



NEWSLINE

Cargosol team values “Commitment”. The satisfaction in living up to the values can only be experienced.

We appreciate our team for their “Consistent Efficiency” and letting the customers have great experience .

Cargosol Newsline brings you the latest developments in the supply chain industry.



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SEA FREIGHT

CONTINUED DEMAND RISE IN ASIA & EUROPE



Reason - High space utilisation on services out of China

On routes where three **GRI's** have been successful additional **increase from Mid August**



Carriers - **Hike rates**, includes **peak season surcharges**

IS CARRIERS "PROFITEERING FROM THE CRISIS"?



- **First Quarter results better**-than-expected
- Spot rates have soared, Space tight.
- Collapse in the price of bunker fuel, is driving liner profitability.
- With reinstated blanked sailings, higher demand accommodated, eastbound transpacific route.

MUNDRA OVERTAKES MUMBAI'S JNPT



Mundra port is the flagship port of the Adani Group, It edged past state-run Jawaharlal Nehru Port Trust (JNPT) to emerge the **largest container port** in the country in the **April -June 'quarter**.

Mundra Port handled 970,940 TEU during the April-June quarter against JNPT's 847,844 TEU of the same period 2020..

CMA CGM TO LAUNCH STANDALONE ASIA – WEST AFRICA SERVICE

- **First in the trade to be routed via suez canal**
- Round the Africa (RTA) service will offer the fastest connections
- Between the Chinese ports of Shanghai, Ningbo and Nansha to the West African ports of Dakar, Freetown, Tema and Abidjan, via calls at the Mediterranean hubs of Malta and Tanger.
- On the backhaul, vessels will sail direct from Abidjan to Singapore via the Cape of Good Hope.
- **11 CMA CGM Vessels Deployed of 4,200 TEU capacity**
- **First sailing leaving Shanghai on 25 July** ,total round trip is 77 days.



LOCKDOWN EASED -NEW CONGESTION @ EUROPE AND NORTH AMERICAN PORTS

- Cancellations and Blank sailing led to high level of ship utilisation and movement
- **Some hubs reach up to 10,000 teu moves**
 - ▶ leading to peaks in both ship-to-ship operations
 - ▶ yard activity at the terminals, impacted land-side operations, especially on truck arrivals and departures.



CONTAINER GAINS WITH FREIGHT RATES RISE ON THE ASIA & US SECTOR

The **Shanghai Containerized Freight Index (SCFI)** comprehensive index rise by 5.4% to 1,055.13. Container spot rates jump to 8.5% , \$2,920 per 40ft



US East Coast -increased by 4.7% to \$3,459 per 40ft, Rates ahead 24%. US West Coast are now appx 70% higher than previous year .

Higher consumer spending ,increased imports "Looming August expiration date on some US tariff exemptions for Chinese goods" was also a driver, prompting another wave of front-loading.



AIR FREIGHT

QATAR AIRWAYS



- Operates over 270 weekly flights to more than 45 destinations.
- Resumed Flights
 - ▶ Resumes Dar es Salaam, Tanzania flight service, thrice a week
 - ▶ New York (JFK) to Boston, Los Angeles and Washington Dulles
 - ▶ US network rebuild to 39 weekly flights by mid-July 2020
- Rebuilding its network with Istanbul, Budapest, Dhaka and New York

STRUCTURAL MARKET RECOVERY @AIR CARGO MARKET



- Rise on volumes but concern on capacity and airport congestion.
- Volume for the month of June'20 higher by 6% compared to May'20
- Volume for the last week of June'20 higher by 12% compared to May'20
- 2020 global volumes are 25% lower than in 2019.
- June'20 capacity was flat, The dynamic load factor, which calculates both the volume and weight of cargo flown, was at 71% in June.
- As governments around the world acted to protect their societies, they became price-insensitive for urgent supplies of PPE.

CURRENT FREIGHTS RATES SIMILAR TO MID –MARCH '20

- In June'20 - Jet Fuel prices rise by 7%
- Viability & Demand of Cargo only passenger aircraft services doubtful
- TAC Index Pricing**
- 1st of week of July, Freight rates out of China, to both Europe and US, fall nearly 10% ..
- The biggest falls were out of Hong Kong, where prices fell 16% to the US, to \$4.29, and 15% to Europe (\$3.25).

Route	USD/KG	Change	Change %
China to Europe	3.23	-0.35	-9.78%
China to USA	4.38	-0.48	-9.88%
Shanghai to Europe	3.21	-0.08	-2.43%
Shanghai to USA	4.46	-0.14	-3.04%
Hong Kong to Europe	3.25	-0.61	-15.80%
Hong Kong to USA	4.29	-0.82	-16.00%
Chicago to Europe	1.71	0.03	1.79%
Frankfurt to USA	3.89	0.12	3.18%

TRANSPORTATION

UNION MINISTER SAYS

Road Transport & Highways Ministry, stated... Innovative transportation models will reduce high logistic management cost. Water transport is cost effective compared to road or railway mode of transportation. Shared insights on possibility of boosting Ro-Ro and Ropax water travel mode for



easy connectivity and cutting short distance coverage using the mighty Brahmaputra. Union Minister inaugurated and laid Foundation stone for 11 national highway projects worth 20000 crore in Haryana as part of the new economic corridor to ensure smooth connectivity.



Digital Logistics - The New Normal - for Logistic Solution Providers

Today, Logistic solution providers especially the blue collared are the front runners who are no less than a warrior battling to ensure smooth transition of goods and services round the clock.

Now, sustainability depends upon the quantum of adaptability and agility one embraces in this new change.

Globally, this disruptive market has pushed way towards digital logistics. Small and big players are restructuring, redesigning and reinventing themselves.

New technologies such as automation, robotics, artificial intelligence, algorithm-driven systems, open and easy access to information, data sources and real time digital tracking of orders with improvised navigational abilities are going to be the new normal.

Being “Focus and Prepared” is the only mantra to be in the game.



Industry Special

HI FLY FOUND A NEW PURPOSE WITH JET



The world's first ever largest aircraft A380 modified into an "Auxiliary Freighter" Portuguese charter operator Hi Fly has temporarily removed passenger seats from its sole A380 to make way for over 300 cubic meters of capacity and approx. 60 tons of cargo.



MINISTRY OF SHIPPING



Chunk of 1.10 lakh hectares land with ports to be utilized to develop industries and industrialization for port led development



India's twelve state-run major ports handled 141.9 million tonnes of shipments in the quarter ended June 30, compared with 176.7 million tonnes the previous year.



Issues draft Aids to Navigation Bill to replace 90-yr old law governing Lighthouses seeking suggestions. The bill aims at empowering the Directorate General of Lighthouses and Lightships (DGLL) with additional power and functions.

COMMERCE MINISTRY



Department of Commerce
Ministry of Commerce & Industry
Government of India

It is considering to replace the multi-modal transportation of goods act with a full fledged National Logistics Law to promote growth. Special Secretary in the logistics division of the ministry stated, a National Logistics Efficiency and Advancement Predictability and Safety Act (NLEAPS) is under consideration to define various participants of the logistics space and create a light regulatory ecosystem.

Summary of Circulars

You can read the summary of various supply chain circulars here

Sea Import

CLICK

Sea Export

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Air freight

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Transport

CLICK

Food for Thought

In India will "Digitalization of Logistics Sector" increase or decrease Employment Opportunities?

Please state your views with reasons, it will be covered in the next issue with your details

Write to us at: care@cargosol.com



Disclaimer

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