NEWSLETTER

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EXTERNAL NEWS

INTERNAL NEWS

CHINA AND RUSSIA GIVEN FREE PASS THROUGH RED SEA BLOCKADE

THE RUSSIA, but more importantly China, is getting a free pass from Yememi Houthi rocket attacks while passing through the Red Sea and the Suez Canal to European markets, reports Fort Lauderdale's Maritime Executive. "Our goal is to raise the economic costs for [Israel]," Houthi spokesman Muhammad al-Buheiti told Izvestia last week. "As for all other countries, including Russia and China, their shipping in the region is not threatened." Chinese shipping interests appear to be aware of this exception. Many China-linked ships have been broadcasting "All Chinese" or "Chinese Ship" as their AIS "destination" during transits through the Red Sea. Likewise, some ships with Russian cargoes have been broadcasting some variant of "Vessel No Contact Israel." The proportion of Chinese shipping in Red Sea container traffic has been rising dramatically, according to Lloyd's List, though total container traffic has plummeted. One brand new Chinese carrier even appears to specialize in Red Sea transits. Recently-launched Sea Legend Shipping operates a fleet of seven Panamax boxships that run between China and Turkey, calling at ports in the Gulf of Aden and the Red Sea on the way out and back. It even calls periodically in Yemen (Aden) and serves the Houthi-controlled port of Hodeidah through a transshipment connection. (Lloyd's List first identified Sea Legend's niche service.)

(Source: Shipping Gazette)

MAERSK CEO SEES RED SEA DISRUPTION LASTING MONTHS

MAERSK CEO Vincent Clerc expected global shipping disruption resulting from attacks on Red Sea vessels will likely persist for several months, reports Reuters.In response to these attacks by Iranian-backed Houthi forces, Maersk and other major shipping lines have directed hundreds of commercial vessels to avoid the Red Sea, opting for the longer route around Africa."So for us this will mean longer transit times and probably disruptions of the supply chain for a few months at least, hopefully shorter, but it could also be longer because it's so unpredictable how this situation is actually developing," said Mr Clerc. Freight rates have doubled since early December, while insurance sources say war risk insurance premiums for shipments through the Red Sea are also rising.

(Source: Shipping Gazette)

MAERSK OPTS FOR RAIL CROSSING TO BYPASS PANAMA CANAL

MAERSK plans to eliminate Panama Canal vessel transits on a north-south service between Oceania and the US east coast, citing the ongoing drought that has reduced ship transits and container carrying capacity through the waterway, reports New York's Journal of Commerce. The Copenhagen-based carrier said that its OC1 service linking Australia and New Zealand with the ports of Philadelphia and Charleston will instead use a 50-mile rail service across the Isthmus of Panama to handle cargo between the Atlantic and Pacific. As a result, the OC1 service will be broken into two loops, Maersk said. The Pacific loop will drop off northbound cargo at Balboa for the land bridge service via rail to Manzanillo, where the Atlantic loop will retrieve the cargo and resume waterborne service. The carrier did not say whether the nearly 26-day transit time from New Zealand to Philadelphia would change due to the land bridge. It said that while northbound cargo will not be delayed, southbound cargo may see some delays.

(Source: Shipping Gazette)

CARRIERS END ASIA-EUROPE DEALS TILL RED SEA SETTLES

A OCEAN carriers have ended long-term agreements on the Asia-Europe run for the duration of the war risk of Red Sea transit, reports New York's Journal of Commerce. According to Hapag-Lloyd, long-term deals will not be available until the Red Sea situation settles. The decision is driven by the lack of clarity regarding the duration of diversions, uncertainties surrounding equipment availability, and the potential impact of ships arriving outside scheduled windows on port utilisation. "All this needs to be factored in to determine a long-term contract rate level, which is not possible at this very moment," said Hapag-Lloyd.

(Source: Shipping Gazette)

CHINA CONTAINERIZED FREIGHT INDEX

ROUTE	LAST PERIOD 2024/1/12	THIS PERIOD 2024/1/19
CCFI	1140.31	1287.49
(JAPAN SERVICE)	793.77	810.69
(EUROPE SERVICE)	1654.04	2033.95
(W/C AMERICA SERVICE)	788.55	851.88
(E/C AMERICA SERVICE)	993.71	1049.92
(KOREA SERVICE)	500.54	534.61
(SOUTHEAST ASIA SERVICE)	679.88	695.49
(MEDITERRANEAN SERVICE)	2200.62	2517.37
(AUSTRALIA/NEW ZEALAND SERVICE)	955.67	995.14
(SOUTH AFRICA SERVICE)	1067.73	1045.18
(SOUTH AMERICA SERVICE)	645.22	748.1
(WEST EAST AFRICA SERVICE)	568.2	603.91
(PERSIAN GULF/RED SEA SERVICE)	1433.26	1639.81

AIR CARGO SOARS AS RED SEA ROILS SUPPLY CHAINS: XENETA

A SHARP rise in demand for air freight tracked by supply chain intel firm Xeneta demonstrates the rising anxiety among companies and shippers about the Red Sea crisis, reports CNBC News.Air cargo volumes on the major apparel route from Vietnam to Europe has jumped 62 per cent in the week ending January 14. The cost of air freight has not risen as sharply, but if Yemeni rocket attacks on vessels continue and cargo demand remains high, prices are likely to increase, said Xeneta. "You'll have more and more companies getting nervous," said Niall van de Wouw, chief air freight officer for Xeneta. The current spike in use of air freight is primarily in cargo volumes bound for Europe, as more companies avoid the longer Red Sea diversions around Africa's Cape of Good Hope, according to Xeneta.

(Source: Shipping Gazette)

WORLD CONTAINER INDEX UP 23PC, HIGHEST SINCE OCTOBER '22

DREWRY's latest World Container Index increased 23 per cent to US$3,777 per FEU last week, the highest since October 2022, reported Manila's PortCalls. The index on January 18 is also an 82 per cent rise increase compared with the same week last year and is 166 per cent more than average the 2019 (pre-pandemic) rates of $1,420. The average composite index for the year-to-date is $3,173 per FEU, which is $495 higher than the 10-year average rate of $2,678, which was inflated by the exceptional 2020-22 Covid period. Drewry said it anticipates east-west spot rates to increase in the coming weeks, due to the Red Sea/Suez situation.

(Source: Shipping Gazette)

DHL AND DSV TO MANAGE CATHAY SHIPMENTS VIA CARGOWISE

CARGOWISE has collaborated with Cathay Cargo to provide DHL Global Forwarding and DSV real-time shipment management on the airline's Click & Ship booking platform through CargoWise, reports London's Air Cargo News. This partnership enables seamless shipment planning, booking, confirmation, and management within Cathay Cargo's Click & Ship platform, facilitated by an application programming interface (API) link via the CargoWise logistics platform. Through this tripartite arrangement, DHL Global Forwarding and DSV gain visibility and direct access to Cathay Cargo's schedules, capacity, and booking information within the CargoWise system, which 24 of the 25 largest global freight forwarders utilise. The integration of data with CargoWise and its direct links to other forwarders aligns with Cathay Cargo's commitment to enhancing customer-centricity and bolstering its digital strategy.

(Source: Shipping Gazette)

GLOBAL AIR CARGO DEMAND HITS 2-YEAR HIGH IN NOVEMBER

THE IN November, global air cargo demand surged by 8.3 per cent year-on-year, marking the swiftest pace since December 2021, as reported by the International Air Transport Association (IATA), reports London's S&P Global. This robust growth suggests a rebound in the jet fuel demand post the pandemic. The increase was particularly notable on routes covering the Middle East and Asia, driving the overall year-on-year growth. Although the comparison is based on a low base in November 2022, the sustained improvement in demand, measured in cargo tonne-kilometers, reflects the fourth consecutive month of positive momentum. As of November, air cargo tonne-kilometres were only 2.5 per cent below pre-Covid crisis levels. While cargo freight constitutes a smaller portion of total jet fuel demand than passenger flights, industry analysts closely monitor this segment as a crucial indicator of the global economy's health. The data reveals a deceleration in an economic slowdown.

(Source: Shipping Gazette)

MELBOURNE MONTHLY VOLUME SLIPS 7.7PC TO 243,213 TEU.

MELBOURNE suffered a 7.7 per cent year-on-year decrease in November to 243,213 TEU, reported Australia's Daily Cargo News. Full container imports (excluding Bass Strait) volumes in November 2023 were 8.6 per cent against the same month in the previous year. Furniture, metal manufactures, domestic appliances and non-electrical machinery imports were all below 2022 volumes. Full container exports (excluding Bass Strait) volumes were down 2.3 per cent against November 2022, with wheat, hay, chaff and fodder and pulp and wastepaper below the previous year's volumes. Total empty container movements were also down in November 2023 against the prior year's volumes. Full Bass Strait trade volumes decreased by two per cent and full transshipments increased 2.9 per cent.

(Source: Shipping Gazette)