

Capacity, Congestion & Cost

Navigating the impacts of the global shipping crisis on relocation



Deciding how best to deal with the current shipping crisis worldwide can be overwhelming. To help, Sterling Lexicon and Suddath have listed a few considerations as you begin to explore what is best for your global mobility program and business objectives. The information below was prepared for attendees of our co-hosted webinar on February 3, 2021. [Access the recording.](#)

Keep in mind, this is a fluid situation with conditions varying greatly by region, and there really is no “one-size-fits-all” solution. Our team is ready to assist with recommendations as you work to identify the best plan for your employees and your program.

Actions	Pros	Cons
Plan and Budget for Increased Costs and Transit Delays	<ul style="list-style-type: none"> Preparing for and educating senior leadership and assignees on market conditions impacting budget predictions will help determine if the assignment is essential and set proper expectations. 	<ul style="list-style-type: none"> Budgetary restraints may limit relocations in the short term, resulting in a release of pent-up demand later. Repatriation delays could result in additional costs that need to be considered based on host country requirements.
Accelerate the Move	<ul style="list-style-type: none"> Approving initiations and encouraging assignees to book early allows access to valuable space on vessels and increases the chance of minimizing transit delays. Booking early provides you the flexibility of considering varied options to meet your budgetary requirements without compromising business needs. 	<ul style="list-style-type: none"> Booking early and taking advantage of vessel scheduled departures may impact per diem costs, based on living arrangements and family needs. Immigration requirements may hinder the ability to move quickly in certain situations. COVID lockdowns or travel bans may limit options.
Cover an Air Shipment or Increase the Size of Covered Air Shipment Allowance	<ul style="list-style-type: none"> The assignee/family will have more comforts of home while waiting for their sea shipment during this longer transit period. In many cases, the cost is neutral. 	<ul style="list-style-type: none"> There may be higher costs depending on the shipment size/volume, distance, and market location. For shipments destined for China, there are duty implications on timing of air and sea shipments as well as in-country requirements for the assignee before the shipment arrives. Your move coordinator can provide additional details. Air freight originating outside of the U.S. may not be cost effective.

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<p>Provide Storage/Furnished Temporary Housing</p>	<ul style="list-style-type: none"> By holding the shipment in storage at origin and extending temporary living accommodations, you may be able to weather the spike in freight costs and take advantage of rates once pricing levels out. <p><i>*Note: Asia to U.S. or Europe may be worth consideration</i></p>	<ul style="list-style-type: none"> There are no guarantees on freight costs dropping at a specific time, so duration is uncertain. Assignees will need flexible temporary living accommodations or rental furniture to live comfortably during this time. Assignees will feel less "at home" and could take longer to settle in without the bulk of their own personal belongings.
<p>Delay the Move</p>	<ul style="list-style-type: none"> Holding off on sending the assignee and/or family members provides an opportunity to monitor pricing shifts as they begin to level out. 	<ul style="list-style-type: none"> The position would either need to be filled with virtual support or an assignee sent in advance of the family. Prolonged delays in fulfilling the onsite role or periods of family separation are not conducive to success. There are no guarantees on heightened freight costs leveling out. Tax implications would need to be considered if role is performed virtually.