



WEEK 14 // APRIL 9 2021

APERTURE & *FOCUS*

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

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GLOBAL APERTURE

IATA's latest data shows global air demand is back to pre-pandemic levels, but capacity is still playing catch up as nations struggle to vaccinate populations and contain new outbreaks. Chartered cargo flights will see a demand uptick in the coming weeks as shippers take a modal shift to maneuver through bottlenecks caused by the recent Suez Canal blockade.

April is generally the month of route adjustments for ocean carriers, but new shipping alliance schedules show muted changes compared to previous years. Dry bulk container rates will remain impacted for the time being, but despite the container market's bullish swing, this is apparently an optimistic sign for the global economy.

Automotive companies are testing the waters with resumption to some mid-size factory operations while gritting through shutdown extensions at over a dozen facilities across the Americas. But chipmakers in Asia are observing signs of recovery in output with an optimistic outlook for the second-half of the year.

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.

CHINA

Rates Demand



No Change



Shanghai Pudong International Airport sees a sudden increase in outbound demand to US destinations. Regional carrier SF Airlines launched a new cargo route connecting Shenzhen to Sabah, Malaysia on April 5.

BRAZIL

Rates Demand



No Change



Passenger flights international and domestic are still downed by high rates of Covid-19 infections.

E.U. REGION

Rates Demand



Rates Demand



Capacity

It's a race against the clock for European ports to rally against the freed backlog of cargo ships, whereas some carriers are suspending Asia-Europe bookings so their vessels can catch up schedules. Predictably, the European air market has received an influx of demand, and terminal delays may become more commonplace if the EU's vaccination rollout is hindered further.

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INDIA

No Change



Government lockdowns in response to new outbreaks have had little effect on air cargo operations. Ocean carriers have cancelled some routings through India after sightings of vessels bunching at the ports of Chennai and Jawaharlal Nehru, slamming cargo unloading and queue times.

Rates Demand Capacity



MEXICO

Rates Demand Capacity



On April 5, KWE Mexico's Guadalajara branch established its dedicated ocean freight division. Cross-border trucking service to Mexico City from the US has been suspended due to government restrictions, putting additional pressure on inbound cargo flights.

No Change



INDONESIA

Rates Demand



Capacity constraints on long-haul and intra-Asia flights have expanded to Thailand and Malaysia over the past week. Sea port conditions are relatively normal despite minor terminal congestion in Tanjung Priok, influenced by unusually high cargo throughput. Late arrivals from congestions in neighboring Singapore and Port Klang continue to weigh down operations, but a recent repossession of 40' HC containers will smooth out the coming weeks.

Capacity Demand



PAKISTAN

Rates



Local KWE sources report no cargo backlogs at air terminals, with major decreases in rates as the UK and the EU extend travel restrictions for safety precautions; Pakistan's Civil Aviation Authority has also extended travel bans on 22 countries to curb transmission. Port Qasim's vessel queue has piled up as ships delayed by the Suez Canal begin to arrive; container rates remain volatile.

No Change



JAPAN

Rates Demand



As one of the major producers of electronics, Japan is seeing a strong export demand sustained by high container rates to destinations in China, US, and Europe. With container availability still volatile, albeit significantly less so than in weeks past, any delays in vessel arrivals may jeopardize supply chain integrity, drawing greater numbers to the air freight market.

Rates Demand



PHILIPPINES

No Change



The national lockdown is extended until April 11 in Metro Manila, Laguna, Cavite, and Bulacan. Ocean capacity remains unchanged, lifting rates higher for in-demand lanes, but export demand is also cooling down in the market.

Rates



MALAYSIA

Rates Demand



Continued high demand to US destinations have stretched some airlines too thin, with cargo backlogs growing in Malaysia's airports. No changes have been reported in the sea freight market.

No Change



SINGAPORE

Capacity Rates



Changi's air terminal observed some cargo backlogs for capital equipment and oversized shipments outbound to the Americas owing to the recent exporter rush.

No Change



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THAILAND

Demand



Rates
Demand



Air import operations have reported instances of misplaced cargo at Suvarnabhumi's TG terminal in the past week, but no other issues have been reported. Container shortage remains a major issue for many carriers, and Laem Chabang continues to experience intermittent congestion.

UNITED STATES

Rates
Demand



Capacity

No Change



There's so much attention placed on West Coast ports that The Northeast is handling cargo congestion pretty well considering the global predicament, but what about the national predicament? Analysts say the government's latest stimulus injection and economic recovery package may eke out more consumer spending, and likewise motivate greater cargo allocation to consumer goods—perhaps even through the summer. The projection takes a less ominous tone with context: almost 20% of the US population have been reportedly vaccinated as of April 7. On that same day, the FMC held a closed-door meeting over their investigation of potential Shipping Act violations by terminal operators and carriers. Airport operations remain congested this week with the exceptions of Atlanta and Dallas-Fort Worth.

VIETNAM

Capacity
Rates
Demand



Demand



High demand for electronics to the US has produced minor backlogs for some air carriers. Sea ports are operating normally despite vessel delays and latent equipment shortages hindering export and import operations.

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