



GLOBAL APERTURE

The latest business intelligence reports show 6% of bulk carriers in the world—nearly 600 vessels—have bunched up in ports of Northern China. Equipment shortages at Asia-Pacific ports are expected to seep into markets of North and South Americas through September, and disgruntled seafarers threaten to rock the proverbial boats of global carriers in the latest pay dispute. A military-enforced lockdown in Vietnam sends the production and transport of consumer goods—from garments and produce to electronic devices—to a near-standstill. Meanwhile, rumors have surfaced that the world’s largest microchip fabricator may charter a ship to transport production equipment across the Pacific. That’s because computer chip shortages are now expected to extend through 2022, with multiple automotive producers issuing production delays and stoppages throughout the world.

The air market remains a beacon of hope for shippers, although its brightness wanes in some trade lanes—while transpacific lanes take the spotlight, capacity in the transatlantic, intra-Europe, and Asia-Europe routes have significantly decreased in the past three weeks compared to 2019 data, and Australia’s recent passenger cap has also pushed some cargo flights away—the country’s flag carrier announced plans to restart international flights in December 2021.

REGIONAL FOCUS

AMERICAS



Airport cargo terminals are still congested this week and show no signs of letting up as backlogs continue to muck up operations. US airlines have been called by the government to assist with evacuation efforts in Afghanistan, although recent transpacific service cancellations may pose a greater threat to shippers than refugees.

All West Coast ports are experiencing vessel and cargo congestion as the second month of peak season kicks into gear, and containers are still moving out empty. Multiple efforts to revitalize the domestic trucking industry may only solve one part of America’s supply chain challenge as carriers report heavy delays at rail facilities in Chicago, Cleveland, Atlanta, and Memphis—attributed to ongoing chassis and container shortages.

Mexico’s Port of Lázaro Cárdenas closed operations over the past weekend to the dying Hurricane Grace, reopening Sunday evening for large cargo ships. Cross-border trucking into North America has also hit more than its share of road-bumps with deteriorating highways in the Mexicali region. Argentina forms a new agency to maintain water levels of the Paraná River, while further up at the Tietê-Paraná waterway, 90% of inland barge services were suspended.

ASIA-PACIFIC



News sources report Ningbo-Zhoushan Port’s Meishan terminal resumed services on August 25, although business analysts predict that operations may require at least one week to fully recover. And despite industry efforts to uplift capacity with charter flights, cargo operations at Shanghai-Pudong International Airport (PVG) will reportedly face delays between 7-14 days due to staff shortages. Experts predict operations to normalize in early September pending further developments.

As more cargo gets rerouted to Hong Kong International Airport, all staff and airline crews will receive mandatory vaccinations and weekly Covid-19 screening starting September 1. Singapore’s Changi Airport also reopens two of its passenger terminals on September 1 as cargo operations at the country’s seaport begin to stall.

Indian airline Spicejet doubles down on its cargo flights to Central and South China, and All Nippon Airways will cut domestic services on 25 routes in September in favor of cargo flights, adding frequency to Beijing, Chicago, Dalian, Singapore, and Shanghai while also introducing freighter routes to Hong Kong, Taipei, and Qingdao.

Local production may decrease as much as 50% after Vietnam



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APERTURE & *FOCUS*

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enforced its strictest lockdown on August 23, and authorities now require negative Covid-19 test results to enter the ports of Cat Lai and Hiep Phuoc. Department officials are drafting a temporary measure that would allow import transfers between seaports to avoid terminal congestion.

Australia's recent passenger cap has also pushed some cargo flights away — the country's flag carrier, Qantas, announced plans to restart international flights in December 2021.

EUROPE, MIDDLE EAST & AFRICA



A second two-day strike was enacted on August 23 by passenger rail operators in Germany following another walkout by freight drivers on Saturday; both ended promptly on August 25 but will still take significant tolls on the country's industrial, automotive, and chemical industries. To address logistical shortcomings, Asia shipping alliance ONE opens a second dedicated container depot at Hamburg Port. Intent on buoying network coverage, Rotterdam Port also adds new rail services with connections to Italy, Germany, and Belgium.

In the UK, the British Ports Association (BPA) has asked the government to grant temporary permits for EU truck drivers as the rollout of new export summary declarations come into effect October 1. UK airline startup European Cargo receives its Air Operator's Certificate (AOC) and readies for freight services.