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## LOGISTICS MARKET REPORT

Global Market



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# War in Israel: The New Geopolitical Flashpoint for Ocean Shipping

## Shipping executives lay out how Israel's war could affect markets

“According to Nikolas Tsakos, CEO of tanker company Tsakos Energy Navigation (NYSE: TNP), “We are trained in shipping to be able to adapt to geopolitical events. And here we are again, back to the drawing board. We’ve had three crises, one after the other. COVID, then the Ukrainian situation, now trouble in the Middle East.”

“The war in Israel, if it expands beyond the country’s borders, poses risks to two key shipping choke points: the Suez Canal, a key waterway for all types

of commercial vessels, including container ships, and the Strait of Hormuz, which is pivotal to oil and gas shipping.”

Source:

Miller, G. (2023, October 13). *War in Israel: The new geopolitical Flashpoint for Ocean Shipping*. FreightWaves. <https://www.freightwaves.com/news/war-in-israel-the-new-geopolitical-flashpoint-for-ocean-shipping>

# Drought and low Amazon water levels prevent liner access to Manaus



**“R**ecord low water levels on the Amazon River are disrupting cargo flows to and from Brazil’s seventh-largest port and the nearby free trade zone. Two major container carriers – CMA CGM and Maersk – have advised customers that direct service to the port of Manaus is suspended until further notice. The port, the main transport hub for the upper Amazon basin, is on the Rio Negro, near where it meets the Solimoes River to form the Amazon. Monday’s reading on the port’s website shows the lowest water level since records were established in 1902, with the water still receding further. Some communities further up the river are virtually cut off from transport services as the water has become too shallow for navigation. A barge that

was moving trucks and empty gas tanks has been stuck on the sandbank since last month. The federal government has set up a task force to mitigate the impact of the severe drought hitting the region, and move emergency supplies of water, food and medicine to the affected communities. It has also allocated BRL41m (\$8.2m) for dredging to re-enable navigation on the river.”

**Source:**

Putzger, I. (2023, October 17). *Drought and low Amazon water levels prevent liner access to Manaus*. The Loadstar. <https://theloadstar.com/drought-and-low-amazon-water-levels-prevent-liner-access-to-manau/>

# CMA CGM, COSCO, Maersk, ONE Sign Up for Transpacific Green Corridor

“A partnership between ports, carriers, and cargo owners has published an outline of a Green Shipping Corridor Implementation Plan which will accelerate emissions reductions on one of the world’s busiest container shipping routes across the Pacific Ocean. As part of the historic plan, the carrier partners will begin deploying reduced or zero lifecycle carbon capable ships on the corridor by 2025, and work together to demonstrate by 2030 the feasibility of deploying the world’s first zero lifecycle carbon emission container ships.”

**Source:**

Lepic, B. (2023, September 25). *CMA CGM, COSCO, Maersk, one sign up for Transpacific Green Corridor*. Splash247. <https://splash247.com/cma-cgm-cosco-maersk-one-sign-up-for-transpacific-green-corridor/>





# Cargo Carriers Warn of Disruption on Israel Operations

“Israel’s Civil Aviation Authority (CAA) has said international flights continue to operate to and from Israel following attacks on the country by Hamas over the weekend [at time of publishing]. The CAA said that currently “the Israeli airlines are operating as usual”. The organisation added that currently “there are still international flights to and from Israel by many airlines”. Israel-headquartered El Al, which includes El Al Cargo – in the process of beginning freighter operations, said in a social media post that its flights to and from “depart as usual”.

The Israel Airports Authority, which operates Ben Gurion Airport in Tel Aviv, said that the airport “is working as planned including departures and landings”. However, a number of airlines worldwide have cancelled or delayed flights in response to the situation, and cargo carriers have warned of potential disruption to shipments.”

**Source:**  
Jeffrey, R. (2023, October 11). *Cargo carriers warn of disruption on Israel Operations*. Air Cargo News. <https://www.aircargonews.net/airlines/cargo-carriers-warn-of-operational-disruption-due-to-israel-palestine-conflict/>





# Air Cargo Improvements Push Shippers to Longer Term Deals

**T**he air cargo market continued to find its way out of the doldrums in September, resulting in an increase in longer term deals. The latest figures from Xeneta show that air cargo volumes in September were flat on a year ago and spot rates were down by 34% – the lowest level recorded this year. Compared with August, volumes increased 6%, spot rates improved by 2% and the dynamic load factor – using both volume and weight – improved by two percentage points to 58%.

While the figures hardly indicate a huge improvement in air cargo's fortunes, market declines to appear to have flattened out. Meanwhile, the increase in rates was largely driven by capacity additions easing, rather than a surge in demand, Xeneta said.

Xeneta chief airfreight officer Niall van de Wouw said that the improved demand figures had resulted in shippers looking for longer term deals. The number of shippers committing to airfreight contracts of more than six months in the third quarter rose to 34% from 28% in the previous three-month period."

**Source:**  
Brett, D. (2023, October 5). *Air cargo improvements push shippers to longer term deals.* Air Cargo News. <https://www.aircargonews.net/business/air-cargo-improvements-push-shippers-to-longer-term-deals/>

# Air Cargo Market

## Yield Versus Weight Tracker

**T**he Champ Market Analytics Air Cargo Market Tracker is a useful tool that provides insight into the monthly trends in demand and yield in the air freight industry. You can access the chart using the link below.

**Access the chart here:**  
<https://www.aircargonews.net/data-hub/champ-cargo-systems-air-cargo-market-tracker/>



## North American Market



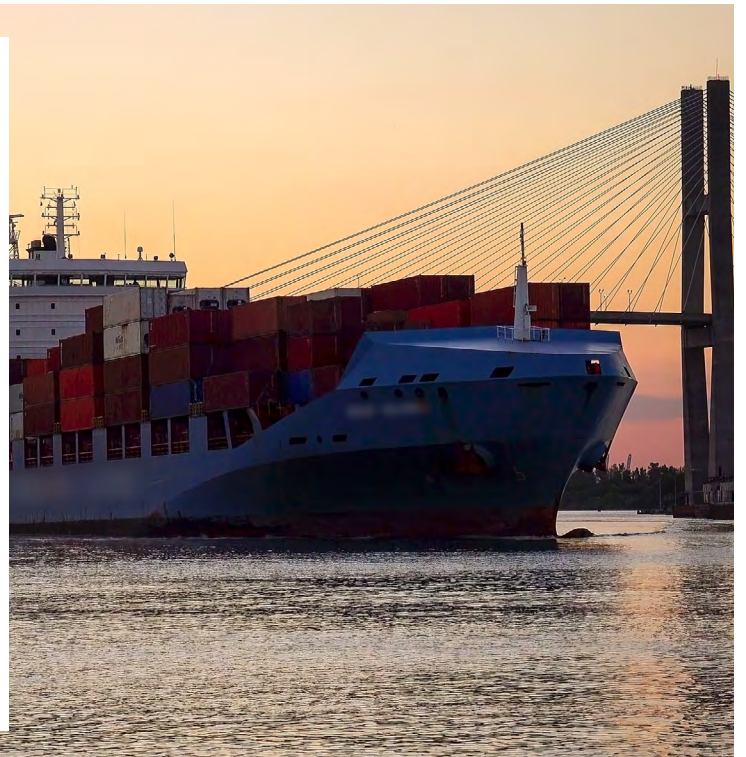
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## Savannah Seeks New Dredging Project to Attract Larger Ships, India Cargo

**T**he Georgia Ports Authority (GPA) wants to deepen the Savannah River shipping channel to accommodate larger ships carrying the growing volumes of cargo from India formerly sourced from China. Deepening the channel to between 50 to 52 feet from the current 47 feet would allow the Port of Savannah to handle container ships as large as 22,000 TEUs; its current limit is 16,000 TEUs."

**Source:**  
 Griffis, T. E. (2023, October 13). *Savannah seeks new dredging project to attract larger ships, India Cargo*. Journal of Commerce.  
[https://www.joc.com/article/savannah-seeks-new-dredging-project-attract-larger-ships-india-cargo\\_20231013.html](https://www.joc.com/article/savannah-seeks-new-dredging-project-attract-larger-ships-india-cargo_20231013.html)



# Trans-Atlantic Shipping Suffers ‘Meltdown’ As Rates Hit New Low

## Drewry’s trans-Atlantic spot index at lowest level in over a decade

“The bigger they come, the harder they fall. The shipping boom in the trans-Atlantic market was one of the world’s biggest, and spot rates in this trade have not only plummeted from COVID-era highs, they’ve sunk below pre-pandemic levels.”

**Source:**

Miller, G. (2023a, August 18). *Trans-Atlantic shipping suffers “meltdown” as rates hit new low.* FreightWaves. <https://www.freightwaves.com/news/trans-atlantic-shipment-suffers-major-meltdown-as-spot-rates-crash>



# Fowarder Focus: LA’s Long-Awaited Air Cargo Development

“After much industry anticipation, Los Angeles World Airports is set to construct and implement its new Cargo Modernization Program at Los Angeles International Airport (LAX). This initiative is a welcome development, as forwarders know that LAX’s current cargo facilities are outdated and no longer compatible with industry standards.

The new programme will include improved airside access and aircraft parking, landside infrastructure such as roadway geometry, facility access and parking for vehicles and trucks, right-sized truck aprons, truck queuing, and a marshalling yard. The facility will also include automation capable of greatly expediting processing to include throughput and sorting, expediting pickup and drop-off, and saving stakeholders time and money. This modernisation programme will benefit the community, the country, and the overall supply chain.

The announcement encourages freight forwarders who use the airport to anticipate a new, streamlined facility capable of reducing truck waiting times and shipment delays. Most welcome the news since forwarders are still hampered by excessive truck waiting times, despite lower cargo volumes than last year.



For the Los Angeles region, it will mean reduced noise and air pollution from trucks idling at the airport. It will mean a more efficient and secure air cargo system for the country, which is critical to the global economy.”

**Source:**

Brett, D. (2023a, September 6). *Fowarder focus: LA’s long-awaited air cargo development.* Air Cargo News. <https://www.aircargonews.net/monthly-exclusive/fowarder-focus-las-long-awaited-air-cargo-development/>

MEXICO

# Border Closure Increases Transport Costs by Up to 50%



**T**he closure of the Córdoba Américas International bridge between El Paso Texas and Ciudad Juárez, MX; one of the main crossings between Mexico and United States has generated a logistical chaos with lines of up to 15 to 16 kilometers and waiting times between 12 and 15 hours. This partial closure due to the immigration crisis has generate an increase of up to 50 percent in expenses in the transportation sector. Truck companies associations indicated that if this situation persists, they will be forced to adjust freight transportation rates to compensate for the increase in costs.

The indirect costs associated with these delays including operator salaries, vehicle maintenance, fuel, long waiting times and adjustments in logistics are a concern for business owners, who recognize that the current situation is beyond their control and that they will have to adapt to changing circumstances. Given this uncertainty, the possibility of a

readjustment in freight rates is raised if the situation is not resolved in the short term, affecting the economy and the efficiency of the industry.

The reopening of the cargo lane on International Bridge, starting October 10. However, US Government continues to encourage members of the trade community to consider other nearby commercial cargo facilities.”

**Sources:**

Murillo , L. (2023, October 17). *Cierre parcial de Frontera Incrementa Hasta 50% Gasto de transportistas*. El Heraldo de Chihuahua | Noticias Locales, Policiaas, de México, Chihuahua y el Mundo. <https://www.elheraldodechihuahua.com.mx/local/parral/cierre-parcial-de-frontera-incrementa-hasta-50-gasto-de-transportistas-10860652.html>

Juarez, C. (2023, October 9). *Anuncia Eu Reapertura de Garita Comercial en Juárez-El Paso*. <http://laprensa.mx/notas.asp?id=731651>



# The Government of Mexico and UNODC Launch Container Control Program in Mexican Ports



In an effort to increase security in Mexican ports and strengthen international cooperation against organized crime, the Government of Mexico, UNODC and the Embassy of the United States of America launched the Container Control Program (CCP) at the port of Manzanillo.

Approximately 90% of world trade is carried out through maritime containers, of which more than 500 million are delivered annually in the trade supply chain and of this amount, less than 2% are inspected. This volume of containers makes them a great target for the trade of illicit goods.

The Secretary of Foreign Affairs of Mexico, Alicia Barcena, establish that Mexico joins one of the 74 countries that, through the Container Control Program, seek to build more assertive policies and links to detect and examine containers with the aim of interrupting the trafficking of drugs, weapons and illicit products. This is a magnificent example of how multilateralism and the Bicentennial Understanding with the United States strengthen cooperation in security matters

and provide effective responses to problems on a national, regional and global scale.

The Container Control Program will begin in the port of Manzanillo and expansion will be sought to four more ports: Ensenada and Lázaro Cárdenas, on the coast of the Pacific Ocean; Altamira and Veracruz in the Atlantic.”

#### Sources:

*El Gobierno de México y UNODC lanzan Programa de control de contenedores en Puertos Mexicanos.* Naciones Unidas : Oficina de las Naciones Unidas contra la Droga y el Delito en México. (n.d.). <https://www.unodc.org/ipomex/noticias/septiembre-2023/el-gobierno-de-mexico-y-unodc-lanzan-programa-de-control-de-contenedores-en-puertos-mexicanos.html>

El Heraldo de México. (2023, September 6). *El Gobierno de México y UNODC lanzan Programa de control de contenedores en Puertos Mexicanos.* El Heraldo de México. <https://heraldodemexico.com.mx/nacional/2023/9/6/el-gobierno-de-mexico-unodc-lanzan-programa-de-control-de-contenedores-en-puertos-mexicanos-536422.html>

Latin American Market



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# Panama Canal to slash booking slots due to drought over coming months

“**T**he Panama Canal, one of the world’s main maritime trade routes, will further reduce daily ship crossings in the coming months due to a severe drought, the authorities managing the canal said late on Monday, increasing shipping costs. Booking slots will be cut to 25 per day starting Nov. 3 from an already reduced 31 per day, the Panama Canal Authority (ACP) said in a client advisory, and will be gradually reduced further over the next three months to 18 slots from Feb. 1.

**Source:**

Author: Reporting by Eli Moreno; Writing by Brendan O’Boyle; Editing by Isabel Woodford and Josie Kao

Thomson Reuters. (2023, October 31). *Panama Canal to slash booking slots due to drought over coming months.* <https://www.reuters.com/business/panama-canal-says-will-slash-booking-slots-due-drought-2023-10-31/>



# Panama Canal Adjusts Freshwater Charge

The Panama Canal has announced that it will modify the variable component of the Fresh Water Charge (FWC) which will take effect on 1st October.

“**A**s part of the Canal’s efforts to manage the maximum draught available for transit through the Canal, The Panama Canal will modify the variable component of the Fresh Water Charge (FWC) with the objective of reserving water and improving lake levels impacted by the lack of rainfall. With this adjustment to the FWC, and given the current level of Gatun Lake, Panama Canal customers will see a reduction of

approximately 50 % in the variable rate compared to the current formula, the Panama Canal Authority (ACP) said in a statement.”

**Source:**

Labrut, M. (2023a, September 26). *Panama Canal adjusts freshwater charge.* Seatrade Maritime. <https://www.seatrade-maritime.com/ship-operations/panama-canal-adjusts-freshwater-charge>

# Cartagena Is the Largest Transshipment Hub in The Caribbean

The port of Cartagena Group (SPRC) is Colombia's main export port, connecting over 840 ports in 140 countries making it the largest hub and most connected port in Latin America and the Caribbean.

"SPRC operates 3 port facilities and provides a full range of port, transport, and logistics services, as it includes subsidiaries associated to tugboat operations, river & land transportation, cruise operations, stevedoring, and other logistics services representing yearly corporate sales of over \$370m and a total container throughput of more than 3m teus."

"While several port operators in the region register blank



sailing and service disruptions, Cartagena does not seem affected according to Benedetti." (Giovanni Benedetti, VP of Business development for the Port of Cartagena).

**Source:**

Labrut, M. (2023, October 6). *Cartagena is the largest transshipment hub in the Caribbean*. Seatrade Maritime. <https://www.seatrade-maritime.com/americas/cartagena-largest-transshipment-hub-caribbean>

AIR FREIGHT



**Source:**

Brett, D. (2023c, October 11). *Latam cargo targets faster connections with Netherlands freighter*. Air Cargo News. <https://www.aircargonews.net/airlines/freighter-operator/latam-cargo-targets-faster-connections-with-netherlands-freighter/>

# LATAM Cargo Targets Faster Connections with Netherlands Freighter

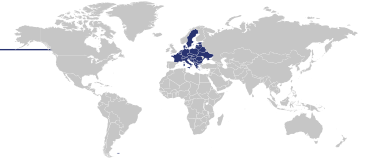
"LATAM Cargo has launched a new route between Brazil and the Netherlands that will target the pharma market and provide a faster connection. The freighter operator said the new service would operate twice per week between Amsterdam and Curitiba utilising one of its Boeing 767 freighter aircraft. The service is aimed at "strengthening connectivity between Europe and South America while reducing transportation time through a more direct alternative and providing enhanced capacity for clients".

Up until now, forwarders and shippers have had to use services with an intermediate stop. "Operating with two weekly frequencies on Tuesdays and Saturdays, this route efficiently links Europe with Curitiba, primarily transporting pharmaceutical products and general cargo," the airline said."

European Market



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# Another Maritime Strike Brewing

## Labor storm clouds loom over UK ports

“The fluidity of U.K. port trade is threatened again with another possible jobs action by Unite the Union. Unite the Union announced it registered a dispute over the increased medical standards on maritime pilots. This registration marks the beginning of the negotiation process.”

Source:

LaRocco, L. A. (2023, October 6). *Another maritime strike brewing*. FreightWaves. <https://www.freightwaves.com/news/another-maritime-strike-brewing>



# Doubts Growing Over Shipping's Readiness for Europe's ETS Carbon Tax

“The impact of Europe's emissions trading system (ETS) on the container shipping value chain is becoming apparent, with growing concerns that the industry is not prepared for the incoming carbon tax regime. Shipping will be included in Europe's ETS on Jan. 1 when all emissions on voyages and port calls within the European Union and European Economic Area, and 50% of emissions on voyages into or out of the regions, will be subject to carbon tax. To comply with the ETS, ocean carriers

will essentially need to become experts in carbon credit trading, on top of monitoring, verifying and reporting CO2 emissions across regional fleets and their vessels operating in the region.”

Source:

Knowler, G. (2023, October 5). *Doubts growing over shipping's readiness for Europe's ETS Carbon Tax*. Journal of Commerce. [https://www.joc.com/article/doubts-growing-over-shippings-readiness-europes-ets-carbon-tax\\_20231005.html](https://www.joc.com/article/doubts-growing-over-shippings-readiness-europes-ets-carbon-tax_20231005.html)

Oceania Market



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# Aurizon's Darwin Container Port Concept Takes Shape

“D”uring a speech at Aurizon's 2023 annual general meeting, the company's managing director and CEO Andrew Harding outlined some plans for a so-called “land-bridge” to rail containers between Darwin Port and the southern states.

Mr. Harding said that since sharing the land-bridging concept during the company's June investor day, there has been “positive engagement with the market”. “The cranes we are installing at Darwin port represent a significant milestone in realising our stage-one aspirations with land-bridging and provide confidence in our capability to deliver the new supply-chain offering to potential customers,” Mr. Harding said.

In the 2023 financial year, Aurizon ordered mobile harbour cranes, reach stackers, container wagons and heavy-haul locomotives. Mr. Harding said Aurizon would “leverage these new assets as we look to develop land-bridging solutions for customers”.

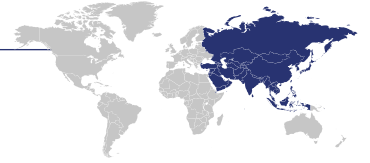
**Source:**

Ackerman, I. (2023, October 16). *Aurizon's Darwin Container Port concept takes shape - daily cargo news*. The DCN. <https://www.thedcn.com.au/news/containers-and-container-shipping/aurizons-darwin-container-port-concept-takes-shape/#:~:text=DURING%20a%20speech%20at%20Aurizon's,Port%20and%20the%20southern%20states>

Asia Market



OCEAN FREIGHT



# Aggressive Trans-Pac Blank Sailings Likely Through Lunar New Year Amid Freight Downturn



“Ocean carriers in the eastbound trans-Pacific say capacity reductions they have implemented on the trade are likely to continue at least for the next five months because US imports from Asia are expected to remain muted through the Lunar New Year in February. For importers and forwarders, the blank sailings mean the resulting schedule disruptions and “rolling” of cargo they are already experiencing at Asian load ports will force them to

book more of their cargo with carriers they can count on to maintain schedule integrity.”

**Source:**

Mongelluzzo, B. (2023, September 26). *Asia-US container spot rates keep rising amid more blank sailings*. Journal of Commerce. [https://www.joc.com/article/aggressive-trans-pac-blank-sailings-likely-through-lunar-new-year-amid-freight-downturn-sources\\_20230926.html?utm\\_source=Eloqua](https://www.joc.com/article/aggressive-trans-pac-blank-sailings-likely-through-lunar-new-year-amid-freight-downturn-sources_20230926.html?utm_source=Eloqua)

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SPLASH247.COM

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