NEWSLINE

Cargosol strives towards the highest level of **'Compliance'**

Our team takes pride in creating an experience of **Customer Satisfaction**

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

THIS ISSUE

SEA FREIGHT

CONTAINER SHORTAGE CRISIS SPREADS TO INTRA-ASIA TRADES, LEADING TO PRICE SURGE

- Container shortage has hit intra-Asia trades as carriers prioritise transpacific profits. The Intra-Asia tradelane is the largest in the world with around 100 port pairs and carries 30 million Teus per year.
- These previously low-cost shipping routes are now seeing an increase in freight rate and carrier surcharges due to the lack of equipment and space caused by blank sailings.
- Given the circumstances, rates will continue to surge until the Chinese New Year holiday in early February.

MORE PAIN FOR SHIPPERS AS OCEAN RATES SOAR & CARRIERS LOAD SURCHARGES

- Container rates across main and secondary tradelanes are exploding with no hope of easing the pain for ocean freight shippers in the coming weeks or possibly months.
- The only cloud on the horizon for carriers, is the impact on demand from new lockdowns in Europe. With many retailers shut for weeks, orders from Asia to be possibly paused or cancelled.
- There is no sign of demand on the route running out of steam, with import volume forecasts for various ports showing substantial year-on-year increases in November and despite carriers deploying extra loaders, rates continue to hold steady at record levels.

MORE BLANK SAILINGS AS HAPAG-LLYOD SETS NEW ASIA N-EUROPE FREIGHT RATE

- The Alliance plans to blank a quarter of its Asia-North Europe sailings in the first week of December, coinciding with lead line Hapag-Lloyd's plans to hike its rates on the route by 70%.
- The carrier advised customers that its FAK rate from Asia to North Europe from 1 December – excluding the UK – would increase by $2,000, to $4,890 per 40ft high-cubed
- (H/C).For the UK, Hapag-Lloyd's FAK rate will be $5,390, and for west Mediterranean ports the same increase will be applied to take the rate to $4,910.
- Moreover, the line is to add an MFR (marine fuel recovery) surcharge of $310 and $296 for North Europe and the Mediterranean respectively.

MSC ON 'MASSIVE BUYING SPREE OF SECOND HAND TONNAGE' TO BUILD CAPACITY

- MSC has embarked on a massive buying spree of second-hand tonnage worth around $180m, anticipating asset price rises, on the back of a fast-improving charter market.
- With the containership charter market virtually sold out across all sizes, MSC is continuing to expand its fleet with a series of opportunist boxship purchases thereby thereby closing the capacity gap on its 2M partner, Maersk.
- With its recent purchases, MSC has further narrowed the capacity gap with Maersk, which now stands – with its orderbook – at some 160,000 teu, a margin that could easily be overcome with an order of new ULCVs.

AIR FREIGHT

NEW SERVICES TAKE OFF - BALANCES TRANSATLANTIC CAPACITY SHORTFALL

- A continued dearth of capacity on the transatlantic has seen Delta launch daily cargo-only flights and it would operate a 767-400 daily between New York and Madrid, providing customers with capacity to ship fashion goods to the US ahead of the holiday season.
- In addition it will operate a a cargo-only A330-300 between New York and Dublin three times a week and is starting a service between New York and Atlanta to Mumbai, via Frankfurt.
- As there is a high demand for pharmaceutical shipments from India because of the Covid-19 pandemic, Delta's cargo solution expects to keep vital supply chains moving to the US.

AIR CARGO DELAYS AS COVID SHUTS WEST TERMINAL AT SHANGHAI PUDONG AIRPORT

- Freight delays are expected at Shanghai Pudong Airport after a cargo worker was found to have tested positive for Covid-19 and the West Terminal of Shanghai Pudong Airport was closed and it requires Covid-19 testing for all involved persons.
- All import and export cargo movements will be affected and operations have been delayed. The airport listed the affected airlines as Emirates, China Airlines, China Southern, China Cargo Airlines, Nippon Cargo, Korean Air Lines, Silkway West and ASL

VACCINE IS GOOD NEWS ? BUT ARE SUPPLY CHAINS COLD ENOUGH TO HANDLE IT ?

- The good news of Pfizer and BioNTech's Covid vaccine has been tempered by the requirement of storage at -70C or below – a tough challenge for the logistics business.
- A recent survey by phamra.aero and Tiaca found that only 15% of respondents said they could handle vaccines that require -80C storage, while fewer than half said they could handle minus-zero in all their locations.
- As per Gln Hughes, Head of IATA cargo, to maintain supply chain integrity and temperature control from the manufacturing site for the entire journey will require all parties to work together and the biggest challenge will be the final mile.

AMAZON AIR TAKES OFF IN EUROPE - CREATING 200 NEW JOBS

- Amazon Air has taken off in Europe with two converted 737s, operated by ASL Airlines, with a third expected to join the fleet shortly.
- The e-commerce giant launched its European operations from Leipzig/Halle Airport, where it has built a 20,000sqm cargo facility with flights between Cologne, Madrid and Malpensa, Shannon andr Leipzig.
- The third aircraft is currently in Shanghai, where it arrived on 25th September for conversion.

FORWARDERS DIGITALLY REINVENTING THROUGH COVID ARE AHEAD OF THEIR GAME

Freight forwarders who digitally “reinvented” themselves to get through the Covid crisis are set to outpace risk-averse rivals. These forwarders took advantage of this year’s volatile events and implemented digitisation projects “they could no longer put on the back burner”.

Forwarders who reinvented parts of their processes and made themselves more accessible to customers, will be ‘picking the fruit’ [of these investments] when things settle down in a few months’ time.”

On the other hand, more “risk-averse” forwarders that had put off digitisation projects had been left behind and they are expected to have a hard time, because part of it being risk management and what is seen now is the need to have digital solutions in order to manage these kinds of risks

As per studies, investing in tech is going to be the way to go, as international logistics have been a little behind the rest of supply chain and the Covid crisis had highlighted the difficulties the industry had with efficiently providing freight rates.

TRANSPORTATION

MINISTRY OF SHIPPING RENAMED TO MINISTRY OF PORTS, SHIPPING & WATERWAYS

- The GOI's focus on this sector backed by the consistent efforts with the view to make India more self-reliant will definitely bear fruit in the forthcoming years.
- As rightly highlighted - the government's focus is to reduce the cost of logistics and to create such an ecosystem where the seamless movement of cargo is ensured.

RAILWAYS BEAR THE BRUNT OF GUJJARS, PUNJAB FARMERS PROTESTS

Protests against the farm reform laws caused a steep 11 % drop year-on-year in Northern Railway’s business in October. Another protest seeking caste reservation for the Gurjar community threatens to disrupt business of a neighbouring railway zone –West Central Railway.

- CORPORATE HR - FRONT OFFICE & ADMINISTRATION - MUMBAI
- CUSTOMER SERVICE EXECUTIVE- CORPORATE KEY ACCOUNTS - MUMBAI
- CUSTOMER SERVICE EXECUTIVE- PUNE
- DOCUMENTATION & CUSTOMER SERCVICE EXECUTIVE - NVOCC - EXPORT/IMPORT,CROSS TRADE
- AIR EXPORT - DOCUMENTATION AND CUSTOMER SERVICE - MUMBAI

SUMMARY OF CIRCULARS

You can read the summary of various supply chain circulars here

SEA IMPORT **AIR FREIGHT**

SEA EXPORT **TRANSPORT**

INDUSTRY SPECIAL

INDIAN RAILWAYS REPORTS 15% FREIGHT, 9% EARNINGS YOY SURGE IN OCT 2020

- In October 2020, Indian Railways loaded 108.16 million tonnes of freight which is 15% higher compared to last year's loading 93.75 million tonnes for the same period.
- Business development units at zonal & divisional levels and the near doubling of freight speed is contributing to sustainable growth momentum in spite of blocked freight services in Punjab.

NHAI INVITES BIDS FROM BENGALURU-CHENNAI EXPRESSWAY TO PUSH LOGISTICS CONNECTIVITY

The project will provide high speed and seamless connectivity to two upcoming logistics parks in Bengaluru and Chennai, commencing in February or March. This four lane expressway project in south India will boost logistics movement, gaining more importance in recent times.

JNPT RECORDS GROWTH IN CONTAINER TRAFFIC BY 11.24% IN OCTOBER OVER LAST MONTH

- The Jawaharlal Nehru Port Trust (JNPT) at Navi Mumbai handled 423,155 TEUs in October, registering a growth of 11.24% in October 2020 compared to previous month and growth of 5.10% over the same month last year.
- Out of this, 52,087 TEUs were handled at JNPCT (3.37%), 64,254 TEUs at NSICT (+77.78%), 153,548 TEUs at APMT (-7.50%), 80,500 TEUs at NSIGT (-5.32%) and 72,766 TEUs at BMCT (+11.82%). (% variation over same month LY).
- The overall traffic handled was 5.73 million tons (MT) during October compared to 5.44 MT in October 2019, posting a growth of 5.37%.

RO-PAX TERMINAL AT HAZIRA : A STEP IN THE RIGHT DIRECTION

- Prime Minister inaugurated the Ro-Pax terminal at Hazira and flagged off the Ro-Pax ferry service between Hazira and Ghogha in Gujarat through video conferencing. This marks a big step towards the government's vision of harnessing waterways and integrating them with the economic development of the country.
- The move is touted to be a step in the direction of bolstering multimodal connectivity in the state of Gujarat. About 80,000 passenger trains and 30,000 trucks will be able to take advantage of this new service in a year.
- The Ro-Pax service will reduce fatigue of the truck drivers and enhance their incomes by giving them more opportunity to do extra trips. It will also lead to reduction in CO_2 emission by approximately 24 MT per day and net saving of approximately 8653 MT per annum.

GLOBAL TRADE CRISIS LEADS TO DROP IN INDIA'S EXPORTS IN OCTOBER

- India's merchandise exports slipped into contraction mode in October as global trade continued to struggle under the shadow of the coronavirus pandemic.
- As per preliminary trade data released by the Commerce and Industry Ministry on Tuesday, imports of goods also cut down by 11.5% last month, , taking the overall imports between April to October to $182.29 billion, 36.3% lower than the same period last year.
- Outbound shipments contracted 5.4% from a year earlier to $24.82 billion, after a brief respite in September when exports had shot up 6% to counter a six-month-long contraction.
- Merchandise exports in the first seven months of the current financial year amounted to $150.07 billion, a 19.1% contraction from the year-earlier period.

FOOD FOR THOUGHT

Is investing in technology a game changer for logistic providers ?

We would love to hear from you!
Write to us at
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