



WEEK 51 // DECEMBER 17 2020

# APERTURE & *FOCUS*

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

**KWE**  
Global Logistics Partner

**APL Logistics**  
A member of the KWE Group

## GLOBAL APERTURE

IATA's most recent report confirmed that the pandemic's economic effects will weigh significantly on the air industry, tamping down demand until vaccines become more widely available in 2021. Market activity conveys that most of the economy is running on low inventories and high sales, with the former a result of lower business confidence in past months and the latter a result of holiday spending.

MSC has unveiled new freight rates from the ports of Antwerp, La Spezia and Genoa, effective on the month of January. Hapag-Lloyd imposed a peak season surcharge from Far East to North Europe and the Mediterranean, to be enforced December 15. CMA CGM will implement new freight-all-kinds (FAK) rates from North Europe and the Mediterranean to Kenya, Tanzania, Australia, New Zealand and the Indian Subcontinent from January 1.

Crew changes for some 400,000 seafarers are in need of support as shipping industry groups and advocates now seek the United Nations to address the longstanding issue. At present only a handful of ports including Singapore, Barcelona, Abu Dhabi, Antwerp, Hamburg, Rotterdam, and Vancouver have joined the international alliance.

## REGIONAL FOCUS

### CANADA

Rates  
Demand



Rates  
Demand



### BANGLADESH

Capacity  
Demand



Rates  
Demand



A sudden temperature drop on December 12 culminated in a dense fog across the Port of Chittagong and Shah Amanat International Airport, temporarily halting vessel and plane movement. Country officials recently began FTA negotiations with the Association of Southeast Asian Nations (ASEAN) after earlier talks for a preferential trade agreement with Indonesia stalled.

DHL Express has expanded its ACMI deal with lessor Cargojet through the addition of three permanent international routes. The new routes are operated by three dedicated B767-300F Cargojet freighter aircraft between Hamilton, Canada; DHL Express hub in Cincinnati, Ohio; and continuing to Monterrey, Mexico; and the UK. These routes were initially started in April 2020 and October 2020 on a temporary basis, as global demand for dedicated air cargo services soared as a result of the Covid-19 pandemic and the resulting reduction in belly cargo capacity in passenger aircraft.

### CAMBODIA

Rates



Rates



Capacity

Air and sea port conditions remain largely unchanged from the previous week, as container shortages have not been resolved and the government has resisted enforcing another lockdown after containing its last outbreak in November.

### CHINA

No Change



Rates



China Airlines is slated to expand its cargo fleet with six more Boeing 777F aircraft by 2030—two of which will be delivered before the end of December. The first plane is shortly due to fly cargo routes between Asia and North America following regulatory validation. Intermittent vessel delays have been reported at Chinese ports, notably Shanghai, according to local KWE sources. On December 13, two cargo ships collided outside the Port of Shanghai.

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## E.U. REGION

Rates  
Demand



Capacity  
Rates  
Demand



With uncertainty over the Brexit negotiations, British importers are reportedly stockpiling on EU goods, forming long queue lines at the Port of Calais. New cross-border restrictions across the Schengen region will likely also cause delays for trucking.

Beginning January 21, CMA CGM will serve a new weekly route connecting ports in Northern Europe and West Turkey, and expand its four existing services that link Europe with the Middle East and North Africa. Hapag-Lloyd will also reconfigure some existing service routes in the same month to provide connection to similar areas as well as Pakistan and India.

## JAPAN

Rates  
Capacity



Demand  
Rates



All Nippon Airways (ANA) resumed flight services from Narita to Shenzhen on December 14 as government data posts a significant increase of foreign travelers to Japan in November. Posted data shows Japan's exports decreased year-over-year by 4.2% in November, linked to softened demand from China and the US for capital equipment and industrial machinery.

## HONG KONG

No Change



Rates  
Demand



In the midst of a fourth outbreak, a proposed plan by border city Shenzhen to reduce cross-border trucking was reconsidered by authorities looking to quell imported infections.

## KOREA

No Change



Rates



The Finance Ministry unveiled its 2021 economic policy on December 17, noting that the November rebound in exports could be the start of a nation-wide recovery and outlining plans to boost consumption with subsidies and tax cuts on automotive and energy-efficient electronic goods. A new FTA with New Zealand will see tariff-free Korean exports to the country starting 2021. Incheon Port's export volume stays up for six consecutive months, up 15.8% year-over-year in November thanks to semiconductors, optical displays, and mobile phones.

## INDIA

Capacity



No Change



Port conditions remain unchanged from the previous week, according to local KWE sources. Farmers are protesting a new agricultural reform policy in the states of Delhi, Uttar Pradesh, Haryana and Rajasthan, blockading major highways and delaying truck movement.

## MALAYSIA

Rates  
Demand



No Change



On December 10, the government announced its feasibility study for the reinstatement of the Goods and Services Tax (GST) in favor of the current Sales and Service Tax (SST), with the intent of strengthening Malaysian exports.

## INDONESIA

Capacity  
Demand



Rates  
Demand



Capacity

Outbound long haul capacity is being squeezed out, but in Intra-Asia lanes, regional carrier Garuda Indonesia adds flight services to

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## MEXICO

Rates  
Capacity



Demand



Total cargo traffic at the Guadalajara International Airport is expected to increase 11% year-over-year, according to data released by airport operator Grupo Aeroportuario del Pacífico (GAP). Mexico becomes the fifth country to authorize the emergency use of the Pfizer-BioNTech vaccine, with the first batch of a 34.4 million-dose order arriving in the third week of December. Latam Cargo has also announced that it will provide free, dedicated transport of covid-19 vaccines to domestic network destinations.

government approved the Pfizer-BioNTech vaccine on December 14, and plans to receive the first shipment before the end of 2020. Port conditions remain unchanged from the previous week.

## THAILAND

Rates  
Demand



Rates  
Demand



In response to growing complaints over the region-wide container shortage, on December 15 the government pledged to subsidize a portion of import fees for empty and used containers. Port conditions remain largely unchanged as local KWE sources report capacity shortage is now spreading to transpacific routes to the Mediterranean.

## PAKISTAN

Demand  
Capacity



Rates  
Demand



The Ministry for Commerce and Investment has committed to establish cold storages in every port of the country after speaking with perishables trade groups.

## U. KINGDOM

Rates  
Demand



Rates  
Demand



Union workers of Heathrow Airport began an in-car strike to protest wage cuts while socially distancing; further strike action is planned for December 17 and 18.

## PHILIPPINES

Rates  
Demand



Regional cargo carrier Cebu Pacific receives its second ATR passenger-freighter conversion—a small boon for intra-Asia capacity. A total truck ban has been enforced in parts of Metro Manila as part of state efforts to quell imported cases, disputedly causing port congestion.

A new variant of the coronavirus has reportedly set London under lockdown on December 16. Port of Felixstowe's congestion issue has seeped into neighboring ports of Southampton and London unabated, and now several trade groups are calling on the government to move containers and free up terminal capacity. The heavy flow and delay will cause further problems on the supply chain as freight trains shipping cargo inland start refusing consignments to keep schedule. Stockpiling purchases in an uncertain post-Brexit future have resulted in a buildup of trucks waiting at the Port of Dover.

## SINGAPORE

Rates  
Capacity



No Change



Non-oil exports fell 4.9% year-over-year in November, according to business analysts—the decline is attributed to lowered shipments of petrochemicals, pharmaceuticals, and electronics. The

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## UNITED STATES

Rates  
Demand



Rates  
Demand



The Port of Norfolk will be the only US destination in a new Hapag-Lloyd service route that connects Northern Europe and the Caribbean. Land border restrictions with Canada and Mexico have been extended through January 21. On December 16, the US Treasury listed Switzerland and Vietnam as currency manipulators, and added India, Taiwan, and Thailand on its list of monitored countries.

A potential “mini-trade deal” between the US and the UK is being discussed among officials, potentially removing harmful tariffs for Americans and granting subsidies to UK aerospace firms. Port conditions remain largely unchanged due to the holiday peak season rush.

## VIETNAM

Demand

Capacity



No Change



A Free Trade Agreement (UKVFTA) with the UK was signed on December 11 to gradually remove 99% of existing tariffs, and is expected to be enforced January 1, 2021. A cargo ship en route to Hong Kong capsized off the coast of Vietnam on December 16 due to rough waters; a rescue team has been sent to recover missing seafarers and survivors. Outbound demand to Japan and other intra-Asia destinations have increased, attributed to greater purchases of perishables and retail goods. Local KWE sources report that a resurgence in charter flights have simmered high US demand from previous weeks.

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