

WEEK 18

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# APERTURE & FOCUS

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

## GLOBAL APERTURE

Shortages from supply chain bottlenecks are hitting the airline industry as aerospace manufacturers [struggle to keep up with aircraft output amid returning passenger demand](#) and in the wake of the surge in passenger-to-freighter conversions over the last few years. A lack of ro-ro capacity [has caused congestion at car handling ports around the world](#) following a surge in vehicle output now that semiconductor production has picked up again. Adding to this, Europe's ongoing driver shortage has led to vehicle export delays of up to 18 weeks in some areas.

## REGIONAL FOCUS - AMERICAS

**USA:** Despite predictions that US imports would rebound during the second half of 2023, the latest available data has contradicted these hopes [with bookings continuing to fall and forecasts projecting demand will decline further](#). The lack of volume [has led to driver lay-offs](#) as movement has slowed out of both ports and inland warehouses. Rail data confirms this as [severe declines manifest at both East and West Coast rail depots](#). On April 26, the State of California announced the launch of [the California Port Data Partnership](#) to improve the movement of goods by encouraging cooperation between the five major California ports through

data sharing. California's Air Resource Board announced a new rule as well on April 28 [that would require truck fleets and locomotives to fully transition to zero-emission-vehicles](#) by 2045.

**Mexico:** As carriers hurry to transition services from Felipe Angeles Airport (AIFA) from Benito Juarez (MEX) after the Mexican Government announced its requirement that all freighter services be moved to the latter in December, [many carriers are struggling to meet the July 7 deadline as they overhaul their flight schedules and work to supply adequate local staffing](#). During the transition period, some operators have opted to transport ground crew by bus until staff needs are met.

## REGIONAL FOCUS – ASIA-PACIFIC

Just as manufacturing output in Southeast Asia experiences strong growth, [exports in North Asia, including Taiwan and Korea, remain in decline](#). With recovery still on the horizon, China continues its struggle to create the tailwinds that many Asian economies are counting on.

**Singapore:** Continuing on its path towards a green future, Singapore followed up last week's announcement of a Green Shipping Corridor to the US ports of Los Angeles and Long Beach [with an agreement to collaborate with eight of the world's top classification societies](#) on decarbonization and maritime digitalization initiatives. In line with this, 18 of Singapore's government officials and maritime industry leaders joined together to create [the Coastal Sustainability Alliance](#), which aims to electrify the port with the creation of a brand-new fleet of electric boats and tugs.

**India:** India is experiencing [an influx of orders from the US and EU](#) for ships that run on low-polluting fuels as worldwide interest in green shipping continues to grow.

**Bangladesh:** After Bangladesh Customs announced that it would begin to allow Indian shippers to use the ports of Chittagong and Mongla without prior permission, [local shippers have taken note that the port may soon face overcapacity](#) as the already congested ports expect an influx of Indian shipments that will now travel only a fraction of the distance that they did prior to the introduction of the rule.

## REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

Port operators throughout Europe are [at or near capacity and unable to store any more vehicles while demand is high](#) as carriers order new ro-ro vessels, currently in high demand, and ship cars in containers to clear backlogs.

**EU:** The European Commission's Emissions Trading Scheme (ETS II) is already facing criticism from road industry experts that point out that [Europe lacks the adequate infrastructure necessary for refueling with alternative fuels and electric vehicle charging](#). With taxes on vehicles that fail to meet new emissions standards on the horizon, legislators pushed the enforcement date from 2024 to 2027 before signing it into law on April 25.

**United Arab Emirates:** The Dubai Maritime Authority issued new regulations on May 1 [requiring local container charges to be filed on its digital platform prior to arrival](#) in an effort to crack down on carrier surcharges. The new rule will prohibit service providers from increasing charges after they have been entered on their platform and penalize violations.