



WEEK 12 // MARCH 25 2021

APERTURE & *FOCUS*

A Global Network Advisory Series by Kintetsu World Express, Inc.

KWE
Global Logistics Partner

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GLOBAL APERTURE

Big oops: the Ultra-Large Container Vessel (ULCV) Ever Given finds itself wedged between the walls of the Suez Canal on March 23 due to unusually strong winds. Port authorities say it may take up to two days to dislodge the vessel, and shippers have already reported a buildup of ships in transit. New data analysis from February shows longer average delays year-on-year despite increases in premium FAK rates as retailers ready for another stimulus consumer drive. Among the commodity shortages now reported, construction materials, ferrous and nonferrous metals, and oat milk raise the eyebrow slightly higher as manufacturers, agricultural producers, and even meat plants buckle under the extended pressures of the lockdown economy.

REGIONAL FOCUS

AUSTRALIA

No Change



No Change



A pilot project backed by Australian and Japanese governments will see the development of a liquefied hydrogen supply chain, with the first tanker shipment scheduled for delivery to Japan later this spring—part of a broader trend to move away from traditional energy sources.

available capacity. Results of negotiations with worker unions have one automotive manufacturer suspending operations until April 5 after the health ministry announced a huge increase in COVID-19 infections and related deaths. 279 aviation laws will be purged on April 1 by the country's aviation regulator Anac in its continued effort to reduce bureaucracy in the industry, with more revisions planned in the coming months.

CAMBODIA

Rates Demand



Capacity

No Change



There are no reported backlogs or congestion at airport terminals, although sea freight market volatility still contributes to lack of available air capacity and overbooked flights. Phnom Penh Autonomous Port announces an overhaul of its operations process and digital infrastructure to increase handling efficiencies.

BANGLADESH

No Change



No Change



Chittagong Port Authorities will quadruple storage charges for Dangerous Goods (DG) from April 1 in a bid to reduce port congestion and long berthing queues.

CHINA

Rates Demand



Rates



In the midst of soaring outbound air freight demand to the US, sea freight carriers are expanding outbound transpacific services on top of increased rates. Recent container indices note a slight correction in availability at ports, nominally affecting rates, as more exporters vie for alternative transport modes—trains ferrying goods to Eastern Europe report over 300% year-on-year increase in volume throughput from January to March.

BRAZIL

No Change



Rates Demand



The Port of Santos is hit with congestion from an influx of competing soy and sugar shipments, as projected in January—even the paper pulp industry is worried of being squeezed out of

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E.U. REGION

Rates
Demand



Rates
Demand



The Commission will reportedly block COVID-19 vaccine exports from March 24 onward as it seeks to secure inventory for its member countries. A prospective trade and investment deal with China is in dire straits related to political sanctions among lawmaker groups.

JAPAN

Rates
Demand



No Change



Following a publicized fire at a computer chip factory that purportedly exacerbated global shortages, a government panel was created to draft proposals by May that would strengthen its semiconductor industry.

HONG KONG

Capacity



No Change



Cathay Airlines extends its flight ban to South Africa until June 30 due to the territory's Covid-19 restrictions.

KOREA

No Change



No Change



Carrier HMM receives its first of eight 16,000 TEU cargo ships ordered in 2018—the vessel will be deployed to THE Alliance's Far East-Europe port rotation as more vessels are scheduled for delivery throughout second quarter. Due to the short supply of semiconductors, a major Korean car manufacturer is beginning to regulate production by limiting production lines on some car models with low demand.

INDIA

No Change



No Change



The government temporarily halts COVID-19 vaccine exports in response to a rash of outbreaks, vowing on March 22 to vaccinate all residents older than 45 before April 1.

MALAYSIA

Rates
Demand



No Change



Malaysia Government officially announced that the CMCO (Conditional Movement Control Order) will be continued at major cities within Malaysia until the end of March. However, local KWE sources report no significant impact on most client supply chains. The Transport Ministry is launching a feasibility study for a Malaysia-Thailand cross-border checkpoint and dual service passenger-freighter planes after trade advocacy groups urged state intervention to the shipping crisis.

INDONESIA

No Change



Rates
Demand



Air cargo capacity is getting tighter as combined factors have driven demand. Retail demand has increased recently and shortages of containers and space continue to increase air loads. The space for the US, JP, IN and Latam remains tight. The government eases its export ban on unprocessed mineral ores that was intended to boost domestic refinery by 2023—miners can now obtain permits to export unprocessed ore with the exception of nickel, which is integral to the production of electric vehicles.

Sea port conditions have changed little over the previous week.

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MEXICO



A planned merger between rail providers Canadian Pacific Railways Ltd. and Kansas City Southern may produce a nonstop railroad service connecting Canada, US, and Mexico if approved by regulators. The Port of Altamira maintains the rise in cargo movement since the start of 2021, witnessing cargo growth in heavy machinery, vehicles, raw materials, and loose general cargo.

THAILAND



The government has approved emergency use of Johnson & Johnson's Covid-19 vaccine. Exporters will have to tender air cargo earlier than anticipated to wait out terminal delays as the Minister of Transport approves the expansion of Suvarnabhumi Airport's North terminal.

PAKISTAN



Due to a third wave of outbreaks in Pakistan, provinces are being placed on smart lockdown again—early business closure, reduced staff capacity, and remote work measures are enforced. Airports in the Punjab province are also facing terminal backlogs and capacity issues.

UNITED STATES



Lobbyists of more than two dozen industry groups urged the new administration to lift international travel bans and create digital vaccine passport standards after more than 14 months of revenue loss. Airports in the central region have ramped up their domestic connections with Chicago, which now stands to be the busiest air cargo hub in the country. Long-haul sea freight services to the East Coast are still under pressure.

PHILIPPINES



The Philippine National Police (PNP) established 20 quarantine control points (QCPs) in the Greater Metro Manila area as the capital region and its adjacent provinces began general community quarantine (GCQ) on March 22. A GCQ perimeter was established in Metro Manila and the provinces of Bulacan, Cavite, Laguna, and Rizal until April 4 due to the rising number of COVID-19 cases.

VIETNAM



Vietnam's Prime Minister has issued a directive on the attraction of social resources for performing socio-economic development tasks in land, sea, and island border areas in tandem with firmly safeguarding the national sovereignty and improving people's living standards. Border localities are asked to prioritize resources for infrastructure in those areas, especially trading and transport infrastructure; provide preferential treatment for businesses which make investment, expand operations, and diversify goods sources for cross-border export and import; and create the best possible conditions for cross-border commerce.

SRI LANKA



An air bubble agreement is expected to be signed with India by the end of March according to senior officials, Sri Lanka-based airlines have also made announcements to expand their cargo businesses.

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