



International Monthly Market Update:

January 2022

Happy New Year from IL2000! We are super excited to start this New Year, wishing the best for all our customers and their families.

Lunar New Year and the Year of the Tiger, arguably the most significant public holiday in Northeast and Southeast Asia, is almost upon us! This year the festival runs February 1st through the 15th. As a result, we expect the first three weeks of February to see delays in shipping, communication, and production as many suppliers will close. Please check with the international team well in advance to ensure prior arrangements for urgent shipments.

Carrier Announcements:

- CMA opened their first CMA CGM Inland Services outside of Chicago in December. This strategically located center offers an 8-acre container yard bringing additional capacity to the Chicago Market.
- MSC's push to be #1 continues with approval to acquire a 67% stake in Log-In Logistica. This adds 15,000 TEU of additional capacity to their fleet, moving them ahead of Maersk.
- Maersk announced their acquisition of LF Logistics to boost their warehouse and distribution offerings, especially in the Asia Pacific market.

China Update:

- Over the holiday weekend, long delays with cargo moving from Vietnam to China occurred due to covid lockdowns induced in many of China's provinces. In addition, multiple covid cases were reported at local factories, sparking increased workforce testing.
- Over the last month, the Automatic Identification Systems (AIS), which relies on ships to send data for tracking purposes, has witnessed a severe plunge. Data collected shows a staggering 85% drop in Chinese waters from November to December due to the new law China Personal Information Protection Law that went into effect. New rules regulate how domestic and foreign organizations collect and export data to others. Shipping companies have widely used this data to plan shipping routes, logistical operations, and congestion analysis. The impact will cause visibility issues for ship tracking and maritime intelligence.



- Lack of vessels to the Pacific Southwest remains the most significant threat currently. Capacity reduction has now brought rates to a historic high, causing rollovers with all carriers.
- US East Coast and Pacific Northwest remain full through January, with carriers now booking into February to try and secure space.

Airfreight:

- In December, UPS placed an order with Boeing for 19 medium widebody 767-300 freighters (each carrying up to 52.4 tons of cargo) in response to the significant ongoing air cargo demand. Delivery is not expected until 2023 through 2025.

Harmonized Tariff Schedule 2022:

- The tariff changes announced last month have been postponed and will not take effect until January 27, 2022.

Wishing you a happy start to the year!

Reach out any time: international@il2000.com

Sources: CMA, Splash247, Insider, MSC, Reuters, Maersk