

## Freight Forwarding Updates - 04/01/2021

After an entire year, we remain in the middle of a global pandemic. Even though the pandemic is still impacting many aspects of our lives, the logistics industry has adjusted to the new circumstances. Aires has adjusted the frequency of our freight forwarding updates and will publish updates only when relevant news or insights become available.

Our focus is on protecting the health and safety of our employees, partners, and transferees while ensuring a seamless relocation process for all our clients and transferees. For country-specific information, please reach out directly to your Aires representative. A worldwide vaccination program is well underway as we work globally toward a "new normal" over the next several months, with ongoing protective measures for employees, partners, contractors, and visitors in our offices.

### **Container Imbalance**

In general, the situation has become more stable and predictable worldwide; however, we are continuing to see many equipment shortages at several inland depots in the U.S. The port cities of Los Angeles, New York, and Houston specifically are extremely congested, causing delays and vessel cancellations. Container availability – particularly in the Far East – remains scarce. Due to continuous blank sailings, ports remain extremely congested, and available trucking chassis are much more difficult to locate.

### **Cancelled Voyages/Blank Sailings**

Blank vessel sailings continue to have a much larger impact on the overall port logistics now and are causing terminal delays due to an overabundance of container equipment stored at the port, compounding the chassis shortages. All U.S. ports are experiencing vessel delays with the ports of Los Angeles, New York, and Houston experiencing the worst of this with two-to-three-week vessel delays.

### **Pricing/Rate Hikes/New Surcharges**

Aires has fixed ocean freight rates in place, all with a clause not allowing GRIs and new surcharges. However, due to the COVID-19 issues having been declared a "force majeure," all rates are subject to change. The ocean freight rates out of Asia are under extreme pressure right now due to sheer lack of equipment. Last minute bookings see a huge ocean freight rate increase. Air freight rates have seen the most dramatic change due to the continued lack of capacity.

**Air Freight:** Due to delayed ocean freight sailings, capacity constraints are playing a large role, with all airlines still having suspended or reduced passenger flights to almost all destinations. Freight capacity has reached the maximum, and unfortunately, we

are noticing much longer transit times than normal. It does not help matters that household goods and personal effects are ranked at one of the lowest priorities when it comes to available cargo space. We are continuing to notice some COVID-19 emergency support charges tacked on by ground services companies in certain areas as well.

**Ocean Freight:** Most ports are continuing to adjust their hours based on need and vessels. Many ports are now experiencing large port delays. We are continuing to see some container/chassis shortages, and we anticipate this will continue into the near future as this is a worldwide dilemma mainly caused by blank sailings. We are continuing to notice some "container imbalance surcharges," which will increase rates temporarily. Also, demurrage charges are incurred more frequently due to the tremendous congestion at the various ports.

All shippers are urged by the lines to book space as early as possible due to the lack of equipment. The inland depots, as well as several ports in the U.S., are seeing equipment shortages. Several lines have decided to suspend all services to the port of L.A. due to the tremendous delays incurred.

## **North America**

The main Container Freight Station gateways in the U.S. are back to operating normally again. However, due to vessel delays, transit times have increased. All Port Terminals will prioritize essential products (e.g., medical goods) movement over non-essential goods. However, cargo is still flowing into and out of the U.S. and Canada. Unfortunately, we continue to notice more blank sailings, which increases transit times.

## **South and Central America**

Several governments in South and Central America have declared a "state of emergency," establishing, among other measures, the closure of borders. Others have enacted national quarantine to prevent the spread of the virus by forcing the closure of shipping office locations, but they continue operating remotely. The ports are operational, but there are delays and congestion at various terminals due to reduced staff, reduced hours of operation, and local quarantine measures.

## **Europe**

With continued blank sailings and the dynamic situation at various borders, the sea freight impact is noticeable. In varying degree, our Overseas Partners are returning to their offices under strict new procedures based on local risk assessments, capabilities, and governmental advice. The ports are operational with a slower gate-in/gate-out process and delays in customs clearance.

## Asia Pacific

Business in China has returned to near normal. Transportation, including trucking services, is also returning to normal status. China's export trade impact continues due to supply chain disruption and the closure of business and manufacturing overseas. Southeast Asia is experiencing a shortage of containers due to all the exports that they have seen. For the rest of the Asia Pacific region, a calibrated and slow approach is planned for the return of employees to the workplace. Safe distance measures and other ongoing preventative measures are implemented to ensure a safe working environment. Some of these measures include, but are not limited to, 14-day self-isolation for travelers, restricted community movement, and border controls.

## Middle East and Africa

Ports and terminals are operational with delays due to carriers and customs authorities working fewer hours. Ports, cargo freight stations, and cargo vessels are still operating but with precautionary measures. There is a decrease in volumes visible at all port terminals.

Port operations in the various local areas are affected by social distancing regulations and are operating at reduced capacity.

## Resources:

[Ti COVID-19 Monitor](#)

[Port of New York & New Jersey - Breaking Waves](#)

[Port of Long Beach COVID-19 Information](#)

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