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Air Updates

Mother Nature Contributes to Pushing Up Airfreight Rates

Airfreight rates continued to rise last week as weather conditions, volcanic activity and wars put capacity under pressure.

The latest figures from TAC Index show that the overall Baltic Air Freight Index was up 4.6% in the week to November 20 compared with the previous seven days.

The increases were led by China, as prices out of Hong Kong increased by 11.5% compared with a week earlier and are now down by 2.2% compared with a year ago.

Read more in an article from Air Cargo News.

Ocean Updates

More Surcharges Loom for Shippers as Panama Canal Restrictions Tighten

French carrier CMA CGM is set to become the first major carrier to apply a new surcharge on shipments transiting the Panama Canal, in response to the ongoing capacity reductions.

The shipping line said the series of reduced capacity measures introduced by the waterway authority this year – and forecast to continue into 2024 – are pushing up its costs.

“The lack of precipitation over the summer has forced the Panama Canal Authority to reduce the number of vessels transiting a day. As a consequence, by 1 January, booking windows for transiting the canal’s neopanamax locks will be reduced by 30%.

“These restrictions, combined with an increase in the canal tariff implemented earlier in the year, are taking a severe toll on CMA CGM’s operations,” it said.

Read more in an article from The Loadstar.

Durban Warns It Could Take 15 Weeks to Clear Backlog as 60 Ships Wait

Port officials in South Africa are reporting it is likely to take until 2024 and possibly till February to clear the current congestion that has built up at the container port in Durban.

Consistently at the bottom of port rankings for efficiency, Durban is facing a crisis, with more than 60 vessels reportedly waiting offshore and importers now saying they will not have expected merchandise in time for Christmas.

Read more in an article from The Maritime Executive.

Global Shipping’s $3.6 Billion Carbon Bill is Six Weeks Away

Ships sailing to European ports face a combined carbon emissions bill of $3.6 billion next year, the start of a levy that’s almost certainly going to rise as the continent steps up efforts to combat climate change.

The figure is an estimate of the total price of complying with the European Union’s Emissions Trading System from Drewry Shipping Consultants Ltd.

Under the regulation, which takes effect January 1, vessels going into and out of EU ports must pay for their carbon pollution.

The global shipping industry spewed more than a billion tons of CO_2 into the atmosphere in 2018 and is almost exclusively powered by oil-derived fuels, which are significantly cheaper than low-carbon alternatives. Folding it into the ETS is part of the EU’s plan to decarbonize the sector to combat climate change.

Read more in an article from The Uncontained.

Rail and Truck Updates

CPKC Aims to Turn Surplus Land, Existing Facilities into Growth-Fostering Assets

In November, Canadian Pacific Kansas City is sharing a new presentation with shareholders that highlights some of ways the Class I plans to drive business growth in the near term. The presentation reviews how the railroad plans to leverage its 20,000-mile network to develop new markets, divert more truck traffic and drive growth.

The CPKC system features land assets that can be better exploited to drive growth. There is surplus acreage across the network that could be used to create additional capacity.

Some facilities in Canada factor into CPKC's real estate plans. The railroad's Vaughan Intermodal Terminal in Toronto features a 500-acre footprint and 150 vacant acres. The acreage could enable the railroad to double intermodal operations with minimal capital investment, CPKC leaders believe.

And to the west in Vancouver, the Class I's terminal offers an "unmatched ability" to expand its footprint, they say. The existing intermodal facility is operating well below capacity. CPKC also owns more than 150 acres adjacent to the Vancouver facility.

Read more in an article from Progressive Railroading.

Canadian Business/Government

Updates to Memorandum D17-1-4: Release of Commercial Goods

Memorandum D17-1-4 has been changed as follows:

- Updated timeframes for release of commercial goods. Timeframes listed in Appendix B are no longer valid and have been removed.
- Removed references to legacy Other Government Department (OGD) release service options: SO463 and SO471 and included information for the Integrated Import Declaration (IID) release service option.
- Updated and added additional information related to release processing for "hand-carried goods" (HCG), paragraphs 112 thru 120.
- Added information on non-terminal offices (NTO) and the procedures to seek release in those instances.
- New information added regarding the e-longroom process.

- New information added regarding returning Canadian vehicles.
- Shifted focus of the entire document from paper release processing to electronic processing of release documents.
- Added procedures for release processing when corrections/cancellations are required, post release and after final accounting.
- Removed Appendix E: Sample of a Pre-arrival review system (PARS) Lead Sheet and Appendix F: PARS Consist Sheet and Stack Manifest.
- Added section about the consolidation of release documents.
- Various minor policy updates and clarifications throughout the document.

Memorandum D17-1-4

Canadian Export Reporting System (CERS) and eManifest Portal: Intermittent Access Yesterday

Starting at 9:00 am ET yesterday, the CBSA's Canadian Export Reporting System (CERS) and eManifest Portal were unavailable for some clients. The problem was resolved at 6:00 pm ET.

International Business/Government

The Shift from China is Leading to India

As U.S. companies continue to shift away from Chinese manufacturing, a new frontrunner has emerged. A new study by Boston Consulting Group (BCG) has found that India may be the biggest winner, with exports to the U.S. increasing by $23 billion, a 44% increase from 2018 to 2022.

From a pandemic and natural disasters to trade wars and supply backlogs, years of continued trade disruption have driven many companies to shift where they manufacture and source product, with more than 90% of the North American manufacturers surveyed by BCG relocating some production from China in the past five years. The same number say they plan to make similar moves in the next five years.

Read more in an article from Supply Chain Management Review.