



GLOBAL APERTURE

Continued supply chain bottlenecks around the world have given room for a 9.1% increase in global air cargo demand over pre-covid levels, according to IATA's September 2021 performance data for global air cargo. And while it can be argued that the air transport market is moving faster than ocean even with current Covid-19 restrictions, this benefit has diminishing returns given the current situation: with understaffed airlines and terminals, vaccine hesitancy in the ranks, rushed shippers, and an energy crisis brewing in every region, and more volatile weather expected, even the fastest of lead times may slow to a halt.

Leaders of developed nations including Australia, India, The European Union, and the United States met in Rome for the last day of the G20 Summit to discuss, among other pressing matters, regulatory and material pain points in the global supply chain. That same day in Glasgow, representatives from nations around the world met for the COP26 Climate Summit where representatives from 14 countries signed a declaration to reduce shipping emissions to zero by 2050. Finally, the United States and European Union resolved the ongoing trade dispute over Section 232 tariffs on imported steel and aluminum, establishing a quota for EU-produced metals to enter the US duty-free.

REGIONAL FOCUS

AMERICAS

Rates Demand



Rates Demand



Despite the international attention that the US West Coast cargo jam has received, industry analysts say there's little incentive to re-route to East Coast and Gulf ports—reasons cited include less-than-viable cost differences, negligible effects on lead times, and an outright lack of available service routes and port capacity. As the Ports of Los Angeles and Long Beach fight back on container dwell times by issuing emergency import surcharges, trucking capacity is in the red and officials are winnowing down state and federal hurdles, warning that recently imposed vaccine mandates may further diminish the nation's pool of drivers. Chassis shortages reaching from the West Coast to the Midwest are also contributing to fulfillment delays, and domestic manufacturers warn they may not be able to meet output demand until 2022. Airport terminals across the country are also seeing major congestion the week before capacity is forecast to rebound following November 8, when the US amends air

travel restrictions.

In Mexico, logistics experts have also raised concern that the sea freight container crisis has reached its shores, citing service route cancellations between Asia and ports in Manzanillo, Lázaro Cárdenas, Veracruz, and others throughout Latin America by several carriers. There is some reprieve for shippers switching over to air cargo; however, Mexico City-Benito Juárez International Airport is still constrained by chronic backlogs.

ASIA-PACIFIC

Rates Demand



Rates Demand



The Regional Comprehensive Economic Partnership (RCEP) inches closer to fruition after Thailand, New Zealand, and Australia ratify their respective memberships over the past week.

In preparation for the Beijing Winter Olympics, officials



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APERTURE & FOCUS

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in China are urging citizens to avoid non-essential travel abroad, enforcing stricter Covid-19 screening measures at all ports. Drastic power saving campaigns in China have also led to a de facto ban on Diesel Exhaust Fluid (DEF) exports to South Korea, alarming the nation as DEFs are a crucial solution for many of South Korea's cargo trucks. China's Civil Aviation Authority (CAAC) has also reduced the number of scheduled international passenger flights to and from its airports by about one third from the previous season.

Southeast Asia ports in Singapore, Malaysia, Indonesia, and the Philippines reported vessel congestion and cargo backlogs on November 1 as operations recover only two weeks after the passage of Typhoon Kompasu. Vietnam Airlines is scheduled to resume flights between Ho Chi Minh City and San Francisco by the end of the month, and the new Bamboo Airlines will soon launch direct flights between Hanoi, Ho Chi Minh City, and London.

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and China (Shenyang, Qingdao, Beijing), stabilizing outbound space volatility. A new cargo airline based in Bahrain, Mena Cargo, also started commercial operations on November 1, backed by cooperative partnerships signed with European and Southeast Asian airlines.

EUROPE, MIDDLE EAST & AFRICA



Following last week's post-Brexit border dispute, France has offered additional time for Britain to negotiate a compromise on fishing rights in the English Channel. Previously, the two countries have threatened to impose stricter customs procedures and sanctions over the unresolved issue. In Britain, some shippers are now picking up cargo destined for Felixstowe Port at a nearby former airfield due to lack of yard space. Smaller ports have apparently benefited from the disruption now that former transshipments from Ireland are instead making use of direct ferry services to and from mainland Europe.

Lufthansa's November schedule will yield 147 scheduled flights between Frankfurt and destinations in the Arab Emirates (Dubai), US (New York), South Korea (Incheon),



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