



WEEK 40 // OCTOBER 8 2021

APERTURE & *FOCUS*

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



GLOBAL APERTURE

China's Golden Week historically marks a lull in global cargo activities before the winter rush, but state-mandated emissions reductions and fuel shortages have amplified this slowdown to manufacturers, with downstream consequences for unaware shippers. New 2020 data analysis from IATA shows that while cargo air carriers were able to improve performance throughout the past year, passenger and combination airlines suffered from industry-wide flight reductions that—because of uncoordinated lockdown efforts—deteriorated handled volumes and vital revenue. Lest history repeat itself, six more airlines—notably Etihad Airways, Qantas, and Qatar Airways—join Emirates in implementing the digital IATA Travel Pass to their traveler network, solidifying near-future traveler growth after eleven months of testing.

In an open letter published September 29, several transport organizations including the International Air Transport Association (IATA), International Chamber of Shipping (ICS), International Transport Workers' Federation (ITF), and the International Road Transport Union (IRU) have called for the implementation of a global digital vaccine passport to avoid what they've termed a "global transport systems collapse."

REGIONAL FOCUS

AMERICAS

Rates Demand



Demand



Sources say a new oil spill disaster off the coast of California may have been caused by the anchor of one among many cargo vessels that have bunched up near the ports of Los Angeles and Long Beach. 22 cargo vessels were also reportedly queued near the Port of Savannah on October 2, putting the premier Southern US hub in similar troubles as those of Los Angeles and New York.

And due to the ongoing Haitian migrant crisis at the Texas border, Customs and Border Protection (CBP) have been short-staffed to process cross-border cargo trucks. At the Port of San Antonio, abnormal storm surges have motivated the Port Authority to heavily restrict operations on October 4, delaying vessel arrivals. These supply chain speed bumps will further stall order fulfillments downstream, resulting in work stoppages, shift reductions, and layoffs.

Up north, drayage companies around Vancouver Port also experienced operational gridlock due to overbooked schedules and chassis shortages. Major airports are upgrading storage facilities in Toronto and Halifax, which will help bear the brunt of wintertime demand.

ASIA-PACIFIC

Rates Demand



Rates Capacity



Reductions to energy use and the Golden Week holidays slowed production output and transport capacity in China: carriers Air China and China Cargo Airlines cancelled several intra-Asia freighter services this week. Vietnam eases lockdown policies after nine weeks, resuming domestic passenger and cargo transport in populous areas like Ho Chi Minh City to the relief of consumer goods exporters.

Taiwan plans to limit expedited air cargo shipments



A member of the KWE Group

DISCLAIMER: The subject matter of this newsletter is provided for informational purposes only. All data is obtained from internal and external sources believed to be true and accurate at the time of publication. Forward-looking statements derived from such data should not be taken as guarantees of future performance, nor should they be relied upon as fact. KWE is not responsible or liable for any inaccurate information contained herein, and under obligation to update forward-looking statements except as required by applicable security laws.



WEEK 40 // OCTOBER 8 2021

APERTURE & FOCUS

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

KWE
Global Logistics Partner

continued from "Asia-Pacific"

from several high-risk Southeast Asian countries come December 1 to combat a new outbreak of African Swine Fever (ASF). Japanese shippers collaborate to increase cargo load factors with standardized packaging cooperative distribution networks. Qantas moves up its return to international commercial flights, now scheduled to begin November 14 to connect Sydney with Los Angeles and London-Heathrow.

Just south of Manila, Bicol International Airport opens after 11 years of construction and regulatory compliance, due to replace Legazpi Domestic Airport once operations are in full capacity.

EUROPE, MIDDLE EAST & AFRICA

Rates
Demand



Rates
Demand



Capacity

New reports have surfaced of key UK ports beset with so many import shipments that empty container returns are being flat-out refused, especially at Felixstowe. In Liverpool, over a dozen ships are anchored off the coast due to inclement weather, which has temporarily halted some operations. The bottlenecks have also been blamed on lorry shortages, which have also increased vessel dwell times.

Unfortunately, Europe's own trucking crisis has pushed the UK government and major corporations to woo truck drivers in Mexico, Canada, and South Africa with work visas and sign-on benefits, which has yielded few results thus far. This has led some shippers to further utilize rail connections, such as the Alicante-London service, to avoid delays. Buffering the Europe-Middle East market, CMA CGM launches direct service to connect Greece, Egypt, and Turkey.