



Global freight procurement Trade dashboard - February 2022

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Europe

Europe to North America

The trade remains tremendously strong, **driven by continued strong US demand battling ongoing capacity restrictions.** On paper capacity is 3% higher than in 2020, but in reality delays and service disruptions make capacity significantly lower. **The rates keep on increasing, a trend that won't abate in Q1,** with some FAK rates now overtaking the \$10,000 /40ft mark to US East Coast in some cases. Some carriers are now committing to ultra-long term contracts under volume penalties in order to keep the volumes and rates safeguarded as long as possible.

ZIM's North Europe "ZNE" service serving US East Coast is "paused" at least until April. To West Coast, the options are more and more restricted with very few vessels calls in Q1. Strict compliance with allocations is more than ever the way forward in that context.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Europe to Oceania

Space remains under pressure if not congested, with delays of 4 to 6 weeks in order to get bookings. More positive development, **the delays in Asian transshipment hubs have finally begun to improve,** as the backlogs are gradually cleared. As demand stays strong and operating costs are going up, freight rates are on the rise also, and GRI would be added by Q2.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Europe

Europe to Asia / Middle East

The market is holding well (Drewry reports spot rate moving up by 2,7% in January, to \$2,612), despite lower volumes moved on the trade, in retreat of 5% in 2021 compared with 2020. The ban of waste paper exports to China in particular contributed to that decrease.

Carriers will adjust with that lower demand scenario as Chinese New Year blank sailings will affect the Eastbound trade in March. With these blank sailings, **capacity from Europe will reduce by -30% in weeks 11 - 12 - 13.**

Congestion in Europe is still affecting operations, prompting port omissions or rotations changes. This is true in particular for a while ex UK, but Bremerhaven, Hamburg, Rotterdam also currently report terminals yards density above 100%.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



North America

North America to Europe

Space is very limited from USWC, with proforma schedules still affected by the congestion in LA/LGB. **Only in January, 19 sailings were blanked (total from both coasts).** Plus the only avenue for space increase has vanished as ZIM new USEC-Europe service is currently paused.

There are still **significant issues with available warehouse space across the country.** This results in containers remaining on chassis for much longer periods. Dwell times increased drastically, as well as drayage between port and customer warehouses. Rail delays are occurring across country, facing several weeks dwell time. These issues combined cause a significant congestion not only at ocean terminals, but also rail terminals and depots of all sorts. Rates shall remain strong with a continuous demand from Europe, recovering with an ease of pandemic-related measures.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



North America

North America to South America

Southbound trades are very problematic ex USA, with an access to space extremely restricted. Larger shipments from major outbound gateways can take several weeks to materialize. Service disruption is severe due to congestion and on some instances missing vessels that were shifted to other tradelanes. As demand keeps solid, situation remains very complicated to SAWC with rates at high levels. SAEC is certainly better, but only in comparison.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



North America to Asia

Capacity has declined as carriers are still limiting the volumes allocations back to Asia. Not surprising when the headhaul only accounts for some 5% of their Transpacific revenues nowadays.

Vessels arrivals and congestion issues have slightly alleviated in LA/Long Beach, only to get worse in other ports of both coasts. Deteriorating schedule integrity, in addition to creating void sailings and delays, is causing significant challenges. Equipment deficits on containers and chassis are still plaguing inland origins. Availability for standard equipment at ports has not been an issue, but special equipment is hard to come by, especially reefer. Rates remain stable but at very high levels, some 50-60% higher than last year.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



North America to Oceania

This trade has been lately the most volatile out of USA & Canada, and situation on space is extremely tight. Several vessels are overbooked to ensure maximal utilization, at a time that a lot of bookings are cancelled or can't get through due to the congestions in ports. However these overbookings also cause more rollovers, an accumulation of cargo, and even more delays to deal with the backlogs. In that context rates remain at high levels, while on the space front some relief will come in end February, with CMA CGM upgrading their service to a weekly rotation (now fortnightly).

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Asia

Asia to Europe

Rates kept increasing in January (by 4% according to Drewry indices), **carried by a continuous high demand before Chinese New Year and by blank sailings or ports omissions** decided by carriers so to mitigate the port congestion situation in UK and North Europe.

Situation shall remain stable in the following weeks, even though demand may soften, as the **capacity is still disrupted due to delays (only 22% of vessels to North Europe were on time in Q4 2021)** and due to several blank sailing already forecasted for February.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Asia to North America

On paper the situation may have improved in the hotspot of Los Angeles / Long Beach, with fewer vessels anchored in the bay, but **in reality several voyages have been cancelled, and many vessels are rather slow steaming on the way to avoid recreating a similar tailback.**

The difficulties have extended to other ports with namely Oakland, Charleston and Vancouver also severely congested now, with vessels waiting time of two to three weeks. Trucking capacity in North America remains extremely constrained. Spot rates were somewhat stable in January and are expected to remain next months, unless covid-related event would survene (port closure in China...)

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Intra Asia

Capacity for short sea services is strained even more as port congestion and poor weather continued to drive carriers to adjust port rotation and sailing plans... **And dedicated Intra Asia capacity reduced 11% vs 2020, due to vessels being repositioned on other more lucrative trades.**

Carriers maintain strategy to focus on base ports only, it's difficult to find options for outports implying a feeder involvement. Chinese ports are regularly affected by terminal closures (Tianjin, Ningbo, Dalian lately), and further China, **congestion is severe in Port Klang, horrendous in Manila...**

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Asia

Asia to Oceania

Capacity remains tight as the schedule slidings are affecting capacity availability. At destination in Australia the situation is under control in most ports (up to 2-3 day delays), with more difficulties however in Melbourne (especially on Patrick's terminals). Congestions backlogs in New Zealand (Auckland and Tauranga) have improved, but remain problematic.

Carriers continue to cope with heavy roll pool of containers and are prioritizing lighter cargo ex Asia in order to ship more containers per voyage to clear the backlog. Heavy cargo is often disregarded and lead time is at least 4 weeks.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Oceania

Oceania to North America

Services to USWC continue to suffer erratic schedules & service disruption due to the ongoing impacts of Long Beach, Auckland and Melbourne delays. With the news that Patrick Terminals and the Maritime Union in Australia have finally reached agreement on their labor contract, that stability on the waterfront will start to improve current issues. Ex NZ port performance continues to be erratic through Auckland, and as a consequence Tauranga. 20ft equipment is critical in both Adelaide and Nelson.

We expect rates to continue to increase from Q2, as the direct services are only calling at Oakland every 2nd vessel, which will impact wine bookings as no additional space is being provided.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Oceania to Asia

Most carriers continue to be sailing full. Transhipments remain challenging, be it through Singapore, Hong Kong or Port Kelang, with **various feeder networks congested and backlogged.**

20ft equipment remains extremely challenging in Adelaide & Nelson, with some carriers also struggling on 40ft equipment as well, as positioning pipelines from Sydney and Melbourne continue to be disrupted. **Expectation is that rates will increase substantially from Q2.**

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Oceania

Oceania to Europe

Ex Australia the direct service remains under pressure, with vessels solidly booked, and the situation is made worse by continued erratic scheduling and port omissions particularly of Adelaide. Similarly transshipment services are full given the continued strong demand to Asia, and the backlogs through Asian transshipment ports. With the continued poor scheduling, availability of all equipment types are tight. With the news that Patrick Terminals and the Maritime Union have finally reached agreement on their labor contract, that stability will start to improve current issues. We expect further rate pressure from Q2.

Ex New Zealand, some relief coming with the direct service soon getting in its weekly frequency season from mid April. Space will however still be restricted because of the reefer perishables peak. Transshipment services also remain delayed for bookings, by 3-4 weeks. Auckland remains heavily delayed (8-10 days for vessel berthing), and Nelson remains hand to mouth for all equipment types and critical for 20fts.

Trans Tasman

Ex Australia most services to NZ remain fully booked. In addition equipment is a challenge, particularly in Adelaide, resulting in prolonged booking and shipment delays. **Services to the South Island remain unreliable, as schedules around Australia are littered with delays and ongoing port omissions.**

Ex New Zealand, some services have returned to calling Auckland, however, space on these and the Tauranga loading services remain very tight, with delays of 3-4 weeks to secure bookings. Nelson is challenging as it is regularly omitted to rectify schedule disruption elsewhere. 20ft equipment in Nelson is critical.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



South America

South America to North America

At origin, access to both equipment and to space is tough, be it from West or from East Coast, due to high demand and disruption in the usual empty equipment repositioning flows. **Most critical is definitely SAWC to NAWC, due to a downsized offer coupled with few blank sailings.**

In North America the challenge remains to fight off congestions, at the moment vessels waiting times are no less than 4 to 6 weeks in LA/LGB, 4 weeks in Vancouver, 2 weeks in Oakland, 1 week in Charleston, Houston and Norfolk... The other USEC ports do better, at least on that dimension. Rates are expected to stay on the rise in Q1 2022.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



South America to Asia

It's a constant struggle for equipment ex Chile, very critical especially for 20 dry and 20 flexi. Even more challenging when this dry cargo isn't the most popular cargo for carriers to repatriate to Asia. Reefer equipment is also unavailable as we are in fruits exports peak seasons and demand is so important that carriers sometimes let go their regular businesses.

At destination, services are affected by COVID-19 related measures, such as quarantine requirements for the crews of the coastal feeders running between South China and Hong Kong waters. This cause **severe issues to reach outports in South China** that require usage of domestic feeders.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



South America to Europe

From West Coast, vessels are fully booked weeks ahead, with no improvement in sight as the Eurosai/SWX keeps being affected by vessels omissions, and the CLX service (Hamburg Sud/Maersk) is now running with 20% capacity less than last year, with smaller vessels deployed.

Only improvement is that the operational situation in San Antonio is better than in Q4 last year, even the CLX service keeps calling Valparaiso instead of San Antonio. Equipment shortage particularly for 20' flexitank suitable is a concern, also adding to a strong pressure on freight rates.

From the East Coast, space is also challenging and pressure on rates levels doesn't fade, in a common pattern to most Latin America trades.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



South Africa

South Africa to Europe

South Africa to Europe is **relatively stable compared with other trades**, with spot rates « only » some 25% higher than last year.

However **vessels to Europe are sailing full**, and at this point in time with the grapes export season, priority for space is given to reefers. These grapes exports shall start slowing down towards the end of the month. In addition we have to deal with a **persistent shortage of 20ft equipment across the country**, not expected to improve soon as demand remains stronger for exports than imports.

Space availability



Ocean rates, next 3-months



Ocean rates, last 3-months



Legend space availability:

Space extremely limited (or stop booking)



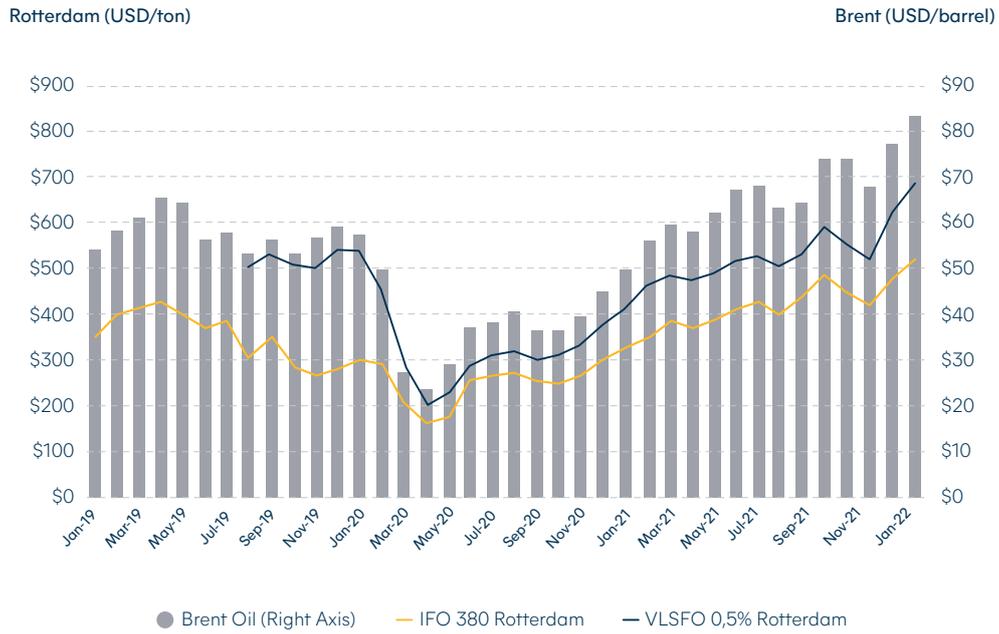
Space limited



Space available



Bunker watch



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