



WEEK 6 & 7 // FEBRUARY 17 2022

APERTURE & *FOCUS*

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



GLOBAL APERTURE

A rash of new outbreaks in South Korea, Indonesia, Denmark, and other countries will stifle near-term travel sentiments as airlines step up with more service resumptions in mid-to-late spring. Transpacific Asia-US flights are still crippled with Cathay Pacific's reduced cargo schedule and Western Australia's insistent air travel lockdown. LATAM Airlines extends its flight cancellations to Sydney until March 28, capping options for Latin American shippers. Etihad Airways plans to increase flight frequencies serving Abu Dhabi and able Australian ports.

Vessel delays linger in Asia-North Europe and Asia-North America trade lanes as carriers begin springtime service readjustments to match post-Omicron manufacturing output. Global shipping alliance THE makes significant adjustments to its service network across all regions, with intent to deploy larger vessels and increase frequency on in-demand trade lanes from Asia Pacific to ports of Europe and Americas. Maersk readies a weekly Transpacific-East Coast service to begin March 23, Hapag-Lloyd announces its China-North Europe weekly service linking Hamburg and Dachan Bay beginning April. Yang Ming will deploy a new direct service route connecting several Chinese ports with Sydney, Melbourne, and Brisbane starting March 10.

A new trade advocacy supergroup was established on February 15 to normalize an open-source standard for electronic bills of lading (eBLs): the Future International Trade (FIT) Alliance is an international consortium that seeks the global adoption of digital shipment documentation by industry regulators, financial institutions, and government agencies.

REGIONAL FOCUS

AMERICAS

Rates Demand



Rates Demand



As Southern California ports delay excess dwell fees for the 14th week in a row, officials expect the West Coast import backlog to ease by summer as retailers replenish inventories ahead of a slightly earlier spring-summer peak season. Port congestion is also showing signs of ease in Savannah although rising cases of nuisance flooding in areas like Norfolk and Miami may stall drayage services in the Southeastern US.

Weeks after a staggered 5G rollout, US telecom providers are prepping for their respective 3G Sunset—that is, the deactivation of 3G infrastructure across the country. The first major shutdown is scheduled for February 28, potentially affecting 3G-enabled GPS systems used by ground transport operators.

Continued protests at the Windsor-Detroit border between Canada and the US led Prime Minister Trudeau to invoke emergency measures following the reopening of the bridge crossings—crowds were cleared shortly after police deployed on February 14. The unrest also caused shipment embargoes at Detroit Metro Airport over the weekend, prompting automotive supply chains to also scale back or halt production cycles.

ASIA-PACIFIC

Rates Demand



Rates Demand



Despite new outbreaks recorded in the cities of Baise, Dalian, and Suzhou, the end of Lunar New Year festivities brings a semblance of normalcy to many ports in China with the exceptions of Ningbo and Shanghai. Hong



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KWE
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continued from "Asia-Pacific"

EUROPE, MIDDLE EAST & AFRICA

Capacity
Rates
Demand



Rates
Demand



Hong Kong has been hard-hit by recent Covid outbreaks traced to aircrew members; cargo pilots are required to wear tracking devices in Hong Kong to validate self-isolation, and cross-border cargo handling transport with neighboring city Shenzhen has been suspended by authorities since February 11. More countries greenlight the Korean Air-Asiana Airlines merger as Delta Airlines reduces transpacific services to Seoul and Tokyo-Narita from US origins until the end of October.

Vietnam ended Covid-related travel bans on February 15, Australia's borders will officially reopen February 21 for fully vaccinated travelers, and the Malaysia-Singapore air bubble pact fully resumed on February 16. Thailand and India are also expediting an air bubble pact, pending approval by respective cabinet members.

In South Asia, drought-stricken waterways of the Bengal Delta caused further shipping delays in recent weeks, backing up dozens of feeder vessels for about 20 days until the riverbed was dredged. An ongoing foreign exchange shortage in Sri Lanka—caused in part by a pandemic-stifled economy—has now resulted in a buildup of uncleared import containers in Colombo Port that threatens to tarnish its regional hub port status.

On news of growing cargo activity at Bangladesh's Mongla Port, more European countries voice interest in establishing direct routes with the country's largest trade hub, Chattogram Port. Rounding off the region on a positive development: a new intra-Asia service linking India, Malaysia, and Singapore via Oman's Sohar Port conducted its maiden voyage on February 13, and is projected to transport 100,000 TEUs annually throughout the region.

Heavy sustained winds reaching from the UK to Central Europe disrupted intermodal services and even caused some terminals of Rotterdam Port to cease operations on February 17. Ongoing tensions in Ukraine have pushed some European airlines to reroute long haul services away from the country's airspace, extending transit times to Southeast Asia destinations.

On February 15, Air France increased its Paris-Sao Paulo direct flight frequency to ten services per week, and plans to resume transatlantic links with New York and Dallas-Fort Worth in March—airline officials expect to resume more direct connections from Paris to US in the summer months. British Airways is poised to increase daily transatlantic service from London-Heathrow to New York starting March, while short-haul services with European destinations return with the March 27 reopening of London-Gatwick's South Terminal.