

WEEKS 16 & 17

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# APERTURE & FOCUS

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

## GLOBAL APERTURE

After nearly six months of order volumes continuing to decline worldwide amid waning demand and inventory surpluses, data from Tradeshift's Index of Global Trade Health [has indicated promising signs for returning air cargo demand](#) in the near future despite declining demand ex-Asia.

While ocean began to demand return mid-March, declines returned the following week ahead of China's five-day holiday for May Day as [carriers saw an estimated 440,000 TEU of capacity blanked](#).

With Ukrainian grain exports down as much as 50% compared to before to the war, grain agriculture has increased throughout much of the world as [analysts expect grain exports to increase throughout North and South America, the Middle East, and elsewhere](#) to make up for the losses.

Several important steps occurred in support of sustainability; A memorandum [establishing a new green shipping corridor](#) between Singapore and the ports of Long Beach and Los Angeles was signed, Japan's Ministry of Economy, Trade, and Industry finalized a rule that will help achieve its climate targets by [allowing US companies to access the Japanese biofuel market](#), and a new policy [that would require airplanes to carry an increasing amount of Sustainable](#)

[Aviation Fuel \(SAF\)](#) over the coming decades was agreed to by EU officials and now awaits formal adoption by member states to enter into effect. To further support sustainability efforts, Kintetsu World Express [launched an initiative in partnership with Shell Aviation to reduce CO2 emissions](#) with a trial of Smart Freight Centre's multi-modal SAF book-and-claim guidelines.

## REGIONAL FOCUS - AMERICAS

**USA:** While volume has shifted from West Coast to East Coast ports, [data showed ocean freight orders down 50% year-over-year](#) mid-April with negative impacts to both truck and rail markets in the US. With tensions high between the Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU) after [operational disruptions temporarily closed the ports of Los Angeles and Long Beach](#) amid labor negotiations, both parties issued statements [that indicate certain key issues had been resolved](#) and that they were hopeful a deal would be reached soon. [The Ocean Shipping Competition Enforcement Act was introduced in the House of Representatives](#) in support of 2022's Ocean Shipping Reform Act and aims to put further blockades against anticompetitive behavior with authority for the Federal Maritime Commission to block anticompetitive agreements between ocean carriers.

**Canada:** A decade-long campaign for a new terminal in Delta, British Columbia (35 miles outside of Vancouver) overcame its final hurdles, [achieving federal approval for this facility that promises to address environmental concerns and increase container capacity by 60%](#)— more than 2.4 million TEU.

## REGIONAL FOCUS – ASIA-PACIFIC

**China:** As demand wanes in China due to supply chains shifting of manufacturing to other origin countries throughout Asia, [the loss in trade has meant that only around 30,000 of the 50,000 truck drivers throughout the country are currently needed](#) and fewer inbound containers are available than outbound, suggesting an imbalanced market that is cutting work for the many drivers still operating.

**Vietnam:** The supply manufacturing shift from China to other regions has enabled Vietnam [to invest in containerships and inland container depots](#), according to Vietnam's government-owned shipping group Vietnam Maritime Corp, with at least four new containerships and distribution centers in Hanoi, Haiphong, and more.

**Bangladesh and India:** Following last month's offer allowing India to use the ports of Sylhet and Chittagong, [Bangladesh has given India further support with a "permanent transit order"](#) that grants access to Chattogram and Mongla ports for transit and trans-shipment, significantly reducing the time and cost to transport goods to Bangladesh's northeastern states.

## REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

**EU:** On April 18, [the European Commission reached an agreement on the European Chips Act](#) which aims to strengthen European competition in the semiconductor market [with investments](#)

[in the production and innovation of semiconductors](#) as well as incentives for public and private parties to enhance production capabilities. Plans to revise Trans-European Transport Network regulations are underway following a vote from the European Parliament's Transport Committee [to open negotiations for imposing construction deadlines and thereby opening secure parking sites across the European road network for truckers](#) to ease the ongoing trucker shortage.

**France:** Delays on the Rhine River due to France's ongoing strike [have led to disruptions throughout Germany and Switzerland](#). The European Shippers Council and the European Barge Union have now called upon the European commission to pressure France to take actions "to end the infringement of the free movement of goods."

**Germany:** A warning strike in Germany [brought rail freight across the country to a standstill and halted traffic at airports in Hamburg, Cologne Bonn, Duesseldorf, and Stuttgart for eight hours on April 21](#), with continued disruptions throughout the day as networks recovered.