

WEEK 20 & 21 // JUNE 9 2022

APERTURE & FOCUS

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



GLOBAL APERTURE

EU's Parliament voted on June 9 to expand existing requirements for airlines to buy GHG credits—the amendment would require such credits be purchased for flights beyond member nations. The International Air Transport Association (IATA) has decried the move, warning that such a policy could undermine CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation), a separate policy that already mandates airlines to purchase emissions credits.

On the same day, US officials debated on a potential crackdown of ocean carriers via the Ocean Shipping Reform Act, drafted in response to shipper complaints. They are among a growing number of countries—including India and South Korea in recent months—calling for oversight of international ocean shipping.

In the newest round of sanctions aimed at Russia, European Union leaders agreed to block around 90% of oil imports. To offset this move, EU leaders are in the midst of negotiations to import fuel from Egypt and Israel. If successful, this may help alleviate Europe's disrupted fuel supply.

REGIONAL FOCUS

AMERICAS

Demand
Rates
Capacity



Capacity

Demand



Sea freight import demand to the US shows signs of dipping as consumers slowly revert to pre-pandemic spending and big box retailers find their replenished inventories haven't moved onto store shelves as projected. While this means fewer cargo ships waiting to berth, it also spells more difficulty obtaining equipment.

Despite the USDA's launch of the Commodity Container Assistance Program in late-May to assist agricultural exports, the Port of Oakland closed its chassis pit on June 8, citing equipment shortages. Intermodal freight ex-Chicago has spilled over to three pop-up depots on reports of rail congestion heading into West Coast ports, and chassis shortages have also stalled the central hubs of Memphis and Kansas City.

Local KWE sources have also observed heavy rail yard congestion at Canada's Brampton Intermodal Terminal caused by the shortfall of drayage capacity in the greater Toronto area.

ASIA-PACIFIC

Demand
Capacity



Rates
Demand



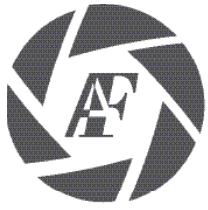
Shanghai resumes normal business operations on June 1 with the city's cargo throughput volumes at 90% of pre-pandemic levels, according to port officials. Special trucking passes are no longer needed in Shanghai, although adjacent cities like Suzhou and Wuxi still require them.

A chemical fire at a container depot in Chittagong Port brought to light concerns over dangerous goods that have been stored there for up to 28 years. Adding to this is the serious disruption the port has faced backed up with 1,500 LCL boxes that have been stuck in container yards for days with 1,000 more waiting to be unloaded from ships.

25,000 unionized truck drivers are striking indefinitely on demands of wage protection by the South Korean government. To mitigate port disruption, officials have prepared 20,000 TEUs of pop-up storage outside Gwangyang, Incheon, and Busan ports.



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KWE

Global Logistics Partner

Thankfully, air service is coming back quicker than ever—in Shanghai and beyond. Cathay Pacific ramps up freighter capacity this month to Europe, Americas, and select destinations in South and West Asia after making a startling recovery in May. Vietjet commences direct flights from Hanoi and Ho Chi Minh City to Mumbai, and last week Lufthansa Cargo launched its four-time weekly Frankfurt-Mumbai service.

EUROPE, MIDDLE EAST & AFRICA

Demand
Capacity



Rates
Demand



Capacity



Peak season is just around the corner. With a wave of import containers expected from Shanghai's reopening, North Europe's key megaports (Rotterdam, Antwerp, Benelux, Bremerhaven) remain severely congested. Carrier responses range in shipper benefit: MSC announced on June 6 that an additional discharge would be available at the Port of Zeebrugge in its North European loops to avoid the backlog hotspots while Hapag-Lloyd suspends barge services to and from Antwerp altogether until July. UK ports, including London, Southampton, Teesport, and Tilbury, introduced customs clearance fees to the dismay of shippers.

Swiss WorldCargo enters a partnership with Cathay Pacific and Lufthansa Cargo to share fleets and service networks, cooperating to add further Asia-Europe capacity. Turkish Cargo plans to strengthen air connectivity with India, and Etihad Cargo increases flight frequency to key trade hubs in Southeast Asia, Africa, and Europe.



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