



Global Logistics Partner

WEEK 2

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APERTURE & FOCUS

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GLOBAL APERTURE

As the [Global Supply Chain Pressure Index](#) is taking longer than expected to normalize, fingers are once again pointing to supply-side conditions in China. New projections from industry watchdogs [also list inflation and recession](#) as top shipper fears for 2023—empty container shortages are expected to dissipate as a result.

[Less than two weeks before the start of Lunar New Year](#), supply chain experts wonder: [will shippers catch a break this peak season?](#) Conditions aren't matching up, and the outlook following China's annual holiday week ["is still very patchy."](#)

Unless more companies [revise supply chain management and adapt to changing consumer and business trends](#), that break will likely be further away than expected, says one distinguished professor in the field.



A member of the KWE Group

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REGIONAL FOCUS - AMERICAS

[2023 puts the pedal to the metals industry](#)—specifically metals essential to [solar panels](#), [EV batteries](#), and [microchips](#). [Foreign and domestic investment](#), spurred by tax incentives à la [Inflation Reduction Act](#), [labor migration](#), and [volatile RMI markets](#), expects to reap in the second-half of the decade with new US fabrication plants predominantly scheduled for live production between 2025-2030.

But America's current-year [outlook stays modest](#) as [imports to the US track lower](#) on [high consumer prices](#), [climbing interest rates](#), and a [weakening dollar](#). US-China trade tensions simmer into the new year as Brazil steps up corn shipments to the latter country after passage [of a revised grain deal last November](#). Cross-border relations and pending United States-Mexico-Canada Agreement (USMCA) disputes [are under review at this week's US-Mexico summit](#) following [increases in trade](#) and [immigration](#).

REGIONAL FOCUS – ASIA-PACIFIC

[Asia-Pacific's pre-eminent leaders](#) go tit-for-tat on visa issuance policies and [seafarer restrictions](#) as state-funded enterprise leaders in [chemicals](#), [high-tech](#), and healthcare [re-shore factories](#) and [refocus commercial models](#). Maybe that's why global carriers are establishing new routes for [Incheon](#), and why Chinese officials are backpedaling [on cross-border restrictions](#) and [closer inspections of perishable goods](#) despite surges in [Covid-19 infections](#). Passenger and cargo restrictions at the airports of [Hong Kong and Macau](#) were also lifted on January 8, [stabilizing headwinds for air capacity](#) expansion. [December export volumes from China increased](#) 5.5% year-over-year.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

EU shippers race against the [bloc's February 5 ban](#) of all Russian oil products with even more orders of diesel from the [Kuwait, India, and China](#). However, [refining capacity deficits in Europe](#) will keep supplies tight and demand high, impacting manufacturing and transport costs. Global carriers will in turn [slow-down vessel movements and deploy additional capacity](#) for transatlantic routes. European policymakers are [strengthening cooperation, trade, and national security ties](#) with Japan. [Another cargo vessel runs aground](#) in the Suez Canal; officials say maritime traffic was not affected.