

CFR FREIGHT – WEEKLY TRADE SUMMARY **WEEK 37**

GENERAL

Cargo Lead Times and Transit Times

As available capacity, erratic sailing schedules, blank sailings and port omissions continue around the globe, our published loadings and transit times are indicative only and subject to change as per carrier service adjustments. CFR Freight and our overseas partners continue to strive to load as per our planned schedules and we endeavour to accommodate all bookings for timely loading. Cargo routings may differ to published services as we strive to move shipments as efficiently as possible.

All carriers have cautioned that capacity constraints continue to worsen over the coming months, with further delays being predicted for hazardous cargo and heavy weight / dense shipments, weight restrictions are being imposed on more services.

Extended lead times and advance bookings are recommended to all clients.

Both import and export services are being impacted by the shipping line capacity constraints.

Secondary Services Suffer As Carriers Eye ‘Container Gold Rush’ to the US

Source: The Loadstar – 15/09/2021

Ocean carriers are continuing to redeploy tonnage onto more lucrative east-west tradelanes, leaving shippers on lower-paying routes without a regular liner service.

According to Alphaliner, the Asia to Middle East trade is one of the secondary trades most affected by the drift of ships to other services, with no major carrier now able to offer a weekly sailing.

The consultant said it had counted just 29 vessels deployed on the seven dedicated China-Middle East services operated by the major carriers, whereas 50 ships would be required, according to the pro-forma schedules.

“Many ships have been redeployed to the main east-west routes, where cargo demand is very strong and spot rates are at historical highs,” said Alphaliner.

Indeed, notwithstanding that spot rates between Asia and the Middle East have seen similar big spikes as in other trades, the current short-term rates, at about \$4,000 per teu, are considerably lower than the transpacific market, where prices from Asia to the US west coast have breached \$20,000 per feu.

“This shift continues,” said Alphaliner, “as OOCL will this week redeploy the 13,208 teu OOCL Egypt from the Ocean Alliance MEA3 service to a seasonal transpacific service, operated jointly with its parent, Cosco.”

It said the consequence of that was to leave the MEA3 loop with just one vessel, when it required a minimum of seven to fulfil the weekly service.

Elsewhere, Alphaliner said, the four members of THE Alliance were “also struggling to fully equip their two Asia-Middle East loops”. But in contrast to the Ocean and THE alliances, 2M partners Maersk and MSC did not currently operate a joint Asia-Middle East dedicated service.

Several carriers have launched new services on the transpacific to cope with peak demand, including MSC, which has just announced two new weekly shuttles between China and Long Beach, commencing with the

sailing of the 5,042 teu MSC Bhavya from DaChan Bay on 3 October on its new Puma service. This will be followed by the launch of its Shanghai-Long Beach Mustang service on 16 October, by the 5,018 teu MSC Anya. Both these panamax ships have previously been deployed on transatlantic services.

Meanwhile, the new services and extra loaders from carriers between Asia and the US west coast, along with a number of self-charters by US retailers, has caused a massive spike in vessels obliged to anchor, or drift, waiting for a berth, in the San Pedro Bay.

According to data provided by Vesselsvalue, today there are 55 vessels waiting off Long Beach terminals alone, of which 40 are containerhips with a total capacity of 252,550 teu.

And wait times are growing, with the chartered 4,130 teu JPO Libra currently suffering the longest delay, at 14 days 9 hours, according to Vesselsvalue data.

With charterers now paying up \$200,000 a day for a panamax, the delays could cost the ship operators an eye-watering \$2.8m just for the idling period.

[Secondary services suffer as carriers eye 'container gold rush' to the US - The Loadstar](#)

Port Terminal Capacity Won't Keep Pace With Increasing Volumes

Source: The Loadstar – 17/09/2021

Terminal utilisation rates are set to increase over the next few years, putting further pressure on the global port congestion crisis.

According to Drewry, handling volumes will grow by an average of 5% a year between 2020 and 2025, whereas capacity will grow 2.5% a year, to reach 1.34bn teu.

As a result, average utilisation rates will increase from 67% to over 75%.

Eleanor Hadland, Drewry's senior analyst for ports and terminals, said: "While 75% utilisation at port or terminal level is not sufficiently high to be a major concern, at a global level, the expectation of a tightening import capacity in a market already plagued by congestion, is actually a real cause for concern."

The pandemic has also accelerated port digitalisation, however, which could help to alleviate some bottlenecks. For example, said Ms Hadland, the past 12 months have seen an increasing number of terminal operators signing up to neutral platforms like TradeLens, which enables information sharing across the supply chain using blockchain technology.

She added: "There's transparency and traceability in these types of systems, and this has the potential to massively reduce the amount of physical paperwork associated with each cargo movement.

"Improved data flow can materially reduce the time taken for containers to transit the port. For example, the pilot blockchain project undertaken by Cosco and Qingdao port resulted in average time savings of over 24 hours per box.

"Time savings of this magnitude will result in significant improvement in asset utilisation for terminal operators, which leads to an effective increase in capacity." Nevertheless, Ms Hadland cautioned that any efficiency gain from port digitalisation would be dependent on improving inland logistics flows, too.

"The rest of the supply chain needs to be able to handle this speed of cargo flow," she explained. "At the moment, across the US, Europe and the UK, in particular, we're seeing driver and rail car shortages. All of these things have a [long] lead time that needs to be addressed."

Indeed, Ms Hadland doesn't see the current port congestion crisis abating any time soon.

"We originally thought the Chinese New Year break would provide a much-needed reset in the market. But it's looking less likely that this is going to be sufficiently long enough, given the level of disruption we're seeing.

"On top of all the production slowdowns and the Covid outbreaks in China, we've now seen typhoons, and bad weather in America and Asia. There just isn't any resilience or spare capacity in the system to accommodate this level of disruption," said Ms Hadland.

[Port terminal capacity won't keep pace with increasing volumes - The Loadstar](#)

Jump In Container Moves per Port Visit Causes Further Congestion: Over 40% of ships at Key North American West Coast ports Require to Anchor Before Loading or Unloading

Source: Hellenic Shipping News – 15/09/2021

The average number of containers requiring loading and unloading per ship call at major global gateway ports has jumped during the pandemic, causing further delay and congestion at an already stretched supply chain. According to the latest Port Performance Data by IHS Markit, container call sizes are up between 10% and 70% (vs H1 2019) across major US, Northern European and Asian ports. The average vessel now requires more than 3000 container moves per single call as global trade volume bounces back.

At the Port of Long Beach, United States, average call sizes are now more than 70% higher than before the pandemic with terminals dealing with an average of more than 7,000 container moves per call on large ocean-going vessels. In Singapore and Yangshan (Shanghai), the call size increased by 27% and 23% percent respectively over the last two years. Whereas Felixstowe (UK) and Antwerp saw call sizes increase by 18% and 14%. Call sizes had been growing already prior to the pandemic due to increasing vessel sizes and optimization of liner networks. Strongly rebounding and unpredictable demand – as trade volumes recovered sharply from end of 2020 – amplified the trend causing delays at many global ports dealing with intermittent spikes in demand.

“The severe operational strain is caused by the surge in cargo volumes coming in much more concentrated loads. This spike in demand is placing heavy stress on ocean and landside operations, increasing yard congestion and cargo dwell times, with knock-on effects on equipment repositioning and intermodal links further fuelling the problem and resulting in sustained congestion at key global gateways.” Turloch Mooney Associate Director, Maritime and Trade at IHS Markit

Asian ports can load or unload a container more than twice as fast as their North American counterparts, taking on average 27 seconds compared to 76 seconds on large call sizes. The Northern European ports take an average of 46 seconds, according to IHS Markit’s Port Performance Data.

“The extent of the congestion has been a shock to many both inside and outside the industry and has prompted investigations into how certain container ports have become overwhelmed, and what can be done to improve resilience for the future.”

Turloch Mooney Associate Director, Maritime and Trade at IHS Markit

Higher volume and low productivity results in 40% of vessel calls at the large North American West Coast ports being required to drop anchor before a berth. This compares to 26% in South East Asia, nearly 23% in North Europe and only 12% in North East Asia. The average anchorage time in North America is 24 hours vs only 2 hours in North East Asia.

For this analysis IHS Markit compared key global gateway container ports in North America, Europe and Asia. Source: IHS Markit

SOUTH AFRICAN PORTS

Wind, high traffic volumes and congestion continue in all major terminals in South Africa. Extended berthing delays in the terminals impact already constrained and delayed vessel schedules.

DURBAN

Vessel berthing waiting times:

- Pier 1 – 4 days
- Pier 2 – 7 days
- Point – 10 days

CAPE TOWN

Vessel berthing waiting times:

- CT Container Terminal – 1-2 days
- CT Multi Purpose Terminal – 2-3 days

PORT ELIZABETH

- Port Elizabeth Terminal – 2 days
- Coega – 2 days

NORAM

Amex (MSC & Maersk)

There has been no improvement to the challenges being experienced in the USA. Equipment shortages, transport delays, high terminal congestion and high cargo demand continue to impact all services from the US. Reports in international press have indicated that the number of vessels off the US West Coast continues to increase. gCaptain.com reported on 14th September of 142 ships in port on Tuesday, 88 of which are container ships – 56 waiting at anchor. Another 16 container shipments are waiting in nearby drift areas.

Inclement weather and tropical storms of the coast of the Gulf of Mexico resulted in port terminal and our CFS closure in Houston between 13th and 14th of September. Both the CFS and terminals have reopened and fully operational.

Miami CFS, International Cargo Terminals (ICT) will be moving to new premises. Effective 27 September 2021 the address will be at 10051 N.W. 99th Ave, Suite 5. Medley, FL 33178.

With the end of the SA Citrus season, the AMEX schedule will be amended and the Philadelphia port call will be removed from the port rotation.

The last vessel calling Philadelphia will be the Lori, 136N, ETD Cape Town on 28 September 2021.

Amex service port rotations will now be as follows:

Port Elizabeth – Durban – Cape Town – Newark – Norfolk – Baltimore – North Charleston – Freeport – Port Elizabeth.

LATAM

Hapag Lloyd & MSC

Vessel capacity is severely constrained ex South America into South Africa; with expectations that very limited - to no capacity will be available for the balance of September.

Both the Durban and the Port Elizabeth services are available and our partners will endeavour to load as scheduled, however capacity constraints have resulted in carriers not confirming bookings in advance as usual practice.

UK, NWC & MED

MSC, DAL, ONE

Vessel changes, i.e. phase in / phase out of service continue with MSC on this trade, which does result in amendments to our partners' published schedules.

High cargo demand out of Europe, port congestion and vessel delays continue to impact loadings.

Amendments to port rotations and increasing port omissions, unscheduled transshipments and in some cases additional port calls are negatively impacting transit times.

On both inbound and outbound services, we have been advised by the shipping lines that the vessels are over-committed, and this has resulted in rolled containers and delayed transshipments. Alternative shipping lines may be sourced where possible, resulting in last minute updates and changes to published schedules.

Feeder vessels into transshipment hubs of Algeciras and Las Palmas are also over-committed and we are seeing some transshipment delays.

- **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.
- **Santa Clara 214N** – on the northbound voyage, vessel will omit Algeciras.
- **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 213S** – vessel will omit CPT southbound call and all containers will remain on board for discharge on the northbound call. ETA 07.10.2021.
- **Dal Kalahari 213S** – due to no berthing window, the vessel will omit Algeciras southbound call. This will impact all transshipment cargo ex Italy and Spain scheduled for this vessel. Containers originally planned for this vessel are being transferred to the Santa Isabel, ETA Algeciras 15.09.2021.

- **MSC Sariska** – Vessel is delayed in Hamburg due to technical issues and will not be deployed to South Africa. There is no replacement vessel and therefore no sailing ex NWC on the week of this vessels deployment. Containers planned for this vessel ex Hamburg now scheduled for the MSC Vita; which may now face stability issues. NZ134A will now be a blanked sailing to South Africa ex NWC.
- **MSC Vita** – Vessel will cover voyage NZ135A in LGP – 05.09.2021; please note stability concerns due to MSC Sariska not being deployed.
- **MSC Sasha** – vessel will phase out of the NWC service in Rotterdam. All SA containers for Hamburg import will be discharged in Rotterdam and loaded onto next available vessel. ETA RTM is 23.09.2021.
- **MSC Letizia** – Vessel is now scheduled to phase onto the NWC service replacing MSC Melissa (originally planned to replace MSC Sasha which is being phased out of the service). MSC Letizia is due to phase into the service covering voyage NZ136A in ROT – 17.09.2021, ETA in CPT is 08.10.2021. The vessel will have an additional port call in Lome (after Las Palmas) and then proceed to Cape Town, ETA 12.10.2021.
- **MSC Arica** – vessel is phasing into the NWC service (replacing the MSC Athens which is phasing out). Vessel will cover voyage NZ137A in ROT 22.09.2021, with ETA into CPT 15.10.2021.
- **MSC Branka** – vessel originally planned to phase out of the NWC service; however will now remain on the service covering voyage NZ138A in LGP – 25.09.2021. This vessel is scheduled to depart Cape Town on the northbound voyage on 13.09.2021.
- **MSC Brittany** – due to MSC Branka amendment, the MSC Brittany will now slide by one week, covering voyage NZ139A in LGP – 02.10.2021
- **MSC Chloe** – due to the MSC Branka amendment, the MSC Chloe will now slide by one week, covering voyage NZ140A in LGP – 09.10.2021.
- **MV Cape Tainaro** – vessel will follow MSC Chloe, covering NZ141A in LGP – 16.10.2021.
- **Santa Isabel 214S** – due to delays experienced on previous voyage, the vessel will omit Cape Town southbound call and sail directly to Coega. CPT cargo will remain on board for discharge on the northbound call – ETA 14.10.2021.
- **Santa Ursula 214S** – due to delays experienced on previous voyage, the vessel will omit Cape Town southbound call and sail directly to Coega. CPT cargo will remain on board for discharge on the northbound call – ETA 21.10.2021.
- **Santa Barbara 214S** – vessel will omit Cape Town southbound call. CPT cargo to remain on board for discharge on the northbound call.

MIDDLE EAST, SUB CONTINENT AND INDIAN OCEAN ISLANDS

All services remain heavily congested with very limited carrier capacity.

Hazardous acceptance by shipping lines is delayed and our partners will continue to work with origin booking parties and shipping lines to secure acceptance as soon as possible.

All services out of India remain a challenge, with ONE issuing an advisory on 13/09/2021 advising temporary suspension of their AIM service into and out of Cape Town. CFR Freight and our partners will continue to load cargo on first available service and routings may change from week to week.

APAC (including OCEANA)

Inclement weather, COVID-19, high cargo demand, limited carrier capacity and port congestions continue to impact services from the region.

Typhoon Chanthu resulted in terminals and CFS being closed in Shanghai and Ningbo on Monday 13th September 2021. Full operations resumed on Tuesday 14th September 2021.

Covid-19 outbreak in Xiamen has resulted in lockdown in certain districts in the region. At this time the terminal and CFS do remain operational. There may be some delays with regards to pick ups and delivery of cargo.

Mid-Autumn Festival is being celebrated in China, Hong Kong and Taiwan between 20th and 23rd September 2021. Please refer to our advisory dated 9th September for specific closure dates for the various regions.

Golden Week will be celebrated in China and Hong Kong between the 1st and 7th of October 2021. Please refer to our advisory dated 7th September for specific closure dates in the region.

2M Blank Sailings Resurface and Take Angry Shippers by Surprise

Source: The Loadstar 13/09/2021

A container shipping line announcement that it would blank four sailings in the Golden Week period has left shippers, still struggling to get cargo out of Asia, “staggered” at the move.

The 2M is the first alliance to announce blank sailings over China’s October holiday period and has left some shippers in limbo, with booked cargo on the cancelled sailings and still struggling to find capacity on the brim-full export ships from Asia.

[2M blank sailings resurface and take angry shippers by surprise - The Loadstar](#)

Safari Service Rotation – Far East Asia to Southern Africa

Maersk Advisory – 15/09/2021

The Far East Asia and South Africa networks continues to feel the effects of port congestion. In particular, vessels that were due to arrive in South Africa are currently experiencing massive delays in their sailing schedule due to the severe port congestion and the resulting port reallocation that was experienced in Far East Asia some weeks ago.

In order to balance the network to cover these delays and prevent new delays to the benefit of our customers, Maersk has decided to blank the southbound voyage 137S previously planned for Tanjung Pelepas to depart on the 25th of September. Therefore, all cargo loadings planned for this voyage will be re-planned accordingly to the following week / voyage – vessel San Catarina 138S – with expected rotation start in Ningbo, ETA September 20th.

MSC has a number of schedule changes to their Ingwe service (Far East to SA); with vessel scheduling changes, port omissions, and a blank sailing published for week 38.

SA EXPORT SERVICES

Vessel capacity out of South Africa is severely constrained. Over-committed vessels, coupled with vessel delays and port delays has seen shipping lines rolling bookings and reducing “dry stacks”.

CFR Freight export teams continue to work with all shipping lines to move cargo as per our loading schedules; however delays may be experienced as well as amendments to original vessel details / original carrier details.

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

**CFR FREIGHT
TRADE TEAM**