



## NEWSLINE

Cargosol - a full-service freight forwarder catering to all your **Domestic & International** transportation requirements, with **maximum responsiveness** to freight needs.



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

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# SEA FREIGHT



## OCEAN RATES STEADY DESPITE SOFTER DEMAND

- Steady container spot rates (Asia-Europe) since 2 weeks assist carriers to lock-in shippers with contract rate hikes.
- On the transpacific, no let-up in demand & BCOs struggling to secure new deals with carriers.
- According to the Asia-North Europe component of the FBX, the rate for a 40ft edged down, to \$7,947, from \$8,004.



## NO POST-CNY EASING OF CONTAINER SHORTAGES

- Shippers & forwarders trying to find equipment for shipments out of China hoped CNY would allow time to stock boxes to ease supply chain pressure.
- However, it is expected that the equipment will be utilized by last week Mar or early Apr.
- Again facing container shortage similar to pre-CNY, with boxes demand outstripping supply.



## VIETNAM SLOW RECOVERY : STEEP RATES & BOX WOES

- Vietnamese goods demand is higher - only multinationals can afford the steep freight rates.
- 1) SMEs opting for short-term storage (warehouse space)
- 2) SMEs unable to secure containers, since they do not have the same importance or volume as the multinationals."



## SHIPPING GROUPS : PLAN TO DRIVE DECARBONISATION

- The govts of Georgia, Greece, Japan, Liberia, Malta, Nigeria, Singapore & Switzerland submitted a "moon-shot" plan to the IMO's MEPC to establish Research Fund - \$5bn.
- Shipping groups BIMCO, CLIA, IMCA, INTERCARGO, INTERFERRY, the International Chamber of Shipping, INTERTANKO, IPTA & the World Shipping Council support the fund to meet UN commitments.



## DEFERRING DRY-DOCKING COULD COST SHIPOWNERS

- Increasing tendency to defer dry-docking operations to keep vessels trading could be building unseen congestion pinch-points for the industry.
- A number of vessels due to be dry-docked this month & last had remained trading as liners sought to clear cargo backlogs & capitalize on sky-high freight rates.



## CHITTAGONG DOUBLES STORAGE RENT

- Chittagong Port Authority (CPA) doubled rent for FCL import containers in the port yard for more than 11 days.
- The number of FCL containers at the port yard exceeded its designated capacity of 34,864 teu, forcing the port authority to store them at places allocated for other boxes.
- This is disrupting Bangladesh's prime gateway.



## CMA CGM TO BUY STAKE IN ALGECIRAS CONTAINER TERM

- France's CMA CGM Group to acquire a 50% interest minus 1 share in Spain's TTIA container terminal from South Korean line HMM.
- CMA CGM Group, HMM and DIF Capital Partners will join forces to support and develop the terminal.
- This new equity position strengthens the CMA CGM Group's status as a leading port terminal operator.



## CARRIERS EYE HIGHER CONTRACT RATES

- Container spot rates from Asia-Europe & Asia-US eased back from their record high.
- Carriers prefer long-term rates with BCOs than forwarders.
- According to FBX, the rate for a 40ft from Asia-North Europe declined 3.3%, to \$8,037, but for Mediterranean ports, the rate was off by just \$37, to \$7,925.

# AIR FREIGHT



## CMA CGM AIR SIGNS UP WITH DIGITAL BOOKING PLATFORM

- CMA CGM launched its cargo services & has joined a booking platform.
- It acquired 4 A330-200 freighters from Qatar Airways to be operated by Air Belgium, from Liege to Chicago O'Hare, via CargoAi's booking platform.
- Ceva would take 25% of the available capacity & the rest will be sold by global GSA, ECS Group.



## US-UK SUSPEND LARGE AIRCRAFT TARIFFS

- US & UK to suspend tariffs on large aircraft for 4 months.
- The UK stopped retaliatory tariffs on Boeing in Jan & awaiting a negotiated settlement between Boeing & Airbus.
- The suspensions will address the challenges posed by new entrants from non-market economies, such as China.



## AIRLINES BUILDING REVENUE THROUGH MULTICHANNEL SALE

- Cargo airlines are increasingly embracing multichannel sales approach to cater to all types of customer
- 1) To ease business for customers
- 2) Providing convenience & speed to the market



## AIR CANADA CARGO LAUNCHING E-COMMERCE SERVICE

- Air Canada is jumping into e-commerce with a dedicated domestic service, boosting capacity for international cargo.
- AC was the first airline to remove seats to increase payload capacity & has been using 4 777s & 3 A330s in this configuration.



## HOT FREIGHTER CONVERSION MARKET

- Conversion lines, turning passenger aircraft into cargo planes, are at full throttle - from 737s to 767-300ERs.
- However, question marks over 777 conversions and no replacement for the 747 in sight.



## CAREER OPPORTUNITIES

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

[CUSTOMER SERVICE EXECUTIVE - DELHI](#)

[CUSTOMER SERVICE & DOCUMENTATION - NVOCC - MUMBAI](#)

## SUMMARY OF CIRCULARS

[SEA IMPORT](#)

[TRANSPORT](#)

[REVALIDATION OF SELF SEALING PERMISSION](#)

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

[SCMTR REGISTRATION RELATED ISSUES : CLARIFICATION](#)

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## Will container shipping sustain profitability ?

Ocean carriers are enjoying a bull run of profitability - thanks to demand spikes & inflated freight rates. There is a unique opportunity for them to break out of the boom-and-bust industry cycle.

The container shipping industry enters into a new era of sustainable profitability. It is within power of the Shipping Lines to balance capacity against demand, hold the line on pricing & opportunistically pursue industry consolidation through mergers, acquisitions & liquidations.

Carriers will be challenged to maintain discipline & hold the line on rates, to refrain from ordering new vessels & to firm up their balance sheets when if acquisition opportunities arise. They have improved their liner capacity management as carriers have “increased blank sailings, reduced sailings speeds & suspended service on some routes.

Lastly, the carriers appear confident they will be able to hold up rates beyond the end of the year & that demand will remain tight, given their aggressive activity in the second-hand tonnage market and their willingness to go for ever-longer periods with chartered tonnage.

## FOOD FOR THOUGHT

**Will carriers break free of the ‘boom-and-bust’ markets to stay profitable?**

**We would love to hear from you! Write to us at [care@cargosol.com](mailto:care@cargosol.com)**



**WEST COAST PORT  
CONGESTION : UNTIL SUMMER  
PEAK SEASON**

- Major port & landside congestion at US west coast ports could last until the summer peak season.
- The supply chain disruptions on the transpacific were “temporary issues which would be resolved in the long-term.”
- According to port of Los Angeles Signal port optimizer data, the average time ships are waiting at an anchorage for a berth is now almost 8-12 days.



**NO RELIEF FOR PERISHABLES  
SHIPPERS: REEFER RATES WILL  
STAY HIGH INTO SUMMER**

- From 1 April, Hapag-Lloyd will raise rates for general and reefer containers from Egypt to Latin America.
- Higher rates will kick in at MSC for cargo going from Australia, the Middle East & the Indian subcontinent to the US as well as from the US to Latin America.
- Reefer units have been in short supply, lagging demand because of the slower circulation of boxes caused by reduced productivity at ports owing to Covid-19 measures & the ensuing congestion at terminals.



# INDUSTRY SPECIAL



## STEPS TO EASE CONTAINER SHORTAGE & TRADING

- Biggest exporters in Asia are intervening to alleviate a shipping container shortage jeopardizing overseas trading.
- Govt-owned Indian Railways has moved empty boxes to inland depots like Delhi from seaports for free.
- South Korea has deployed an extra 9 vessels on the Trans-Pacific route to help local manufacturers while Cosco Shipping Heavy Industry, has converted at least 1 freshly built paper-and-pulp carrier to transport the containers.



## NATIONAL LOGISTICS POLICY AT THE 'NEAR-FINALISATION STAGE'

- The Commerce Ministry will soon be sending the draft National Logistics Policy to the Cabinet for approval.
- Proposed by the FM in 2019 aims to promote seamless movement of goods across the country.
- The policy is at the near-finalization stage.



## TAX CUTS ON FUELS CAN RELIEVE THE ROAD FREIGHT

- The road freight segment is now grappling with the ever-increasing high diesel prices.
- The industry, while urging the govt to grant relaxation for their quick and smooth recovery, expects the government to allow the logistics sector to claim input tax credit (ITC) on fuel purchases to help reduce the cost.



## ADANI PORTS WINS RS.310 CR DEAL FROM DEENDAYAL PORT TRUST

- Adani Ports and Special Economic Zone Ltd (APSEZ) has won a dredging contract valued at Rs 310 Cr. from Centre-run Deendayal Port Trust in Kandla, Gujarat.
- APSEZ's price quotation was 21% lower than the Rs.393 Cr. estimated by Deendayal Port Trust for the work.
- APSEZ was awarded the work contract on Mar 10, Deendayal Port Trust sources said.

## TRANSPORT



## TRUCKERS BODIES SEEK TO PENALISE THOSE NOT RAISING FREIGHT RATES

- Truckers bodies seek to penalize those not raising freight rates.
- As fuel costs soar, truckers bodies across States are
  - 1) Asking their members to start charging higher rates
  - 2) Seeking to impose penalty on those who are not increasing the freight rates & instigating no cooperation.
- The Youth Federation of Raipur, Chhattisgarh, whose members are also part of larger truck unions, is the latest to come out with such a directive.

## RAILWAYS LOADS MORE IN FY21 THAN LAST FISCAL

- The Indian Railways loaded 1,145.69 million tonnes (mt) this fiscal year, crossing last financial year's total of 1,145.61 mt.
- This growth in freight handling this fiscal is despite a drop in loading of coal : Additional Member-Traffic, Railway Board.
- Traditionally, coal – mainly for power plants – has accounted for the largest chunk of the Railways' freight loading.





## CONTACT US:

5th Floor, Swaroop Arcade, Opp  
Adarsh Industrial Estate,. Sahar  
Road, Andheri-East, Mumbai -  
400069 Maharashtra, INDIA

[www.cargosol.com](http://www.cargosol.com)

[sales@cargosol.com](mailto:sales@cargosol.com)

+91-22-6612 6000

## FEEDBACK

[care@cargosol.com](mailto:care@cargosol.com)

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*At Cargosol, we take pride in our women! They are the key pillars - the architects who strengthen our foundation.*

*Their individuality brings about a transformational change in the Cargosol culture.*

*We are proud to have such empowering Cargosolites paving the path to our glorious success*

