

WEEK 13

MARCH 30 2023

APERTURE & *FOCUS*

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



GLOBAL APERTURE

A message from the World Bank on March 27 warns that [global economic growth will fall to a three decade low of 2.2% per year by 2030](#) without major policy changes, including a reduction in trade costs. With orders for new freighters expected to be filled by 2027, [more than 200 aged planes are expected to be retired by 2024](#) as air capacity continues to fall and the market is threatened with overcapacity. A new report shows that the impact of the EU Emissions Trading System (EU ETS), the FuelEU Maritime initiative, and the Energy Taxation directive [are expected to significantly reduce the cost of green fuels](#) relative to fossil fuels by 2025. US lawmakers introduced [the Ocean Shipping Implementation Act](#), a follow up to 2022's Ocean Shipping Reform Act, that aims to address the shortcomings of current laws.

REGIONAL FOCUS - AMERICAS

USA: On March 22, [US lawmakers proposed the Ocean Shipping Antitrust Enforcement Act](#), which would remove foreign ocean carriers' previous exemption from antitrust laws and address unfair practices, including unexplained schedule changes, rate increases, and excessive fees. In a press release, [the World Shipping Council opposed these changes](#), citing the need for vessel sharing arrangements between ships to benefit consumers. A new report shows a [50% year-over-year increase in cargo theft for food and beverage items](#) in the US during the month of February, currently sitting at the top spot for stolen commodities.

MEXICO: While cargo theft has declined in Mexico by 29% year-over-year, [food and beverage cargo remains among the most stolen commodities](#).

CANADA: The Canadian government announced an 18 million Canadian Dollar investment in [a new rail park in Winnipeg that will serve as an intermodal transfer hub](#) to improve rail and land network infrastructure and ease cargo flows between Canada, Mexico, and the US.

REGIONAL FOCUS – ASIA-PACIFIC

China: Piles of empty containers in China's major ports [serve as a bleak economic indicator in the midst of dwindling export volumes](#), as Yantian port in Shenzhen holds the highest number of empties in three years and Yangshan port in Shanghai leases space from the neighboring Taicang for excess storage.

Bangladesh, India: Shipments from [a new land-sea corridor out of Bangladesh via India](#) began following a bilateral agreement between the two countries, with the journey from Bangladesh to Delhi via truck coming in at five days. With bookings for readymade garment exports up 15% year-over-year for the first half of 2023, improvements to road access between the two countries has provided a shorter and more economical trade route. To further improve regional connectivity, [Bangladesh has offered the use of its ports in Sylhet and Chittagong](#) to India.

Australia: On March 24, Hutchinson Ports terminals in Sydney and Brisbane [announced an increase in landside fee tariffs and storage charges](#). The Container Transport Alliance Australia opposed this measure, arguing that it penalizes the use of high-productivity vehicles.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

EU: In response to increases in cyber-attacks in the transportation sector in recent years, the EU's cybersecurity agency ENISA announced a new directive that will require the logistics industry, including airports, airlines, traffic control authorities, ports, and more [to boost their cybersecurity and report all cyberattacks](#) in order to defend against these attacks.

France: Strikes over pension reform in France [have hobbled much of the public sector](#). As the impact on major ports grows, KWE sources indicate that many major carriers have opted to avoid all major ports, LeHavre, Marseille, and Fos-sur-Mer, until further notice.

Germany: Transport union strikes in Germany [have led to major disruptions at the country's rail lines and airports](#). On March 22, shippers were advised to skip the Ports of Hamburg and Elbe

when [port workers joined the strikes](#) with a 48-hour work stoppage of their own. Negotiations have been underway since March 27.

Russia: Western sanctions have led to the development of [a new land bridge between China and Russia](#), cutting up to 2,000 km from the journey between Moscow and Beijing using this new trade route.