



WEEK 6 // FEBRUARY 10 2021

APERTURE & *FOCUS*

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

KWE
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GLOBAL APERTURE

The annual Lunar New Year holidays begin on February 12 for many countries in Asia, but this year some factories are operating through the celebrations as local authorities encourage workers against travel to prevent potential outbreaks. The ocean-to-air modal shift may take more time to reverse if supply chain issues are not resolved by the end of the Lunar New Year holiday—experts say an unhindered consumer demand has only made matters worse. The push to vaccinate carrier flight crews will soon ease layover quarantine periods, and a novel idea for pop-up cargo facilities may be yet another bandage solution for the lingering pandemic.

The election of the next Directorate General of the World Trade Organization will soon come to a close as the South Korean candidate formally withdraws and Nigeria's former finance minister Ngozi Okonjo-Iweala wins the support of WTO member states.

REGIONAL FOCUS

BANGLADESH

No Change



A new variant of avian flu has appeared in some imported poultry products, but the government has decided against imposing a temporary ban on shipments. Officials are in talks with Indian representatives to add four more ports of call between the two countries in an effort to strengthen existing bilateral trade.

No Change



CHINA

Rates Demand



Yantian and Dalian port authorities have reported build-ups of terminal congestion since February 3, forcing the former to temporarily suspend container export operations starting February 9—only containers scheduled to leave port the following week are affected.

No Change



CAMBODIA

Capacity

Rates Demand



The government launches its national vaccine program as the first shipment of doses arrives from China. Officials have also approved a series of infrastructure upgrades on ports and border checkpoints in anticipation of five FTAs set to go in effect this year. Exporters and local trade groups continue to express concern for rising sea freight costs, especially to European destinations.

Capacity Demand



E.U. REGION

Rates

Capacity



Extreme winter weather hits Northern Europe—Snowstorm Darcy has slammed areas in the Netherlands, Belgium, and Germany, causing delays and cancellations of road, rail and some air traffic.



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INDIA

No Change



No Change



As a consequence of the continued container shortage at Indian ports, outbound air freight demand to US and Latin America destinations has increased in the past week. Trade and government officials are reportedly conducting feasibility surveys for a domestic container manufacturing facility to off-set the shortage.

PHILIPPINES

Rates Demand



No Change



Shipping lines are in talks with port officials to retrieve several thousand empty containers that are overstaying at the Port of Manila to combat the country's trade imbalance. To improve public morale, the government stage a full-scale simulation of its vaccine distribution program on February 9—while the drill was successful, authorities later reported that the first batch of vaccines will arrive later than anticipated due to delays in processing shipping documents.

JAPAN

Capacity



No Change



In line with its reduction of passenger flights, All Nippon Airlines will also consolidate cargo operations and supplement them with non-scheduled commercial and chartered services beginning March 28. The consolidation efforts include reductions in roundtrip capacity to Shanghai and Qingdao, along with an increase in capacity to Frankfurt.

SRI LANKA

No Change



Rates



On February 2, Sri Lanka called off a joint development deal with India and Japan over the Port of Colombo's East Container Terminal—instead opting to invest in the West Container Terminal, which has endangered relations.

KOREA

Rates



No Change



Officials finalized a Free Trade Agreement with Cambodia during a virtual summit held February 4, with plans to sign the treaty in the near-future. Market conditions remain largely unchanged from the previous week due to the upcoming Lunar New Year holidays.

TAIWAN

No Change



No Change



Exports rose 37% year-on-year in January, attributed to strong demand for computer chips and semiconductors. Authorities have launched a new container transfer scheduling system on February 8 to alleviate congestion and related issues at the Port of Kaohsiung, currently only available for overweight exports, empty containers, and designated container types.

MEXICO

Capacity



Rates Demand



New border restrictions imposed in North America have increased air freight volatility, leading shippers to opt for cross-border trucking into Mexico destinations. Average border wait-times are stretching out—partly because of the increased demand but also due to a lack of available customs agents.

THAILAND

Capacity Demand



Demand



The Commerce Ministry responds to the country's container shortage problem by reducing port-related fees and expanding the number of ships available to reposition empty containers.

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U. KINGDOM

Rates
Capacity



Rates
Demand



The still-congested Port of Felixstowe recently upgraded its ro-ro capabilities to handle larger vessels—officials say the enhancement comes at a time when new import requirements are sending more cargo to the port. Cross-border trade with the EU has recovered to 90% of normal traffic volumes year-on-year in January, and the Port of Dover will soon create a clearance park for 1,200 trucks to facilitate future transport.

UNITED STATES

Rates
Demand



Capacity

Rates
Demand



Capacity

Major air transit hubs are affected by labor shortages, increasing import handling delays for the pre-holiday cargo influx. Import volume surges of as much as 345% are projected through February, affecting major sea ports at the East, West, and Gulf coasts. Attempts to divert ships from Los Angeles-Long Beach Port have only spread container congestion further to the Port of Oakland.

VIETNAM

No Change



No Change



A new series of outbreaks, including one among staff, have led authorities to increase social distancing and preventative measures at airports just before the Lunar New Year. Port data shows the severity of the container shortage has negatively affected agricultural imports even as total cargo throughput increased 8.5% year-on-year in 2020.

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