

CFR FREIGHT – WEEKLY TRADE SUMMARY **WEEK 32**

GENERAL

Cargo Lead Times and Transit Times

On all trades, we continue to experience volatile freight rates; carrier capacity constraints, extended transit times, transshipment hub delays and erratic carrier schedules.

Please be advised that carrier schedules are very erratic at this time, with blanked sailings being announced by shipping lines. Carriers are amending schedules mid voyage, vessels are being phased into and out of services and we are seeing cases of unscheduled container transshipments as a result of vessel schedule amendments. This is impacting all trades.

Carrier capacity is severely limited out of Asia and is expected to worsen through August, September and October. Main ports from Asia are advising that there is very limited, to no capacity into South Africa for the rest of August, with carriers not releasing bookings on already over-committed vessels for the balance of the month.

With the recent disruptions along the South African coast, carriers have amended schedules, port rotation and port omissions have been announced. We recommend close tracking of containers, as we are seeing unscheduled container transshipments, as well as extended delays in transshipment hubs around the globe.

Export capacity out of South Africa is constrained, as carriers work to move backlogged cargo. Pricing increases and congestion surcharges are being announced by carriers for August and into September.

SA PORTS

Transnet is publishing regular vessel updates, berthing plans and stack dates for all terminals. These advisories do provide full details of vessel activities and planning for all SA terminals.

DURBAN

Reports indicate that the backlog has mostly cleared in all Durban terminals; however high traffic volumes continue and there are still some delays being experienced with the booking system for container movement into and out of the terminals.

Durban terminal berthing times indicated: Pier 1 at 2-3 days; Pier 2 at 2 days; Durban Point at 2 days.

CAPE TOWN

High traffic volumes are still being experienced; however containers are moving.

Cape Town terminal berthing times indicated: CTC at 2-3 days; MPTI at 1 day.

Seasonal high winds are expected into the week.

COEGA / PORT ELIZABETH

Port Elizabeth terminals have been affected by poor weather conditions and winds during the week. There have been some system constraints. Containers are moving, but high traffic volumes are being experienced.

Berthing times in Port Elizabeth are indicated: Coega at 2-3 days; Port Elizabeth at 1- 2 days.

Seasonal high winds are expected into the week.

NORAM

Amex (MSC & Maersk)

Port Congestion, chassis shortages and vessel delays continue from North American region. Rail congestion and chassis shortages, extended wait times with the terminals and piers continue to negatively impact the movement of cargo and containers within the US.

US West Coast / Transpacific Update – Maersk 10.08.2021

As Container Dwell Times Across North America Increases, Supply in Asia Decreases

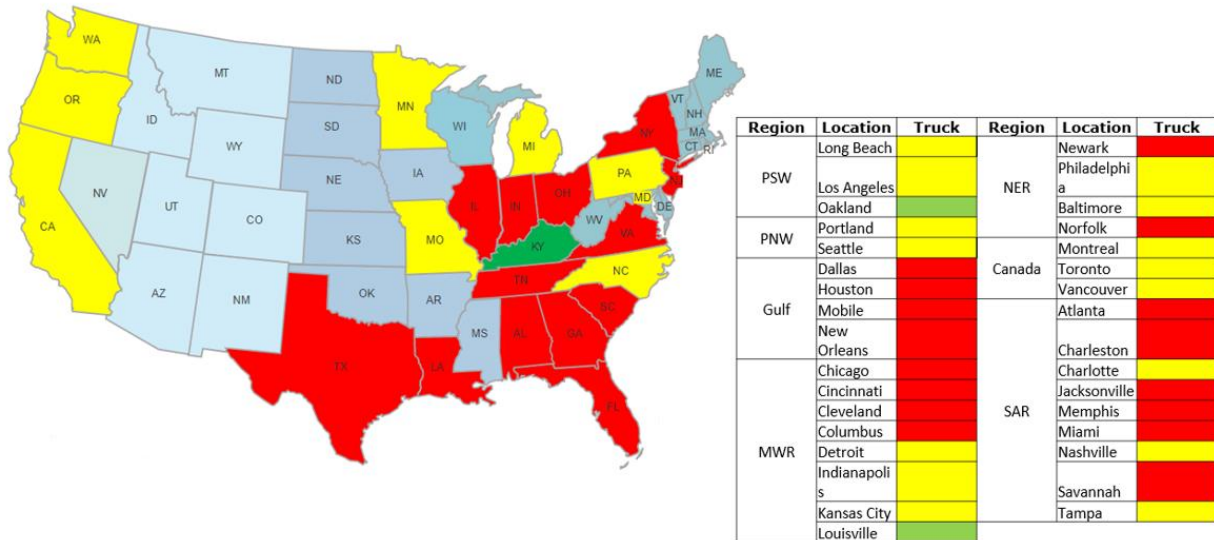
While the headline itself might seem counterintuitive, it does unfortunately represent the latest in an every-growing list of challenges that are impacting our ability to reposition containers back to where it's most needed in Asia. Over the past several weeks we have started to see a rapid increase in the average container dwell time (time the container is in our customers possession). In fact, the average dwell time has increased by some 35% which in principle has an effect of reducing the overall available equipment to reposition in the short term by that same 35%. As such it is imperative that we have containers returned timely to prevent vessels from sailing back to Asia light. As a related impact, long dwelling containers is also adding to the growing chassis shortage across much of the Mid-West and parts of the Northeast. To help facilitate timely returns, most terminals have increased their hours and are offering Saturday gate hours.

Other contributing factors to the current container shortage worth reiterating includes the issue of long vessel wait times in the Pacific South West, high port yard utilisation slowing operations in the Pacific South West, vessel bunching leaving little time for empty return thus causing some vessels to return light, rail congestion across the Mid-West resulting in capacity restrictions that are further adding to the backlogs and COVID labour restrictions both in the US and now in Asia that is further hampering port operations.

Trucking, Chassis and Rail Capacity

In the Northeast, the primary challenge remains in the availability of chassis across the Newark area. While long standing containers at the terminals are improving, container dwell times continue to rise further adding to the chassis pressure. Truck availability is also limited with a minimum two-week lead time now required to secure capacity. In the South Atlantic, chassis shortage in Atlanta continues to cause major delays for import rail cargo out of Fairburn. Rail import dwell times in both Savannah and Charleston have also gradually ticked up, currently sitting at 5 days. Meanwhile in the Gulf, all of Houston, Mobile and Dallas are experiencing severe truck shortages. The main headline out of the Mid-West is unchanged with a severe shortage of chassis and truck power. Adding to that now are the rail car shortages and rail yard capacity limitations that have led to an overall reduction in the number of services from the West Coast. To conclude, in the Pacific Southwest chassis availability once again remains the top theme with several terminals now turning away bobtails to maximise output. Rail dwells into the Mid-West as previously noted is a growing theme as rail car availability remains limited.

Truck Heat Map



Schedule integrity on the Amex service, US – SA – US, has been somewhat erratic in the past week, with vessel sailing delays and changes to port rotations affecting planned departure dates, eta's and container bookings.

On the SA export services; carriers have advised that due to congestion and backlog as caused by recent port disruptions and resultant vessel scheduling changes, a temporary space protection premium has been introduced for all containers on the direct US trade. Carriers have advised the implementation of the surcharge with immediate effect. A temporary emergency congestion surcharge will be applied to all SA export cargo, with effect shipped on board date 13 August 2021.

GRI notice has been issued by shipping lines effective 1 September 2021 for both inbound and outbound services.

- **Lori** – vessel will omit Baltimore and proceed directly from Norfolk to Charleston.
- **MSC Jeanne** – vessel will omit both Norfolk and Baltimore and proceed directly from Philadelphia to Charleston.

LATAM

Hapag Lloyd, MSC

Carrier service changes, vessel delays, equipment shortages and capacity constraints have negatively impacted services from Brazil into SA. Vessels are extremely full ex South America at this time and carrier booking releases are constrained. Schedules are erratic from this region at present; and freight rates continue to remain volatile, in line with available capacity.

GRI is anticipated within the next week and will be advised accordingly.

UK & NWC

SAECS (ONE, DAL, Maersk) & MSC

Erratic schedules, vessel delays, amended port rotations, high volumes, carrier capacity constraints as well as congestion continue for this region.

Summer holiday season is starting in Europe, generally from end of July through to beginning of September. Many businesses, including transporters, close for summer vacations. During this time, there is generally restrictions on the movement of heavy trucks throughout Europe. This may impact cargo deliveries and pick ups.

As advised by carriers, with a view to improve vessel schedule integrity and improve overall transit times, we continue to see amendments to vessel schedules, with port omissions and changing rotations continuing both in South African ports, as well as various European ports. These vessel changes may affect container loadings. Every effort is made to secure loading between the two main services into South Africa (MSC's NWC service or SAECS service) to maintain loading integrity from our European CFS's.

With poor weather conditions being experienced in SA ports, as well as recent IT and other service disruptions, we are seeing an increase in the number of port omissions and scheduling changes. Please ensure to monitor carrier notifications and Transnet berthing schedules; as vessel port calls and schedule amendments are subject to change. The vessel schedule changes will impact both inbound and outbound services.

- **Santa Isabel** – vessel will omit CPT southbound call and all containers will remain on board for discharge on the 2nd northbound call. ETA 19.08.2021.
- **Santa Ursula** – vessel will omit CPT southbound call and all containers will remain on board for discharge on the 2nd northbound call. ETA 19.08.2021. No dry Export cargo will be loaded on the vessel ex Durban and all DBN dry export bookings transferred to the Santa Barbara.
- **Santa Barbara** – vessel will omit CPT southbound call and all containers will remain on board for discharge on the northbound call. ETA 26.08.2021
- **Santa Cruz** – vessel will omit CPT southbound call and all containers will remain on board for discharge on the northbound call.
- **MSC Julie** – vessel will omit CPT southbound call and proceed directly from Las Palmas to Coega. ETA 24.08.2021
- **Maersk Luz** – vessel will omit CPT southbound call and all containers will remain on board for discharge on the northbound call. ETA 09.09.2021.
- **Akadimos** - vessel will omit CPT southbound call and all containers will remain on board for discharge on the northbound call. ETA 16.09.2021.
- **Santa Clara** – vessel will omit CPT southbound call and all containers will remain on board for discharge on the northbound call. ETA 23.09.2021.
- **Santa Clara** – vessel will omit Coega southbound call. Call destined cargo will be loaded on Maira XL.
- **Maira XL** – vessel will omit CPT southbound call and all containers will remain on board for discharge on the northbound call. ETA 30.09.2021.
- **Dal Kalahari** – vessel will omit CPT southbound call and all containers will remain on board for discharge on the northbound call. ETA 07.10.2021.

Northbound (Exports):

All ports have been severely impacted on the NWC outbound services, with vessel schedule changes. We recommend that schedules, carrier notices and Transnet berthing plans and stack dates be closely monitored. Equipment shortages are being experienced on this trade.

MEDITERRANEAN

SAECS (ONE, DAL, Maersk) & MSC

These services are subject to container transshipment in either Las Palmas, Algeciras or Sines ports. These transshipment hubs are being impacted by the poor vessel schedule integrity and vessel delays at other ports. Transshipment vessels and connections may be amended or compromised as carriers change vessel schedules and trade services. Increasing congestion is being seen at the ports of Algeciras and Las Palmas. Feeder vessels from the main ports into transshipment hubs are experiencing delays, as well as capacity constraints. Hazardous bookings may be delayed, due to last minute schedule changes by the carriers.

Turkey is severely impacted by equipment imbalances and container shortages. The equipment shortage in Turkey is critical. Carriers have announced increase in Equipment Repositioning Surcharge, effective 1 August 2021.

Spain is also being affected by the global equipment imbalances. There have been delays with the feeder vessels out of Spain. This may result in bookings being rolled over, but priority loading is in place for all containers.

Italy is being affected by the global equipment imbalances, container shortages, port delays and volatile vessel schedules. Delays and shortage of feeder vessels out of Italy into transshipment hubs may have an impact on container loading. Congestion in the terminals in Italy may affect transshipment cargo as cargo moves from import to transshipment handling for loading.

Italy summer holiday - cargo pick-ups and deliveries may be delayed during the holiday period between weeks 32 and 34.

Please take note of the vessel scheduling changes under NWC, as this will affect inbound cargo, which transships onto the South African NWC / SAECS service vessels.

MIDDLE EAST

CMA-CGM, Hagag Lloyd, MSC

Vessel capacity constraints and equipment shortages are having a negative impact on the services out of Jebel Ali. Vessel capacity for both inbound service from Jebel Ali and outbound service to Jebel Ali is severely constrained, with carriers advising that vessels are full.

Load planning is scheduled for first available vessel and carriers may change from week to week subject to availability.

GRI has been published for direct Jebel Ali to Durban service, effective 15 August 2021.

Outbound services have been affected by erratic carrier schedules; however our operations teams will endeavour to maintain loading integrity as carrier schedules allow.

INDIAN OCEAN ISLANDS (MAURITIUS)

MSC

Capacity remains constrained on inbound services and schedule integrity is erratic. We continue to load as carrier schedules allow and we are maintaining our loading integrity.

Export schedules are volatile and amendments to stack dates are prevalent. Our operations team will endeavour to maintain loading integrity as carrier schedules allow.

SUB-CONTINENT

One Line, MSC, Maersk, CMA, GSL

There has been no improvement or change to the services ex the Sub-Continent. Port delays as well as transport delays, high cargo volumes, carrier capacity and equipment challenges continue to impact services in India.

Carrier capacity is severely constrained out of the region. Port omissions and blank sailings are also very prevalent. Our containers may load with different carriers from week to week, as our partners, Teamglobal, endeavour to maintain scheduled loadings and services for this trade. Loadings will be planned as per bookings released by the carriers; this may result in cargo being loaded into another CFS in South Africa; as we endeavour to move cargo on first available sailing.

Many carriers do not have available capacity for majority of August and capacity out of India is at a premium.

Services from Pakistan are severely constrained, with limited capacity available, as well as reduced sailings being published by carriers. Due to high levels of congestion and the capacity constraints, we have been advised that carriers are not releasing bookings for South Africa. Our direct services may be impacted and alternate routings scheduled for bookings. Please liaise with operations teams for amended routings where needed.

Recent telephonic communication with carriers relating to services from India provide feedback as follows:

MSC

Currently not offering any sailing out of India, the last sailing was over a month ago.

MSC may only have next sailing in September however, there is a possibility they will have a sailing in the next 10-14 days, but this hasn't been confirmed yet.

CMA CGM

CMA CGM are still offering regular weekly sailings however space is extremely tight.

Lightweight containers below 12 tons are being given priority however there is still no guarantee of sailing.

It is suggested that agents try booking early and always the sea priority charge.

Unfortunately, no control here in South Africa to get bookings released, this is all managed at origin.

Ocean Network Express

ONE only had the one sailing in August ex Mundra.

The next sailing is the first week in September however, this is already fully booked. The next two sailing are only on the 24th September and the 28th September.

Due to the delays on AIM service especially in West Africa are causing erratic schedules and limited sailings being offered.

Majority of current vessel allocation is being given to West Africa which is causing further space constraints for South Africa cargo.

Hapag Lloyd share this service with ONE thus are having the same issues.

Maersk

At the moment, majority of vessels are full however they are still having weekly sailings on offer.

The space and rates are always done online and currently space is released on a first come first served basis per sailing.

It is suggested that bookings are to be made at origin as they have better communication with agents as well as quicker turn-around time in securing space when bookings for a specific vessel do open.

APAC (including OCEANA)

ONE Line, MSC, Maersk, CMA, Evergreen, GSL, Cosco

Ningbo-Zhoushan Port Operations

Please refer to Interim Trade Summary as published on Thursday 12th August – copy attached.

With reference to the recent announcement by the Ningbo Meishan Container Terminal, also known as the Meidong Container Terminal, regarding the suspension of operations and shut down of the port area after a COVID-19 test of a staff member showed a positive result; updates received as follows:

- Ningbo Meishan Container Terminal has stopped operations of container gate-in and gate-out activities from 11th August until further notice.
- Other terminals in Ningbo-Zhoushan port are operating normally.
- Carriers for the SA services make use of the Beilun Container Terminal, which is fully operational. However, some carriers do house empty containers at Meishan terminal and therefore equipment releases will be affected.
- Vessels originally planned to Meishan terminal may be redirected to other terminals within the port, thereby having an impact on these alternate port operations.
- Delays and congestion are anticipated.

Carriers Divert Vessels from Ningbo, as Fears of “Another Yantian” Grow

Source: The Loadstar – 12 August 2021

[Carriers divert vessels from Ningbo, as fears of 'another Yantian' grow - The Loadstar](#)

Ships are beginning to divert from Ningbo to Shanghai, following yesterday's decision to close the Ningbo Meishan Island International Container Terminal (MSICT) due to Covid. All operations at the terminal were suspended at 3am today, with the gate-in of export containers limited to two days of a vessel's ETA. MSICT is said to account for about 25% of the volumes at the world's third-largest port, sparking concerns of a Yantian-style disruption to supply chains. But Ningbo's other terminals are some distance away, indicating that the Covid case might be confined to MSICT alone. One Chinese forwarder said he was optimistic. "Many people are receiving Covid-19 tests now, and so far there are no reports with more positive cases. "Be optimistic; if no more Covid-19 has spread, the impact won't be as much as at Yantian. I am very confident it won't."

The situation from Asia remains unchanged, with available space / booking capacity with the carriers and soaring freight rates continuing to deteriorate from the region to all areas globally. Vessels are over-committed and carriers are only releasing limited bookings and equipment; with contracted space allocation being disregarded at this time, in favour of “spot” bookings with priority freight rates being applied. Freight rates continue to increase, as capacity constraints become tighter into August. Carrier rate structures and contract rates are not guaranteeing availability, with additional shipping priority rates being introduced.

CFR has published a GRI effective 16th August 2021.

As we move into traditional annual peak season, we anticipate that space constraints will become tighter as increase in cargo volumes continues. All cargo is given priority for loading and we endeavour to accommodate all bookings, however we do caution delays at this time, with a view to capacity constraints.

Unscheduled container transshipments are also evident at this time, as carriers are discharging containers in Singapore to reload heavily delayed containers from other vessels.

Vessel schedules remain volatile and we are seeing carriers amending port rotations – please ensure to track your containers, for any changes to these schedules. Carriers are announcing blank sailings from various ports, or we are seeing vessels “sliding” or “cascading”, which results in ETAs and ETDs moving out by a week or more. Poor weather conditions and increasing COVID cases in Asia are adding to the current congestion challenges seen in major Asian ports, further disrupting vessel scheduling and increasing delays. Vessel schedules are becoming increasingly erratic in all major ports and our partners will endeavour to maintain a loading integrity where possible

Both Singapore and Tanjung Pelepas are seeing transshipment delays – these delays vary from one to five weeks. Vessel waiting delays in Singapore and Hong Kong are at 2 to 3 days.

Australia is seeing severe congestion and delays; vessel berthing waiting periods at approximately 9 days in Sydney and 4 days in Melbourne. Carrier capacity constraints are a concern, with shipping priority surcharges being applied by most carriers.

Restrictions of certain commodities ex China into Hong Kong remain.

Shenzhen CFS unable to handle IMDG cargo. Any IMDG cargo from this region will need to be shipped FOB Hong Kong and subject to carrier acceptance; this includes lithium batteries classified as DG cargo.

All carriers are heavily committed and container bookings / releases subject to carrier acceptance.

SA Exports

Our export loadings to Far East (Singapore) are being subjected to erratic carrier schedules and changing stack dates. However, Singapore port and our Singapore CFS remain heavily congested and this, together with equipment shortages may delay transshipments from Singapore.

Vessel schedule integrity and export stack dates remain volatile at present, due to vessels being delayed in inbound voyages, as well as along SA coastline.

AFRICA EXPORT SERVICES

MSC, ONE Line, Hapag Lloyd

Vessel schedules remain erratic, with volatile SA port stack dates.

Destination ports continue to experience port congestion and resultant vessel berthing delays. Transport problems and container transfer delays continue to impact on these services.

All containers to be closely tracked and monitored.

Capacity for Africa exports from South Africa is constrained, with carriers advising that vessels calling SA ports, mainly from the Far East are at capacity and therefore export bookings from South Africa are not being released, as the vessels are over-committed. Our operations teams continue to liaise with carriers and will endeavour to maintain loading integrity where possible.

EAST AFRICA

There are severe carrier delays to the entire East African region; NB to note that carrier options for groupage cargo is limited and therefore our services are reliant on carrier schedules.

Port congestion and delays are evident on these services. Delays in vessel schedules has seen bookings being rolled over; our operations teams will plan to load on first available.

Dar Es Salaam service continues to see vessels omitting Dar Es Salaam and containers being transhipped in Mombasa. This trade remains congested and negative impacts the Mombasa and Maputo services as well.

Mombasa service continues to experience erratic vessel schedules.

Maputo service is severely constrained, with no capacity being released by carriers. At this stage, next available loading is only end of August.

WEST AFRICA

Nigeria berthing and terminal delays remain critical. Carriers are over committed, with ONE advising capacity may only become available towards end of October or possibly only November. MSC capacity is also constrained, and indications of general rate increases being announced on this trade.

Tema direct service has seen carrier change and this has resulted in improved schedule integrity.

Thank you for your continued support and should you require any further information, please do not hesitate to contact us.

**CFR FREIGHT
TRADE TEAM**

