

Global freight procurement Trade dashboard

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Europe

North Europe to North America

Volumes have been very strong lately, in a context that capacity deployed was higher than last year **and vessels keep on being fully booked weeks ahead**, due to a **soaring US demand**. Yet as of February capacity will decrease, as **THE Alliance will suspend one their five loops**, needing the ships even more elsewhere.

Essential to book well in advance or exactly per forecasts then, as **pressure on space and on rates will keep on increasing**.

At destination in the US, port congestions and the lack of trucking power have now become critical, creating major delays. West Coast is the most affected with congestions, with vessels waiting time 10-14 days in LA/LB, lack of truckers and chassis is all over.

West MED to North America

As everywhere in Europe the **lack of equipment is the core issue**, creating delayed equipment releases, stressing the operational planning, etc.

Reefer equipment in particular is heavily in shortage for Mediterranean area and forecasts show the situation will not improve in the first quarter. **Vessels are fully booked onwards**, hence bookings must fall 4-6 weeks prior to vessel departure, unless they have been protected though precise allocations before.

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Space availability



Ocean rate, future trend



Ocean rate, previous trend



Space availability



Ocean rate, future trend



Ocean rate, previous trend



Europe

Europe to Asia

We still have a very strong demand ahead.

Carriers did increase capacity by 10% so to tackle this exceptional increased demand, **yet the rush is that strong that all vessels for February are already full.**

Scarcity of equipment remains the challenge of 2021, in particular for special equipment (reefers), and for availability in inland depots. In that context carriers are pushing through Equipment Imbalance Surcharge on all export trades.

Europe to Middle East

Europe to Middle East trade is driven by the same market dynamics as Europe to Asia Trade, marked by **lack of equipment, of space on board the vessels, and rates increase.**

Plus the strong focus on the Asia trade does not benefit the Arabian Gulf destinations.

On the mid term, strong demand before Ramadan month (starting in April) is to be expected, meaning **no relief in sight shortly.** Orders need to be placed 6 to 8 weeks in advance to secure space and equipment.

Europe Oceania

Direct services to Australia are full through February. Main carriers report December & January volumes to Australia to be up over 20% year on year. Relay services to both Australia and New Zealand are similarly stressed, with 3-4 weeks lead time to secure bookings.

Relay hubs in Asia remain congested, and containers from Europe are competing for space to Oceania with record Far East volumes. This means at least a 2 week delay through Singapore & Port Kelang. Relay through Panama is not as bad, though some delays (1-2 weeks) are being seen through Cartagena.

Equipment supply is now the larger threat, particularly reefers, which are just not around at the moment and no improvement in sight by the end of the first quarter.

Space availability



Ocean rate, future trend



Ocean rate, previous trend



Space availability



Ocean rate, future trend



Ocean rate, previous trend



Space availability



Ocean rate, future trend



Ocean rate, previous trend



North America

North America to Europe

Capacity is tighter due to remaining blank sailings, and THE Alliance suspending their AL1 service as of February.

On the landside, carriers are very alert about inland offerings by their means. Combination of ports congestion and lack of chassis make it a challenge to move containers in time.

On the rate front, expectations are for a hike, through ocean freight rates increases but also temporary ad-hoc surcharges meant to address the congestion issues.

Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



North America to South America

Congested Los Angeles/Long Beach port, and deviations from proforma schedules affect almost every sailings. Transit time sensitive cargoes must be followed up closely so that they are not rolled at transhipments ports.

Space is there but frequency is affected. Routing alternatives must be considered on some occasions. Like any other trade, door moves are discouraged. **Ratewise, looking up** (though not to the extent as Asia trades) as congestion, imbalance, peak season... surcharges are being imposed.

Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



North America to Asia

Carriers' drive to take empty containers out to Asia main ports did not fade. Beside rarefying the available equipment in US, this is also indirectly causing **a lot of operational issues**: carriers stopped serving Pearl River Delta's outports till end February, door moves have become uncommon, additional free time is a rare exception...

The severely congested Los Angeles/Long Beach port messes up the proforma schedules, some vessels just have to cut and run, cargo get stuck and the situation even worsen.

Overall, access on board is very difficult and costly. In that market situation, rates are expected to keep going up, unless authorities intervention would prevent this.

Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



North America

North America to Oceania

Services are running almost full capacity and most carriers have no space free until at least 2-3 weeks ahead.

20ft bookings are encouraged rather than 40ft, due to their scarcity down under.

Auckland congestion still strong and expected to continue beyond the first quarter, fragile situation at a time that negotiations with unions at AU/NZ are still going on, and actions are still announced.

Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



Asia

Asia to Europe

The trade is still subject to strong rates volatility.

Late January, the **SCFI** (Shanghai Containerized Freight Index) is **showing a 33% increase from compared with the average of December 2020**. Pre-Chinese New Year rush, combined with **equipment shortage** pushed rates level.

Equipment availability still is the crucial element in most locations. We are also starting to see haulage crunch in China due to manpower travelling back to their families earlier this year. It is possible that this may disrupt further bookings ex China.

Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



Asia to North America

The capacity injection (bigger ships deployed), as well as authorities intervention helped to **stabilize the trade, at very high rates levels**.

However, **equipment shortage in Asia and ports congestions are still a big issue**. At a time (Pre-Chinese New Year rush) that the demand remains very strong.

Port congestion in Los Angeles/Long Beach is so bad that some of the sailings have to be skipped. This adds pressure to rates level while cargoes are waiting to be picked up on next sailings.

Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



Asia

Intra Asia

Rates levels remain under pressure as a consequence of the rush to find available equipment in Asia, and as Intra Asia short sea cargo 'competes' with long haul lanes, that have become very profitable.

Port congestion at major ports pushed carriers to make changes to services rotations so to avoid dwell days at ports. Causing locally some capacity reductions, for instance to Manila and Bangkok.

Equipment shortage is evident in Asian locations. Bookings are encouraged to be planned 4 to 6 weeks ahead in order to manage requirements reasonably.

Asia to Oceania

As all rates from Asia, **Oceania trade keep on being busy** and affected by the rush for equipment.

Port operations are getting better in Australia, unlike in New Zealand, where Auckland congestion still is very acute, but **issue remain at transshipment ports**. In December 55% of transshipment cargo in Port Kelang was rolled over, 42% in Singapore, 28% in Tanjung Pelepas...

Rates would remain on the high side till the operational difficulties in the area can be alleviated.

Space availability



Ocean rate, future trend



Ocean rate, previous trend



Space availability



Ocean rate, future trend



Ocean rate, previous trend



Oceania

New Zealand to Europe

Continued severe congestion in Auckland, combined with peak season volumes and shortages of labor are impacting heavily. Vessel berthing delays can be anywhere between 12-15 days.

The ability to get all types of equipment to the Blenheim area is being hampered, and even more than usual, not just for flexi grades. Tauranga is working with minimal delay (1-2 days), so very important for all the key carriers.

Space on both direct and relay services is stressed. The CMA CGM 'PAD' service will resume its weekly cycle mid April, and it this stage Nelson direct call is planned.

Space availability



Ocean rate, future trend



Ocean rate, previous trend



Oceania

Australia to Europe

Sydney congestion is now at a manageable level with berthing delays averaging between 2-4 days. However the industrial peace is fragile, with union negotiations not yet resolved. The stability in Sydney also means better integrity in schedules around the other ports.

Space to Europe has become very tight, as record volumes to Asia “piggyback” on the Europe services via Singapore.

Equipment, particularly 20fts (flexi or standard) remains the ongoing challenge in both Adelaide & Melbourne, due to poorer and slower import returns, and to grain peak season.

Space availability



Ocean rate, future trend



Ocean rate, previous trend



Oceania to North America

USA service schedules are being impacted by the Auckland delays and congestion, as they call Auckland en route to Australia. Around the Australia coast, the improvement in Sydney performance is having a positive effect, but Auckland remains the problem for these services.

Space to the USWC is extremely tight. To USEC it is better, though with the NZ perishables peak around the corner expect a tightening again in a few weeks.

At destination in the US, port congestions and the lack of trucking power have now become critical, creating major delays. West Coast is the most affected with congestions, with vessels waiting time 10-14 days in LA/LB, lack of truckers and chassis is all over.

Space availability



Ocean rate, future trend



Ocean rate, previous trend



Oceania to Asia

Space is now extremely tight ex Australia on all possible loops through Singapore, due to a large redirection of China exports, and other agricultural commodity exports in peak shipping season. Services to North East Asia are not as badly affected.

Space ex NZ is stressed, and with the impending perishables peak season from late March, it is expected to be this way through the second quarter. Services disruptions are still occurring due to the ongoing impacts from Auckland congestion.

Equipment, particularly 20fts (even standard) remains the ongoing challenge in both countries, due to poor import returns in Australia, and restricted empty positioning options for the smaller ports.

Space availability



Ocean rate, future trend



Ocean rate, previous trend



South America

South America West Coast to Europe

Situation in the port of San Antonio improved, there are **less operational issues** as the weather conditions got better, and dockers strikes are now over.

Space remains available, but getting tighter as the reefer season had a good start and we are not yet at its peak, which should be reached by mid of February. Reefer shipments are prioritized, putting pressure on space for dry cargo.

Equipment is in low stock, although situation is not as dire as in Europe or China. However still very challenging for special equipment, in particular 20'dry suitable flexitank.

Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



South America East Coast to Europe

As all rates from Asia, Oceania trade keep on being busy and Demand remains very strong from the East Coast. Especially from Brazil, where reefer season started strongly, putting pressure on the space availability.

After the increase in the previous quarter, **rates are now stable** and should stay like this during the coming weeks.

Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



South America West Coast to North America

Space is available on the first leg of the journey, but there are delays and congestions in most transshipment ports, creating a **bottleneck on the second leg.**

With pressure on the equipment availability also high, if the situation remains as it is today we expect to see new rates increases as from end of February, beginning of March.

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Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



South America

South America West Coast to Asia

Chaotic situation due to **lack of space, which has driven rates up, and lack of equipment**, as the focus has been with delivering equipment in Asia.

Most vessels from Asia are now off schedules, with big delays, to a point that the consortium involving Hapag Lloyd, ONE, HMM and MSC will have two blank sailings in February. Which by domino effect will exacerbate the difficulties to find space.

Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



South Africa

South Africa to Europe

Overall the trade remains quite stable, with same capacity (only Safmarine is now fully integrated into Maersk), and a **solid demand, continuing to grow gradually every month** and now showing a slight growth compared with last year same time (pre-pandemia).

So far this year vessels schedule reliability wasn't much affected by the winds season.

We will enter soon the citrus export season, with a bigger share of the space available on-board committed to reefer units.

Space availability



Ocean rate, **future trend**



Ocean rate, **previous trend**



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