



WEEKS 2-3 // JANUARY 21 2022

APERTURE & *FOCUS*

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



GLOBAL APERTURE

An underwater volcanic eruption near the South Pacific country of Tonga launched tsunamis toward all landmasses, destroying multiple offshore refineries and capsizing four vessels along the American coastline.

Oil prices creep upwards again only three months after leading nations released oil reserves on elevated domestic demand—this has conversely thinned fuel exports from Asia and the Americas to Europe. Jet fuel and diesel will be particularly affected as countries of the OPEC+ coalition struggle to meet production quotas.

Container shortages continue as business intelligence groups report higher-than-average wait times at trailer depots, with the UK, US, and South Africa in the lead. Some carriers have resorted to use older yard-and-stay reefers to transport perishables, which remain among the most vulnerable commodity groups.

Lastly, seafarer vaccinations and crew changes have improved in recent months, but are expected to remain global issues due to Omicron restrictions and vaccine hesitation. Cargo crews from Philippines, India, China and Indonesia are among the most difficult to repatriate, while their Eastern European and Russian counterparts are most likely to be unvaccinated, according to the latest Neptune Declaration on Seafarer Wellbeing and Crew Change survey by the Global Maritime Forum.

REGIONAL FOCUS

AMERICAS



In the US, telecommunications leaders agreed to delay their nation-wide 5G rollout once more on January 18, but not before multiple airlines based in Asia, Europe, and the Middle East canceled long-haul flights last-minute. Aviation regulators have since issued new flight approvals, but with winter storm Izzy's landfall in the Northeast canceling over 1,000 flights, regional passenger belly capacity remains heavily disrupted.

The daunting Container Excess Dwell Fee—approved on October 29 with a 90-day effect duration—was extended to April 29 by vote on January 13, though the fee has still not been implemented by port officials. According to Executive Director Gene Seroka, import cargo dwell times have fallen 60% since its approval by the Los Angeles Harbor Commission. Cargo ships are a different story: over 100 vessels were reportedly idling outside the Los Angeles-Long Beach Ports on January 14. Now some

cargo vessels are snaking through the Panama Canal and into the Great Lakes via Eastern Canada to bypass coastal congestion. But a new US mandate, set to go into effect January 22, may close borders for some 12,000 unvaccinated truckers from Canada and Mexico.

Long-term intermodal bottlenecks have also led to an increase in an increase in rail cargo theft, according to carrier Union Pacific. A potential strike by 17,000 unionized workers of BNSF Railway may further exacerbate labor shortages and volatile performance if not reconciled with.

ASIA-PACIFIC



Container terminals of Ningbo Port recover from the previous week's Covid-19 slowdown but the port cities of Tianjin, Dalian, and Shenzhen are tightening transport restrictions as the Omicron variant spreads



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KWE
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continued from "Asia-Pacific"

further—some factories and fabricators have suspended operations as a result.

International cargo operations at Xinjiang's airports resumed on January 14 after a three-month suspension while Hong Kong's aviation authority announced plans to ban travelers from over 100 countries until February 15. Malaysia's aviation authorities greenlit two new airlines for service, which may help to increase both passenger and cargo throughput in the coming weeks.

Cargo movement between the India-Bangladesh border gates of Petrapole resumed on January 19 after a two-day trucker strike. Feeder vessel shortages in the greater Asia-Pacific will also sour textile industry outlooks for February and March.

EUROPE, MIDDLE EAST & AFRICA



Vessel wait times at Antwerp Port have receded this week according to global carriers, although port congestion was reportedly on the rise last Friday. Larger-than-average cargo loads continue to strain inland trucking performance, prompting Belgian authorities to subsidize barges for inland waterway transport. This may also help to alleviate pressure on existing barge operators, who have reported "multiple-day delays, sometimes stretching into weeks."

While the European Union's airport slot usage requirement has carriers worried they will have to fly near-empty planes if Covid-19 numbers reduce bookings, passenger demand for air travel has continued to remain stable. European and Gulf airlines have resumed or revised flights connecting with the US after an untimely rollout of 5G infrastructure forced cancellations and diversions earlier this week.

New biometric checks per Europe's Entry/Exit System (EES) come into effect September, but lorries are still upended by delays at the land bridge connecting Dover to Calais as the new GVMS (Goods Vehicle Movement Service) customs platform continues to glitch. UK's HMRC has acknowledged the issues and will perform "scheduled maintenance" on January 29, which may further increase these delays in the short-term. Shippers have also reported of sustained congestion both landside and dockside at Southern UK ports, leading ad hoc carriers to pivot their services north to ports such as Liverpool.