

GLOBAL FREIGHTS

- The situation around the Suez Canal continues to be fluid. Since December, most maritime carriers have announced they are temporarily pausing or rerouting vessel traffic through the Red Sea and Suez Canal following a sequence of attacks on container vessels launched from a part of Yemen. All carriers are re-routing their vessels through The Cape of Good Hope with significant increase in transit time.
- The Alliance members have deployed 13 vessels between Far East and LATAM to optimize transit times with direct service of 30 days.
- Carriers have announced significant rate increases on all Asia export lanes due to the increased demand and load factors coupled with equipment challenges in more ports now.
- There is a global shortage of 20' containers and equipment. We've seen increased production of 40' while demand for the 20' have reached a critical level in several countries.
- The closure of the port of Baltimore after the containership, Dali, struck the Francis Scott Key Bridge on 26 March 2024 is not expected to have a significant impact on the container supply chain.
- The rainy season in April, caused by the La Niña phenomenon, is expected to bring to the Panama Canal a recovery of ship frequencies and passages.
- Set to expire in 2027, the Ocean Alliance (OOCL, CMA, COSCO, Evergreen) have announced they will extend their agreement for an additional five years, through 2032. Some speculate this was an effort to reassure the market of the alliance's stability.
- Maersk and Hapag-Lloyd announced the formation of the new Gemini Alliance, which will start in January 2025. Hapag-Lloyd will be leaving The Alliance by the end of January 2025.
- The Alliance members (Hapag-Lloyd, ONE, HMM, Yang Ming) reassure the market that business will continue as usual for 2024. We expect significant changes and disruption to vessel services in early 2025.

NORTH AMERICA

Ports situation

- NY/NJ: Ports are operating regularly with some cyclical congestion in some terminals. However, this congestion is manageable and containers can still be collected within free time.
- Toronto/Montreal, CN Rail: Potential strike action by the union representing Canadian National & Canadian Pacific Kansas City engineers and conductors beginning May 22nd. Shipping lines are not providing alternatives so far since they need concrete actions. The biggest effect of this could mostly be felt on the Canadian West Coast ports as the majority of imports into Canada come from Asia. CP Rail: CPKC and the Teamsters Canada Rail Conference (TCRC) leadership will continue negotiations to renew the collective agreements for both Train and Engine (T&E) and

Rail Traffic Controller (RCTC) employees. Unfortunately, despite the best efforts, the parties remain far apart.

- West coast ports: Port operations are occurring without issues; However, examinations persist at the ports of Los Angeles/Long Beach.
- Gulf Coast ports: The ports of Nola and Houston are operating without any major issues.

Inland transportation

- US spot FTL/LTL trucking rates have shown slight decrease toward the end of Q1'24 due to excess carrier capacity.

EUROPE

- Ports across EMENA are operating normally without any issues reported.
- Trucks are available and operations are going smoothly within Europe.

LATIN AMERICA

BRAZIL

- Shortage of containers forces all exporters to request containers from the shipowner well in advance.
- Vessels are late (70/80% in average) due the port situation since Jan/24.
- The Ministry of Agriculture is taking more time than usual to inspect goods and issue the Phytosanitary Certificate.
- The Brazilian Government (Antaq) issued a resolution that regulates storage charges at the loading terminal. The party responsible for payment will be the one who caused the triggering event (shipper/loading terminal/port operator/shipping line).

COLOMBIA

- Operations at the ports have been running smoothly, with no shortages of containers or issues with vessel availability reported.
- Certain shipping lines have had service instability from Cartagena with itinerary changes leading to departure delays.

CENTRAL AMERICA / MEXICO / PERU (CAMP)

- Central America challenges continued through the start of year as origin and carrier reliability were a struggle throughout most of the main harvest period. Supplier performance has been greatly impacted and it's a combination of logistical challenges but also market conditions are causing delays in most major origins.
- Origins like Nicaragua continue to have lack of equipment and longer than usual transit times, primarily to Europe.

- The season is starting to wind down as focus shifts to new Latin milds out of Peru.
- Carrier allocation and spacing constraints in CAM have not changed and it seems to be a yearly occurrence. While customers have been late to cover this is further compounding the situation as the trade is covering very nearby requiring immediate to prompt shipments.
- Peru harvest has started but it is still early in the season as the peak is typically during June & July. With that said, exporters will soon become active and starting to look for demand as the logistics focus shifts to this origin into the second half of the year of the CAMP region.

AFRICA

UGANDA, RWANDA, AND KENYA

- We are starting to see shortage of containers with all major shipping lines, space constraint to book with some shipping line and changing vessel schedule due to the Suez Canal routing that in turn creating port congestion.
- Trucks are available and borders operating normal.

TANZANIA, BURUNDI

- There is a shortage of containers and Dar es Salaam port is congested with berthing delays of an additional 15 days.
- Vessel schedule is unreliable due to Dar port situation.
- DP World has started taking over the port terminal management.
- In Burundi, there is a shortage of trucks and clearance delays at the border. The inland transit days from Burundi to Tanzania has increased due to this.

ETHIOPIA

- There is a huge shortage of containers with all the major shipping lines operating out of Ethiopia.
- Vessel and securing booking is difficult due to limited vessel calling Djibouti port.
- Djibouti port is heavily congested due to the ongoing Suez Canal routing.

ASIA PACIFIC

MALAYSIA

- A new regulation imposed by the Malaysian government states that logistics services will become taxable services (6%) starting on 1st March 2024.
- Also from 1st March 2024, re-export/export shipment from Malaysia will require Export Permit.

VIETNAM

- There is a container shortage, but it is not very serious.
- We are seeing an increase in freights costs from mid-May, including main EU (around \$2500).
- Shortage of Robusta coffee is still serious and is due to high price market.



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