

Ocean Freight Market Update March 15 2022

Asia → North America (TPEB)

- Covid-19 outbreaks in China and resultant lockdown/ restriction measures disrupt production and trade activity in Southern (Shenzhen/Dongguan) and Eastern (Shanghai) regions. Ocean carriers are assessing impacts to bookings and have not yet announced any blank sailings. Additional volatility drivers in the market remain: severe congestion, equipment imbalances, sliding vessel schedules, port omissions, blank sailings, and increased fuel charges. The moving market remains primarily at premium levels with some pockets and routings open for FAK.
- Rates Rate levels remain elevated and the premium market is strong.
- Space Critical
- Capacity/Equipment Critical/Severe Undercapacity
- Recommendation Book at least 3-4 weeks prior to CRD. Consider premium options. Be flexible in regard to equipment and routings. Check closely with suppliers to understand any Covid-related impacts or changes to production outputs and forecasts.

Asia → Europe (FEWB)

- COVID surges in China with lockdown in Shenzhen and restrictions in Shanghai and a number of other cities having a business impact and putting pressure on ocean shipping volumes. Factory production within Shenzhen has been limited as employees are not able to go to work. Trucker shortage is making it difficult to move containers to the ports. There is available space on FAK and spot across all alliances but carriers are still not open for more long-term named accounts. It is expected that there will likely be some port omissions and blank sailings announced by carriers as a response to recent developments.
- Rates Rates remain at a high level but have been on a downward trend throughout March due to a slowdown in the market.
- Space Tight space situation
- Capacity/Equipment Severe equipment shortage across all Asia origins.
- Recommendation Book at least 3 to 4 weeks prior to CRD. Consider premium options, which may be limited. Be flexible in regard to equipment.

Europe → North America (TAWB)

- Congestion at USEC ports shows no improvement so far with vessel waiting time still between 3 and 14 days. USWC waiting time is slightly improving in Los Angeles but overall still around 35 days. Hamburg CTA is still heavily congested with issues on empty release and delivery of full containers.
- Rates Ocean levels continue to raise with PSS and GRI increase announced for March and April rates.
- Space Critical, especially to the USWC
- Capacity/Equipment Capacity remains tight for both North Europe and Mediterranean services. Better equipment availability at port. Shortages remain at inland depots.
- Recommendation: Book 5 or more weeks prior to CRD. Request premium service for higher reliability and no-roll guarantees.

Indian Subcontinent → North America

- Equipment shortages reported at major ports. Over the past few months major ports such as Nhava Sheva and Mundra have been able to keep up with demand for empty equipment while smaller ports like Kolkata and Tuticorin really struggled. As of recently, Flexport is seeing reports of equipment deficits across all major ports in India.

This will have a downstream effect on the smaller ports as well as Inland container depots which are often replenished by these larger ports.

- Rates Maintained through 2H March. Premium rate levels should be expected for smaller Indian ports and Bangladesh as demand exceeds vessel/equipment supply.
- Space to the USWC is and will remain a challenge into 2022. Port omissions on services to the USWC continue to cut capacity out of the Indian sub-con. Recommendation is to move on premium services. Space to the USEC will be difficult into Savannah, Charleston, and New York until April as bunched vessels off the coast of USEC are resulting in longer turn-around time back to origin and port of discharge omissions. This leaves a gap of sailings for the most consistent services typically relied upon for ISC to the USEC.
- Equipment deficits are being reported across many ports in India. Most affected are the S/SE ports, Kolkata, and Inland container depots in North India.
- Recommendation remains to load via wet port and avoid Inland container depots when possible. ICDs are a chokepoint for containers which often leads to delays in SO release. Booking on some premium services will give you priority on equipment.

North America → Asia

- Vessel arrivals and available capacity remain fluid for USWC POLs. Rail availability over the USWC is limited as carriers are strictly adhering to allocations. USEC situation sees Savannah operations improving however port omissions continue for the South Atlantic affecting both Savannah and Charleston ports. Erratic vessel schedules continue to create void sailings and delays in schedules creating significant challenges with posted earliest return dates and vessel cut-offs at the port.
- Rates Limited GRI activity announced for March and April as two carriers have both retracted their GRI intentions for April 1.
- Equipment Deficits on containers and chassis continue to plague IPI origins. Availability for standard equipment at ports has not been an issue, but any special equipment is hard to come by.
- Recommendation Please place bookings 4 weeks prior to vessel ETD.

North America → Europe

- Significant congestion and vessel delays in Europe are now hampering the ongoing schedule issues for New York, Charleston, and Savannah. US West Coast service to Europe is extremely tight due to void sailings and skipped ports caused by systematic delays. Seattle's port of call remains suspended indefinitely and direct service from Vancouver will be suspended in April as well.
- All carriers have issued a booking stop for shipments to Ukraine, Russia, and Belarus.
- Rates One GRI announced for April 1 to UK destinations only.
- Equipment Deficits are still plaguing IPI origins. Availability for standard equipment at ports has not been an issue, but any special equipment is hard to come by.
- Recommendation Please place bookings 3 to 4 weeks in advance for East Coast/Gulf sailings and 6 weeks for Pacific Coast sailings.