

WEEK 39

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APERTURE & FOCUS

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GLOBAL APERTURE

[This year's Golden Week brings a downturn](#) to international shipping as more than 40 scheduled Asia-U.S. sailings have been canceled. Analysts now [attribute supply chain disruptions](#) to a combination of overstocking and labor actions. But other factors have also warped trade outlook. Port cities along the [US Southeast, Gulf Coast, and Caribbeans](#) brace for an Atlantic hurricane season and foreign exchange reserves are [falling to worrisome levels in some countries](#), making it more difficult for shippers to secure lines of credit.

Countries around the world are coming to grips [with the onset of global recession](#) as raw material input prices lift across the board, according to recently [published data on manufacturing output](#). European nations scuttle to address a worsening energy crisis after Russian gas pipelines ruptured—experts are worried that major shortages may even [result in mobile network blackouts](#). However, [UN officials have argued that such a predicament should](#) not compel a reversal of greenhouse gas emissions reduction strategies.

[IATA's third quarter economic report](#) sees potential for global market recovery to 2019 levels in 2024, contingent with the removal of air travel restrictions. [And travel season](#) is here: [airports start removing passenger caps](#) and [countries wind down arrival quarantines](#) as more airlines announce [transitions to Sustainable Aviation Fuels](#) and more flight partnerships are ratified.

REGIONAL FOCUS - AMERICAS

In the latest attempt to smooth East Coast terminal congestion, the empty container late fee methodology first proposed in September [has been greenlit by](#) port authorities of New York-New Jersey and ocean carriers. On October 4, low water levels [halted traffic](#) in the southern stretches of the Mississippi River, a critical gateway for grain, fertilizer, soybeans, and other commodities.

The White House has issued a temporary waiver of Jones Act requirements to allow a foreign tanker to transport diesel to Puerto Rico from Texas [following outcries from public officials](#). Now, four major US maritime unions have issued a joint statement condemning the action on September 30, alleging that foreign shippers used media pressure to force the waiver despite readily available US ships. In light of these findings, US lawmakers introduced a bill to strengthen safeguards of the Jones Act on October 4.

After briefly pulling back into the Atlantic, [Hurricane Ian returned in full force](#) on September 29, [shutting down highways and rail networks](#)—not to mention key ports in Savannah, Brunswick, and South Carolina. Cleanup operations are ongoing, although [port restrictions have been lifted](#) in Jacksonville and Canaveral.

REGIONAL FOCUS – ASIA-PACIFIC

China's Golden Week holidays have brought the usual [blanked sailings from steamship lines](#), but shippers can look forward to more than demand recovery in the weeks ahead as the nation's transport ministry announces [discounts on all port and cargo fees through fourth quarter 2022](#). Cross-border trade with Thailand [may increase after the reopening](#) of China's Guan Lei Port, which operates along the Mekong River. [Energy blackouts in](#) Bangladesh—caused by power grid failures—caused widespread disruption to manufacturing and transport services in Dhaka, Chattogram, and Sylhet; customs operations at Chattogram Port [will also be temporarily suspended on October 14 for](#) software migration.

Following successful validation of ICAO safety standards for Malaysia's airlines, the US aviation authorities have [upgraded the country's air safety rating to Category 1](#), heralding more outbound services to US destinations. Commercial airlines revitalize with [newly forged domestic, intra-Asia, and Transpacific long-haul](#) services, and [intra-Asia passenger routes](#), while [Europe-Asia services make incremental](#) recovery into the fourth quarter.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

[An untimely shutdown of the Nord Pipelines](#) has elicited talks of [reviving pipeline construction](#) through the Pyrenees by EU members Spain, Portugal, and Germany. [In France, ongoing union-led walkouts](#) and facility maintenance pares down national oil refinery output by about 1.5 million barrels per day. [OPEC+ member nations announce reductions](#) in daily output by 2 million barrels, leading the UK to drum up deals with [Norway and Qatar](#) in the [face of potential winter blackouts](#). The region-wide deficit may curb [the summer-delayed travel season](#) that has maintained passenger-belly capacity for transatlantic shippers.

Dockworkers at the Port of Liverpool [announce a second strike](#) from October 11-17 following failed negotiations with port operators. In potential contrast, [planned strikes by South Africa's union-backed](#) dock and rail workers may yet be averted following an offer revision by the nation's port operator, who has also sought out the Commission for Conciliation, Mediation and Arbitration (CCMA) for assessment and advice. [Low jet fuel supplies at](#) Cape Town International (CPT) prompted some airlines to reduce international and domestic flights last week—[refueling services resumed October 4](#).