



WEEK 36 // SEPTEMBER 11 2021

APERTURE & *FOCUS*

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



GLOBAL APERTURE

Airline data suggests that global air cargo capacity has declined about 10% compared to 2019 figures, with transatlantic and Asia-Europe routes suffering the greatest losses while transpacific capacity rose to meet shipper demand.

The recent rise in Covid-19 cases around the world has some airlines placing unvaccinated staff on forced leave, requiring them to use sick leave if infected, or outright firing them to mitigate further spread and resulting flight cancellations or quarantines.

Port congestion, container shortages, and heavy demand from US and Europe has retail experts more fearful than ever that holiday inventories will be at risk this year as sky-high freight rates shut out smaller importers from the market. As an attempt to address these challenges, global carrier CMA CGM announced on September 9 its spot rates will be capped at current levels until February, with rival Hapag-Lloyd also instating a rate freeze "for the time being."

REGIONAL FOCUS

AMERICAS

Capacity
Rates
Demand



Rates
Demand



New Orleans Port resumed container operations on September 7, following its breakbulk operations that started up September 2. Unfortunately, the inland waterway South Louisiana Port sustained damage during the storm and will take a bit longer to reopen.

Major coastal seaports are hard-pressed to squeeze more cargo through, leading shippers to consider ferrying containers through the lesser known ones in Boston, Seattle-Tacoma, Oakland, and Virginia.

Intermodal congestion, aggravated by chassis shortages and cargo-filled rail depots from West Coast to the Central Region, pushes rail providers to open additional depots to improve drayage time and storage capacity.

In Canada: the new Maersk/CP Rail transloading facility near Vancouver Port started operations on September 9. On September 7, KLM-Martinair resumed passenger flights to Canadian destinations from Europe for vaccinated travelers with recent Covid-19 test results, propping up belly capacity.

ASIA-PACIFIC

Rates
Demand



Capacity

Rates



Two powerful tropical storms are expected to make landfall this weekend: Super Typhoon Chanthu is headed to Taiwan while Tropical Storm Conson approaches Vietnam. Sea freight transit times may be delayed and some intra-Asia flights have been canceled as a result.

More flights have been canceled at Shanghai-Pudong International Airport as its cargo terminals remain understaffed—despite stricter quarantine guidelines, cargo handling positions remain unfilled due to applicant fears of contracting the virus.

India's ministers of commerce, railways, and ports are due to meet with industry representatives to discuss current infrastructure and financial challenges faced in the nation's export sector. Further contingency measures are expected to be implemented next week. For its part, Kolkata Port has restricted empty container exports per vessel to 100.

Transshipment ports in Singapore, Malaysia, and Sri



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KWE
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continued from "Asia-Pacific"

Lanka remain congested, slowing import movements into Bangladesh. Available storage capacity in Chittagong Port is also affected by a buildup of containers that have yet to be retrieved by shippers.

Philippine Airlines is the latest to file for Chapter 11 bankruptcy due to the prolonged impact of the lockdown on passenger revenues—the airline will continue to operate scheduled flights during its restructuring.

EUROPE, MIDDLE EAST & AFRICA



A third cargo vessel wedged itself in the Suez Canal on September 9, temporarily disrupting traffic flow for several hours before being dislodged. Analysts reviewing year-to-year data assert that freight rates for Asia-Europe services will peak during China's Golden Week holidays and expect a slow reversal through October.

Air carrier Turkish Cargo renews its contract with the umbrella group Turkish Exporters Assembly (TIM) to maintain reduced transport costs, as air capacity diminishes in the region. Emirates will also resume flights to and from hubs in Saudi Arabia on September 11, and Air Malta is set to operate 67 direct intra-Europe flights starting October 31.