

# APERTURE & FOCUS

WEEK 39 | 27 SEP 2023



## GLOBAL APERTURE

Key stakeholders, including major ports and ocean carriers like the Port of Los Angeles, Port of Long Beach, Port of Shanghai, and global shipping giants, [have unveiled detailed plans for the world's first trans-Pacific green shipping corridor](#). The California-Shanghai initiative, launched in 2022 after the UN COP26 climate summit, aims to reduce carbon emissions in one of the busiest container shipping routes and demonstrate advanced technologies and sustainable practices, with a goal of deploying zero lifecycle carbon emission container ships by 2030.

In its [Review of Maritime Transport for 2023](#), released on September 27, The United Nations Conference on Trade and Development (UNCTAD) [highlighted concerns over the lack of clarity on future clean fuels and regulatory systems in the shipping industry](#), which is hindering companies from replacing aging vessels and accelerating their decarbonization efforts. The world's ships now average 22.2 years old, and more than half of the world's fleet is over 15 years old. Decarbonizing the industry by 2050 is estimated to require substantial investments and could raise annual fuel costs significantly, making global cooperation and clear guidance essential for the industry's transition.

## REGIONAL FOCUS - AMERICAS

**USA:** Port interests in the United States have been advised by The American Association of Port Authorities (AAPA) [to closely monitor the possibility of a government shutdown](#), as the US House of Representatives struggles to reach a spending plan agreement. A shutdown could impact port operations, and while it's uncertain if a shutdown will occur, the AAPA recommends that ports and their partners prepare for potential disruptions.

The strike initiated by the United Auto Workers (UAW) against major US automakers escalated as the union targeted spare parts centers serving General Motors and Stellantis, [causing some disruptions in the supply chain](#). The strike, which began as a negotiation tactic over contract terms, has expanded to include parts distribution centers, potentially affecting nationwide auto parts availability and production. A fully fledged strike could lead to storage space shortages, halted cargo, idle production facilities, and piling up of finished cars and containers at ports.

**Mexico:** Mexican officials are taking measures to address the surge in migrants heading for the US, [which has led to the suspension of some rail operations and truck processing at major border crossings](#). When over 8,600 migrants crossed the border into the US within a recent 24-hour window, Mexican and US authorities were prompted to respond with enforcement efforts and negotiations, impacting rail and truck services and raising concerns about supply chain disruptions and trade complications.

## REGIONAL FOCUS – ASIA-PACIFIC

**China:** China Railway Group [has introduced its newly designed 50ft containers](#) for use on the country's expanding express rail network, part of its domestic intermodal services. These containers, featuring greater load capacity and volume compared to standard 40ft containers, are aimed at enhancing China's inland container transportation capabilities, reducing logistics costs, and shortening transit times on the rapidly expanding rail network.

## REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

**UK:** The UK trucking industry is pushing for [increased adoption of biofuels for road transport](#) as the European Commission's FuelEU Maritime sidelines biofuels on environmental grounds. While electric trucks are available, some experts in the trucking industry argue that they do not provide enough reliability and efficiency to meet consumer demands, and rising fuel prices could further drive interest in alternative fuels like biofuels.

**France, Italy:** Rail freight traffic between France and Italy via Modane [remains halted after this month's major landslide](#) in the Maurienne Valley, and resumption is now predicted for the end of the next month. Approximately 10,000 tons of rock fell from the mountainsides, damaging local

infrastructure, including a railway line and tunnel, with repair work contingent on the removal of unstable rock that poses a risk to the tunnel.

**Spain:** The extension of the EU's Emissions Trading System (ETS) to marine shipping [is raising concerns among European seaports](#), including the Port Authority of Valencia which fears that the ETS could reduce the competitiveness of EU ports for transshipment cargo. The ETS will require shipping operators to monitor and report their emissions and pay allowances for CO<sub>2</sub> emissions, which may lead some shipping lines to avoid EU ports, diverting transshipment cargo to ports outside the bloc, such as Tanger Med in Morocco, East Port Said in Egypt, and Tekirdag Asyaport in Turkey, potentially impacting EU ports' competitiveness and transshipment business.