



WEEK 39 // SEPTEMBER 30 2021

APERTURE & *FOCUS*

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



GLOBAL APERTURE

August data published by the International Air Transport Association (IATA) shows a month-over-month slowdown on air passenger recovery while cargo performance stays strong despite fall season pressure, with carriers in Africa and the Americas seeing the most significant growth compared to their respective 2019 international cargo volumes. International transport organizations have issued a joint letter to the United Nations calling for an end to the supply chain crisis.

A string of energy shortages in Asia and Europe mangles production timelines and cargo transit schedules only days before China's Golden Week holiday. This coincides with the announcements of multiple world officials, industry leaders, and climate organizations to reach carbon neutrality deadlines, raising prices in oil & gas. Metal tariff negotiations between the US and EU continue while the push for renewable energy has renewed solar panel tariff developments.

REGIONAL FOCUS

AMERICAS

Capacity
Rates
Demand



Rates
Demand



With an estimated 500,000 containers floating on anchored vessels just beyond Los Angeles Port, US exporters are now urging carriers to restore cargo services to Oakland. In response, global liner MSC announced on September 30 of plans to launch a weekly service connecting Oakland to Southeast Asian ports on November 6. Cargo operations at all major US airports remain impacted although recovery times are faring better compared to summer averages.

A US-Mexico border crossing that was closed on September 17 has reopened on September 27 for all cargo traffic, but essential railroads leading to Lázaro Cárdenas Port remain delayed by over 70 days with nearly 50,000 tons of cargo backlogged.

Officials in Mexico and Bangladesh outlined efforts to boost bilateral trade on September 28, with both nations moving to establish a Memorandum of Understanding in the coming weeks. Air Canada resumes non-stop flights to and from Delhi on September 27, with plans to reopen service to Mumbai pending market conditions.

ASIA-PACIFIC

Capacity
Rates
Demand



Capacity
Rates



Some of China's most industrious regions have been rationing power usage over the past week to meet the nation's annual carbon reduction targets, meaning rolling outages and factory shutdowns. Microchip fabricators and automotive suppliers are among those hit by the restrictions. The picture is grimmer just outside the ports of Ningbo and Shanghai, where over 150 cargo vessels were reportedly anchored and waiting to load cargo on September 24. These conditions will place pressure on air market capacity in Southeast Asian hubs of Thailand, Malaysia, and Vietnam, which will see an uptick in cargo volumes through China's Golden Week holidays.

A 72-hour trucking union strike in Chittagong ended on September 29 after the government ceded to the organization's list of demands to improve work conditions. India extends its ban on scheduled international commercial passenger flights to the end of October as the country's active Covid-19 cases continue to decline. The ensuing rush by Indian exporters to fill existing capacity will in turn push minimum transit times for transshipment flights to destinations in Americas and



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KWE
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continued from "Asia-Pacific"

Europe.

Japan Air Lines (JAL) announces greater flight frequencies through October for services to and from Bangkok, Ho Chi Minh City, Melbourne, Los Angeles, Dallas, and London-Heathrow. New Taiwan airline Starlux launches a new twice-weekly flight between Singapore and Taoyuan, and regional carrier TS Lines deploys a dedicated service connecting ports in China and New Zealand.

EUROPE, MIDDLE EAST & AFRICA

Rates
Demand



Rates
Demand



In the UK, a petrol shortage has stalled transport for commuters, lorries, and emergency services, with the government now offering visas to bring EU trucks back into the region and military on standby to resupply gas stations. Climate change protests at the Port of Dover blocked cargo traffic on September 24, disrupting cross-border transit—a court injunction has prevented further congestion in the area.

Unfortunately, trucking capacity in Rotterdam Port is also impacted, according global carrier Maersk, which also intends to cut some port calls from its Asia-North Europe routes in a bid to reset service reliability. In similar attitude, carrier CMA CGM extends omission of Le Havre Port for another eight weeks to restore service reliability on its Europe-South America service—the port will still be utilized for transshipment services via the ports of Algeciras and Antwerp. Lufthansa Cargo also adds two freighters to its Frankfurt-based fleet.