



WEEK 32

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APERTURE & FOCUS

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GLOBAL APERTURE

As we've covered in previous releases, the latest updates in the Panama Canal Authority's decision to impose draft restrictions reduce daily transits to conserve water due to an ongoing drought are causing concerns in the shipping industry, [leading to increasing delays and added costs for shipping companies](#). After a containership had to unload 1,400 containers last week, container lines like CMA CGM and Hapag-Lloyd [have begun imposing \\$300-500 per TEU canal transit surcharges](#). Delays are affecting global supply chains, leading to longer routes, increased fuel costs, and disruptions, with limits expected to continue into 2024. A sharper decline in global demand for sea shipping containers should be expected this year, according to shipping group A.P. Moller-Maersk, due to muted economic growth and reduced customer inventories, [anticipating container volumes will decrease by up to 4%](#)— a higher decline than its earlier forecast of no more than 2.5%. A new report measuring emissions from ocean shipping has found that [the majority of retailers and ocean carriers are falling short](#) in addressing their climate-warming emissions, highlighting the lack of progress in decarbonizing shipping fleets and limiting emissions to meet the 1.5 degrees Celsius target set by the Paris Agreement. While some retailers and carriers have made limited progress, urgent steps are needed to achieve

100% zero-emission, fossil-free ocean shipping by 2030 to combat the climate crisis, according to the report.

REGIONAL FOCUS - AMERICAS

USA: Major U.S. container ports are anticipating [the highest import cargo volume in nearly a year](#) this month, with retailers gearing up for the winter holidays after resolving critical labor negotiations. The National Retail Federation states that the resolution of labor issues, including agreements at West Coast ports and with United Parcel Service, has allowed retailers to focus on holiday preparations. Despite recent declines in cargo volumes, a smoother shipping season is expected ahead of the winter holiday shopping period, as inventories gradually deplete and the supply chain stabilizes.

Canada: Members of the International Longshore and Warehouse Union (ILWU) of Canada [have ratified a second tentative agreement with West Coast port ownership](#), ending weeks of uncertainty and trade congestion caused by a dock workers' strike. The agreement, brokered by the Canada Industrial Relations Board, includes wage increases, benefits, and training enhancements, resolving issues that led to the initial deal's rejection.

REGIONAL FOCUS – ASIA-PACIFIC

India: After the pandemic's impact on rail operations transformed empty passenger trains into freight carriers, India's Rail Coach Factory (RCF) [is experimenting with the airline belly freight concept](#) by designing a new double-decker train carriage with a lower cargo hold capable of transporting around six tons of cargo while accommodating 46 passengers on the upper deck. India's significant progress in rail electrification makes it an ideal candidate for this trial, although concerns about train safety and maintenance funding have been raised in the wake of recent accidents.

China: China's trade [experienced a significant decline in July](#) due to slowing global demand, leading to a 14.5% drop in overseas shipments and a 12.4% contraction in imports, resulting in a trade surplus of \$80.6 billion for the month. The slump in both exports and imports underscores the challenges facing China's economic recovery, which was expected to be driven by strong domestic demand but has been impacted by a housing market slump and slowing consumption growth.

Singapore: A fuel contamination incident first reported in Houston, Texas in the U.S. that has been linked to equipment failure and engine failure [has now spread to vessels that received fuel in Singapore](#), the world's largest bunkering market and the site of last year's fuel contamination that impacted more than 200 vessels. A total of 32 vessels have been affected so far with 14 having suffered damage.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

Netherlands: The European Commission has approved an amendment to a Dutch plan that promotes the shift of freight transport from road to rail in alignment with sustainable mobility goals and the European Green Deal, [allowing for an increase in the budget to €67 million](#)— an additional €21 million. Rail industry experts in the Netherlands, however, have said that implementing the European Railway Traffic Management System ('ERTMS') in the country [would require at least €90 million](#).

Belgium: Shipping traffic on Belgium's Scheldt River, home to the port of Antwerp, [was halted on August 7](#) when a Dutch ship sank in the middle of the waterway, blocking passage. While smaller ships are expected to be able to take a detour, larger commercial vessels will likely remain stuck until the way is cleared and traffic is allowed to continue.