

CFR FREIGHT – WEEKLY OCEAN TRADE SUMMARY **WEEK 44**

GENERAL

Global freight rates remained largely stable over the past couple of weeks, however congestion and capacity constraints remain a challenge on all trades.

FBX Index October: Market Summary

Source: Hellenic Shipping News Dated: 05 November 2021

The Freightos Baltic Global index was stable month over month, dipping just 1% to \$10,830/FEU, 385% higher than a year ago and more than 7X the pre-pandemic norm.

Increasingly congested ports that continue to sap capacity and cause delays, helped keep rates largely unchanged on the major trade lanes. This is despite manufacturing supply constraints caused by power shortages in some regions of China and signs of some let up in underlying holiday-driven transpac demand as the shopping season rapidly approaches.

Transpacific rates decreased to start the month, likely due to the Golden Week lull, but Asia-US West Coast rates ended about level with the end of September, up 2% to \$19,478/FEU and Asia-US East Coast prices decreased 5% to \$21,111/FEU.

However, both lanes closed the month 5% lower than the mid-September peak. There are also reports that, for the first time since June, some shipments can be booked as little as one week in advance and without paying a premium. Taken together, these trends suggest that – with delays making late month orders unlikely to arrive in time for the holidays – transpac demand is letting up from the peak season surge, at least a little.

Though Asia-Europe volumes are not nearly as elevated as on the transpacific, disrupted schedules, congested ports and clogged inland transport have kept delays a reality and rates up on this lane as well, though they've been relatively stable since August. Asia-North Europe prices decreased slightly, 3% to \$14,259/FEU, while Asia-Mediterranean rates increased 1% to \$13,298/FEU, both more than 5X a year ago.

With the ports of LA/Long Beach still dealing with record queues of anchored ships, congested EU ports, scarce yard space and overwhelmed inland logistics, any significant improvement is unlikely any time soon. And with US retail inventories still at near record lows, delays and elevated rates are expected to persist well into 2022.

[FBX Index October: Market Summary | Hellenic Shipping News Worldwide](#)

There has been no improvement on delays for hazardous commodities, and as previously advised, hazardous cargo acceptance and booking is at the sole discretion of the carriers, who continue to impose stricter controls on hazardous commodities. Delays on acceptance are being experienced across the globe.

Dense / heavy weight shipments may also be delayed, as carriers are increasingly weight conscious as capacity remains tight. Most recently we have been advised that draft restrictions in both Durban and Cape Town have impacted the loading of containers out of the transshipment hub of Las Palmas; contributing to the substantial delays seen on container movement from this hub. In an advisory issued by Maersk on 3rd November 2021, the vessel **Seroja Lima**, on route from Port Louis to Durban had to return to Port Louis, Mauritius to discharge containers, due to the vessel exceeding the draft restriction of Durban port.

CFR Freight and our overseas partners endeavour to load as per our planned schedules. With erratic schedules and capacity constraints, alternative routings and loadings can be expected from time to time to ensure that cargo is moved as efficiently as possible. Extended lead times and advance bookings are recommended to all clients.

SOUTH AFRICAN PORTS & CFS

Berthing delays continue to impact already constrained and delayed vessel schedules. Seasonal strong water currents and winds seen in all coastal regions.

DURBAN

High traffic and cargo volumes continue, however containers are moving smoothly at time of publication. High winds experienced in Durban and this is expected to continue into week 45.

Durban CFS is experiencing high cargo volumes, however cargo and continue movement is fluid.

Vessel berthing waiting times:

- Pier 1: 7 to 10 days
- Pier 2: 3 to 4 days
- Point: 2 to 3 days

CAPE TOWN

Operations affected by wind in the Cape Town terminals.

Cape Town CFS is handling high cargo volumes, however operations are progressing normally.

Vessel berthing waiting times:

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

PORT ELIZABETH

Port Elizabeth has seen high winds during the week and this is expected to continue into week 45.

Port Elizabeth CFS is handling high cargo volumes, however operations are progressing normally.

- Port Elizabeth Terminal: Nil
- Coega: 3-4 days

NORAM

Amex (MSC & Maersk)

No improvement in the USA, as challenges to cargo and container movement across the country continue. High levels of congestion in terminals and CFS's remain, as well as severely constrained vessel capacity and congestion. Delays of all cargo out of and into the USA to be anticipated.

USA Advisory: LCL Export and Import Service Delays

Source: Shipco Transport Dated 3 November 2021

To keep you better informed of the current operational situation occurring in the U.S., we would like to provide you with the following updates.

Rail Terminal Updates:

BNSF & UP/LAX/LGB: There is severe congestion. Limited gate capacity, restrictions, rail car shortages, and limited reservations continue, causing increased delays on import rail units. BNSF announced at the end of September an embargo to Los Angeles for all cargo to LAX/Hobart, affecting operations from Chicago. BNSF closure for LAX-bound cargo extended through November 5th. In LAX, containers wait an average of almost 16 days before being picked up.

Union Pacific: Embargo has been lifted.

Effective immediately, Hamburg Sud has put in place a booking stop for all bookings with a rail service to Pier A in Long Beach. As a consequence, no rail billing will be issued during this time from origins such as Atlanta, Chicago, Cincinnati, Cleveland, Columbus, Dallas, Detroit, Houston, Kansas City, Louisville, Memphis, Minneapolis and St. Louis.

Chicago Rail Ramp: The rail facilities in Chicago are experiencing severe congestion due to dwelling containers and chassis shortages. G3 and G4 locations are only allowing ten open spots daily, causing a large backlog for containers to be picked up for imports. There are gate restrictions and lane suspensions, causing delays in pick-ups and deliveries. The rails continue to monitor in-gates with allocation or reservations.

Due to the BNSF closure for LAX-bound cargo, we have rerouted cargo from Chicago to ports in the East Coast, please anticipate further delays.

NY/NJ: Chassis shortage inclusive of rail ramps due to the high increase in import volume.

Philadelphia: Severe chassis shortages in the Philadelphia area. Extended delays in pick-ups, deliveries, and drayage.

Savannah: Continued congestion and delays at the local ramps. Shortage of chassis and equipment continues to affect operations.

Jacksonville and Miami: Congestion issues at both rails. The rail congestion in Chicago is affecting our services out of Miami. The shortage of equipment in Florida has carriers struggling to keep the service due to a slower turn over on import containers coming into the area. Most of our loads are delayed one or two weeks.

Seattle: Congestion due to increased dwell for Import rail cargo. Up to 10 days delay for cargo going to Chicago. Limited trucker capacity, some truckers are booked 2 weeks in advance. The warehouse is up to capacity, long waiting line for export/import.

Houston/Dallas: There is a severe chassis shortage and ongoing congestion in the area. Finding truckers has become a challenge as they are booked for 2-3 weeks in advance.

Chassis issues are challenging in all regions in the U.S. This is due to the division of the intermodal system, the severity of the Covid 19 pandemic, and the lack of additional capacity at different levels of the supply chain.

Terminals:

Due to increased volume, our operations team is experiencing congestion issues at most of the terminals, including Philadelphia, Savannah, Miami, Houston, Seattle, Los Angeles/Long Beach.

Record cargo volumes each month continue to enter the U.S., with all North American ports facing berth congestion.

As a result of the port congestion on both coasts, SSL ONE has put in place some changes to Transpacific Services with temporary omissions in Savannah, Seattle, Oakland and Halifax. Other carriers such as Maersk, MSC and Zim, will temporarily omit service in Seattle due to the increased vessel waiting time at berth.

U.S. East Coast:

Philadelphia: Vessel waiting time up to 2 days due to high import volume.

Savannah: Vessel wait time is 8-9 days due to off proforma vessels and high import volume. Carriers are advancing cut-offs with little to no notice, which highly impact operations.

Port Everglades and Miami: Vessel wait time is 1-2 days due to high import volume causing a CFS Backlog. Equipment shortages are resulting in pick-up delays.

U.S. West Coast:

A record number of container ships, 73 vessels anchored and 29 vessels at berth, are still waiting off the coast of California to unload at the ports of Los Angeles and Long Beach. Delays are reaching more than four weeks at times and rails are very restricted.

Los Angeles: Vessel waiting time is 20 days due to yard congestion, high import dwell, and labor shortages.

Long Beach: up to 20-day vessel wait time due to high import dwell and labor shortages.

Seattle: 21-day vessel wait time due to high import volume and labor shortages.

Oakland: up to 2-day vessel wait time due to high import volume and labor shortages.

U.S. Gulf Coast:

Houston: Waiting time is 2-4 days due to high import volume and labor shortages.

Equipment Availability:

There are continuous chassis shortages in LAX/Long Beach, New York, Philadelphia, St. Louis, Columbus, Cleveland, Chicago, Memphis, Atlanta, Nashville, and Louisville. Equipment availability remains an issue at locations such as Atlanta, Chicago, Cincinnati, Columbus, Detroit, Kansas City, Minneapolis, Memphis, Nashville, Omaha, St. Louis, South Florida and Seattle.

The market situation in **Canada** remains largely unchanged. In Vancouver, high levels of congestion as well as limited trucking availability and chassis shortages continue to impact cargo movement from the region. Labour shortages in Montreal are ongoing and this is impacting vessel operations. All terminals are congested and yard utilisation is at 100%.

AMEX vessel schedule changes as received from carriers:

- **Northern Defender 140S / 144N** – SA port rotation has been changed, as follows; Port Elizabeth omitted, vessel will proceed to Durban ETA 10.11.2021 – Coega ETA 13.11.2021 – Cape Town 16.11.2021.
- **Maersk Visby** – SA port rotation has been changed, as follows – Durban ETA 18.11.201 – Port Elizabeth ETA 21.11.2021 – Cape Town 23.11.2021.

LATAM

Hapag Lloyd

Capacity out of Brazil is extremely constrained, with carrier choices limited. Currently the Hapag Lloyd / Maersk service is the only direct sailing from Brazil to South Africa. Port delays and congestion are affecting the vessel transit times and delays are experienced on this route. As per the carriers, the vessel schedules are “cascading” to the detriment of the schedule integrity. Carrier service is published as fortnightly, with only 3 vessels currently servicing the trade, namely the Polonia, the Northern Democrat and the Lodur. The vessels do a loop – Paranagua / Itajai / Santos / Durban / Luanda / Paranagua.

Current schedule as issued by carriers as per below (courtesy of Maersk Advisory dated 5.11.2021):

WAFEX Westbound		Durban		Paranagua		Itajai		Santos	
Vessel Name	Voyage	ETA	ETD	ETA	ETD	ETA	ETD	ETA	ETD
Northern Democrat	139W	Sailed		8-Nov	9-Nov	10-Nov	10-Nov	11-Nov	12-Nov
Lodur	140W	6-Nov	9-Nov	26-Nov	27-Nov	28-Nov	28-Nov	29-Nov	30-Nov
Polonia	141W	14-Nov	17-Nov	4-Dec	5-Dec	6-Dec	6-Dec	7-Dec	8-Dec
Northern Democrat	143W	24-Nov	27-Nov	14-Dec	15-Dec	16-Dec	16-Dec	17-Dec	18-Dec

UK, NWC & MED

MSC, DAL, ONE

High cargo demand, port congestion and erratic schedules continue to negatively impact container loadings and cargo 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.

There has been no improvement to transshipment delays being experienced in transshipment ports of Sines and Las Palmas, where we are seeing delays of up to 4 weeks for container transshipment. Carriers are advising that containers are being processed on a “FIFO” basis and have indicated that the congestion may take 2 to 3 weeks to resolve. Shipments out of Italy have been severely delayed due to the congestion and delays in Las Palmas.

Spain services have been negatively impacted by capacity constraints and erratic schedules.

Carriers have announced port rotation amendment to the SAECS / SRX service. The Cape Town southbound call and Coega northbound call have been removed from the service, resulting in one port call for each region on the rotation. Rotation generally will be as follows – Coega – Durban – Cape Town.

Vessel schedule changes as received from carriers:

- **Santa Clara 214S** – vessel will omit Cape Town south bound call and proceed directly to Coega. CPT call will be north bound ETA 26/11/2021.

- **Santa Barbara** is being phased out of the service in Durban.
- **MSC Stella** – phasing into NWC-SA service to replace the Cape Tainaro. Vessel will omit London.
- **MSC Brittany** – vessel will phase out of NWC service in Cape Town (ETA 08/11/2021) and phase onto the Ingwe service.
- **Cape Kortia** – vessel will phase out of Ingwe service in Durban (ETA 11/11/2021) and phase onto NWC service – voy. 146R, ETD Durban 17/11/2021.
- **MSC Vita** – vessel will phase out of the NWC service and will omit Hamburg. All Hamburg imports ex SA will discharge Las Palmas to tranship onto the MSC Alessia.
- **MSC Lucy** – vessel will phase in to the NWC service in London as voyage number NZ146A and proceed with normal rotation.
- **MSC Alessia** – vessel will slide by one week due to delays in SA. ETA Las Palmas 12.11.2021 and will load Hamburg import containers ex MSC Vita as advised above.

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.

Pakistan CFS and terminals are working well, with congestion being reported as “not severe”, despite the continued increase of positive cases of the COVID pandemic. However carrier capacity out of the region is strained, with some carriers advising no available bookings until end of November. We can arrange alternative routing for direct service bookings (Karachi to Durban); this alternative would be via Singapore. However due to Customs requirements and separated CFS facilities, alternate arrangement must be noted at time of booking with Shipco in order for them to amend required CFS delivery address.

Jebel Ali sees very limited export capacity for November, with some carriers advising availability only 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. Import services from Port Louis into SA remain very erratic, with carrier schedules being amended due to voyage and rotation port delays. Our Mauritius offices, CAFS, will load vessels as they are available – carriers published schedules are not reliable and available vessels are advised to CAFS by shipping lines on a daily basis. GRI has been indicated ex Port Louis to South Africa and the confirmed quantum will be advised via Trade Advisory within the next few days.

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.

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.

Blank sailings continue from the region, this with majority of carriers. Delays are to be expected as capacity remains tight on services into South Africa.

We are seeing extended periods for hazardous acceptance from carriers in all regions. Acceptance is solely at the discretion of the carriers and erratic schedules, vessel delays and transshipment hub delays are compounded the delays being experienced with acceptance. It is imperative that all correct paperwork and declarations are presented at time of booking request in order to expedite the process of hazardous applications. Carrier are advising that stricter penalties will be applied for mis-declared cargo in the near future.

On a positive note, we have seen stability in the freight rates for the past weeks. Although carriers do caution that space and rates remain at a premium as we move towards the end of the year.

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.

East Africa services remain erratic, with carrier scheduling changes, port omissions and rolled over bookings.

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**

