



WEEK 29

JULY 21, 2023

# APERTURE & FOCUS

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

## GLOBAL APERTURE

Canadian dockworkers [are back at work](#) following a work stoppage that occurred when the ILWU voted to reject a wage deal, with uncertainty lingering as shipments continue to be rerouted and the government considers passing “back-to-work” legislation should another strike occur. June 2023 was [the hottest ever recorded for both land and sea](#), with ocean temperatures reaching new highs for the third consecutive month. As Antarctic Sea ice hits a historic low during its winter season, sea freight has been affected by droughts through many of the world’s key waterways and elevated ocean temperatures creating above-average hurricane conditions, with global accumulated cyclone energy at nearly twice the normal value.

## REGIONAL FOCUS - AMERICAS

**Canada:** [After rejecting a tentative four-year wage deal with the British Columbia Maritime Employers Association](#) due to its failure to address cost of living and union jurisdiction, among other issues, Canadian members of The International Longshore and Warehouse Union (ILWU)

walked off their jobsites on July 18 only to return the following day when the Canadian Industrial Relations Board [ruled the strike illegal](#) as no formal strike notice had been given. After work resumed and a new strike notice had been issued, [the notice was withdrawn](#) within a few hours, adding to ongoing turmoil as supply chain managers work to reroute supply chains.

**USA:** For the second consecutive year, [water levels on the Mississippi and Ohio rivers in the US are declining](#) due to an extensive drought in the Midwest and below-average rainfall in certain regions of the eastern US. This decrease in water levels poses a significant risk to shipping, potentially leading to congestion on the waterways, increased transportation expenses, and disruptions to the movement of crucial resources such as coal, oil, natural gas, chemicals, and commodities along these vital US freight routes.

## REGIONAL FOCUS – ASIA-PACIFIC

**China:** On July 17, [Typhoon Talim made landfall in Zhanjiang city](#), Guangdong province, becoming the first typhoon to hit China this year, with severe winds reaching 136.8 kph (85 mph). Rail service in the region was suspended and nearly all flights were canceled at Zhuhai Jinwan Airport in Guangdong and Meilan International Airport in Hainan's capital city Haikou as authorities issued flood warnings and ordered residents to stay at home in affected regions.

**India:** [Indian trade container lines have found relief from high port charges](#) and lopsided tariffs due to industry pushback, leading to some tariff relaxation and abolishing of the 'priority berth hire' policy at Visakhapatnam port. However, the Container Shipping Lines Association (CSLA) stresses the need for additional improvements in Indian ports, such as dedicated train connections at Nhava Sheva port, deeper draughts for larger vessels, and ancillary capabilities for new-generation green energy-powered ships.

Following a free trade deal last year, [India and the UAE have agreed to transact exports and imports in their own currencies](#), the rupee and dirham, instead of using the US dollar. The move aims to boost economic ties and streamline payment services between the two countries, as India vigorously pushes for 'rupee-denominated' transactions to mitigate exchange rate fluctuations, while facing declining merchandise exports and demand challenges in the apparel industry.

## REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

**Belgium:** A proposed night flight ban at Brussels Airport, aiming to limit environmental and noise pollution, [would likely divert a significant amount of cargo traffic to Liege Airport](#) as freighters are more likely to operate at night. While this could potentially cost thousands of jobs at Brussels, Liege would likely emerge as the region's main gateway for cargo after gaining traffic from Schiphol's slot reduction earlier this year.

**South Africa:** In a bid to improve port efficiency and infrastructure, [South Africa's port authority has initiated a 25-year partnership with International Container Terminal Services \(ICTSI\)](#) to expand Durban Container Terminal Pier 2's capacity, signaling a move towards privatization. This step is considered crucial for the South African logistics sector, which has been facing performance declines and has led to calls for private sector involvement to address the challenges.