

Freight Forwarding Updates 08/04/2020

After almost 7 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 resumption of “normal” over the next 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. In general, the equipment availability at the ports of loading is still ok.

Cancelled Voyages/Blank Sailings

Blank sailings are diminishing slowly around the world as there has been an increase in available ocean freight cargo. Due to the lockdown situations in multiple countries, we are still noticing some blank sailings around the world.

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 now declared a “force majeure,” all rates are subject to change. Air freight rates have seen the most dramatic change due to the sheer lack of capacity and the need to reposition PPE equipment in the world, but these appear to be leveling off to more acceptable levels now that PPE cargo needs appear to have stabilized.

Air Freight: Demand for PPE is softening, and air freight rates are on their way down again. However, since the trade lane between Europe and North America is largely dominated by passenger aircraft, we have been experiencing a severe drop in the available capacity. The tremendous spike in air freight rates appears to be behind us, but we are continuing to notice some COVID-19 emergency support charges tacked on by ground services companies in certain areas. The airport in Melbourne, Australia is currently operating under state of emergency with reduced workforce levels.

Ocean Freight: Most ports are continuing to adjust their hours based on need and vessels. We are continuing to see some container 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. Most shortages are noted in the Gulf ports as well as inland depots.

North America

The main Container Freight Station gateways in U.S. are operating normally but are still operating with reduced hours. Due to decreases in vessel operations, some ports or terminals have reduced operating days or hours. 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. Due to the lack of cargo, we do 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 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, are also returning to normal status. China's export trade impact continues due to supply chain disruption and the closure of business and manufacturing overseas. 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. There is a decrease of volumes visible at all port terminals.

As the number of confirmed cases continues to rise, state and local authorities in the Middle East and Africa countries have called for more stringent steps to be taken for local governments and businesses.

Resources:

[Ti COVID-19 Monitor](#)

[AIT Worldwide Logistics Carrier Impact Updates](#)

[Maryland Port Administration](#)
