



### **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**

#### CHARTER MARKETS FOR CONTAINER VESSELS PICKING **UP WITH 'OWNERS SEEING REVENUE SIGNS'**

A further 65 vessels, of total 155,350 teu capacity, have found employment in the past two weeks, driving charter rates to new highs



- 10 At 644,293 teu 2.7% of the global containership fleet - idle tonnage has slumped from around 1m teu just a month ago, reflecting the aggressive strategy of ocean carriers to charter virtually any size ship to take advantage of skyrocketing freight rates on many trades.
- The strength of demand for tonnage from the liners has resulted in daily hire rates for some sectors hitting all-time highs, with, in particular, adaptable panamax 4,000-5,000 teu vessels able to command rates of up to \$20,000 a day, nearly 200% higher than the market rate at the start of the pandemic.

#### 2M RESTORES TRANSPACIFIC CAPACITY AND PLEADS FOR **RETURN OF EMPTY CONTAINERS**



The 2M is the latest container shipping alliance to return more capacity to the transpacific trades

- 2M partners Maersk and MSC have forecasted a strong demand and volumes with imports into the US and plan to return more capacity to the transpacific trades.
- 10 The TP8/Orient and TP11/Elephant services, which had been "structurally blanked in the second quarter" have been reinstated and that the number of blanked sailings during China's Golden Week holiday would be lower than normal this year.

#### ASIA-US SPOT RATES PUSHED TO NEW HIGHS, DESPITE WARNINGS FROM CHINA AND FMC

- Oontainer spot rates from Asia to the US, including space guarantees and equipment priority fees, have topped \$4,000 per 40ft to the US west coast and \$5,000 to the east coast.
- Despite "guidance" by the Chinese Ministry of Transport and a warning by the US Federal Maritime Commission (FMC), several carriers have pushed ahead with their 15 September GRIs.

#### WEC LINES TO LAUNCH NEW IBERIA-UK SHORTSEA CONTAINER SERVICE

specialist Iberian shortsea container line WEC Lines is the latest operator to offer UK importers and exporters supply chain sustainability with the launch of its new Bilbao Shuttle service linking Immingham,



Teesport and Thamesport with the northern Spanish hub port of Bilbao.

Starting on 24 October, a weekly departure and arrival from each UK port will see containers arrive in Bilbao on a Tuesday, for delivery throughout Spain prior to the weekend via its intermodal connections to and from Zaragoza, Barcelona, Valencia and Madrid, with the vessel returning from Bilbao on Wednesday



#### CARRIERS IMPOSE RESTRICTIONS AS CONTAINER SHORTAGES IN ASIAN PORTS GET WORSE

All the major carriers are experiencing equipment shortages at Asian ports with

- popular 40ft high cubes in particular short supply at Chinese depots resulting with the many carriers introducing restrictions on the release of empty containers prior to the intended shipment.
- The equipment availability in today's situation is more about "what you are prepared to pay", with some lines introducing a "box priority fee", payable at the time of booking.

#### MAERSK FIRST TO CANCEL GRI AND CUT TRANSPACIFIC RATES AS CHINA WADES IN





- Dast week, Chinese authorities planned to interfere in pricing and capacity management on the transpacific as rates soared to record highs. Cosco/OOCL also cancelled its September 15 GRI plan and other carriers are expected to follow Maersk.
- The rate cuts were in response to decisions made at a conference for Chinese authorities to limit capacity management and high rates, in an attempt "to further stabilise foreign trade and maintain the stability of the international container liner markets such as China and the United States".



#### **AIR FREIGHT**

# CMA CGM ENTERS INTO AIR FREIGHT SECTOR WITH 30% STAKE IN FRENCH AIRLINE GROUP



- OCMA CGM has entered the air freight transport sector, agreeing to purchase a 30% stake in France-based Groupe Dubreuil Aéro (Air Caraibes and French Bee)and will inject €50m (\$58m) into Groupe Dubreuil Aéro's share capital, providing the deal is cleared by regulatory authorities.
- The two companies said the investment was prompted by Groupe Dubreuil Aéro's need to expand its freight business, following the collapse of passenger numbers since the onset of the pandemic.

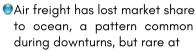
# PHARMA, PERISHABLES AND E-COMMERCE DRIVING AIR CARGO RECOVERY IN INDIA

India's air cargo market is gathering steam, with exports leading the recovery,post-lockdown.



● The air cargo recovery has been mostly driven by a strong export market mainly due to pharmaceuticals, perishables and e-commerce. Mumbai International Airport (MIAL) saw 18,820 freighter movements between April and August, with general cargo volumes up 278% to 72,000 tonnes.

#### CAPACITY-CONSTRAINED AIR CARGO MAY BE HIT HARD BY PEAK SEASON MODAL SHIFT







- Cheaper, slower sea freight becomes more attractive to shippers at the bottom of the cycle, but that air cargo rebounds when businesses need to rapidly refill inventories which did not happen
- As sea freight sees some of its highest prices, container lines have added express services, while rail is also experiencing strong volumes, suggesting shippers may turn to these modes during the peak season as air freight grapples with low capacity.



# AIRLINE ALLIANCES - A SHADOW OF THEIR FORMER SELVES. BUT CARGO FLIES

Six months into the Covid-19 era, airline networks are still a shadow of their former selves as most international

routes to second-tier airports remain suspended and the resurgence of infections in recent weeks has delayed hopes for a speedy recovery of passenger flights.

- With networks severely curtailed, airlines are struggling to offer attractive service to destinations typically served by A330 or B787 passenger aircraft and in most cases the best option is to fly the freight to a major gateway that the carrier in question still serves and put it on a truck from there.
- This has given an advantage to airlines that have set up strong partnerships, ideally metal-neutral joint ventures where revenues are shared.

### TRANSPORTATION



#### MAHARASHTRA TO ROLL OUT STATE-WIDE ANTI-CORRUPTION HELPLINE FOR THE BENEFIT OF TRANSPORTERS

Maharashtra's state transport commissioner recently said that there will be zero tolerance towards corrupt RTO officials and for overloading of vehicles on highways. He further said that soon a state-wide toll-free helpline for redressal of corruption and other issues will be introduced.



# Container shortage crisis spreads to India delaying exports

A container shortage in India is causing long delays for exporters, especially on US trades. The operational impact from the creeping equipment shortage in Asia – dominant headhaul traffic has caused empties to pile-up at ports in the US and Australia. The swift return of used import boxes is slow due to the drop in volumes adding to the equipment positioning issues.

The drop in import volumes from China after trade restrictions were imposed by the government has further aggreviated the situation in India at both the port and ICD Locations.

Cargo volume from India to the US is extremely strong, as US importers look to replenish inventory depleted during the shutdown period in India, in response to Covid-19"

Most of the most direct and transhipment services to the US east and west coasts from the major gateway ports of Nhava Sheva (Mumbai) and Mundra were impacted, with transhipment further exacerbated by the tight space from Asian transhipment hubs .The carriers have started to offer guaranteed space surcharges of US\$750 per container, similar to the 'no-roll' premiums found on the deepsea trades over the past couple of months.

It is reported that the shortages are bigger if the Shippers have to plan their cargo from dry-ports of central and western India with a is waiting period to get bookings and containers for one or two weeks on certain sectors. Shipments planned in large volumes like marble, rice and other agro commodities are also getting delayed along with the shipments of pharmaceutical companies.

Due to the above, the current ocean freight market iss experiencing spiralling costs caused by shipping lines implementing increased surcharges, blank sailings and rolled cargo. Shipping lines are also changing ocean freight rates very frequently – within seven days, instead of maintaining them for a month which was the case previously.



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### **Industry Special**

# INDIA MAY LIFT ONION EXPORT BAN AND RESUME SUPPLIES TO BANGLADESH AND OTHER COUNTRIES

talks have begun on working out an arrangement.

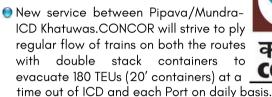
It is believed that India is now considering to resume the export of onion to Bangladesh and a few neighbouring countries by embracing the 'neighbourhood first' policy. Amid the ban, a major spike in onion price was witnessed in Bangladesh which is a major importer of India's onions. However, it is believed that the Centre is yet to make a decision but



# LOK SABHA PASSES MAJOR PORT AUTHORITIES BILL, 2020: SIGN OF RELIEF TO SHIPPING INDUSTRY

On Wednesday, Lok Sabha passed the Major Port Authorities Bill, 2020 Under the Major Ports Authorities Bill 2020, every port will now be governed by a Port Authority which will have the powers to fix reference tariffs for various port services. They may determine rates for: (i)services that will be performed at ports (ii)the access to and usage of the port assets, and (iii)different classes of goods and vessels, among others.

# CONCOR INDUCTED "SCHEDULED ROUNDTRIP" DOUBLE STACK CONTAINER TRAINS"





CONCOR is also expecting to commence scheduled train for Jaipur and Dadri soon.

# CHENNAI PORT : NEW 7 DAYS GATE-IN TIME FOR EXPORTS ON A TRIAL BASIS TILL OCTOBER 15.

(CHPT) who were currently operating five days carrying time for two terminal operators — DP World and PSA Singapore, has



now extended and allowing seven days carrying time on a trial basis till October 15.To avoid the peak hour rush,the extension expected to facilitate more time for exporters who can move the trailers in advance

#### **Summary of Circulars**

You can read the summary of various supply chain circulars here













### **Food for Thought**

How long the Indian Market will take to overcome the Container Inventory shortage situation?

We would love to hear from you.

Write to us at: careacargosol.com





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