



WEEK 8

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APERTURE & *FOCUS*

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GLOBAL APERTURE

As demand continues to slump amid declining volumes, [containership lay-ups are on the rise](#) with ocean carriers electing to idle nearly 50 ships across their networks during the month of January. The US lawmakers responsible for 2022's Ocean Shipping Reform Act now aim to address Chinese datamining with [new legislation that prevents US companies from using China's state-sponsored shipment tracker LOGINK](#), a software that the Chinese government has been incentivizing companies to use by providing it for free. After recent news of container fires leading to accidents on vessels and terminals alike, many of the world's top container carriers, including Maersk, Evergreen, and HMM [have joined the new Safetytech Accelerator Cargo Fire & Loss Innovation Initiative \(CFLII\)](#) that aims to address the cargo risks associated with lithium-ion batteries with new technologies and commonsense preventative measures. New data, especially prescient in light of these incidents, has revealed that [half of all maritime accidents are recorded in terminals and ports](#), putting more pressure on port operators and their operations teams to find and address the root causes.

REGIONAL FOCUS - AMERICAS

Import volumes at the ten largest US ports [fell nearly 18% year-over-year for the month of January](#), according to the latest container volume analysis— the worst drop [in over a decade](#). The West Coast was hit the hardest in particular; [the port of Long Beach reported the worst downturn](#) with a year-over-year decrease of 32.3%. A silver lining to this downturn, however, is that container dwell times at the Southern California ports [have finally reached pre-pandemic levels of around 3 days](#). On February 21, the Vancouver Fraser Port Authority announced that [the Centerm Expansion Project that increases the port's handling capacity by 66% has been completed](#) and the process for using its full capacity will be implemented by the end of the year.

On the heels of a decision by rail company CSX to offer paid sick leave to employees and facing increasing pressure from congress, [Union Pacific became the latest railroad to reach agreements with unions](#) by offering seven days paid sick leave, with many expecting more carriers to reach similar agreements in the coming months. With rail safety scrutiny becoming a priority following two recent train derailments, [unions are now pressuring rail companies](#) to implement stronger safety measures and regulatory oversight, leading lawmakers to [warn that federal investigations will take place and increased fines are on the horizon](#).

REGIONAL FOCUS – ASIA-PACIFIC

[Long queues of empty trucks](#) have appeared parked outside of major container terminals at Chinese ports in cities including Guangdong and Dongguan awaiting work amid China's sluggish economic recovery, with the vast majority of drivers out of work as containers continue to pile up. After an unofficial Chinese import ban of Australian coal was eased in January when four firms were allowed to purchase resume trade, [ship tracking data shows a significant increase in coal trade](#) with 1.4 million tons currently in transit to China and 1 million tons more booked for March, a signal that hints at positive effects for energy and steel supply chains. The China-Europe freight train that has been running at full capacity amid higher trade flows between the two regions has paved the way for [a new cross-border trucking route between Henan and Moscow](#), a faster alternative that addresses the growing trade between China and Russia. Recently implemented rules from the Bangladesh Flag Vessels Protection Act of 2019 that give priority to domestic ships are causing [foreign vessels calling at Chittagong to face long delays before they can unload containers](#) due to weeklong backlogs for waiver applications.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

[A strike began at Finland's main ports](#) on February 15 when talks broke down between unions and port authorities, scheduled to run indefinitely until a new agreement can be reached. With foreign trade all but halted and the strike expanded to include truck drivers, a European Labor Authority mediator has stepped in to mediate negotiations and [the strike will likely stretch into a second week](#). More scheduled industrial action [was also announced in the UK for March and April by British rail unions](#) as they negotiate for cost of living increases amid rising inflation.

Thanks to [softening demand, port labor disputes, and Russian sanctions](#), throughput volumes at North Europe's three major ports of Hamburg, Rotterdam, and Antwerp-Bruges [fell significantly in the final quarter of 2022](#).