

GLOBAL FREIGHTS

- Ongoing strikes create uncertainty, slowed operations and ultimately delayed freight movement across the supply chain.
- 10% of capacity is stuck in congestion.
- Rates are dropping but remain relatively high compared to pre-pandemic levels.
- Demand growth has stalled, vessels are sailing under-utilized and freight rates have been dropping consistently and considerably.
- Economic uncertainties such as potential recession, inflation, high interest rates and shortage of supplies are impacting overall export market volumes.



NORTH AMERICA

Ports situation

- NY/NJ port congestion has improved slightly but challenges remain. The implementation of a container fee on long dwelling import or export containers that was set to take effect September 1st has been delayed as carriers & port authority are negotiating some final details. However, this seems to have helped to motivate carriers to start repositioning equipment.
- Toronto CN rail depot via Halifax remains extremely congested. The situation has not improved much in the past month. Some major carriers are changing routing options to avoid CN and shifting to CP rail depot or moving altogether to other ports of discharge. The situation is further compounded as most warehouses are operating at full capacity.
- Oakland port operation continues to have containers falling into inaccessible areas and this does not allow drayage carriers to pick up cargo. Added lead time is about 7 to 14 days.
- Vancouver port dealing with increased volumes impacting warehouse capacity. Added dwell time of 7-10 days.

Inland transportation

- Fear of pending rail strike in the U.S. have subsided as the White house announced that deal was reached with labor unions.
- Spot freight on over the road movements have remained steady month over month while still seeing a slight continual decline.

EUROPE

Ports situation and inland transportation

- Congestion in European ports persists.
- Truck availability has improved but schedules are unreliable for trucks loading or unloading within port areas due to warehouses' operational bottlenecks and traffic.
- The two-week strike that includes more than 560 unionized dockworkers at the port of Liverpool, UK has been set to start on 20 September. The 1,900 unionized workers at the port of Felixstowe are scheduling their second 8-day strike this year to begin on 27 September, overlapping with the port of Liverpool strike.

LATIN AMERICA

BRAZIL

Container availability + vessel space

- Container availability is much better, but close monitoring is still necessary.
- Slight improvement on vessel spaces, but anticipation is necessary to request bookings. It is also important to monitor deadlines to avoid cancellation and postponements.
- Dry port customs: clearances are being done but inspections are taking longer than usual.
- NPPO Brazil's latest instructions on the Phytosanitary certification is that non-governmental organizations are not allowed to issue certificates with the title "PHYTOSSANITARY CERTIFICATE" to destinations that do not require such certification. All independent companies should change their certification so that it does not mention NPPO Brazil's certificate title.

COLOMBIA

Container availability + vessel space

- Overall, we have seen availability in vessel space and container availability except for some shipping lines that are having problems with the frequency of their service and some others with space only by second half of October.
- Bookings to Canada and cities in the US like Houston and NY are limited and must be made in advance.

OTHER

- In Peru, booking situation has improved. Better availability of vessel space from Paita.
- In Honduras, no issues in the availability of spaces and containers.
- In Nicaragua, bookings are being confirmed only after the second half of October.
- In Guatemala, no issues in the availability of spaces and containers.

AFRICA

UGANDA, RWANDA and KENYA

Container availability + vessel space

- Changing schedules and sailing delays keep increasing, resulting in an average of 15 quay days.
- In Kigali and Kampala, container availability is moderate.

Inland transportation

- Trucks are available and there are no issues crossing borders.
- We continue to see the impact of fuel prices on trucking rates overall. There is a further fuel hike after 15th September 2022 as the Kenya Government ends the fuel subsidies that were in place.
- Mombasa port operates normally.

TANZANIA, BURUNDI

Container availability + vessel space + port situation

- We are experiencing vessel changes with most shipping lines, as well as booking rejections with some, due to container shortage and capacity restrictions (e.g. Maersk).
- Dar es Salaam port operates normally.

ETHIOPIA

Container availability + vessel space

- No issues regarding booking.
- CMA CGM and MSC have no containers. Maersk has better availability.

ASIA PACIFIC

VIETNAM

- A new connection between the sea route from Vietnam to port Vladivostok and the railway route from Vladivostok to Moskva was launched on 6 Sep. This will facilitate goods transfer directly from Vietnam to Western Russia and vice versa.
- No issue with port operation and container availability.

CHINA

- China is the only major economy still applying severe measures against Covid. A protest just took place in Shenzhen in the end of September to fight against government's lockdown policy when this megacity of over 18 mil people reported just 10 infections on 27 September. Officials still announced a three district lockdown. People are only allowed to use public transport with a negative PCR result and these lead to complications in inland movement.

- China's Golden Week from 1-7 October is believed to be good timing for carriers to apply more tactical blank sailings aiming at cutting vessel supply and maintaining weakening freight rates. According to Sea-Intelligence data, transpacific capacity reduction is expected to be 22-28% this year compared with 15-17% in 2021 and 9-11% in 2012-2018.

PNG

- A 7.6 magnitude earthquake striking Papua New Guinea on 11 Sep worsened the logistics there. Power infrastructure and internet are still big issues and the damage caused by the earthquake to the underwater fiber cable will be hard to fix.

AUSTRALIA & NEW ZEALAND

- Australia's stricter border controls are delaying sample receipt in the country. Samples without a phytosanitary certificate or for which the certificate is not visible from outside of the parcel are being held at customs. Moreover, phyto must have a Khapra beetle statement which should be written in English as "Representative samples were inspected and found free from evidence of any species of Trogoderma (whether live, dead or exuviae) in Australia's list of Trogoderma species of biosecurity concern".
- High demand of inspection requests and service in Australia & New Zealand destinations is challenging the importing process. Lead time from arrival date of vessel to completion of importation can be more than 2 weeks.

SUCAFINA LOGISTICS VOICES

Hear from our Global Logistics team! In “Logistics Voices”, our team members reflect on the major challenges and opportunities we see in our day-to-day.

Today, Nhu Mai, our Execution Specialist for APAC Export business who is based in Vietnam, speaks about her experience right before and after joining Sucafina, and how she feels about the company and the working environment it offers.



“Imagine that you are a graduate young person living far away from home, who had only 1 year of working experience and just left your job in the middle of the pandemic when people were not allowed to go out during city lockdown. How scary is that? But that was me in Sep 2021, exactly one year ago (before I joined Sucafina).

It has always been my desire to be able to grow in a professional and warm working environment, and I luckily found both here. During the past one year, I have never stopped feeling amazed by the supply chain, how people manage work and how the company runs. We always have opportunities to take on new challenges if we perform well and do things that you thought you could never do before. And most importantly, we are also able to raise our voice about what is going on, the ideas we have and how we can make things run more smoothly together.

‘The thing I am most proud of at Sucafina is our culture,’ one of my colleagues said. And I am totally with her. People at Sucafina are super supportive and active and we can always learn from each other to make the work easier.

Sucafina needs you to go the extra mile at work but at the same time encourages you to be your true self. I love singing and I am also an energetic partier, so if you are lucky, I can be your pal in one of the next company events ;-)”