

WEEKS 36 & 37

SEPTEMBER 12 2023

APERTURE & FOCUS

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

GLOBAL APERTURE

Auctions for spot transits through the Panama Canal, allowing vessels without reservations to skip the queue, [have seen a surge in winning bids](#) with one shipper [paying as much as \\$2.4 million](#) recently. This increase in costs with [no end in sight](#) has prompted some shipowners to consider alternative routes like the Suez Canal or Cape of Good Hope to avoid potential delays and save on shipping costs.

Contrary to reports suggesting a significant shift away from China as a manufacturing hub, [the concept of reshoring is being “overplayed” in the media](#), according to the Director of the Global Shippers Forum. He emphasized that while there is some movement in diversifying sources, it remains limited and driven more by contingency concerns than a full-scale replacement of China as the world's manufacturer.

REGIONAL FOCUS - AMERICAS

USA: Following the approval of a new collective labor agreement between US west coast dockworkers and terminal employers, supply chain executives are shifting their attention to labor negotiations [on the US east and Gulf coasts](#). The new contract, ratified by 75% of ILWU members, is retroactive to July 1, 2022, and will run until July 1, 2028, providing a framework for addressing competitive challenges and ensuring efficient handling of capacity growth at west coast ports.

Meanwhile, the International Longshoreman's Association (ILA) representing east and Gulf coast dockers is gearing up for negotiations with the US Maritime Alliance (USMX) to renew their collective bargaining agreement set to expire on September 30, 2024. ILA President Harold Daggett has signaled a strong stance in these negotiations to protect jobs and livelihoods in the face of various challenges, including automation and government regulations.

Brazil: The Brazilian port of Santos is facing congestion issues while operating at 95% capacity, causing delays for container ships. The severity of the congestion came to a head when two container vessels, unable to dock at BTP (Brazil Terminal Portuário) where they had been scheduled, [were diverted to two other terminals that also could not accommodate them](#). The port's inability to accommodate contingencies highlights the need for expansion, according to the Organization for Economic Co-operation and Development (OECD), suggesting that the terminal's occupancy limit to maintain efficiency should be capped at 70% (yard) and 65% (berth).

REGIONAL FOCUS – ASIA-PACIFIC

China: Slow export bookings ahead of China's Golden Week, which begins on September 29, [have led to stark measures](#) on the part of carriers, including blank sailings as they anticipate a slowdown in demand. This trend is affecting container terminals, feeder, and barge operators in North Europe and beyond, with carriers like MSC and Maersk canceling multiple sailings between Asia and Europe. The downturn, however, did show [signs of improvement in August](#) as the decline in overseas shipments was better than expected and significantly less severe than July's downturn, suggesting early signs that it may be on the verge of growth stabilization.

Vietnam: A new development plan [was approved in Vietnam](#) to invest up to \$1.7 billion USD to build more inland container depots, increasing storage volume by more than 40%. The plan also aims to alleviate traffic and contribute to the development of major areas such as Hai Phong Port and Ho Chi Minh City.



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REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

France, Italy: A significant rockfall in the French Alps [continues to disrupt road and rail freight routes](#) between France and Italy. Approximately 10,000 cubic meters of rock fell, burying a local road, impacting a bridge on the A43 motorway, the main link between Italy and France, and also affecting a nearby railway line, with an additional 3,000 cubic meters of rock posing a further risk. Road haulage companies are facing congestion as the Fréjus alpine tunnel remains closed to HGVs, and an alternative route through the Mont Blanc tunnel has seen a doubling of Heavy Goods Vehicle traffic, causing major delays. A southern route through Ventimiglia, adding more than four hours to transit times, is being recommended, but traffic between the two countries has come to a standstill, affecting rail freight services as well. The rail line between France and Italy is suspended, with a long lead time of at least two months expected for rail traffic to resume, according to France's Transport minister.

Netherlands: The Dutch government [is facing increasing backlash from airlines](#) over its decision to reduce capacity at Schiphol by up to 12% as the measure awaits review by the European Commission. After losing a court appeal against the government in July, a group of airlines and IATA have brought the fight to the Supreme Court, arguing that the reduction would risk economic consequences and render them in violation of international agreements.



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