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FALLING RATES FOCUS ANNUAL TRANSPACIFIC CONTRACT TALKS

THE seasonal dip in container spot rates from Asia to the United States belies market strength, as carriers add capacity and big US retailers slow-walk annual service contract talks, says New York's Journal of Commerce. But this year spot rates were much higher than last year entering the Lunar New Year, so even with a large drop in spot rates, prices are not expected to fall to last year's nadir. Also, there are strong signs for growth ahead, according to US retailers and industry analysts. US retailers have significantly upped their projections for US imports from Asia in the second quarter and into the second half of the year. Platts, a sister company of the Journal of Commerce within S&P Global, said it pegged Asia-to-west coast spot rates at US\$3,000 per FEU and rates to the east coast at \$4,500, down \$900 and \$1,000, respectively, on the week and the lowest for both since mid-January. Last year, Chinese New Year factory closures began on January 22, with the west coast spot rate at \$1,290 per FEU and the east coast spot rate at \$2,780 per FEU. One month later, the west coast spot rate had edged down to \$1,200 per FEU and the east coast rate fell to \$2,240 per FEU.

(Source: Shipping Gazette)

UNIONS DEEM RED SEA, GULF OF ADEN 'WARLIKE' NO-GO ZONES

THE International Bargaining Forum (IBF), a that negotiates seafarer wages and working conditions, has deemed Red Sea and Gulf of Aden to be "warlike" and called on carriers to avoid transits through these troubled waters, reported New York's Journal of Commerce. The union statement came after the deaths of three crew members from the bulk carrier True Confidence, which was struck by a Houthi missile. "Ships transiting the Red Sea and Gulf of Aden are Houthi missile targets, putting seafarers' lives in grave danger," the IBF said. "We strongly urge charterers, operators and shipowners to avoid passage through the area until there is no risk to the safety of seafarers from further attacks," said the statement. The IBF wants all vessels diverted away from the questionable areas and has urged all employers and union affiliates to lobby their respective governments to intervene and act in the safety of seafarers.

(Source: Shipping Gazette)

STRICTER EU REGULATIONS TO REDUCE SHIP POLLUTION

NEGOTIATORS from the EU Parliament and Council have reached an informal agreement to expand an existing ban on ship discharge of oil spills to now include sewage and garbage, reports Athens' Safety4Sea. Under the agreement, substances already prohibited from ship discharge, such as oil and noxious liquid substances, will be joined by sewage, garbage and scrubber residue. Additionally, Members of the European Parliament (MEPs) have included a provision mandating the EU to reassess the regulations five years after their implementation into national law. This review will evaluate whether penalties should be imposed for marine plastic litter, container loss and plastic pellet spills from ships. To bolster monitoring and enforcement, MEPs have ensured that EU member states and the commission will enhance communication regarding pollution incidents, share best practices for pollution mitigation, and implement follow-up measures.

(Source: Shipping Gazette)

LA AND LONG BEACH POST BIG FEBRUARY IMPORT GAINS

LA and Long Beach ports had experienced one of their busiest February's on record, continuing to outpace expectations as US imports surge. The Port of Los Angeles, America's busiest container port, reported processing 781,434 TEU in February, a 60 per cent year-on-year increase. "With the ongoing consumer spending and positive economic indicators, the Port of Los Angeles is well-positioned as we transition into the second quarter," said Gene Seroka, executive director of the Port of Los Angeles. Loaded imports at the Port of Los Angeles reached 408,764 TEU in February, up 64 per cent from the previous year, making it the third busiest February for imports behind 2022 and 2021.

(Source: Shipping Gazette)

CHINA CONTAINERIZED FREIGHT INDEX

ROUTE	LAST PERIOD	THIS PERIOD
	2024/3/15	2024/3/22
CCFI	1278.28	1244.83
(JAPAN SERVICE)	739.21	754.2
(EUROPE SERVICE)	1886.68	1856.3
(W/C AMERICA SERVICE)	1041.39	1001.68
(E/C AMERICA SERVICE)	1166.7	1143.24
(KOREA SERVICE)	450.12	440.96
(SOUTHEAST ASIA SERVICE)	701.16	724.4
(MEDITERRANEAN SERVICE)	2470.1	2392.77
(AUSTRALIA/NEW ZEALAND SERVICE)	917.49	899.11
(SOUTH AFRICA SERVICE)	891.51	899.96
(SOUTH AMERICA SERVICE)	699.33	683.67
(WEST EAST AFRICA SERVICE)	603.47	597.55
(PERSIAN GULF/RED SEA SERVICE)	1519.67	1347.59

NATIONS DIVIDED ON TAXING SHIPPING INDUSTRY EMISSIONS

NEARLY 50 countries, including the EU, Canada, and Pacific island nations allegedly most affected by climate change, are proposing to tax carbon emissions in shipping, reports London's OilPrice.com. But other nations are opposed to such charges, according to documents from ongoing talks reviewed by Reuters. The UN's International Maritime Organisation (IMO), is holding meetings this month to discuss ways of cutting greenhouse gas (GHG) emissions from ships in London. These include talks on economic GHG pricing mechanisms and technical fuel standards. In 2022, international shipping accounted for about two per cent of global energy-related CO2 emissions, according to data from the International Energy Agency (IEA). Last year, IMO set out in its strategy indicative targets to reduce the total annual GHG emissions from international shipping by at least 20 per cent, striving for 30 per cent, by 2030, compared to 2008 levels.

(Source: Shipping Gazette)

RED SEA SHIPPING DIVERSIONS START TO BOOST BUNKER DEMAND

THE International Energy Agency's (IEA) March report indicates a rise in demand for bunker fuel, the primary fuel for ships, due to disruptions caused by Houthi attacks on cargo vessels, reports New York's FreightWaves. This, coupled with robust demand growth from the US has prompted the agency to revise its supply/demand estimate for 2024, foreseeing nearly 120,000 more barrels per day in demand compared to its previous forecast just a month ago. Previously, in February, the IEA had anticipated global petroleum demand for 2024 to be around 103 million barrels per day. However, this forecast has now been adjusted to 103.18 million barrels per day. For 2023, the IEA's current estimate indicates global consumption of 101.84 million barrels per day, but this estimate is subject to further revision as more data becomes available. The significant year-on-year demand increase expected in the first quarter is a crucial factor driving the upward revision of both first-quarter and full-year demand estimates.

(Source: Shipping Gazette)

SEA-INTELLIGENCE: EMPTY CONTAINER MOVES UP 20PC

UTILISING Container Trade Statistics (CTS) on the movement of full containers between regions, Denmark's Sea-Intelligence has employed a method to estimate empty container movements, shedding light on the impact of increasing trade imbalances on the management of empty container repositioning, reports Athens' Safety4Sea. In recent months, the growth of empty container numbers, in comparison to 2019 levels (excluding the extreme volatility caused by the pandemic), has hovered around the 20 per cent mark. hile assessing volume solely in terms of TEU can provide a useful insight into market behavior, Sea-Intelligence argues that TEU*Miles is a superior measure, as it accounts for both the quantity of containers and the distance they travel, thus providing a more comprehensive understanding of the industry dynamics.

(Source: Shipping Gazette)

TRANSATLANTIC AIR CARGO MARKET BUCKS GLOBAL TRENDS

THE TRANSATLANTIC air cargo corridor has had a weak start to the year, which is in stark contrast to the global market, according to the latest update from Xeneta, reports Mumbai's Stat Trade Times. This is one of the world's top three air cargo corridors but in the first two months of this year, demand from Europe to North America was down by four per cent compared to the same period in 2023 and five percent lower than 2019 levels," said Xeneta. Interestingly, this trend has also been seen within ocean freight shipping on the transatlantic trade, which saw a four per cent year-on-year decline in demand in January." Ifferent global story The global air cargo market paints a different picture with double-digit year-on-year growth (11 per cent) in the first two months of 2024 and three percent compared to the same period in 2019.

(Source: Shipping Gazette)

CHINA PUBLIC HOLIDAYS

China offices will be closed from April 4th, 2024 to April 6th, 2024 for Ching Ming Festival, and resume work on April 7th, 2024.

(Qingdao, Shanghai, Ningbo, Xiamen, Shenzhen)

Hong Kong will be closed from March 29th, 2024 to April 1st, 2024 for Good Friday & Easter, and resume work work on April 2nd, 2024 , and will be closed on April 4th for Ching Ming Festival, and resume work on April 5th, 2024.