



Shipping Line Schedule Changes and Cancellations

We have observed a measure of stability in terms of vessel delays at the port, with an average delay of 4.59 days. This marks the first significant increase in delays this year. Despite this, shipping line reliability has remained relatively consistent over the past month, fluctuating within the 60-70% range.

The impact of Golden Week is notable, particularly regarding cancellations throughout October. As of September 24th, 101 scheduled sailings had already been canceled, representing a 15% cancellation rate. We anticipate further cancellations throughout October, driven by weakening demand, as carriers are limiting available spots to bolster prices.

Panama Canal Congestion

Ongoing challenges persist due to a prolonged drought affecting water levels in the Panama Canal. The Panama Canal Authority has responded by further restricting daily shipment movements, reducing them from 36 to 32, to conserve dwindling reservoir levels. Consequently, there is now heightened competition for the limited available slots, resulting in delays exceeding 20 days. These delays are expected to escalate as we approach peak periods such as Christmas and Chinese New Year. As of Monday, October 2nd, there were 100 vessels waiting to traverse the Canal.

The Panama Canal plays a pivotal role in the global supply chain, handling 40% of worldwide cargo, with a significant portion coming from the USA. While shipping lines have alternative routes to bypass the Panama Canal, the surge in demand is likely to create a ripple effect, leading to reduced vessel availability and increased freight rates.

Shipping Line Sustainability

Major shipping lines are aiming to achieve net-zero emissions as early as 2030. Many of these companies are pursuing this goal by adopting Green Shipping Corridor Strategies, procuring multiple methanol-compatible dual-fuel vessels, and exploring alternative fuels to minimize their carbon footprint. These shipping lines are already implementing changes to align with their net-zero targets, in line with China's plan to reach net-zero emissions by 2060.

At S.A.L, we are actively working to offset our company's carbon emissions and will soon provide our clients with the opportunity to offset the emissions generated by their shipments.

Australia Terminal Updates

Further to the recent announcement from the Maritime Union of Australia (MUA) regarding the work bans and stoppages at DP world terminals in Brisbane, Sydney, Melbourne and Fremantle from 6th of October to 30th October, we are experiencing the following situations during this period:

- Change of terminal as Shipping Lines subcontract to other terminals to work vessels.
 - Changes to AU Port call rotations.
 - Delays as carriers wait for DP World to work vessels around the Industrial Action.
 - Slot availabilities at DP World terminals for Import collections & Export receivals
- We are working diligently to minimise disruptions to our customers wherever possible.

USA Delays

Following our update in August, we have continued to experience noteworthy delays with seafreight shipments from the USA. These delays have resulted from the success of Operation TIN CAN, a collaborative effort involving the Australian Border Force (ABF), World Customs Organization (WCO), and the UN Office on Drugs and Crime (UNODC), which was executed last year. As a part of this initiative, a higher number of containers are now subject to random examinations to mitigate the movement of contraband through shipping containers.

We are also encountering delays attributable to congestion in rail movements across the US, with particular hotspots in Chicago, Columbus, and Los Angeles. These delays are affecting the pick-up and delivery of containers in these areas.

