

WEEK 24

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# APERTURE & FOCUS

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

## GLOBAL APERTURE

Although over two-thirds of freight forwarders [are optimistic about a container demand recovery](#) this year, according to a recent survey, 51% of them lack a clear timeline for when it will happen. Soft demand for equipment and declining container prices align with expectations of a modest peak season, but there is still hope for growth in the second half of the year due to the need for inventory replenishment and continued consumer spending. Despite ongoing weakness in the air cargo market, [industry experts are confident that the situation will not worsen significantly](#). While the latest data shows volumes continuing their downward trend, airlines anticipate a rebound in medium-term demand in 2024 and a healthier global economy.

## REGIONAL FOCUS - AMERICAS

**USA:** Cargo operations at the Port of Seattle [were shut down on June 10](#) due to coordinated industrial action led by the International Longshore and Warehouse Union, who refused to dispatch longshore workers to container terminals, according to the Pacific Maritime Association. The ILWU refuted these claims, asserting that West Coast ports were open and

accused the PMA of leveraging one-sided information. The pace, however, remained slow along the West Coast, and customs data indicated that [more than 86,000 containers valued at \\$5.2 billion were still waiting outside port limits](#). After [multiple calls for intervention](#), the US Labor Secretary was brought in to [mediate negotiations](#) and [a tentative agreement was reached](#) on Wednesday night. While details of the deal are forthcoming, the work slowdowns that have impaired port operations have effectively been brought to an end.

**Canada:** Members of the International Longshore and Warehouse Union Canada (ILWU Canada) [have voted overwhelmingly in favor of strike action](#) against member companies of the BC Maritime Employers Association (BCMEA), which represents key Canadian West Coast ports. Talks for a new labor contract have been ongoing since February, and if necessary, the strike action could take place starting from June 24, affecting the Port of Vancouver and other major ports in Canada.

**Mexico:** Following a meeting between Mexico's President and the US transportation secretary, [cargo airlines operating at Mexico City's Benito Juárez International Airport have been granted an eight-week extension](#) to shift their operations to the newly constructed Felipe Angeles International Airport (AIFA) in order to accommodate companies that needed more time for the move.

## REGIONAL FOCUS – ASIA-PACIFIC

**India:** All ports along the Gujarat coastline in India, including major container handlers like Mundra, Pipavav, and Hazira, [have suspended operations due to the approaching Cyclone Biparjoy](#). Combined with existing supply chain challenges, disruptions from the cyclone are expected to result in significant delays and diversions of cargo.

CMA CGM [has decided to delay the implementation of a peak season surcharge](#) on India-US containerized cargo until July, showing skepticism about market behavior. The move comes as Indian exporters face challenges due to declining demand, resulting in downward price adjustments and reduced container volumes at Indian ports in May.

**Singapore:** Monthly sales of marine fuel in Singapore [reached the highest levels in over five years](#) in May, driven by increased vessel arrivals and strong container throughput, particularly with container ships heading to China. This data serves as an important indicator for strong container traffic and emerging trade lanes due to Singapore's competitive fuel pricing.

## REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

**UK:** The Port of London Authority and Peel Ports Group, who together oversee multiple UK ports and stretches of the River Thames, [have signed Memorandums of Understanding with the UK Hydrographic Office](#) to enhance the supply, management, and sharing of hydrographic and marine data. The agreements aim to improve safety, efficiency, and environmental sustainability

in the maritime sector by facilitating data sharing and collaboration on next-generation navigational services.

**Netherlands:** In what was reportedly a response to the Netherlands' plans to acquire Swiss tanks for Ukraine, Russia-aligned hackers [launched distributed-denial-of-service \(DDoS\) attacks targeting the website of the port of Rotterdam and other Dutch ports](#). While the website for the port of Rotterdam was up within an hour, disruptions at other ports lasted as long as two days before service was restored.