



NEWSLINE

Cargosol is **'Committed'** to establish proud associations with employees, customers & vendors. Through **'Consistent Efficiency'**, we strive to simplify trade logistics.



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

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SEA FREIGHT



BOOST FOR AIR & RAIL FREIGHT AFTER THE SUEZ CANAL CRISIS

- Due to the Suez Canal blockage by Ever Given, air, sea-air & rail freight demand to rise on Asia-Europe lanes.
- Rail express is the shipper's next resort; however, it is overbooked on both eastbound and westbound.
- Forwarders are relying on air to take the brunt of the demand, since it thrives in chaos.



SHIPPING RATES TO SOAR, WITH A NEW CAPE SURCHARGE

- Due to the Suez Canal blockage, container spot rates (Asia-Europe) to surge again due to obliged blank sailings.
- Shipping lines are considering introducing a Cape surcharge for vessels that are diverted around Africa.
- This is to recover the extra cost of bunker fuel consumed in the additional 7 to 10-day transit.



CPA DEMANDS CLEARING OF DANGEROUS GOODS IN YARDS

- Bangladesh's Chittagong Port Authority (CPA) to quadruple storage charges for dangerous goods container to clear the port dealing with rising volumes of hazardous materials.
- The authority issued a penalty set to come into force on 1 April, fearing a potential Beirut-style catastrophe.



SHIPOWNERS START TO ORDER NEWBUILDS AGAIN

- New shipbuilding contracts were signed while managing structural overcapacity.
- New orders in 3 vessel sizes: 29 megamax (24,000 teu); 60 "maxi neo-panamax" vessels (15,000-16,000 teu size); & 21 compact neo-panamax vessels.
- Around 80% of the new orders had been placed by NOOs & vessels lessors, & Evergreen, OOCL & Hapag-Lloyd.



CONTAINER SPOT RATES SPARK EMERGENCE OF 'DARK SIDE'

- Ocean carriers cracked by spike in fraudulent bookings driven by FAK rates from Asia & forwarders are gaining business from shippers based on "speculative" quotations.
- MSC said it would implement a misdeclaration fee of \$1,000 per container for Asian exports worldwide for "any misuse of contract", effective yesterday (20 April to the US).



TECH SOLUTIONS TO HELP EASE CONGESTION AT PORTS

- As port congestion crisis widens, tech-players are hoping to capitalize for improved visibility across supply chains.
- Tech solutions suggest better visibility of port capacity & productivity for cargo re-routing & schedule adjustments.
- They were developing a port efficiency monitoring service to provide early indication of potential yard congestion.



INDIA TRADE ON THE REBOUND, HAMPERED BY BOX SHORTAGE

- India's container imports revived in the 4th quarter, but booming demand out of China means export container shortage containers.
- Container volumes grew 13.2%, with exports stabilizing at a high level & imports bouncing back 36.3%.
- Volumes for 2020 down by 6.5%, with exports up 1% & imports contracting 14%.



HAPAG-LLOYD BUYS AFRICA SPECIALIST NILEDUTCH

- Hapag-Lloyd signed an agreement to purchase Rotterdam-based NileDutch.
- NileDutch is present in 85 locations globally with 16 offices.
- With 10 liner services, 35,000 TEU of transport capacity & container fleet of 80,000 TEU, the company connects Europe, Asia & Latin America with West & South Africa.



AIR FREIGHT



ALTERNATIVES TO COSTLY AIRFREIGHT

- High airfreight pricing is prompting shippers to look for alternatives. Price & transit times prompt shippers to revamp their supply chain altogether & shorten distances.
- Ocean is the 1st alternative, but this has been hampered by delays at major gateways.



CARGO GROWTH, FACING VOLATILITY IN DEMAND, SUPPLY & PRICES

- The pandemic recovery with long-term structural shifts that favour a heightened role for airfreight, is providing the impetus for robust growth over the coming years.
- E-commerce & PPE aside, 2020 tonnage dropped 6%, more than the 2.2%.
- The import side- PPE, laptops, rubber gloves and digital cameras – accounted for 90% of growth.



SUSTAINABLE SUPPLY CHAINS

- Lufthansa Cargo and Air France KLM Cargo have worked towards offering regular carbon-neutral flights.
- FedEx recently announced to become carbon-neutral by 2040 & to offer carbon-neutral options to shippers.






CATHAY PACIFIC CARGO FLIGHTS IN HK QUARANTINE RULE SPAT

- Cathay Pacific is facing retaliatory sanctions on its flights to the US.
- The Hong Kong govt. implemented a mandatory 14-day quarantine for airline crews both on passenger and freighter aircraft – after an international layover.
- US DoT is attacking an exemption for flights from China or Alaska, arguing that the exemption exclusively benefits airlines from Hong Kong and impairs the operating rights of US carriers, denying them “fair and equal opportunity”.



CAREER OPPORTUNITIES

-  [GENERAL MANAGER: ACCOUNTS & FINANCE- MUMBAI](#)
-  [CUSTOMER SERVICE EXECUTIVE - DELHI](#)
-  [CUSTOMER SERVICE & DOCUMENTATION - NVOCC - MUMBAI](#)

SUMMARY OF CIRCULARS



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Containership EVER GIVEN runs aground blocking Suez Canal

The 20,388 teu containership Ever Given, ran aground in the Suez Canal late Tuesday 20th Mar blocking the entire movements of marine traffic on both the legs. It is estimated that 200 vessels were held up on either side of the canal due to this accident which is the gateway for marine traffic between Asia and Europe/America.

Tugs and dredging vessels which were deployed initially to help refloat tugs were forced to abandon the operations due to high winds. They continued thereafter working to clear sand & mud from around the vessel to free the vessel.

During this issue, oil prices spiked at the prospect of a major disruption to canal transits and it is estimated that some 55,000 teu capacity a day from Asia to Europe transits the Suez Canal as vessels run full on the tradelane.

As per initial reports, the grounding of the chartered ULCV was the result of gusting winds of 30 knots causing the ship to deviate from its course. There were conflicting reports later which suggested that the vessel had suffered a mechanical black out causing it to lose power and power failure was the most likely cause of the casualty.

Finally, on 29th March with the help of additional tugboats and with the advantage of the high tides the vessel was refloated and moved to to the Great Bitter Lake in the canal and is being inspected for any hull or bottom damage.

FOOD FOR THOUGHT

Will the Suez Canal blockage lead to long cargo delays for Customers?

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



THAILAND SEEKS MEGA SHIPS WITH EMPTIES TO MOVE LOCAL EXPORTS

- Thailand's total containers volume in 2020 decreased 5.49% year on year to 9,574,612 TEU. Imports fell 4.85% to 4,911,102 TEU & Exports decreased 6.14% to 4,663, 510 TEU.
- The Port Authority of Thailand (PAT) has agreed to reduce the port fee for exporters & to permit and facilitate ships more than 300m long, but not exceeding 400m, to enter Laem Chabang deep-sea port to import more empty containers.



INDUSTRY SEES NO 'CONTAINER UPSIDE' TO INDIAN CARRIER PRIVATIZATION

- India's divestment program to privatize the national carrier Shipping Corporation of India (SCI) seems to be finally taking seed.
- The government in late 2019 approved offloading its entire, controlling 63.75% stake in the public carrier.
- SCI's existing Indian-flag fleet stands at 60 ships with a total carrying capacity of 5.4 million deadweight tons – mostly tankers and bulk carriers. On the container side, it has just two mid-sized, 4,400 TEU ships.

INDUSTRY SPECIAL



FFFAI TO STRENGTHEN TRADE AMONG BBIN

- Cross border trade among Bangladesh, Bhutan, India & Nepal (BBIN), Chairman-Elect, the Federation of Freight Forwarders' Associations in India (FFFAI) has recommended for seamless multimodal connectivity & strong logistics infrastructure.
- FFFAI have been working with the Govt of India for International North South Transport Corridor (INSTC) project.
- Policies to be framed up by the respective govts & well-trained officers including Customs and allied agencies.



EOI SCRAPPED FOR TRANSHIPMENT HUB AT KANYAKUMARI

- On Feb 22, VO Chidambaranar Port Trust (VOCPT) floated an expression of interest (EoI) to build the 6.5 million 20-foot equivalent units (TEU's) capacity transshipment hub.
- However, on Mar 15, the District Collector of Kanyakumari wrote a letter to VOCPT, conveying the opposition of local fishermen groups.
- On March 18, the ministry "advised VOCPT to cancel the EoI.



BLOCKCHAIN BASED REAL-TIME TRACKING

- GMR Hyderabad Air Cargo (GHAC) & Aerospace Engineering Limited (GACAEL) has announced its partnership with Singapore-based technology startup StaTwig for tracking & monitoring of vaccine shipments handled at the airport's cargo terminal.
- The exclusive partnership will enable GMR Hyderabad Air Cargo to leverage the Next-Gen Blockchain technology to deliver enhanced Track & Trace Solution and real time monitoring of Vaccine shipments.



SAFEXPRESS LAUNCHES ITS LOGISTICS PARK IN LUCKNOW

- Logistics Park is strategically located on National Highway 30, Pursaini, Mohanlalganj - over 1.5 Lakh square feet.
- Safexpress has made a significant investment to set up this modern Logistics infrastructure in Lucknow.
- Enabled with state-of-the-art transshipment and 3PL facilities.

TRANSPORT



JNPT SIGNS RS 100CR. PACT WITH CNB LOGITECH

- (JNPT) has signed a memorandum of understanding with CNB Logitech of Rs 100Cr. per annum to monitor, track and optimize the movement of 50 lakh containers in EXIM trade.
- CNB Logitech has monitored over 2.5 million containers so far. With the signing of MoU with JNPT, it will be able to monitor over 50 per cent of India's container movement in EXIM trade.
- Both entities said the signing of MoU will help to achieve India's maritime vision of 2030 by enhancing efficiencies.



TATA MOTORS & SBI : INNOVATIVE PARTNERSHIP

- Tata Motors, India's largest commercial vehicle manufacturer, has inked a three-year MoU with the State Bank of India (SBI), the country's leading public sector bank, to offer unique financial assistance for the purchase of Tata Motors' range of small and light commercial vehicles.
- The new collaboration will induce employment and stir demand for Tata Motors' BS6 range of vehicles. Through this partnership, the two business entities will exercise SBI's Contactless Lending Platform technology to ensure uniformity, transparency and a reduced turnaround time in the loan approval process.



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