



NEWSLINE

Cargosol believes that people are the most critical factor in the success of our business. We **respect & invest** in our people. We recognize their efforts & achievements..



Cargosol Newsline presents to you the latest developments in the supply chain industry

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SEA FREIGHT



VIETNAM'S GIP : ATTRACTING ALLIANCE CALLS

- Gemalink International Port (GIP) - The 5th container terminal at Cai Mep
- A joint-venture between Gemadept & Terminal Link, a terminal operator part-owned by CMA CGM.
- GIP an asset: to relieve congestion in terminals & to imagine arrival of new direct services to the US or Europe
- Expects to reach full capacity of its 1st phase of 1.5m teu
- GIP has secured 3 calls from CMA CGM & its Ocean Alliance partners, starting over the next 4 months



CARRIERS REJECT U.S AGRICULTURAL EXPORTS FOR EMPTY BOXES TO CHINA

- Carriers rejected U.S. agricultural export containers worth 100 millions of dollars during the months of Oct & Nov (critical months in U.S. agri-export)
- Instead, empty containers sent to China for more profitable Chinese exports.
- The Federal Maritime Commission is investigating the trade data to review if carrier's refusal was a violation of the Shipping Act.



NEW BLOW: ASIA-EUROPE BLANKINGS FOR CNY ANNOUNCED

- Carriers to cancel sailings to North Europe around Chinese New Year holiday (Feb)
- 2M partners Maersk and MSC intend to
 1. Blank 3 advertised sailings Asia - North Europe in weeks 5-7
 2. 1 vessel will be allowed to 'slide' into the following week, to maintain bookings
 3. CMA CGM will also skip three loops
- Maersk: The blankings were needed to "improve schedule reliability", to "free up these services for schedule recovery measures"



CONTAINER TRADE 'MADNESS' DRIVING ASIA CARGO TO OTHER MODES

- Asia container rates is driving more un-boxing of containerized cargo for breakbulk, MPVs & ro-ro carriers.
- Bigger MPVs to carry containers. Volume increases due to more containerized cargo coming back to the breakbulk market container
- Carrier sales teams relentlessly pursue breakbulk cargo during lean times, undercutting the project cargo carriers, disappearing once container freight rates pick up



SPOT RATES EASE - BUT IT COULD BE TOO LITTLE, TOO LATE FOR SOME

- Container spot rates peaked & now declining on the main tradelanes,
- Carriers extend rates into mid-Feb & prepaid space available at the Chinese main ports.
- Shanghai Containerized Freight Index recorded the first decrease in its composite index for more than 3 months, tracking down 16 points to 2,869.
- The index remains 190% higher than for the same week of 2020- reflecting considerable gains in components over 6 months.



OCEAN FREIGHT RATE VOLATILITY 'UNPRECEDENTED'

- The spread between rates on the spot market has reached an "unprecedented" level
- Rate analysis from Asia to North Europe :average spot price jumped 2,000% over the past 5 years to \$8,300.
- The spread between the lowest and highest short-term rate: Previous years : \$1,000, Currently : \$6,000 - \$11,000.
- The long-term contract market : rates 150% higher than 2020, indicating market uncertainty



SEA FREIGHT



BREAKBULK REVIVAL

- Container capacity crunch has priced agricultural & chemical commodities out of the market – in favour of breakbulk.
- Cause of de-containerization trend:
 - 1.Huge prices for container sea freight (China – Europe)
 - 2.Lack of container equipment.
- Bulk shipping was 2 1/2 times cheaper than current prices for containerized cargo
- Freight rate situation won't change until Apr – Breakbulk mode



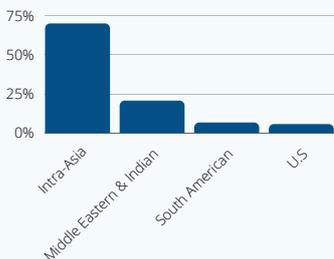
PORTS & CARRIERS REPORT LARGE INCREASES IN CONTAINER ROLLOVERS

- More than 1 in 3 containers shipped globally in Dec were rolled-over at transshipment hubs
- Global average increased to 37% last month. (some hubs seeing far higher numbers).
- Out of 20 global ports, 75% saw an increase in rollover cargo in Dec
- Port Klang (Malaysia) & Colombo (Sri Lanka) recorded 50% or more of cargo delayed, with transshipment hub in Singapore,
- Shanghai and Busan, rolling-over more than a third of their containers last month.



WAN HAI BUDGETS \$707M ON 12 NEW BOXSHIPS & 50,000 CONTAINERS

- Wan Hai Lines ordered for 12 container vessels, (\$47 each) 1m for a total of \$565.2m
- Built at Nihon Shipyard- a joint venture between Imabari Shipbuilding & Japan Marine United
- Wan Hai purchased 50,000 container from China International Marine Containers at a cost of \$141.7m



TRANSPORTATION



NO ADDITIONAL CHARGES FOR ODC MOVING VIA DFCS: RLYS

- The Indian Railways : to aid infrastructure project & encourage more transport through Dedicated Freight Corridors (DFCS) decided to drop the additional charges.
- No additional charges on over-dimensional cargo (ODC) moving through the Dedicated Freight Corridor Corporation of India (DFCCIL) network.
- This is subject to the consignments falling within the maximum moving dimensions (MMD) of the freight corridor.



AIR FREIGHT



HIGH AIR CARGO DEMAND ON THE TRANSPACIFIC, BUT LOCKED-DOWN EUROPE SOFTENS

- Airlines continued to add cargo capacity to the market, enjoying good volumes
- In the final two weeks, global capacity was down just 12% year on year.
- With demand still strong, the end-of-year traditional capacity drop in 2020 was less pronounced than at the end of 2019, with airline/express freighters operating 30% more capacity than last year.
- The transpacific tradelane showed a capacity growth in Jan & Asian forwarders have confirmed that the market to the US remained in high demand, while there had been a softening to Europe, much of which is in lockdown.



NEW COVID BAN IN HK COULD IMPACT A QUARTER OF CATHAY PACIFIC CARGO CAPACITY

- New measures against the spread of Covid-19 infections in Hong Kong could cost Cathay Pacific up to a quarter of its cargo capacity.
- The Hong Kong authorities are planning a 14-day quarantine & 7-day medical surveillance mandate for flight crews returning to the territory after a layover abroad.
- Management estimates it could affect as much as 60% of its passenger capacity and 25% of cargo capacity.
- The financial repercussions could raise its monthly cash burn by HK\$400m (US\$51.6m) to as much as HK\$1.9bn.



LUFTHANSA CARGO 'PAUSES' CAPACITY GUARANTEE AS SPACE DEMAND GETS 'TENSE'

- Lufthansa Cargo has blamed a high volume of cargo for its decision to “pause” its capacity guarantee.
- “Due to tense capacity availability, we are forced to pause the capacity guarantee of all speed options for continental flights out of Frankfurt, Munich, Vienna & Brussels”.
- The “pause” started last week and will last until the end of Feb.



LUFTHANSA CARGO E-COMMERCE IS SET TO EXPAND ITS REACH

- The European response on Covid-19 pandemic
- Impact on Heyworld - dedicated services were offered to online retailers, digital market places and forwarders dealing with e-commerce
- Initially the belly capacity of its parent company was used, but the collapse of international passenger flights undermined the plan & forced heyworld to alter course.





CLIMATE CHANGE- IMPACT ON GLOBAL SUPPLY CHAINS

Analysis of 239 research papers on extreme weather events, found that 86% were caused or partially caused by climate change. Multinational companies should care about climate change to transform how supply chains work. A just-in-time logistics becomes a hopefully-in-time logistics.

Today's business models on fast & free deliveries increases demand for freight transportation. To ease the impact of disruptions, companies need to build resilient supply chains ensuring reliable delivery & environmental sustainability.

Within the logistics sector, assets such as trucks & vessels are long-term investments. Due to high initial cost, it is difficult for companies to make their logistics fleet greener. But new assets purchased are more efficient & environmentally friendlier. However, infrastructure investments provide a way for companies to team up and replace bunker fuels with biofuels. Presently, there are 64 carbon-pricing measures in place or in the process of being implemented. It's high time we develop a Sustainable Logistics Roadmap.

FOOD FOR THOUGHT

Will companies build sustainable supply chains?

We would love to hear from you! Write to us at care@cargosol.com



CAREER OPPORTUNITIES

 [ACCOUNTS EXECUTIVE - KALAMBOLI](#)

 [GENERAL MANAGER: ACCOUNTS & FINANCE- MUMBAI](#)

 [EXECUTIVE - IMPORT DOCUMENTATION- MUMBAI](#)

 [CUSTOMER SERVICE EXECUTIVE - PUNE](#)

 [EXPORT DOCUMENTATION-MUMBAI](#)

SUMMARY OF CIRCULARS

You can read the summary of various supply chain circulars here



 [SEA IMPORT](#)  [AIR FREIGHT](#)

 [SEA EXPORT](#)  [TRANSPORT](#)

 [REVALIDATION OF SELF SEALING PERMISSION](#)

 [BUDGET ADVISORY](#)

 [MANDATORY UPLOADING OF DOCS IN E-SANCHIT](#)



INDUSTRY SPECIAL



HYDERABAD TO GET ANOTHER LOGISTICS PARK AT BATASINGARAM

- Hyderabad Metropolitan Development Authority's Logistics Park at Batasingaram to be inaugurated on Thursday by Hyderabad's Municipal Administration & Urban Development Minister.
- The city which is becoming a logistics hub already has an operational Logistics Park at Mangalpally that is developed in an area of about 40 acres with a cost of nearly INR 40 crore.
- The new facility at Batasingaram will be the second one that will supplement the growing logistics scene in the city.



GOVT HELP SOUGHT TO DEAL WITH PIRACY IN GULF OF GUINEA

- The Indian National Shipowners' Association (INSA), the local shipping industry lobby group, has sought the government's help to deal with pirate attacks in the Gulf of Guinea.
- Last week, pirates captured 15 seafarers & killed one off the Coast of Nigeria in the Gulf of Guinea.
- NSA has urged the govt to intervene in the matter at the highest level & take it to the United Nations Security Council (UNSC), where it currently holds the status of a non-permanent member.



"NORTH INDIA TO HAVE FASTER SHIPPING THROUGH RAIL GROWTH

- The Indian ports of Mundra & Pipavav are benefiting from the country's current rail growth,
- The rail growth includes the opening of the first stretch of a dedicated freight corridor (DFC), which is designed to speed up cargo flow.
- Since the launch, freight trains can run up to 100 kilometers per hour between Rewari in Haryana State & Madar in Rajasthan State.
- The connector is a part of a 1,506-kilometre DFC network that's almost complete



"UNPRECEDENTED YEAR" : AN END TO THE EQUIPMENT SHORTAGE

- For months, containers were extremely scarce across China & prices have skyrocketed to record highs, mainly as a consequence of unexpected demand for containerized goods created in the wake of global social lockdowns.
- How bad the situation was, can be seen in the Container Availability Index (CAx) developed by Container xChange, the index tracks millions of container moves to monitor & forecast equipment availability.
- "An index of 0.5 describes a balanced market, below 0.5 a shortage of containers"



Our new warehouse
at Taloja
has commenced
operations



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