



WEEK 23

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APERTURE & FOCUS

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GLOBAL APERTURE

June marks the start of hurricane season and [the US National Oceanic and Atmospheric Administration predicts a 40% chance of a “near-normal” 2023](#), urging preparedness as 5-9 hurricane-level storms are expected to occur. Concerns continue to rise [about the impact of drought conditions on the Panama Canal](#) and [the inflation that a dry canal could drive](#). The Panama Canal Authority reports that the region is experiencing the driest May since 1950, leading to water shortages that may result in further restrictions and draft reductions for vessels transiting the canal, affecting inter-regional trades and causing ripple effects throughout the international shipping industry. A new report has indicated that [the global shipping industry is facing its most severe shortage of ship officers on record](#), with a projected deficit of approximately 9% in 2023. The shortage is expected to persist until 2028, impacting recruitment, retention, and increasing manning costs, with factors such as the ongoing effects of the COVID-19 pandemic and the Russia-Ukraine war exacerbating the challenges in the seafarer supply

REGIONAL FOCUS - AMERICAS

USA: Intermittent disruptions continue at key US West Coast ports [as labor contract negotiations stretch into their fifth day](#), with terminals at the Ports of Los Angeles and Long Beach experiencing closures and slowdowns. The Pacific Maritime Association blames the International Longshore and Warehouse Union for the disruptions, while the National Retail Federation [calls for White House intervention](#) to mitigate the impact on the supply chain ahead of the peak shipping season.

Container terminals at the Port of New York and New Jersey [were shut down on June 7 due to poor air quality](#) caused by thick smoke from Canadian wildfires, with the EPA's monitor indicating "hazardous" levels in the area. The public has been advised to avoid outdoor activities and the FAA has slowed air traffic to and from New York City airports due to reduced visibility.

Canada: The International Longshore and Warehouse Union (ILWU) in Canada [is planning a strike authorization vote among its members at the ports of Vancouver and Prince Rupert](#), posing further concerns for shippers amid ongoing disruptions at US West Coast ports. The negotiations between the ILWU and the BC Maritime Employers Association have reached an impasse, and a strike could have significant economic implications and disrupt the supply chain across Canada.

REGIONAL FOCUS – ASIA-PACIFIC

China: China is set to strengthen its transport infrastructure in Central Asia [with enhancements to its rail connections with Kazakhstan, Kyrgyzstan, and Uzbekistan](#). Plans include the development of a new rail link between Kazakhstan and China, as well as the construction of a Kazakh logistics center in the Chinese dry port of Xi'an that aims to improve connectivity between Central Asia, Europe, Iran, and Turkey.

India: APM Terminals Pipavav in India [has temporarily halted operations due to a power outage caused by extreme weather](#), including strong winds that uprooted power transmission towers. The closure is expected to last until Thursday, causing disruptions to vessel calls and leading to diversions to other ports such as Mundra, impacting container services operating along India's western corridor.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

New data from the European Commission highlights the worsening driver shortage in Europe's road transport sector, [with a deficit that sits at 380,000 drivers](#) as many in the industry age out and younger generations remain reluctant to take jobs away from home for long periods of time.

EU: The European Commission has introduced a package of [five legislative proposals aimed at modernizing maritime safety regulations](#) and preventing pollution from ships, including clear inspection requirements and expansion of state controls to cover international rules and accident investigations. These proposals seek to align EU rules with international standards, promote digitalization for more efficient operations, and strengthen enforcement measures to ensure the safety of shipping and protect the environment.

UK: The UK port of Felixstowe is set [to introduce a fleet of 100 autonomous electric trucks](#) in September of this year. While the move is expected to enhance operational efficiency and contribute to decarbonization efforts, concerns have been raised by drivers regarding potential job displacement and challenges related to road conditions and labor unions.