

WEEKS 26 & 27

JULY 5 2023



APERTURE & FOCUS

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

GLOBAL APERTURE

A recent study found that air transportation has become significantly more turbulent due to the rising air temperatures caused by climate change, revealing that [skies are up to 55% more turbulent than four decades ago](#)— a problem for airlines that increases costs and risks associated with injuries and damage to equipment and cargo. Thanks to recent rainfall that eased the strain on the waterway, [the Panama Canal announced on June 24 that it would postpone depth restrictions](#) that were scheduled to go into effect on June 25 and July 9 and would impact the carrying capacity of larger ships. However, due to the ongoing drought having caused water levels at the main lake of the Panama Canal to drop to a four-year low, [the canal authority plans to maintain the restrictions that have already been in place on shippers throughout the year](#), including a limit to the number of ships that traverse the channel.

REGIONAL FOCUS - AMERICAS

USA: In response to the growing need for increased North American rail capacity as the trend of near-shoring gains traction, rail operators Canadian Pacific Kansas City Southern and CSX [announced that they would purchase sections of Genesee & Wyoming's Meridian & Bigbee Railroad](#) in order to create a fresh freight corridor to connect Mexico, Texas, and the southeastern United States.

Despite improvements in US trucking volumes throughout May compared to previous months, experts maintain skepticism regarding a full recovery in the second half of the year, [citing multiple volume indexes that show a year-on-year decline](#) with intermodal volumes in particular experiencing significant decreases.

Canada: After issuing a [72-hour strike notice](#), members of the International Longshore and Warehouse Union (ILWU) [began a strike at various ports on Canada's west coast](#), including Vancouver and Prince Rupert, starting on July 1. Approximately 7,400 workers employed by 49 waterfront employers are participating in the strike, advocating for increased wages, safeguards against automation, and limitations on non-union labor.

Mexico: Major car manufacturers are searching for alternative ports as [the port of Lázaro Cárdenas remains logjammed with auto imports](#). The situation raises concerns about Mexico's capacity to handle the increasing flow of auto parts and other traffic as the country is considered a prime candidate for nearshoring and auto parts production has reached record levels.

REGIONAL FOCUS – ASIA-PACIFIC

China: Shanghai's Yangshan Port [has implemented double-berthing of feeder vessels to](#) accelerate cargo transfer and deliveries to industries along the Yangtze River, allowing simultaneous loading and unloading operations and improving the port's operational efficiency by reducing container transfer time from 45 minutes to 20 minutes.

Japan: [Operations have been halted at Nagoya](#), Japan's busiest port, following a ransomware attack believed to be carried out by pro-Russian hackers. The attack targeted the port's terminal operating system, causing disruptions to container loading, unloading, and truck movements, impacting supply chains. As long lines of trucks appear surrounding the port, authorities expect to resume operations by the end of the day.

India: Carriers [continue to face difficulties at Mundra Port](#) due to persistent supply chain issues amid its recovery from cyclone Biparjoy. The situation has led to congestion and has been further aggravated by landside bottlenecks, disruptions in train services, and the diversion of cargo to other ports.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

EU: In support of the European Green Deal's goal to invest in eco-friendly infrastructure, [the EU has pledged \\$3.7 million to Europe's North Sea Port](#) for the development of a cross-border railway line. Set to begin later this year, the initiative will focus on three initiatives, including the construction of a new rail line on the eastern side of the Ghent-Terneuzen Canal, connecting Axel in the Netherlands with Zelzate in Belgium.

UK: Industry experts are raising concerns that [the logistics sector in the UK is falling behind](#) due to a lack of necessary infrastructure and governmental support. Insufficient efforts to tackle the shortage of truck drivers are being criticized, and there are worries about delays in vehicle maintenance caused by a shortage of skilled mechanics, which is impacting the timely delivery of goods.

The UK Emissions Trading Scheme (ETS) Authority [announced reforms to strengthen emission limits](#), including the incorporation of new rules for domestic maritime transport that will require shippers to participate in the program beginning in 2026.

Netherlands: Following the deployment of autonomous drones that began monitoring its facilities earlier in the year, the port of Antwerp-Bruges [announced the implementation of an advanced network of 22 digital radars and 460 cameras](#) that will provide real-time vessel traffic services, allowing for comprehensive monitoring and incident management across the complex.