



Global Logistics Partner



WEEK 10

MARCH 10 2023

APERTURE & FOCUS

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

GLOBAL APERTURE

After three years of supply chain disruptions from the global pandemic, the Federal Reserve Bank of New York's Global Supply Chain Pressure Index has indicated that [conditions in the global supply chain have returned to normal](#), citing numerous downward contributions including significantly eased congestion throughout Europe. MSC, the world's largest container line, has said that [it expects the ocean container market to grow in the second half of 2023](#) as inventories in North America and Europe deplete over the next several months and [Chinese manufacturing rebounds](#). With concerns over a global recession, the war in Ukraine, and the ongoing European energy crisis redrawing shipping routes, [the Panama Canal forecasted a significant decrease of ships](#) passing through the channel. As a crucial point of transit for global trade, the canal's income represents a major part of the Panama's revenue [and has threatened the nation with an economic crisis](#).



A member of the KWE Group

DISCLAIMER: The subject matter of this announcement is provided for informational purposes only. Any and 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 no obligation to update forward-looking statements except as required by applicable security laws.

REGIONAL FOCUS - AMERICAS

While container import volumes continued their year-over-year decline at US ports during the month of February, new data showed that [they remained consistent with pre-pandemic levels in 2019](#). Despite this slow period, the National Retail Federation's Global Port Tracker predicts that [imports will begin showing modest improvements beginning next month](#) and will continue to climb through at least July.

Weeks after a massive train derailment in Ohio and with the momentum from unions and newly introduced bipartisan legislation, the US Department of Transportation is [taking significant steps to implement new rail safety measures](#) that include track inspections, rail worker whistleblower programs, and more. On March 1, The Brotherhood of Maintenance of Way Employees Division [wrote an open letter to the Ohio Governor](#) expressing the need for legislation to hold rail lines accountable while, in the same week, [the New Mexico House of Legislature passed a bill](#) requiring a minimum of 2 crew members for Class I and Class II railroads across the state. Several unions, however, argue that [the proposed legislation does not adequately address safety concerns](#), and members of at least two unions [have voted to go on strike](#) if a collective agreement can't be reached with their employer, Canadian National, when contract negotiations take place this month.

REGIONAL FOCUS – ASIA-PACIFIC

The severity of Pakistan's foreign exchange crisis is forcing some forwarders and carriers to [suspend services to the country](#) as cargo builds up at key ports awaiting payment, though major ocean carriers, including Maersk, have said that they are still calling on Pakistani ports and will work to keep cargo flowing. China's European connections via rail continued to strengthen as [the inaugural train departed this week from the Shenyang Hub of the China Railway Express](#), expecting to handle over 1,000 trains each year. Further expansions of China's rail network appear to be underway after authorities from China and Kazakhstan had their first meeting in Beijing [to coordinate new developments of international transport corridors](#) after cargo transport reportedly increased 15% year-over-year between the countries in 2022.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

It has been a busy week for the International Air Transport Association. After a disorganized roll out of the EU's new Pre-Loading Advance Cargo Information (PLACI) System on March 1, IATA has called for [immediate action to address the supply chain difficulties that have risen in its wake](#) with 12 EU member nations still not ready and with no implementation timelines. On March 3, IATA announced that it would [mount a legal challenge to the Dutch government after it announced that it would reduce Schiphol Airport's capacity](#) in order to reduce its impact on the environment, contending that it would negatively impact the local airline industry and hobble the region's connectivity. After a two-week strike halted more than 90% of Finland's trade, [port operators and union leaders reached an agreement to end the labor dispute](#) and resume operations at the country's major ports. A container ship that caused traffic to be diverted in Egypt's Suez Canal after a break down [was refloated on March 5](#), allowing traffic to resume normally. In an effort to boost exports, Ukraine and Romania [have agreed to check the depths](#)

[of the canals in the Danube River](#), which last year suffered from droughts that severely restricted ship traffic during the summer months.