

WEEK 21

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APERTURE & FOCUS

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GLOBAL APERTURE

The global [Container Port Performance Index](#) reveals that global ports have [significantly improved operational conditions](#) after the disruptions caused by the COVID-19 pandemic. While ports continue to clear backlogs, the data suggests that further digitalization and infrastructure modernization would enhance productivity, customer service, and emissions reduction. The Panama Canal Authority announced additional measures to address the impact of a severe drought season, including [reducing the maximum draft allowed for vessels transiting the canal](#)—a move that will require ocean carriers to reduce load weights and potentially impose surcharges on Asia-US shipments. A New report from The World Shipping Council [showed a significant drop in the number of containers lost at sea in 2022](#), with only 661 containers lost, down significantly from the last two years.

REGIONAL FOCUS - AMERICAS

USA: US West Coast ports [experienced a 22% decline in container imports in April](#) compared to the previous year, as economic challenges and labor negotiations continued to impact throughput. The Port of Los Angeles reported running at 70% of its regular capacity, attributing the remainder to the economy and concerns over potential industrial action. According to port authorities, however, throughput has continued an upward trajectory over the last two months and [a new labor deal appears to be in sight](#).

The US Energy Department [announced the Clean Fuels and Products Shot](#) on May 24, an initiative to develop low-carbon alternatives to petroleum-based transportation fuels in an effort to create fuels with greenhouse gas emissions at least 85% lower than fossil-based sources by 2035.

Canada: The Vancouver Fraser Port Authority announced the completion of the [Centerm Expansion Project](#), a \$257 million initiative aimed at enhancing British Columbia's trade efficiency. The expansion increases the terminal's throughput capacity by 60%, introduces electrical shore power infrastructure, converts diesel yard cranes to electric, reduces greenhouse gas emissions, and improves road and rail connections, thereby boosting container trade capacity at the Port of Vancouver.

REGIONAL FOCUS – ASIA-PACIFIC

China: Heightened safety checks on older vessels [are causing backlogs at the port of Qingdao](#). The stricter inspections are part of increased scrutiny by Chinese maritime authorities, potentially impacting vessels from sanctioned regions. Guangzhou Port is set [to invest \\$284 million in developing a shipping and port complex](#) in its sub-port, Nansha, to provide various port services to align with the Chinese government's Greater Bay Area initiative to create an integrated economic hub.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

UK: Logistics operators in the UK [are expressing concerns over the lack of understanding and preparation by the government](#) regarding the country's supply chains as new Brexit regulations approach, calling for greater detail and clarity on import control changes, to ensure smooth operations and minimize disruptions in supply chains.

Car manufacturers [are opposing the EU-UK Trade and Cooperation Agreement](#) (TCA), which mandates minimum local-content requirements for electric cars and batteries. The TCA aims to encourage carmakers to bring battery production and supply chains closer to home, but the industry argues that there is insufficient capacity in Europe and the UK to meet the requirements, potentially jeopardizing jobs and the sustainability of manufacturing operations.

Germany: The port of Hamburg experienced [a significant decline in container throughput](#) during the first quarter of 2023, which executives attributed to trade restrictions and the loss of Russian

business due to sanctions against the Russia as a result of the war with Ukraine. The port is now seeking to fill the void left by Russian cargo by focusing on increasing trade with North America, particularly the United States, while also seeing growth in bulk cargo.

Saudi Arabia: The Port of NEOM in Saudi Arabia [has officially begun operations](#), offering services such as a CMA CGM liner service, general cargo facilities, storage, and passenger services. The port, which includes Duba Port, is set to be a major seaport for Saudi Arabia and is scheduled to launch its first container terminal by the start of 2025.