound traffic across the Ambassador Bridge earlier in the day and were focused on communicating clearly with demonstrators on the Canadian side who caused all travel to stop for a period of time the previous night. “Our focus is on maintaining open communications with organizers of the demonstrations and using a reasoned, tempered approach, including the appropriate use of police discretion to guide our police personnel’s responses,” the force said in a written statement. Redirecting traffic: Police redirected commercial traffic to the Bluewater Bridge in Sarnia, Ont., and urged motorists to avoid the area around the Ambassador Bridge. The force, which had a heavy presence near the bridge, also issued a warning to demonstrators. “We want to urge those involved in illegal activity not to endanger members of the public or first responders, including police personnel, and jeopardize public peace,” police said. “Those found committing crimes and acts of violence will be investigated and charges will be laid.” Windsor Mayor Drew Dilkens had his own warning for demonstrators. “Blocking the international border crossing will not be tolerated for very long,” he said in a phone interview. Dilkens said he wanted at least one lane reopened to allow traffic into Canada. The closure is also difficult for local residents, who have expressed their frustration at the situation, he said. The bridge is considered the busiest international commercial land border crossing in North America. “A full third of our international trade with the United States crosses at Windsor-Detroit,” the mayor said. “It’s eight to 10,000 trucks a day and depending on the day, \$300 to \$500 million crossing there every day.” That includes the tightly intertwined supply chain of the automotive sector between the two cities.

Tow operators reluctant to help remove Coutts blockade. The RCMP say removal of trucks and other vehicles from a protest in southern Alberta against pandemic restrictions is being hampered by towing companies that don’t want to help. “Moving (massive) vehicles like these require special equipment and operators,” RCMP deputy commissioner Curtis Zablocki said Tuesday. “Unfortunately (the towing companies contacted said) they were unwilling to become involved when it was implied that helping law enforcement with removal would likely damage their livelihoods into the future.” Police facing a convoy of truck drivers and other supporters in Ottawa have reported similar reluctance from tow operators. Zablocki said the protest snarling traffic at the Coutts border crossing is illegal, but the goal, for now, is to end it peacefully while keeping traffic and goods flowing as much as possible. But Zablocki added: “We are investigating. There will be charges. And this does not end when the road is clear.” The blockade at the Coutts border crossing began Jan. 29. Protesters in trucks, tractors and other vehicles tied up traffic in both directions and at times stopped it altogether. They are demanding an end to COVID-19 vaccine mandates for cross-border truck drivers as well as to other public health measures. Demonstrators in Alberta and other Canadian cities have come out in sympathy with the original trucker convoy in Ottawa and, in recent days, set up at the crucial border crossing to

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Detroit at the Ambassador Bridge in Windsor, Ont. Alberta Premier Jason Kenney has said he sympathizes with protesters but has condemned the illegal blockade.

SEA Freight

Prince Rupert announces infrastructure upgrades. The Prince Rupert Port Authority and terminal owner DP World are boosting capacity on B.C.'s north coast amid ongoing supply chain challenges that an analyst says could bode well for Canadian National Railway Co. The port authority and the global logistics company announced updates that will improve the West Coast's ability to move goods and supplies. The Fairview container terminal is expected to become Canada's second-largest when its capacity increases to 1.6 million twenty-foot equivalent units (TEUs) this summer from 1.35 million TEUs. The container yard will expand from 32 to 41 hectares, and two new rubber-tired gantry (RTG) cranes and an eighth dock gantry crane, are being added. On-dock rail capacity will be expanded by 6,680 feet, for a total of 24,680 feet of on-dock rail by 2022. The second stage of the expansion is set to be completed in late 2024 and will see the terminal's capacity grow to 1.8 million TEUs. Phase 2B will result in 300 additional full-time equivalent (FTE) positions at DP World's Fairview Container Terminal, the company said. The port is addressing truck traffic congestion with the completion this spring of the Fairview-Ridley Connector Corridor. The route will shift container trucks from local transload and customs facilities directly to Fairview Container Terminal. DP World, Ray-Mont Logistics, and the Prince Rupert Port Authority are developing a logistics facility on Ridley Island for exports. An import logistics facility is also being constructed on 34 acres near the Fairview Container Terminal. The South Kaien Import Logistics Facility, which will be integrated into the Prince Rupert Gateway's innovative logistics hub, is a critical component of the Port Authority's plan for even further growth by 2030. The improvements at Prince Rupert come after flooding and mudslides cut railway and highway links to Vancouver last year.

No quick fix to supply chain disruption. Even when seaborne container trade returns to 'normal' after the pandemic, supply chain disruption is likely to last for up to six months. Nobody yet knows when pre-pandemic liner business may resume relative normality, but there will be months of further delays before the global network returns to pre-Covid operation. This was the stark message from John Fossey, Drewry's Senior Analyst, Container Equipment, at a webinar staged by the shipping consultancy yesterday. Today's logjams have slashed container productivity by 20-30% as a result of hold-ups caused by labour shortages, anti-Covid measures, port congestion and full warehouses. Some containers are now being used for additional storage space, Fossey said, and are therefore removed from the supply chain. Although container trade rose by 6.5% in 2021, the highest level since 2009, it failed to meet Drewry's forecast of 8% last September. And the firm's analysts have downgraded 2022 demand forecasts from 5.2% last September to 4.6%. Rising inflation poses a significant risk. Hold-ups and the rebound in trade boosted container demand and drove a spike in box production last year, with a record 7.2m teu produced, almost all of it in China. Two new manufacturing facilities are due on stream in Vietnam later this year, possibly adding another one million of box capacity.

Container fleet soars above 50m teu in response to supply chain congestion. A record 7.2m teu, or 14%, was added to the global container equipment fleet last year, taking it to 50.5m teu, driven by demand from ocean carriers, logistics operators and BCOs trying to protect their supply chains. According to John Fossey, senior analyst for container equipment at Drewry Shipping Consultants, equipment production will fall to between 4.5m and 4.8m teu this year – but this will still rank as the second-highest annual increase on record. “The demand for equipment remains strong as the recovery from Covid-19 continues. We see continuing growth in the perishable products sector, beverages and the bulk chemical and liquids markets, which will drive demand for both reefers and tank containers,” said Mr Fossey.

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“And there is still the big issue of availability, and the overall productivity of containers. It is taking much longer for boxes to complete their journeys and be returned to the areas of demand.” Other factors that were influencing new orders, added Mr Fossey, included the need to retire ageing equipment kept in service longer than the normal 12 to 15-year life cycle, the demand from ocean carriers “flush with cash” to build more buffer in their pools, and other transport operators and BCOs that have decided to operate with their own fleet of boxes. Indeed, with containers taking an average 30% longer to complete their transport cycles last year due to port, landside and haulage delays, Drewry estimates that the vessel slot operating ratio on container trades will reach closer to x2 this year, from a 2019 low of around x1.75.

SURFACE *Transportation*

Backlash grows over border blockades, Ottawa convoy standoff continues. Business groups and politicians alike are showing little patience for border blockades as protesters restrict traffic on the Ambassador Bridge – the busiest trade route between Canada and the U.S. Protesters aligning with convoys and a related standoff in Ottawa blocked the span completely Monday night, opening it only to U.S.-bound traffic on Tuesday. And it isn’t the first border point to be targeted. A 12-day standoff in Coutts, Alta., has alternated between restricting and blocking traffic entirely. About 800-1,200 trucks cross between Coutts and Sweet Grass on a typical day, according to Canadian Manufacturers and Exporters. In contrast, about 10,000 trucks cross between Windsor and Detroit. The Canada Border Services Agency was reporting a delay of more than four hours at the Bluewater Bridge in Sarnia at 9 a.m. Wednesday, while about 100 km away the Ambassador Bridge remained closed to Canada-bound traffic. More disruptions could be coming. The Canadian Trucking Alliance (CTA) reported yesterday that rumors suggest protesters could return to the Blue Water Bridge within 24-48 hours. One group of protesters that has previously appeared at the Peace Bridge in Fort Erie, Ont., is planning to return Feb. 12 at 11 a.m., although its earlier actions have not impeded traffic. Business groups including the CTA and its provincial associations came together in a joint statement yesterday, calling for an immediate end to the blockades. “Canada’s economy is being threatened as thousands of trucks and millions of dollars in cross-border trade that typically go through these entry points every day is being disrupted,” it said. “Our borders are essential trade arteries that feed businesses and Canadians with essential goods, food, medicine, and critical industrial components that fuel our economy and support critical infrastructure.”

MARKET *Sources*

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