

# International Monthly Market Update:

## August 2022



Port congestion skyrocketed at the end of July, increasing over 66% in the past seven weeks. Currently, 153 vessels wait off the coastlines, with significant volume trending off the East and Gulf Coast Ports. The numbers started to spike in June as the West Coast Labor contract with the ILWU Longshoreman Union was set to expire on July 1st. The congestion on the East Coast results from shifting cargo in the supply chain that would typically route via the West Coast.



(Source: [FreightWaves](https://www.freightwaves.com))

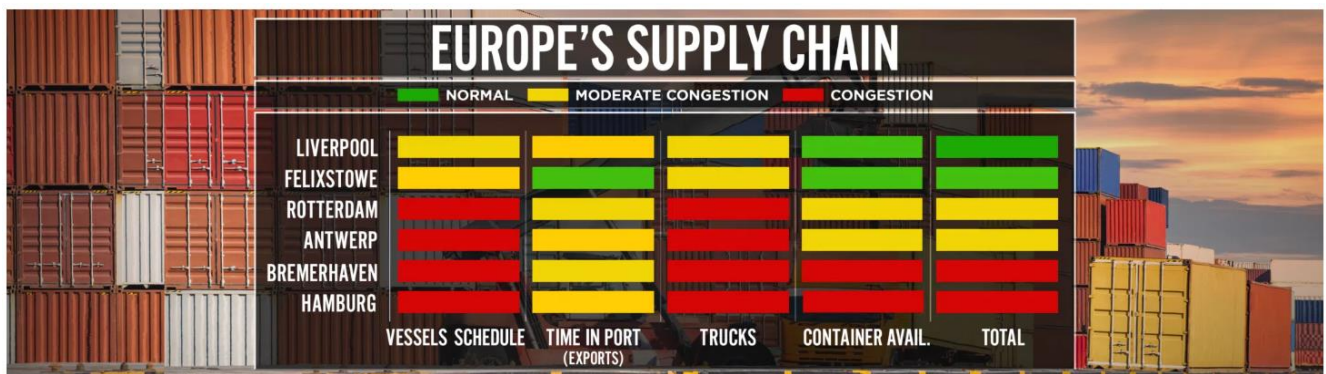


## West Coast:

- The current controversy over California's AB5 Law has caused port disruptions as truckers block the port of Oakland in protests. Nearly 1000 owner-operators blocked gates and turned their trucks off, effectively shutting down most of the container movement at the port, all in protest of the controversial state law requiring companies that hire independent contractors to classify them as employees. The Oakland International Container Terminal (OICT) closed operations for several days during these protests, as members of the International Longshore and Warehouse Union Local 10 refused to cross the protest lines.

## Europe:

- Last week, the Deutsche Lufthansa ground workers went on strike seeking higher pay. This led to the cancelation of hundreds of flights, affecting their hubs in Frankfurt and Munich. The heavy backlogs of cargo at terminals caused delays, with trucks waiting in line for up to 10 hours to pick up.
- Mid-month, dock workers walked out of German ports at 6 am, starting a 48-hour strike paralyzing the import and export trade of Europe's largest economy. Even after this third "warning strike" from port workers, contract negotiations still have not reached a settlement.
- Congestion and lack of equipment in Europe continue to build, creating backlogs of over two months to the US in the supply chain. The continued strikes in Germany have caused containers to pile up, and rail traffic is not moving timely. Vessels waiting to discharge have caused a lack of empty equipment availability, which will ultimately create pressure to return to Asia. The CNBC Supply Chain Heat Map is a quick indicator of the current market.



(Source CNBC Supply Chain Heat Map: [FreightWaves](https://www.freightwaves.com))



## Carrier Announcements:

- Union Pacific signed a deal with Wabtec for \$1B to modernize 600 locomotives. The investment, called the largest in rail industry history, will improve efficiency and reduce emissions. The company wants to reach net-zero emissions by 2050.
- CMA CGM finally confirmed that the APL Vanda suffered a stack collapse, and 55 containers were lost overboard. The vessel faced heavy weather en route from Singapore. No injuries were reported, and crew members are safe.

## Port Updates:

- Current wait times for berthing at ports:
  - Long Beach 6 to 10 days
  - Los Angeles 13 to 17 days
    - Union Pacific ramps in Long Beach and Los Angeles are experiencing 7+ days of delays in train departures due to high volumes.
  - Savannah 10 to 17 days
  - New York 7 to 21 days

## US Customs Updates:

- On July 1st, the Department of Commerce initiated the automatic 5-year reviews, called Sunset Reviews, of the antidumping and countervailing duty orders.
- On July 11th, the US CBP announced that the HTSUS General Note 3(b) is being updated to include Russia and Belarus as countries subjected to Column 2 duties.
- On July 20th, the CBP announced the modification of the National Customs Automation Program (NCAP) test, which establishes the ACE Vessel Agency Portal Account.
- On July 27th, the Column 2 duty increase to 35% took effect for multiple Russian-origin products, most notably goods in Chapter 99 of the HTS, per Proclamation 10420 issued by President Biden.
- The US CBP is launching its Green Trade Strategy to set an example for customs authorities worldwide and develop greener standards for global trade. They are putting in a framework to incentivize green trade, strengthen the CBP's environmental enforcement posture, accelerate green innovation, and improve climate resilience and resource efficiency.
- President Biden is expected to announce rollbacks on some US tariffs on Chinese consumer goods as well as some industrial subsidies that would lead to more duties in strategic areas like technology.

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**Sources:** American Shipper, Maersk, FreightWaves, ICAT, CNBC, Union Pacific, CMA CGM, The Load Star, [Customs & International Trade Law](#), [Livingston](#)