

Freight Forwarding Updates - 01/14/2021

After almost 10 months, 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. Planning is underway for a worldwide vaccination program for a resumption towards 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; however, we are continuing to see some equipment shortages at several inland depots in the U.S., particularly in the Far East, and throughout Europe. In general, the equipment availability at the ports of loading is still ok. Due to several blank sailings, we are noticing available trucking chassis are more difficult to locate.

Cancelled Voyages/Blank Sailings

Blank vessel sailings continue to have a 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 port of Los Angeles being the most heavily impacted; we are currently noticing a two-three-week vessel delay at this port.

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 currently under extreme pressure due to sheer lack of equipment. Last minute bookings see huge ocean freight rate increase. Air freight rates have seen the most dramatic change due to the continued sheer lack of capacity.

Air Freight: With the holidays behind us now, capacity constraints are still playing a large role, with all airlines still having suspended or reduced passenger flights to almost all destinations. As the virus surges again in both Europe and the U.S., we are noticing steeper air freight rates again and a considerable lack of capacity. 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 limited hours of port operation.

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.

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. With a third wave of COVID-19 cases apparently hitting this continent, we will be monitoring our shipments very closely. The ports are operational with 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 preventive 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](#)

[IATA TACT](#)

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