

## Weekly Market Update

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### Latest News

**Border workers holding strike votes amid border reopening plans 9,000 Canadian Border Service Agency workers are preparing for strike votes starting next week.** Some 9,000 Canadian Border Service Agency workers are preparing for strike votes starting next week, even as Canada-U.S. border reopening talks get underway. The Public Service Alliance of Canada union said Thursday that its 5,500 border services officers, 2,000 headquarters staff and other workers at Canada Post facilities and in inland enforcement jobs will begin strike votes on Wednesday, which will then continue throughout the month. The workers, employed by the CBSA and Treasury Board, have been without a contract for nearly three years and say talks broke off between the two sides in December. The union and the employers have been unable to agree on better protections for staff that the union argues would bring them in line with other law enforcement personnel across Canada and address a “toxic” workplace culture. “CBSA employees have been on the front lines of the pandemic since day one; keeping our borders safe, screening travelers for Covid-19 and clearing vital vaccine shipments,” said PSAC’s national president, Chris Aylward, in a release. “Our members have stepped up for Canadians, but now it’s time for the government to step up for them.” The office of the president of the Treasury Board said in an email that it has the “greatest respect” for border officers and is disappointed the union rejected a “fair” offer that included wage adjustments.

### Air Freight

**Air Canada unveils routes for converted freighters.** First converted 767 freighters enter service in October and will fly primarily out of Toronto Pearson International Airport headed for South and Central America and the southern U.S. Air Canada and Air Canada Cargo have announced routes for the Boeing 767-300ER freighters scheduled to enter service this fall. Air Canada is converting several of its Boeing 767 aircraft into dedicated freighters. When the first two converted 767 freighters enters service in October, they will fly primarily out of Toronto Pearson International Airport, and will operate on routes linking Toronto to Miami; Quito, Ecuador; Lima, Peru; Mexico City and Guadalajara, the first time Air Canada Cargo will serve this destination. As more freighters enter service in 2022, the carrier plans to add flights to Halifax, St. John’s, Madrid and Frankfurt. “These freighters will provide long-term stability and growth for our cargo customers, in particular the freight forwarding community who require reliable air freight capacity year-round,” said Jason Berry, vice-president, cargo at Air Canada. “They will allow us to continue building on the success of our cargo-only flights and are an important part of our future growth. I am excited to have these aircraft enter service, a milestone for Air Canada Cargo that also opens up a world of opportunities for us and our customers.” Air Canada has begun the process of converting some Boeing 767s that have been retired from its passenger fleet into fully dedicated freighters. As part of that process, all seats are removed from the aircraft, a large door is cut into the fuselage to allow for loading of palletized cargo, and the floor is reinforced to carry additional weight.

### Sea Freight

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**Yantian port logjam eases and 'normal service will resume this month'**. Yantian International Container Terminal (YICT) has informed customers that the bottleneck at the port had eased, and normal operations would resume by the end of the month. Following a Covid-19 outbreak in the port area and nearby Guangzhou in late May, YICT's operations were disrupted by prevention and restriction measures. In a customer advisory, the port management said: "Current overall operational capacity has returned to 70% of normal levels, and container yard utilisation has dropped from 100% to 70%." According to YICT, this will help volume throughput at the port increase steadily. The number of trailers coming through the gate has reached 8,000 a day, and this will also gradually increase, it said. "With the hard work and support of all parties, YICT aims to resume normal operations soonest. Based on preliminary estimates, a full-scale recovery can be expected in the last week of June." Delays at YICT stretched to more than two weeks and affected other major Chinese ports like Guangzhou and Shanghai, exceeding the six-day waits seen after the Ever Given ran aground in the Suez Canal in March. This caused some liner operators to skip calls at YICT, one of China's busiest container ports with an annual handling volume of more than 13m teu.

**More than 600,000 teu impacted from Yantian fallout.** Estimates suggest more than 600,000 teu has now been affected from the fallout of an outbreak of Covid-19 around Yantian Port in southern China with ports around the world braced for a severe shortage of equipment in the coming weeks, just as the US peak season gets underway. Quizzed by Splash today as to the total number of boxes hit by the three-week Yantian crisis, Lars Jensen, one of the world's most respected container shipping analysts, said: "A reasonable estimate right now is that at least 600,000 teu have been impacted – also indicating a backlog of some 300,000 teu of export cargo waiting to get moved out of the region with the remainder being a mix of import cargo and import empty equipment." Putting the 600,000 number in context, the Yantian partial shutdown is close to affecting twice as many containers as were hit when the Suez Canal was closed for six days in March during the high profile Ever Given accident. "The current estimated wait is over a fortnight, causing many carriers to divert vessels to other ports. In total, over 300 sailings from all liners will omit Yantian," Maersk, the world's largest containerline, stated in an update today. Fortunately, on site there are clear signs that the port's productivity is improving, albeit it will take many weeks to get through the backlog of boxes with most lines omitting Yantian from many of their schedules for the remainder of June.

## Trucking

**Second ELD certification body announced.** A second electronic logging device (ELD) certification agency has been approved by Transport Canada. CSA Group will join FPIInnovations as the second third-party organization available to approve ELDs for use in Canada. Canada's ELD mandate went into effect June 12 for federally regulated carriers, but no devices have been approved to date. An approved third-party must first verify the devices meet the Canadian technical standard before Transport Canada allows them. "I would like to congratulate CSA Group on becoming a certification body for electronic logging devices. We now have two certification organizations for these devices, which is a win for industry and safety alike," said federal Transport Minister Omar Alghabra. "We have worked closely with industry and the provinces and territories on the implementation of these devices. Thanks to our collective efforts, Canadians can have confidence in the enhanced safety benefits these devices will bring. I look forward to seeing electronic logging devices rolling out on our roads in 2021." Private Motor Truck Council of Canada (PMTCC) president Mike Millian also welcomed the news.

## Market Sources

<https://theloadstar.com/yantian-port-logjam-eases-and-normal-service-will-resume-this-month/>

<https://www.trucknews.com/regulations/second-eld-certification-body-announced/1003151730/>

<https://www.insidelogistics.ca/transportation/air/air-canada-unveils-routes-for-new-freighters-176100/>

<https://www.insidelogistics.ca/covid-19/border-workers-holding-strike-votes-amid-border-reopening-plans-176094/>

<https://splash247.com/more-than-600000-teu-impacted-from-yantian-fallout/>

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