

WEEK 45

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# APERTURE & FOCUS

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



## GLOBAL APERTURE

[Container depots are full...](#) of empties. [50+ blanked sailings in the final weeks of 2022](#) won't make their returns any easier, and [an impending G7-enforced price cap](#) on Russian crude exports won't help vessels move further—some may [even become stranded at sea](#).

Last week's ASEAN Summit brings the ten-nation bloc into respective Comprehensive Strategic Partnerships (CSP) with the US [and India](#) while [ASEAN-Canada Commemorative Summit](#) resulted in new trade developments and investment initiatives. This week, world leaders gathered at the G20 Summit in Bali to [discuss and coordinate on a series of global challenges](#), including the ongoing Russia-Ukraine conflict, and Sustainable Development Goals.

To extend this spirit of cooperation toward a common end, KWE has also partnered with ANA Cargo's [SAF Flight Initiative](#) to reduce CO<sub>2</sub> footprint on long-haul services [by up to 80%](#).

## REGIONAL FOCUS - AMERICAS

The surge in blanked sailings for Asia-US routes has [drawn out dwell times and arrival delays](#), particularly affecting the ports of Long Beach and Savannah. Long-term [concerns over port congestion and unresolved labor disputes](#) with port and rail unions [has sedated import demand in Los Angeles and Long Beach](#) according to October data.

Members of a US rail union [voted against ratifying the labor agreement](#) offered by railroad stakeholders on November 14— one week ahead of the expected vote from the two largest unions representing around half of the country's rail workers.

Despite the latest data from the IATA [highlighting the softened global demand](#), some regional carriers have strategically [expanded intra-regional networks](#) with freighter services connecting North America, [South America, and the Caribbean](#).

## REGIONAL FOCUS – ASIA-PACIFIC

With [October exports dropping even further](#) and global demand waning, risk of a global recession and China's disruptive COVID restrictions threaten to further strain exports in coming months. In the manufacturing hub of Guangzhou, cases surged after [residents took to the streets](#) on November 15 in defiance of [stay-at-home orders](#) placed on 13-million of the city's residents when more than 3,000 new COVID cases were found over the weekend; according to the most recent reporting, that number rose by more than 5,100 after protests began.

Korea's Cargo Truckers Solidarity Union [announced a second general strike](#) on November 24—union leaders demand an extension to the "Safe Trucking Freight Rates System"—a program ratified in 2020 that ensured road safety and driver pay. Following the trial success of India-Bangladesh transshipment routes, [Maersk intends to launch commercial services in the coming quarters for East India shippers](#).

In response to "nearly 1,100 instances of industrial action" by maritime unions, tugboat operators in Australia announced plans for [indefinite work stoppage](#) beginning November 18—the move would effectively suspend vessel traffic through the country's 17 major ports.

## REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

Blanked sailings ex-Asia ripple across Northern Europe, sinking [demand for feeder services](#) and subsequently forcing service omissions.

With the EU's restrictions on the import of Russian crude oil set to come into effect on December 5, [Russia's fuel exports reached a five-year high](#) as shippers rush to close deals or risk being penalized or unable to unload at EU ports altogether. On November 12, Russia announced that there was still [no agreement in place to extend the deal](#) that currently allows Ukraine to export grain via the Black Sea despite global demand, insisting on more favorable terms regarding access to foreign markets for Russia's own food products.