

WEEK 30

JULY 28 2023

APERTURE & FOCUS

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

GLOBAL APERTURE

On July 28, [Typhoon Doksuri made landfall in Southeast China and Taiwan](#), leading to disrupted port operations and mass evacuations throughout the region. Dockworkers in Canada [are prepared to vote](#) on the adoption of a new labor agreement in the coming days as supply chains still struggle to adjust to delays that are expected to last throughout the coming months. The Panama Canal Authority [plans to reduce daily vessel transits](#) to conserve water amid an ongoing drought. Starting from July 30, 2023, the daily transit capacity of the Panama Canal will be adjusted to a daily average of 32 ocean-going vessels per day, down from 36-37, and the ACP warns that capacity may be further adjusted based on factors such as water levels in Gatun Lake, weather forecasts, and vessel mix.

REGIONAL FOCUS - AMERICAS

Canada: Following a review of the labor agreement with port operators on July 25, [the ILWU are set to cast votes by July 28](#). The on-and-off work stoppages that created confusion for shippers have led to some companies predicting congestion through the month of October. Rail

traffic from Canada to the U.S. [continues to decline](#) due to the disruptions caused by an on-and-off strike at West Coast Canadian ports. The backlog of cargo is causing concerns for chemical companies unable to move critical materials, creating supply chain issues and risks of additional charges and penalties for cargo owners.

Mexico: Benito Juárez Airport (MEX) [has experienced a surprising 10% growth in cargo volume](#) during the first half of the year, despite government plans to move all cargo business to the newly opened Aeropuerto Internacional Felipe Ángeles (NLU). While domestic traffic increased a modest 1.7%, the growth was driven primarily by an 11.5% surge in international volumes.

USA: The Federal Maritime Commission (FMC) [unveiled a plan to address container collection and return issues at Los Angeles and New York ports through the use of data sharing](#), aiming to alleviate future bottlenecks and improve efficiency. The proposals require ocean carriers and marine terminal operators to provide shippers with electronic notices for container availability, and free time will not start until the container is accessible and ready for pickup to avoid unreasonable charges.

REGIONAL FOCUS – ASIA-PACIFIC

India: Mundra Port is [facing cargo backlogs caused by supply chain disruptions during the recent Cyclone Biparjoy](#). A significant portion of the import containers that arrived during the logjam have not been retrieved for last-mile delivery, leading to risks of additional charges, demurrage/detention fees, and the possibility of cargo being abandoned due to long dwell times and penalties.

Bangladesh: Factories in Bangladesh are experiencing supply chain delays [after train services were suspended due to a payment dispute](#) with Bangladesh Railway staff, leading to a backlog of containers in Dhaka and Chittagong inland container depots. The delays in receiving raw materials for domestic garment manufacturing and exporting cargo are causing production disruptions, and the situation is exacerbated by infrastructure work on tracks and a shortage of railway staff.

Taiwan, China: Taiwan and southeastern China [have been hit by Typhoon Doksuri](#), a powerful cyclone with winds of up to 140 miles an hour. Salvage operations were underway ahead of the storm's arrival at the southern port of Kaohsiung to recover 600 containers that fell off a boxship, and ferry services and military drills in Taiwan have been affected as authorities braced for the storm's impact.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

A number of container terminals in Northern Europe [are experiencing low yard utilization levels](#) below 60% during peak season. The decline in import volumes from Asia and termination of

cargo volumes to Russia have contributed to an 8.1% throughput decrease in the first half of the year at the Port of Rotterdam while terminal operators are facing reduced storage charge revenue and cost pressures due to wage settlements and high inflation-linked increases.

EU: The European Council [has adopted the FuelEU maritime initiative](#), which surpasses the recent agreements made by the IMO in terms of measures to reduce ship emissions. Measures include mandating container vessels to utilize shore power when docked to eliminate exhaust gas emissions and adopting renewable fuels of non-biological origin such as green ammonia and green methanol. The initiative aims for a 6% reduction in greenhouse gas intensity of fuels by 2030, followed 31% by 2040, and 80% by 2050.

UK: On July 24, UK operator DB Cargo [suspended its fleet of electric locomotives](#) due to escalating energy costs. The slow pace of electrification of rail freight has led to speculation that freight could be shifted back to roads, despite the fact that rail emits far less carbon compared to road haulage carrying the same volumes.