

APERTURE & FOCUS

WEEK 25 | 19 JUNE 2024

GLOBAL APERTURE

Over six months into the Red Sea crisis, Egypt's Suez Canal [has seen a significant reduction in traffic](#), with May revenues dropping by 64.3% and vessel transits less than half of what they were during the same period last year. The ongoing pressure this has put on ocean freight is continuing to [push more cargo towards airfreight](#). According to recent data, air cargo demand and rates from Asia Pacific have surged, with tonnages up 20% and rates 16% higher year on year, as shippers face significant shortages of both air and ocean freight capacity due to strong demand, port congestion, and vessel capacity shortages.

REGIONAL FOCUS - AMERICAS

United States: Labor talks at U.S. East Coast and Gulf of Mexico ports [have raised concerns for shippers](#) as representatives from the International Longshoremen's Association have warned that a strike could occur upon their contract expiration on September 30. This potential strike, which could occur during the crucial holiday shipping season and presidential election campaigns, has already led to heightened anxiety among shippers, with some shifting cargo to West Coast ports as a precaution against disruptions.

Canada: The union representing over 9,000 Canadian National Railway (CN) and Canadian Pacific Kansas City (CPKC) workers [has organized a second-strike vote](#) amid stalled contract negotiations, with the current strike mandate's expiration on June 30. If approved, a strike could occur as early as mid-July.

REGIONAL FOCUS – ASIA-PACIFIC

Singapore: Continued vessel diversions amid escalating Houthi vessel attacks in the Red Sea have led to [increased congestion at Singapore's already backlogged port](#). The resulting bottleneck, with container yard utilization rates soaring to nearly 90%, is leading to extended wait times, increased shipping rates, and a potential ripple effect on global supply chains.

Bangladesh: Chittagong is experiencing a significant backlog of outbound containers [due to a surge in exports ahead of the week-long Eid-ul-Azha factory closures](#), with around 1,000 trucks waiting at inland depots. This congestion, which has doubled the usual volume of exports, is expected to ease once business reopens, while plans for a new container terminal, supported by a \$400 million investment from APM Terminals, aim to address future congestion issues.

On June 11, the High Court of Bangladesh [issued a court order for a six-month suspension of the cabotage rules](#) requiring foreign vessels to obtain a waiver certificate before loading cargo destined for or leaving Bangladesh. This decision, following a petition by the Bangladesh Container Shipping Association (BCSA), aims to address the hindrance these rules have posed to foreign ships, which has significantly disrupted trade and led to some vessels ceasing operations in Bangladeshi ports.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

Germany: The German union ver.di [has called for a central strike day](#) affecting the ports of Hamburg, Bremen, Bremerhaven, Brake, and Emden, beginning on 17 June and lasting for 24 to 48 hours. The strike is expected to significantly disrupt carrier networks, causing widespread delays and disruptions to planned voyages and port operations.

France: The announcement of snap parliamentary elections in France has led to dock and port worker unions [postponing planned strikes](#), which were set to disrupt ports like Le Havre and Marseille throughout June. The delay of industrial action until late September has provided relief to trade bodies and logistics providers, who had faced significant disruptions and additional costs due to the strikes.

Spain: Barcelona is experiencing significant congestion due to [a surge in transshipment traffic](#) combined with its role as a local gateway, resulting in severe delays and some importers reverting to bulk shipping. The port's handling of larger vessels and increased container exchanges have led to a 25% year-on-year increase in throughput, with 54% of vessels currently waiting for a berth, prompting measures such as expanded gate hours and prioritized berthing for larger ships.
