



## **Global Freight Update**

Freight prices continue to soar throughout June, with the evolving situation in the Red Sea causing significant global impacts. Currently, we are experiencing the highest levels of port congestion seen in the last year, along with increased blank sailings and shortages of container equipment.

Traditionally, May and June are considered the low season; however, due to the factors mentioned above, shipping volumes have remained stable. Meanwhile, the reliability of all shipping lines' schedules has decreased due to the reallocation of vessels assigned to routes travelling via the Cape of Good Hope. This diversion adds a minimum of two weeks to transit times, leading to delays, further congestion, and equipment shortages on Transpacific routes. Freight rates are escalating rapidly, with rumours of prices reaching approximately USD 20,000 from Asia to the USA and Europe. The ripple effect is significantly impacting the rates from Asia to Oceania. From mid-June, we are beginning to see shipping lines introduce Peak Season Surcharges (PSS). This charge is implemented by shipping lines to alleviate the pressure from the current supply and demand imbalance and to offer the most reliable and efficient service possible.

We strongly recommend submitting all booking details to our customer service team at least three weeks in advance to avoid being significantly affected by delays and space constraints.

## **China and Singapore**

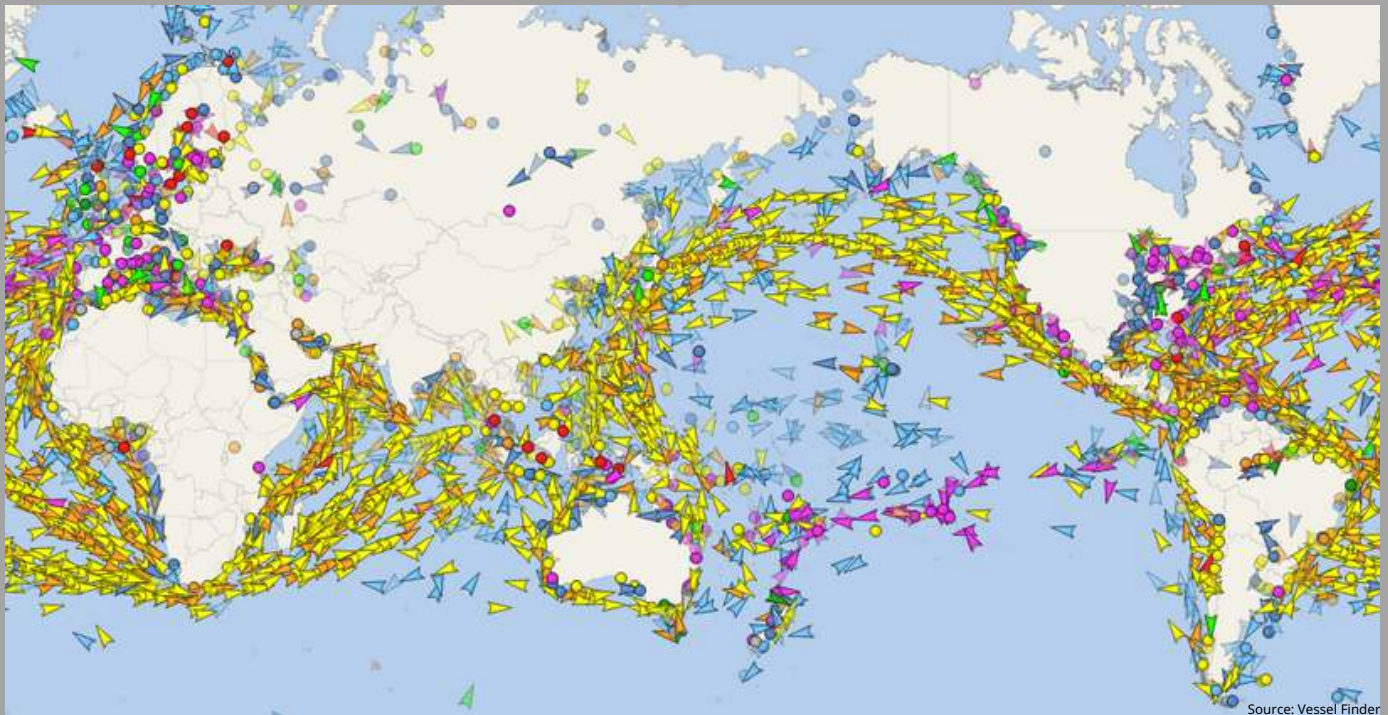
Congestion in China and Singapore has reached critical levels. Currently, transiting cargo faces delays of approximately 3-4 weeks in Ningbo, while Singapore is experiencing severe congestion with 2 million TEUs, and vessels are waiting up to 7 days to berth. Carriers are beginning to omit the Singapore port altogether to avoid these delays, exacerbating the situation at other ports, particularly Qingdao and Guangzhou, where the number of vessels waiting to dock has increased by 20% week-on-week.

We have observed that the majority of shipping lines plan to implement a blank sailing in the last week of June (week 26). This decision is not to restrict capacity, but rather due to a lack of available vessels to maintain their weekly schedules, as many are currently caught in congestion.

## USA

Upgrades at the Charleston Wando Terminal are currently underway, causing a backlog of vessels waiting to berth. As a contingency, shipping lines are temporarily utilising North Charleston Port, where containers gated in will be transferred across to the terminal. We have observed immediate impacts on vessel schedules, with containers either being rolled to the next departing vessel or port rotations adjusted to accommodate the short interruption from transferring containers, ensuring a smoother process moving forward.

Additionally, threats of strike action have emerged over the past few days across the US East and Gulf Coasts. The largest dockworker union in the US, the International Longshoremen's Association (ILA), cancelled their talks with the United States Maritime Alliance (USMX) earlier this week. The cancellation came after it was discovered that APM Terminals and Maersk were using an automated gate system, violating their agreement. This looming strike action could cause major disruptions at US ports if it proceeds.



## Canada

We are observing shipping lines cancelling calls to Vancouver and Prince Rupert Terminals in anticipation of the impending strike action by workers of Canada's rail system. The strike is scheduled to begin as early as June 17th, with as many as 9,000 employees expected to participate. This action follows the breakdown of negotiations between the Teamsters Canada Rail Conference (TCAR) and Canadian National Railway (CN), with both parties unable to reconcile their differences.

## **France**

June has been a chaotic month for French ports, with major ports staging several 24-hour strikes and numerous four-hour work stoppages. The first of these 24-hour strikes occurred on June 7th, resulting in almost 20 delayed calls and four cancellations. As many as 600 workers blocked the main entry point at the Fos terminal, causing further disruptions. Unions have indicated that strike actions may extend into July if their demands are not satisfactorily addressed by the government.

## **Germany**

Flooding in the south of Germany has severely impacted the regional rail freight sector, with a reported "70% failure rate". Extreme flooding has caused the River Danube to rise to double its usual levels, disrupting rail lines throughout the region. This has necessitated rerouting, leading to cancellations and significant delays. Routes to Munich have been particularly affected, as long-distance trains traveling to and from Munich have become inaccessible.

## **Italy**

Genoa port is currently facing congestion due to protests by road transport operators, who are expressing their dissatisfaction with the disrespect for on-time loading/unloading and exacerbated wait times. Port operators are denying responsibility for the congestion, leading to major disruptions for both import and export cargo. Negotiations have stalled since the onset of the congestion, leaving local transport companies struggling to maintain their expected level of service to clients.

Starting from the 3rd of June, transport companies servicing Genoa port for imports and exports will implement a EUR 150 per container congestion fee to recover costs. If you have any upcoming shipments near Genoa port, please contact our customer service team to discuss alternative options.

We hope to share more positive news with you in our next newsletter.