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CFR FREIGHT – WEEKLY TRADE SUMMARY
WEEK 31

GENERAL

Cargo Lead Times and Transit Times

On all trades, we continue to experience volatile freight rates; carrier capacity constraints, extended transit times, transhipment 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; especially on the Asia Pacific trade. Carriers are amending schedules mid voyage, vessels are being phased into and out of services and we are seeing cases of unscheduled container transhipments as a result of vessel schedule amendments.

Carrier capacity is severely limited out of Asia and with peak season approaching; the current situation is expected to worsen.

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 transhipments, as well as extended delays in transhipment hubs around the globe.

Global Schedule Reliability for June Unchanged at 40%
Source: Sea-Intelligence via ShipcoWeekly No. 30

Schedule reliability continues to remain close to 40% since March 2021 reports Sea-Intelligence in their latest analysis. Year-over-year schedule reliability was down -38.2%. The company said global average delay for late vessel arrivals has continued to worsen, increasing by 0.38 days month-over-month to 6.41 days in June 2021. Delays in 2021 have been the highest across each month compared to previous years.

Of the top 14 carriers. Maersk Line was the most reliable in June 2021, with schedule reliability of 49.7%. Only three other carriers – Hamburg Sud, Zim and MSC had schedule reliability higher than 40%. Wan Hai had the lowest schedule reliability in June 2021 of 21.2%. None of the top 14 carriers recorded a year-over-year improvement in schedule reliability, with all carriers recording double-digit declines of over -31%.

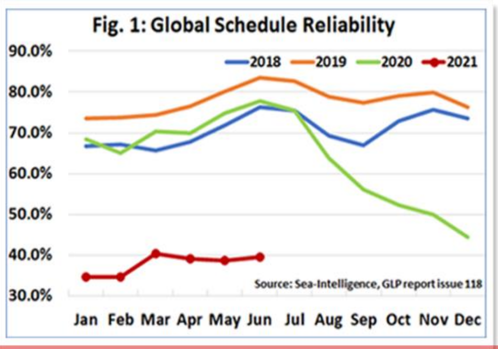

Figure 1: *Global schedule Reliability. Source: Sea-Intelligence*

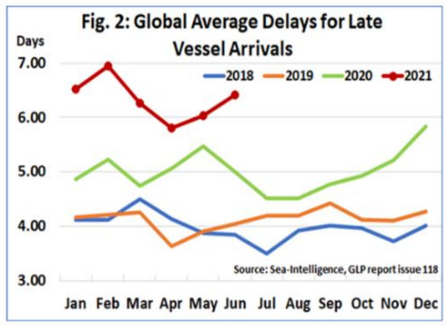

Figure 2: *Global average delays for late vessel arrivals. Source: Sea-Intelligence*

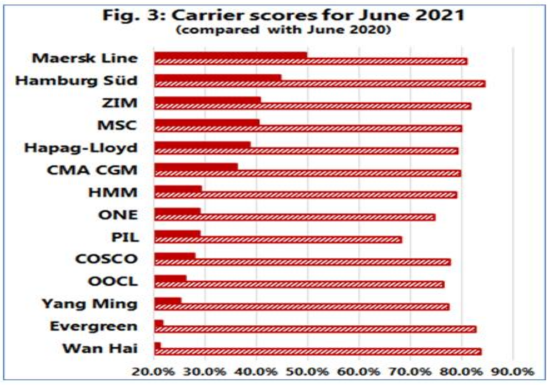

***Figure 3:** Global Top 14 carrier rankings, June (2020 vs 2021). Source: Sea-Intelligence*

Typhoons Pose latest Supply Chain Threat as China Ports Shut
Source: gCaptain (Bloomberg) 5 August 2021

Extreme weather in China is becoming the latest challenge to global supply chains, as a heavy typhoon season threatens to further delay goods stuck in some of the world's busiest container ports.

Yantian port in southern China's export and industrial hub of Shenzhen temporarily stopped drop-off services of containers on Tuesday night due to a typhoon alert. Just two weeks earlier, Shanghai's Yangshan mega-terminal facility and nearby ports evacuated ships as Typhoon In-Fa slammed into the coast, bringing widespread flooding and toppling containers stowed in the hold of a bulk carrier travelling to the US.

Heavy rain, high winds and flooding this year are typing up global trade as the already overstretch shipping industry struggles to recover from disruptions ranging from Covid-19 outbreaks to geopolitical unrest. There may be worse to come, as officials predict more typhoons will hit China this month.

From August to December, 16 to 18 typhoons are forecast to form in the Northwest Pacific and South China Sea, the Meteorological Administration said Wednesday. Four to six of these are expected to make landfall in China or affect the country.

Typhoons Pose Latest Supply Chain Threat as China Ports Shut (gcaptain.com)

Ningbo and Shanghai, the World's Two Largest Ports, Experience Unprecedented Congestion
Source: Splash247.com 9th August 2021

The world's two largest ports are experiencing unprecedented volumes of tankers, bulk carriers and containerships back up into the East China Sea as a combination of renewed Covid cases, fierce weather and strong US demand creates further supply chain havoc,

Ningbo-Zhoushan and Shanghai to the north handled 1.17bn and 510m tons in 2020, marking them out once again as the world's top two ports. In container terms, they're also on the podium – Shanghai ranked number one in the world with Ningbo-Zhoushan in third place.

The two ports were hit hard by a typhoon late last month and have seen productivity slow as new anti-Covid measures are being carried out at most Chinese quaysides in the wake of the sudden spread of the delta variant of Covid-19 over the past three weeks.

Copenhagen-based Sea-Intelligence has carried out a data-led inspection of container port congestion at 22 ports around the world. The results, published yesterday, show Shanghai and Ningbo recently coming under huge pressure from growing congestion. Putting these figures in context, among the 22 ports surveyed, only Los Angeles, Long Beach, Oakland, Rotterdam, Antwerp and Vietnam had more severe congestion than China's big two ports.

"In terms of Ningbo and Shanghai, this might be an early warning of coming impact of more Covid restrictions in China, as the delta variant appears to continue to be present," Sea-Intelligence noted in its most recent weekly report.
https://splash247.com/ningbo-and-shanghai-the-worlds-two-largest-ports-experience-unprecedented-congestion/

Forwarder Angst as Carriers Switch Vessels onto the Best Paying Tradelanes
Source: The Loadstar 4 August 2021

Ocean carriers continue to shift tonnage from intra-Asia and north-south trades to more lucrative east-west routes, which is in turn driving freight rates up on these secondary trades, threatening the sustainability of global markets.
Alphaliner said its data showed transpacific routes between Asia and North America had attracted the most extra tonnage over the past few months.
There has been a substantial increase in extra capacity, said the consultant. "Alphaliner currently counts more than 30 ships between the Far East and Est Coast of North America alone."
Notwithstanding that carriers need more ships to mitigate the impact of port congestion, there is an obvious attraction for carriers to deploy extra loaders between Asia and the US to benefit from the huge premium rates on offer in an extraordinary one-sided sellers' market.
According to Alphaliner data, in the past 12 months carriers have ramped up capacity between Asia and North America by 30.6% and on Asia-Europe by 19.7%.
In contrast, they have reduced capacity deployed on Africa-related services by 6.5% and one UK based forwarder told The Loadstar it was now "almost impossible" to get equipment for his client's African exports.
"The lines have no interest in the African export business," he claimed, "they just want to get their boxes back to Asia and fill their boots with $20000 cargo," he said.
On the transpacific, capacity growth has not been equally shared by all carriers, according to Alphaliner. Of the 30.6% growth on Asia-North America routes, five lines have increased their average weekly nominal capacity more than the market average.
"2M partners (Maersk +54.4%) and MSC (+81.7%) have added the largest number of slots to the transpacific trade, and have both started or announced additional sailings and/or services outside the scope of their vessel-sharing agreement," said Alphaliner.
Meanwhile, Wan Hai has added more capacity, percentage wise, on the transpacific than its rivals, up an enormous 2615% with the introduction of four standalone Asia-US west coast loops and an Asia to US east coast service.
According to Alphaliner data, 32% of Wan Hai's 148 ship, 419000 teu, fleet is now deployed on services between Asia and North America.
"Zim is another carrier to have launched several new Asia to US west coast services targeting e-commerce traffic. Its average weekly capacity has risen from 18450tue to 25259 teu in 12 months," said Alphaliner, an increase of 34.7%.
Redeploying ships to better paying routes is a win-win for carriers, which after shifting vessels are able to command much higher rates for the capacity crunched secondary trades.
One example is the transpacific, from where earlier in the year carriers transferred as much tonnage as possible to the two biggest tradelanes, like the 2M suspending its North Europe-US East coast TA4/NEUTL4 loop in April, despite rapid demand growth on the route.
As a consequence, since March, spot rates for a 40ft from North Europe to the US east coast have soared from $2000 to $6000 with carriers also now demanding premium fees from shippers to guarantee equipment and shipment.

SA PORTS

Week 31 saw the gradual recovery of cargo movement through SA ports. Although Transnet systems not fully operational by the close of the business week, there has been significant progress on the port operations. Heavy congestion is being experienced at all terminals and delays can be anticipated. Vessel schedules, port omissions and published stack dates are subject to change. Transnet are issuing advisories relative to schedules at the various terminals.
On the 6th August, Transnet issued a notification regarding the Order to Cash system, advising that the system is functional, however challenges in processing cargo dues and invoices may be experienced. The expectation is that the backlog will be cleared by the 8th August and processing of cargo dues (new and backlogs) may commence from the 9th August 2021. A copy of the advisory is attached.

DURBAN
Durban terminal berthing times indicated as follows (as at 3 August 2021): Pier 1 at 3 days; Pier 2 at 2 days; Durban Point at 2 days.
CAPE TOWN
Cape Town terminal berthing times indicated as follows (as at 3 August 2021): CT Container Terminal at 3 days; Multi Purpose Terminal at 1 day.
Seasonal high winds are expected into the week.
COEGA / PORT ELIZABETH
Berthing times in Port Elizabeth are indicated as follows (as at 3 August 2021): Ngqura Terminal (Coega) at 3 days; Port Elizabeth Container Terminal at 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.
SHIPCO ADVISORY
To keep you better informed of the current operational situation occurring in the US, we would like to provide you with the following updates.

- ***Rail Terminals***
  Extreme chassis shortages are causing delays in pickups and delivery of containers. In addition, we anticipate increased dwell times due to rail car shortages, gate capacity restrictions, and limited reservations at major rail facilities.
  Philadelphia: *Severe shortages of available chassis in the Philadelphia area result in anticipated delays in pickups, deliveries and drays.*
  Charleston: *Severe shortages of available chassis in Charleston, resulting in delayed pickups, deliveries and drays.*
  BNSF & UP/LAX/LGB: *Severe congestion. Limited gate capacity, restrictions, rail car shortages, and limited reservations continue, causing increased delays on import rail units. Due to extreme congestion issues at BSNF Logistics Park, BNSF (operators of the largest freight railroad network in North America) is limiting the number of departures per week to help clear out backlogs.*
  Chicago Rail Ramp: *The rail facilities in Chicago are seeing severe congestion because of the dwelling containers and chassis shortages.*
  Chicago: *There continue to be chassis shortages, as well as extreme congestion. Anticipated delays in pickups, deliveries and drays.*

- ***Terminals***
  US EAST COAST
  New York Container Terminals: *Vessel waiting time is up to 24 hours.*
  Savannah: *48-96 hour vessel waiting time*
  Charleston: *Vessel wait time is 0-12 hours*

Baltimore: *Up to a 24 hour waiting time*
US WEST COAST
Los Angeles: *4-6 days vessel wait time due to high import dwell, labour shortages and yard congestion.*
Long Beach: *up to a 4-6 days vessel wait time due to high import dwell and labour shortages*
Seattle: *up to a 7 day vessel wait time due to high import volume and labour shortages.*
Oakland: *5 day vessel wait time due to high import volume and labour shortages.*

- ***Equipment Availability***
  There are continuous chassis shortages in LAX / Long Beach, New York, Philadelphia, Saint Louis, Columbus, Cleveland, Chicago, Memphis, Atlanta, Nashville and Louisville.

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.

- **MSC Jeanne –** vessel will omit Durban – DBN import containers to discharge in PLZ and planned to connect onto the MSC Lilou, subject to change.

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.

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.

UK & NWC

SAECS (ONE, DAL, Maersk) & MSC

Erratic schedules, vessel delays, amended port rotations, high volumes 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.

Vessel capacity ex Germany has been very tight as vessel scheduling changes have resulted in mainline vessels omitting port of Hamburg; containers for loading on the mainline vessels for South Africa are being moved by smaller feeder vessels into Antwerp. Equipment shortages continue from the region.
High cargo volumes continue in Germany and our partner CFS is at maximum capacity. Cargo delivery time cut off is at 1:00pm every afternoon and cargo deliveries only accepted within 72 hours of cut off day. Germany export stack dates remain erratic, and our partners, SACO Shipping, do liaise with booking parties and transporters with regards to cargo delivery / cut off days.

MSC has issued an Advisory for ANTWERP – 0726 INST MPET new rules affecting export receiving window.
This affects containers moving into load port Antwerp. Quote *"MPET decided to implement a Yard opening Time scheme for all full containers delivered at Q1718 and Q1742. Through this scheme, export containers can enter*

the terminal yard only as from 7 calendar days before the confirmed vessel arrival time. The scheme will come into effect for vessels with ETA as from Wednesday 4 August 2021 and will remain in place until further notice."

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

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- **MSC Sasha –** vessel will omit CPT on southbound call and all containers will remain on board for discharge on the 2nd northbound call. ETA is TBA.
- **MSC Vita –** vessel will omit Coega on both south bound and northbound voyages. Import cargo to discharge in DBN to transship onto the MSC Sasha. Exports planned for MSC Katrina, via Lome.
- **MSC Chloe –** vessel will omit Hamburg and proceed directly from Rotterdam to Antwerp.
- **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.
- **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
- **Cape Tainaro –** vessel will omit Hamburg. All Hamburg import containers to be landed in Las Palmas for transhipment onto the MSC Vita.

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.

<u>MEDITERRANEAN</u>
SAECS (ONE, DAL, Maersk) & MSC

These services are subject to container transhipment in either Las Palmas, Algeciras or Sines ports. These transhipment hubs are being impacted by the poor vessel schedule integrity and vessel delays at other ports. Transhipment 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 transhipment 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 transhipment hubs may have an impact on container loading. Congestion in the terminals in Italy may affect transhipment cargo as cargo moves from import to transhipment handling for loading.

Italy summer holiday advisory was issued on Friday 27th July; 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 tranships 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.

INDIAN OCEAN ISLANDS (MAURITIUS)

MSC
Our offices in Mauritius have advised that carrier capacity is very tight at present and carrier scheduling is problematic. We continue to load as carrier schedules allow and we are maintaining our loading integrity.
Export schedules are very volatile at present, with many changes being made to planned vessels.

SUB-CONTINENT

One Line, MSC, Maersk, CMA, GSL

It is monsoon season in the sub-continent at the moment – generally seen annually from July to September.
Heavy rains are anticipated during this period and this may impact cargo movement.
The country continues to feel the impact of COVID-19 and restrictions across majority of India remain in place.
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.

APAC (including OCEANA)

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

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 11 August 2021.

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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 transhipments 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 transhipment 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.
We have received a notification from our partners in Australia relative to Patrick Terminals’ Industrial Action. Quote “*Please be advised of further Protected Industrial Actions (PIAs) by the Maritime Union of Australia (MUA) which have been confirmed by Patrick Terminals – Brisbane AutoStrad, as well as the Freight and Trade Alliance (FTA). Please find details of the stoppages on the Patrick’s client advice below:*

MUA Protected Industrial Action

Please be advised that members of the Maritime Union Australia, employed at the Patrick Terminal Fisherman Islands, will engage in 1-hour stoppages of work on the following dates and times.

Date	Times
Thursday 12th August 2021	03:30 – 04:30
	11:30 – 12:30
	19:30 – 20:30
Friday 13th August 2021	03:30 – 04:30
	11:30 – 12:30
	19:30 – 20:30

Further to this, members of the Maritime Union Australia, employed at the Patrick Terminal Fisherman Islands, will engage in a 24 hour stoppage of work on the following date.

Date	Times
Sunday 15th August – Monday 16th August 2021	**From:** 2300 15th August 2021 **To:** 2300 16th August 2021

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 transhipments 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. However all offices have reported fairly consistent export loadings for this service.

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.
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.
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.
WEST AFRICA
Nigeria berthing and terminal delays remain critical. Carrier ONE is discharging containers in TinCan due to delays in Apapa; with very long delays in moving containers from TinCan into Apapa. We have seen some improvement in the last few weeks on the container movement; although this is still extensive, it has improved and containers are moving.
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