



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

TRANSPAC CARRIERS PLANNING 'UNPRECEDENTED' BOOST TO CAPACITY



With eastbound container volumes on the transpacific continuing to surge through October and November, carriers are planning significant capacity increases on the tradelane as the route carriers are focusing on for volume growth.

Notwithstanding the industry's struggle to meet the demand for equipment in Asia, there seems to be no let-up in the strength of bookings, driven by spikes in online sales of home working and home fitness goods, which is encouraging carriers on the route to consider fresh GRIs during November.

Container spot rates from Asia to the US are currently some 190% higher for west coast ports than a year ago and around 100% higher for the US east coast.

FORWARDERS SLAM MAERSK: 'MOVING FROM SUPPLIER TO BECOMING A COMPETITOR'



Major forwarders may abandon Maersk over concerns that the line's new "integrated" business and "aggressive" strategy creates conflict of

interests, and that it wants to cut forwarders from its business.

Forwarders claim Maersk has become increasingly restrictive in offering named accounts, while Maersk Spot has taken the FAK business, making it increasingly difficult for forwarders to manage their portfolios and provide customers with rates. They also claimed that Maersk, declining to offer named accounts, instead went directly to the shippers involved.

ONE TO LAUNCH NEW INTRA-ASIA SERVICE IN NOVEMBER



The Singapore-based container line, Ocean Network Express (ONE) has announced its new weekly China - Indonesia - Malaysia (CIM) service.

ONE's new product will launch on 14 November and will offer direct connections from the southern part of China to Indonesia and Malaysia.

The rotation of the new CIM service will be Hong Kong - Nansha - Shekou - Surabaya - Semarang - Jakarta - Port Kelang - Hong Kong

This is the second new intra-Asia service that ONE has announced in October after the China - India - Pakistan (CIP) service, which commences today, 26 October.

OCEAN CARRIERS STILL HOLDING THE UPPER HAND WITH SPOT RATES SKY HIGH



Container shipping spot rates on the main deep sea east-west trades this week maintained the historic highs seen in recent weeks. The Shanghai Containerised Freight Index demonstrates that carriers continue to hold the upper hand as the annual round of contract negotiations on the Asia-Europe trades looms.

The SCFI's Shanghai-North Europe route ticked up \$16 per teu to end the week on \$1,100 per teu, while the Shanghai-Mediterranean leg nudged up \$22 per teu to \$1,261 per teu. The continuing strength of spot freight rates is almost certainly related to both equipment shortages in China and tight vessel capacity.



SEA FREIGHT

SHARP DECLINE IN SOYABEAN PRODUCTION; EXPORTS TAKE A HIT



Decline in the production of soybean during October 2019-September 2020 has resulted in limited availability of seeds for crushing and lower soyameal production during the Year.

However, high prices in the domestic market seems to have brought down the export of soyameal during the year.

The fall in soyameal exports was largely due to higher domestic prices compared to international markets. Furthermore, the rise in global stocks on back of US-China trade war, rise in output in Brazil and Argentina led to a fall in international prices, which in turn got a competitive advantage for these Latin American countries for cheaper availability of meals in the global markets.

CENTRE MAY PENALISE SHIPPING FIRMS FOR SPIKE IN FREIGHT RATES



- With exponential rise in freight cost hurting Indian exports, the government is set to intervene and is considering penalising shipping companies indulging in unethical practices.
- Commerce and industry minister Piyush Goyal is learnt to have asked the ministry of shipping to increase shipping lines into India to raise competition so that it benefits exporters. Facing an almost 60 per cent hike in freight cost since July, exporters have been urging the government to intervene and regulate operations of shipping companies.
- The shipping ministry is expected to take up the issue of freight cost with shipping companies and is mulling penalising those indulging in unfair trade practices. The issue is severely hurting Indian exports and is being taken up by the government on priority.

ASIAN OPERATORS LAUNCH NORTH CHINA-WESTERN INDIA SERVICE



- A group of intra-Asia carriers is launching a joint service that links China, the Straits, Western India and Sri Lanka.
- The weekly service will commence in mid-November and will be operated by Interasia Lines of Japan, Taiwan's Wan Hai Lines, Singapore-based Feedertech and South Korea's Sinokor Merchant Marine
- The service loop is Dalian, Shanghai, Ningbo, Hong Kong, Shekou, Singapore, Port Klang, Colombo, Nhava Sheva, Mundra, Port Klang, Shekou and Dalian



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AIR FREIGHT

AIR FREIGHT RATES ON THE UP AGAIN, DRIVEN BY MORE DEMAND FOR LESS CAPACITY



- Forwarders are reporting that air freight rates are still on the rise driven by demand from distressed sea freight, e-commerce, hi-tech launches and general retail.
- There's been a \$2 increase over past two weeks and it's climbing from China to Europe and the transpacific. November will also look as though as it will be incredibly busy as e-commerce begins to kick-in further.

AIR CARGO NOT READY FOR 'BIGGEST PRODUCT LAUNCH IN HISTORY' – THE VACCINES



- The air cargo industry is not ready for what one of Tiaca's directors described as the 'biggest product launch in history', the distribution of Covid-19 vaccines.
- Tiaca and Pharma Aero conducted a survey last month which found that only 28% of respondents were 'well prepared' for the undertaking, while 19% described themselves as 'very unprepared'. On a preparedness scale of one to ten, the survey produced an average of 6.32, with the biggest area of concern being the handling and storage of vaccines that require deep refrigeration. It was also reported that only 15% say they can handle vaccines that require minus 80 degrees storage.
- The survey revealed concerns about a number of risks, from temperature excursions and lack of visibility, to capacity shortages and insufficient cool chain ground infrastructure. Common during downturns which is rare at the start of an economic upturn

TRANSPORTATION

RAILWAYS TO SLASH RENTALS, CONCOR SALE TO GET A LEG-UP



The Lease rates for industrial use of the railways' surplus land may be slashed across the board soon with an extension of the licence period to 35 years from 5 years now for private players. The move could not only encourage commercial use of these land parcels, including as real estate, but could also boost investor interest in Container Corporation of India (Concor), which is being sold to a strategic buyer in the current financial year.

NO E-WAY BILL AFTER 15 OCT FOR TAX DEFAULTERS



- The Central Board Indirect taxes and Customs (CBIC) has clarified that the E-way bill generation facility will be blocked for taxpayers who will fail to file their GSTR-3B returns, for a consecutive period of two months or more.
- The provision will be applicable to taxpayers with Aggregate Annual Turn Over (AATO, Pan Based) more that INR 5 Crore.
- For example- if a taxpayer with AATO of Rs. 5 crores or more has not filed his GSTR-3B for the month of Sept and Oct 2020 then he will not be able to generate the E-waybill for dispatching the goods from all the registrations under his PAN. Even the consignee or transporter will not be able to generate the E-waybill for such defaulters.



Botched digital customs clearance no help to congestion-hit trade in India

A botched digitalisation programme has caused long customs clearance delays in India, exacerbating the country's container shortage crisis. The 'faceless assessment' initiative has been rolled out at ports across India since June, to implement contactless and paperless customs clearance.

However, clearance times have increased since the launch, with importers and exporters facing numerous hidden costs. Imports are hurt more than exports, Examination orders for 100% of imports are raised, unlike earlier, Moreover, there is no proper method or guidance for bills of entry or reassessment. Faceless assessment was designed to bring an end to illegal gratification, whereas the results are the opposite. Brokers are forced to appoint middlemen to look after their assessment work at other ports, resulting in additional costs indirectly passed onto importers as Customs hold up shipments with unnecessary queries and examination orders.

The officers are not familiar with the new arrangement and are not keen on assessing the shipment and insisting on submission of more documents closure of the Queries raised by customs takes time to get cleared this is delaying the Clearance resulting the Traders are forced to pay heavy demurrage and container detention charges for no fault of theirs.

Importers were already suffering due to Covid restrictions and low demand in the domestic market and are left with no choice but to fulfill the demands of the assessing officers just to save their business.

Some of the industries which have been severely impacted are automobiles & auto ancillary, electrical machinery, metals, chemicals and medical equipment

Due to the new system, customs clearance is taking a long time. Moreover, the government is trying to encourage domestic manufacturing and restrict the import of goods. As per sources, the delays may be resolved in the coming weeks, but until then importers "need to bear additional expenses towards detention and demurrage, documentation, and 'under the table' expenses".



Industry Special

DGCA EXTENDS SUSPENSION OF INTERNATIONAL FLIGHTS TILL NOV 30

The suspension of scheduled international passenger flights has been extended till November 30th amid the pandemic as per the latest announcement from the Directorate General of Civil Aviation.



However, the international scheduled flights will be allowed on selected routes by the competent authority on case-to-case basis.



GOVERNMENT BANS EXPORT OF ONION SEEDS

The Commerce Ministry banned exports of onion seeds with immediate effect amid rising prices of the bulb in the domestic markets. Earlier, the export of onion seeds was in the restricted category.

JNPT OPENS NEW CENTRALISED PARKING PLAZA

For container tractor trailers with Customs facilitation, as part of its efforts to promote ease of doing business.



The plaza has been built exclusively to integrate the parking of tractor trailers carrying factory stuffed export containers at one location instead of at multiple locations earlier.

The plaza system will ease the movement of container trucks on JNPT roads and will help the respective terminals plan their tractor trailer movements in a better way.

Summary of Circulars

You can read the summary of various supply chain circulars here

[Sea Import](#)

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[Sea Export](#)

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Food for Thought

How much time will it take for India's Faceless Custom Clearance process to be 100% Efficient?

We would love to hear from you.

Write to us at: care@cargosol.com



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