

CFR FREIGHT – WEEKLY TRADE SUMMARY **WEEK 39**

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.

We are seeing increased delays from carriers with regards to acceptance of hazardous cargo; this is compounded by vessel delays and scheduling amendments, which will impact acceptance from transshipment hubs.

'Plan Ahead', says Maersk, Unveiling Plans to Skip Ports as Demand Grows

Source: The Loadstar 27/09/2021

Maersk says it expects to see "early signs of a pre-Chinese New Year rush in December", and is advising customers to plan their supply chains "well ahead".

It also notes that inventory levels in Europe and the US are at their lowest on record and that, even when retail demand declines, "we will see cargo volumes continue to remain strong" as inventory levels are rebuilt.

The carrier said it was taking steps to "rationalise" its service coverage and reduce the number of port calls, in an attempt to speed-up schedules and improve reliability.

"Continued strong demand, coupled with network disruptions has hammered our schedule reliability," said Maersk in an Asia Pacific market update today. "We advise customers to plan their supply chains well ahead, particularly for the upcoming holiday rush."

Specifically, Maersk said it was planning to reduce port calls in North Europe on its Asia-North Europe loops to improve schedule reliability on the route.

This rationalisation on some services follows accumulated delays on the 2M network, with several departures from Asia now spaced apart by more than seven days.

A carrier contact told The Loadstar it "made sense" to reduce the number of hub ports in North Europe.

"If the 2M plans these rationalised schedules early enough, it can also avoid the need for costly re-stows, and I could see this becoming a short-term contingency plan for all the alliances," he said.

He added that he thought the UK, Le Havre and Hamburg would be likely to see port call omissions, with overlanded cargo relayed via other services or with feeders.

Indeed, Maersk said that, although the UK ports were "operating smoothly", landside operations were being impacted by "very severe trucking shortages across the country, leading to high yard density in the ports". It added that Rotterdam was also experiencing trucking shortages, "although not as severe as in the UK".

Carriers skipping ports in North Europe has been a common occurrence since demand returned, but is often done at short notice with very little communication to shippers. One UK NVOCC told The Loadstar this morning he hoped the 2M would communicate any adjusted schedules promptly.

"It's not ideal, but we can deal with this if we have enough notice so that we can let everybody know, but in the past not even the local port offices seemed to get told when a ship was skipping a UK port call," he said.

Meanwhile, on the transpacific, Maersk said it expected the strong demand to continue for the whole of Q4. However, with berthing delays at North American ports getting longer, it said it expected "the loss of capacity from missed sailings to continue".

"We have deployed gap loaders and launched the new TP-X and TP20 services on the US west and east coasts to bolster capacity and improve schedule reliability," said the carrier.

But there was some good news for Asia to Latin America shippers, with the outlook through to China's Golden Week holiday next week remaining "positive".

The carrier however recommended customers on the transatlantic to "divert cargo to north or east China ports if possible".

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.

Poor weather conditions across the country have impacted port operations through the week.

DURBAN

As per Transnet advisory dated 1 October, high traffic volumes into the port, with trucks queued up Bayhead Road to Umbilo Road. Limited booking slots available and Transnet will not accept any trucks that do not have appointments.

Overall, trucking bookings are delayed.

Vessel berthing waiting times:

- Pier 1: 4 days
- Pier 2: 5-7 days
- Point: 10 days

CAPE TOWN

Cape Town Container, Multipurpose Terminals introduce truck booking system

Notification has been received from Transnet that "in a bid to reduce truck congestion at the Cape Town Container and Multi-Purpose Terminals, Transnet Port Terminals has introduced a mandatory booking system. The system which has significantly reduced traffic at the Port of Durban terminals, will be going live on 05 October 2021.

Vessel berthing waiting times:

- CT Container Terminal: 1-2 days
- CT Multi Purpose Terminal: 4 days

PORT ELIZABETH

- Port Elizabeth Terminal: 0 days
- Coega: 3 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. The West Coast and Midwest regions severely impacted, however challenges are being experienced on the East Coast, Charleston and Savannah ports.

Please refer to our Trade Advisory: USA / LCL Export and Import Service Delays dated 29th September 2021 for full details.

In a recent meeting with our partners relative to the situation out of the Midwest and Chicago in particular, Shipco Transport advised that movement of cargo out of the region is dependent on the rail system. The rail services are severely congested, with the providers issuing daily allocations to the logistics market and slots are fully allocated by 10am. One of the rail service providers BNSF have shut down completely. Alternative is to

move cargo to the East Coast by truck, however there is a shortage of trucks, drivers and chassis, resulting in very limited availability and premium rates. The CFS is extensively backlogged due to high cargo volumes and the challenges involved in cargo movement. Ports are heavily congested and there are delays in moving containers into or out of the terminals. Containers are not being loaded from the rail sidings or onto vessels. Carrier schedules are unreliable, with little to no advance notice of scheduling changes and amendments to cut off dates. On average, Shipco advise that it is at a minimum of 2 to 3 weeks before cargo can move out of Chicago and with further transport delays and loading delays in the terminals and onto vessels, the anticipated time frame from booking to sailing can be from 4 to 6 weeks minimum. Shipco continue to endeavour to move cargo at earliest availability and to avoid long dwell times where possible, in order to clear backlog.

In a advisory dated 28th September 2021, carriers have advised scheduling changes for the Amex service, with Maersk stating *"The recent unprecedented situation of severe port congestions globally has resulted in accumulation of delay across several services on the North America – South Africa Network. This is driven by a combination of rapidly increased demand and measures to fight the pandemic across ports and supply chains in general, leading to gaps in the schedules.*

To provide improved schedule reliability to our customers and after careful review of the schedules, Maersk has decided to miss a sailing on the Amex service."

MSC has published the following schedule for the Amex service:

139S - 143N NYC 29/09 Blank sailing

140S - 144N NYC 06/10 Northern Defender

141S - 145N NYC 13/10 Maersk Visby

142S - 146N NYC 20/10 Lori

143S - 147N NYC 27/10 Maersk Vallvik

144S - 148N NYC 03/11 Msc Lilou

145S - 149N NYC 10/11 Maersk Varna

146S - 150N NYC 17/11 Msc Korea

147S - 151N NYC 24/11 Maersk Vilnius

148S - 152N NYC 01/12 Blank sailing

149S - 153N NYC 08/12 Northern Defender

Other scheduling changes as advised by the carriers.

- **Maersk Vallvik 134S / 138N** – vessel will omit DURBAN and will call Cape Town CT instead of MPT.
- **MSC Jeanne UZ133S / UZ137N** – vessel will call Durban for DISCHARGE only. CAPE TOWN exports booked for the MSC Lilou will be loaded on the MSC Jeanne.
- **MSC Lilou UZ135S / UZ139N** – vessel will load all DURBAN exports from MSC Jeanne, Maersk Vallvik & MSC Lilou for voyage to US. The vessel will omit Cape Town and CPT imports will be discharged in Durban.

LATAM

Hapag Lloyd & MSC

Vessel capacity is severely constrained ex South America into South Africa; with expectations of very limited capacity in October

Due to severe space constraints on the MSC service for Port Elizabeth, we have temporarily rerouted Port Elizabeth and Cape Town cargo via the Durban consol. The Durban service is with Hapag Lloyd on a fortnightly basis, with estimated transit time into Durban of 13 to 15 days. There are four vessels on this trade, servicing South America into South Africa and delays can be expected.

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. SAECS service has also seen scheduling amendments to port rotations both in Europe and in South Africa.

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.

Export services have been severely impacted by the reefer season and carriers delaying uplift of dry cargo in favour of loading reefer. Cape Town has experienced the highest number of delays and carrier roll overs. CFR Freight is in communications with all stakeholders regarding movement of export cargo and will continue to endeavour to ensure loading as priority.

The UK has seen severe fuel shortages in the past week. According to a Reuters article published on 2nd October, *Fuel stations in London and the Southeast continue to suffer lack of fuel, although the situation has improved in northern England and Scotland. Britain will, from Monday, deploy military tanker drivers to deliver fuel, after a chaotic week that has resulted in panic buying and some drivers hoarding petrol in water bottles.* Several publications link the fuel shortages, as well as delays in movement of goods and cargo to the severe shortage of HGV drivers, as well as just in time production and supply chains.

Below are vessel and service updates as advised by the carriers. Some information is carried from prior week as may still affect current week's loadings.

- **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.
- **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. The vessel will have an additional port call in Lome (after Las Palmas). Vessel will omit Cape Town southbound call; import cargo for CPT will discharge on the northbound call.
- **MSC Arica** – vessel is phasing into the NWC service (replacing the MSC Athens which is phasing out). Vessel will cover voyage NZ137A in London 23.09.2021, with ETA into CPT 18.10.2021.
- **MSC Branka** – vessel will phase out of the NWC service and will omit Hamburg. Hamburg import containers will discharge Bremerhaven. ETA 01/10.2021.
- **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 phase out of the SAECS service during Durban call ETA 18/10/2021/ The vessel will omit Cape Town and all imports for CPT will discharge in Durban; transshipment details to be advised.
Carriers have advised that due to berth unavailability in Algeciras, the Santa Barbara will omit her Algeciras call. Transshipment containers planned for the Santa Barbara expected to connect onto **Santa Cruz 214S**.
- **Santa Cruz 214S** – vessel will omit Cape Town southbound call. No updates as yet as to discharge on the northbound call, or discharge in another port for transshipment.
- ~~**Paris II** – vessel scheduled to phase into service in Hamburg to replace MSC Branka and will omit London and Rotterdam on the NWC south call for South Africa. ETA Cape Town 23/10/2021.~~
- **Paris II** – above phase in revised and cancelled – vessel will remain on the Levante service. Delayed loadings out of Europe expected with removal of this vessel.
- **MSC Pamela** – vessel will phased into NWC service and run as extra vessel. Phase in NZ143A voyage in London. ETA Cape Town 26.11.2021.

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.

CFR Freight and our partners will plan load cargo on first available service and routings may change from week to week.

India remains severely constrained, with carrier services into Cape Town being suspended. Loadings will be planned over the Durban consol.

Jebel Ali sees very limited export capacity for November, with some carriers advising availability onto in late November. CFR Freight will plan our export loadings over our Singapore service for those customers who require earlier loading. On our inbound services, our partners indicate that berthing delays have significantly improved and vessel scheduling has stabilized slightly.

SA export services into Port Louis are experiencing severe capacity constraints with limited carrier choices available with suitable transit times. In order to provide short as possible transit, there may be delays and / or amendments to bookings. Next available sailing is mid October.

APAC (including Oceania)

Carrier capacity remains at a premium from the region, with carrier scheduling changes, vessel delays and blank sailings. Possible delays anticipated out of major transshipment hubs, e.g. Singapore and Tanjung Pelepas.

Both inbound and outbound services are affected by carrier capacity constraints. CFR Freight and our partners will load as capacity is available; irregular carrier schedules and booking releases may result in alternative routings for cargo.

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. Carrier services are expected to be affected, with blank sailings anticipated in the first two weeks of October due to the holidays.

In a recent meeting with our partners in Singapore, we were advised that Singapore is experiencing a surge in COVID-19 positive cases (approximately 2000 cases per day). At this stage the Shipco CFS has not been impacted, but information received that other CFS's within Singapore have been closed due to positive cases. Port operations continue as normal at this time. There has been some improvement in berthing times, with waiting times improving from 5-10 days down to 2-5 days. Carrier capacity and scheduling does remain a concern.

China has experienced increasing electricity rationing measures since mid-September, in a bid to reduce carbon emissions to meet end of year emissions targets (China Carbon Neutral by 2060). In an article published by SMCP Global Impact on 02/10/2021 – *Provinces are seemingly trying to scramble to meet hard end-of-year emissions targets, having seemingly paid little attention to the softer midyear goals, and in some cases have switched off traffic lights, while manufacturers have been forced to upend their working hours and force staff to work overnight when high-energy consumption including air conditioning is not needed.*

Production has been heavily impacted with factories forced to turn off machines with some even frantically replacing their machines with new ones that consume less power.

The following was published by The Loadstar on 27/09/2021:

Affected provinces include Jiangsu, Guangdong and Zhejiang, which are among the most industrialised in China, their factories producing steel products, plastics, home appliances, chemicals and textiles. All three provinces had received 'red ratings' for missing consumption targets.

The provinces are also home to China's busiest ports, Ningbo, Guangzhou, Nansha, Yantian and Shekou. And Jiangsu province lies along the Yangtze River Delta and its container exports are usually processed by Shanghai or Ningbo.

As this is the peak season for container shipments to US and European retailers, the new moves could exacerbate delays in receiving shipments at the ports, especially when the power cuts last beyond the end of September. And congestion on the US west coast has held up shipments, with some 70 ships waiting outside Los Angeles and Long Beach due to surging imports and insufficient trucking and land-based logistics.

Linerlytica analyst Tan Hua Joo told The Loadstar; "There will be an impact on factory production and this will surely affect container shipment volumes in the short term. It's still unclear how long the rationing will be in place, so it is not possible to predict the longer term impact."

AFRICA EXPORT SERVICES

ONE, MSC, Hapag Lloyd

Capacity and scheduling delays are negatively impacting all export services into Africa. As vessels call South African ports already full, there is little available capacity for SA exports to be loaded and carriers are rolling bookings and advising that limiting space availability for the balance of the year. As we see blank sailings into South Africa, in turn, exports sailings are also blanked by the carriers.

CFR will continue to endeavour to load as per carrier bookings and will communicate any booking adjustments as needed.

We 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**

