

FREIGHTS

- There is no relief in sea freight logistics: we still observe a general lack of empty container in Brazil and Peru, port calls cancelled out of East Africa, South America west coast and out of Europe.
- Terminals in Antwerp are quite affected by COVID-19 wave

NORTH AMERICA

Ports situation

- Port of Los Angeles and Long Beach Terminal operators agree to continue delaying Container Dwell Fee directed at ocean carriers, citing a decline of aging cargo by 46% sitting on the port
- West coast ports in general continue with congestion, causing a spillover effect to the Gulf and East coast as carriers change routes and ports of call
- Vancouver/Toronto markets are experiencing a heavy inflow causing longer offloading schedules with warehouse keepers

Trucking / Intermodal transport

- There continues to be a driver/trucking shortage that is making it difficult to secure competitive over-the-road rates and is also not helping the situation of the heavy backlog of imports into NA ports

Other

- Warehouses and transloading facilities continue having trouble hiring and keeping additional labor

EUROPE

• **Ports situation**

- Antwerp is heavily congested – terminals, inland trucking and warehouse companies are quite affected by an absence of manpower due to COVID-19
- Italian ports are also heavily impacted by terminal congestion and Covid-related shortage of staff as well as lack of available trucks. Genova port is currently most affected with no improvement foreseen in the coming weeks

• **Trucking / Intermodal transport**

- Shortage of chassis and drivers is affecting the pricing of inland trucking

LATIN AMERICA

BRAZIL

- **Container availability & Vessel space**
 - Container shortage is still an issue for all ports
 - Shipping lines strategy is to allocate empty container just in time prior vessel's cargo deadlines / cut-off. They want to control a faster turnover of container usage and avoid booking cancellations by shippers
 - Equipment availability is expected to get better by start of January
 - Maersk Group and CMA-CGM are strongly pushing to offer "multi-modal" freight (from inland to destination, rather than sea freight only). If not always competitive in price, this is a way to obtain empty containers in priority
 - Currently attempts for bookings to London destination are not successful
- **Port congestion**
 - Santos is still congested – it is hard for truckers to deliver to port after long queue
 - Rio de Janeiro and Vitoria operate normally

COLOMBIA

- **Container availability & Vessel space**
 - Container shortage is still an issue for all ports
 - Shipping lines take longer to confirm bookings and, in some cases, they automatically delay our requested schedules. The recommendation is to provide shipping line options from all 3 ports (Santa Marta – Buenaventura – Cartagena) to allow flexibility
- **Ports situation**
 - Cartagena is still congested – it is hard for truckers to deliver to port and get appointment for goods discharge. Rollovers/Partial shipments should be expected
 - Buenaventura and Santa Marta operate normally
- **Production**

There is an on-going delay of 1 month due to the stoppage of the mid-2021 strike. New plan is to place booking and schedule production accordingly due to the current space issue

OTHER

- Peru persists with serious difficulty in getting space and equipment. Freight is increasing

AFRICA

UGANDA, RWANDA & KENYA

- **Container availability + vessel space:**
 - Still a challenge to get empties and bookings with all shipping lines across the countries. MSC container availability has been gradually improving
 - Carriers keep rejecting bookings. Cargo is being rolled due to vessels skip export cargoes
 - Ongoing drivers' strike at Uganda/Kenya borders due to imposed mandatory covid-PCR test for all truck drivers at a fee of 30 USD. This has created a long queue of 60+ kilometers, congestion and delays. We are noticing shortage of trucks and worsening empty containers availability
- **Port situation**
 - Mombasa port operation is normal
 - Route to Mombasa port is normal

TANZANIA & BURUNDI

- **Container availability + vessel space:**
 - Issues with shortage of empty containers and vessel space remains unchanged. WEC and MSC doesn't release the booking until empty is available
 - No issue with truck availability
- **Port situation**
 - Vessel takes average of 12-18 days from ETA to berthing
 - Dar es Salaam port operates normally

ETHIOPIA

- **Container availability + vessel space:**
 - Vessel schedules are unreliable with all shipping lines. There are frequent changes
 - Container availability for Maersk, Hapag and CMA are still low availability. Meanwhile, MSC is showing progress
- **Trucking / Intermodal Transport**
 - No issue with the route to Djibouti
 - Current Ethiopia situation: The war is still ongoing, however, it hasn't affected the operation so far.
 - Expecting a new crop in the coming months.

VIETNAM

- **Border truck congestion:**

- By 10 Feb, roughly 4,000 container trucks of Vietnam agricultural exports were stranded at Lang Son border gates due to China's further tightening on covid inspection regime. Customs clearance speed was reduced by more than 50% and it has taken roughly 10-14 days on average for fruit cargoes to be cleared by customs. This has also badly affected truck availability to move other commodities from North to South during this peak season

- **Container availability + vessel space**

- Still a strong challenge to get space to Mediterranean and US
- CMA-CGM: shortage of empty containers remains a big issue for exporters

- **Other**

- Mostly all bonded and non-bonded warehouses for coffee storage are fully committed for 2022 by Dec

- **Ports situation**

- Recent outbreaks at Chinese ports causes further delays in operation, reductions in capacity and also lead to new freight increases
- Manufacturing in China is expected to slow down significantly during Lunar New Year (end Jan – 1st week Feb), which hopefully will help release partially the backlog at destination markets

- **Others**

- China formally established a new logistics company called China Logistics Group on 6 Dec to strengthen domestic and global supply chains amid widespread disruptions caused by the pandemic. This was formed through a merger of 5 state-owned companies which will cover 30 provinces in China as well as have its presence in 5 continents, aimed to become a "global supply chain organizer"

- **Decree 448**

Regarding decree 248 launched in April this year, the date of coming into force was 1 January 2022 for all imported goods in China with registered code from GACC. So far, we only see very few shippers successful registered. Vietnam Government already submitted shipper registration before 31 Oct. Almost our Uganda shippers are engaged actively with the process but still waiting for official reply from UCDA. Other countries are still stuck with their authority as no further steps seem to be taken. Our team in China is checking quite often with authority and will keep updated for any further news. Up to today, no grace

period will be granted that adds worry to shippers and importers whether they need to delay their shipments in January.

OTHERS

- The China-Laos railway was completed in early December 2021. Also called the Boten-Vientiane railway, the railway helps to transform Laos from a landlocked country into a land-linked hub. This is seen to bring new trading opportunities for ASEAN and APAC region. Logistics costs from Vientiane to Kunming are expected to drop by 40% – 50%
- The Regional Comprehensive Economic Partnership (RCEP) agreement came into force January 1, 2022, after Australia and New Zealand became the latest members to ratify the agreement. RCEP is viewed as the world's largest trading bloc, covering 30% of the world population and more than 20% of the world exports. Members within this agreement will benefit from tax reductions for several commodities
- Ports in Australia and New Zealand are busy at the moment, rushing to unload. It impacts on time coffee must stay in port and we may expect some delays in unloading cargo



SUCAFINA LOGISTICS VOICES

Hear from our Global Logistics team! We are happy to introduce our “Logistics Voices” – a space where our team members reflect on the major challenges and opportunities we see in our day-to-day.

Today, Ms. Tran Dao from our Insurance Specialist team speaks about her experience in regards to Cargo claims in the supply chain of Coffee!



“COVID-19 pandemic has brought about sudden changes for cargo transportation where delays and mishandlings result in physical damage or contamination for our coffee cargo. When I first started in Insurance team, it was tough for me to see pictures of damaged cargo or to see unexpected notices of possible claims. However, these daily challenges taught me to be quick to react but at the same time to be calm. Besides, the most important task of our Sucafina’s Insurance team is to find the root causes of the issues to establish and provide the guidelines to our team and counterparties to avoid cargo damages, because we believe prevention is always better than cure.”