

WEEK 34

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# APERTURE & FOCUS

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

## GLOBAL APERTURE

Airfreight is experiencing [a prolonged downturn](#) exacerbated by factors such as the soft Chinese economy, slower industrial production, and a persistent inventory overhang. Despite the decline in volumes, however, improved U.S. consumer spending may indicate airfreight recovery in 2024.

A collision between two ships [halted traffic on the Suez Canal](#) between 6:30pm on August 22 and 3:30am on August 23. One ship, an LNG carrier, lost control and turned sideways in the Suez Canal, leading to a collision with a second ship, as shown by AIS ship tracking data. While the Suez Canal Authority attributes the incident to [machinery failures and strong currents](#), the string of recent incidents [has led to criticism](#) of the Suez Canal Authority's abilities to manage traffic, particularly from the Panama Maritime Authority who called for better preparation and management.

## REGIONAL FOCUS - AMERICAS

**USA:** While Tropical Storm Hilary had reportedly little impact on Southern California's ports, the heavy rains and flooding [led Union Pacific to temporarily halt parts of its network](#) in the region due to water and mud covering tracks. The railway's operations are disrupted as flooding continues, impacting transportation crews and terminals, and Union Pacific plans to strategically stage resources for recovery efforts once conditions allow, while also monitoring the situation alongside the Surface Transportation Board. As of August 24, [some tracks have been reopened](#) with more to open in the coming days.

## REGIONAL FOCUS – ASIA-PACIFIC

**India:** India's Union Minister for Ports, Shipping, and Waterways plan to strengthen India's maritime sector with several initiatives including [the development of a Bureau of Port Security](#) that will be the state's oversight authority given the increasing number of private ports. The plan also includes upgrades to port security, the creation of hydrogen hubs, quadrupling port capacity, and [other key maritime development agendas](#) aimed at propelling the country's maritime sector towards sustainable growth and economic advancement.

**Bangladesh:** Leveraging a bilateral agreement that grants India access to Bangladesh's Chittagong and Mongla ports, The Syama Prasad Mookerjee Port in Kolkata [is preparing to establish regular cargo transportation to northeastern Indian states via Bangladesh](#). This initiative aims to significantly reduce time and costs for transporting goods to the northeastern states and includes multiple approved transportation routes, along with plans to enhance the port's capacity through mechanization and the development of new terminals and logistic parks.

## REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

**Switzerland:** Following [a derailment in the Gotthard Base Tunnel](#) that involved 16 freight cars, authorities estimate that traffic will not be able to resume until next year. As the world's longest and deepest traffic tunnel, the railway is a major thoroughfare for goods between North and South Switzerland.

**Turkey:** [Northbound ship traffic was reopened](#) on August 24 in Turkey's Dardanelles Strait, a major shipping route for the region that links the Black and Aegean Seas, after firefighters brought a major fire in the Canakkale region under control. The strait was temporarily closed the day before as more than 150 ships were halted and water-scooping aircraft battled the flames.