

# INTERNATIONAL MONTHLY MARKET UPDATE

DECEMBER 2023



*Season's greetings from IL2000!*

Breaking news from the Biden Administration included several cross-government partnerships to tackle issues plaguing the US supply chain. On November 27, White House officials spoke about the strategy for domestic and international partnerships to help strengthen and diversify the supply chain. This involves the Department of Health and Human Services, Department of Defense, Department of Transportation and many more. Lael Brainard, Director of the National Economic Council, briefed reporters and stated that inflation has declined by 65% from its peak. Supply chains are seeing lower prices on everything from gas to even turkeys! The goal is to help prevent shortages like those seen at the height of the pandemic. The true need is to help lower costs for American families and help strengthen the US economic competitiveness.

Mid-November figures posted for October show imports continuing to rise at the highest level since before COVID. Data from Descartes reported imports were exceptionally strong, with 2,309,918 twenty-foot equivalent units imported last month. This is up 3.9% year over year. Data shows imports have surged 33% from the low reported in February. This is the third-best October ever for US Imports, with the exception of the 2020 and 2021 boom.

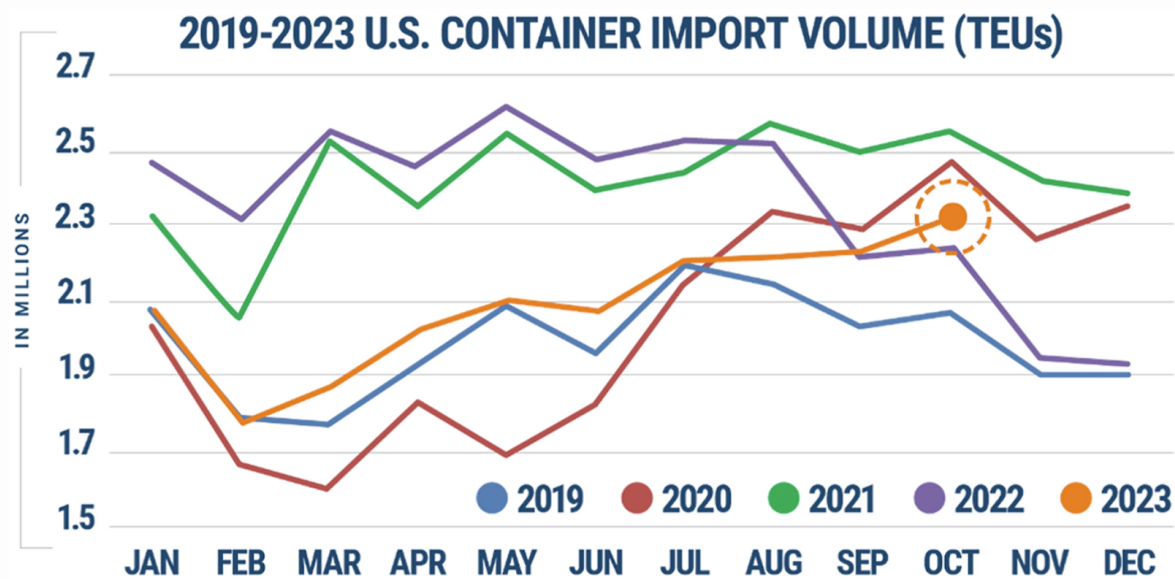


Chart: Descartes. Data: Descartes Datamyne. Source: [FreightWaves](#)

## China

It was reported that 38.4% of total imports were inbound volumes from China. This year's volume for imports is outpacing in the years before the pandemic.

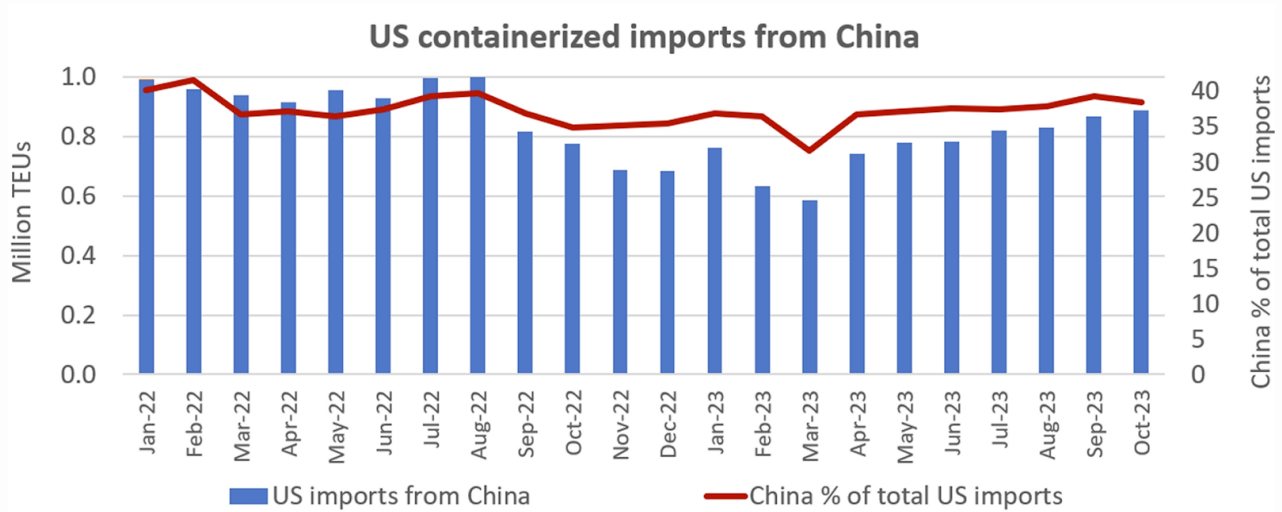


Chart: FreightWaves based on data from Descartes Datamyne. Source: [FreightWaves](#)

## Port News

The Panama Canal Authority (PCA) restricts capacity to 24 passages a day through January 2024. From February 1 until further notice, the number of slots will be reduced to 18 daily. Until recently, the focus has been on higher-capacity ships. However, there is another segment that is severely affected by this drought: dry bulk vessels carrying US grain to China and Asia. Trade patterns are seeing a major shift, and now these bulk vessels are opting for the longer route via the Suez Canal. This causes an additional 10-day transit and higher costs due to the canal dues. Additionally, this has led to fewer vessels available to load American grain exports, pushing up freight rates. Just announced by CMA and MSC, Panama Adjustment Factor surcharges per TEU will begin mid-December and January.

Panama is also struggling with public protests against a Canadian mining company, First Quantum. The company looks to expand its operations into the rainforest, and protestors are causing blockages of major roads that lead to container terminals located at either end of the canal.

## Air Freight

As demand continues to weaken, cargo airlines are cutting back on aircraft leases. There is no longer a drive to convert passenger jets to freighters. Air Transport Service Group (ATSG) is one of the leading lessors of cargo jets. They stated that weak interest from international airlines is the key reason for commitments to change. Many freighter operators are starting to back out or postpone aircraft leases as the air cargo industry is undergoing rapid changes this fall. Recently, Cargojet announced plans to sell off their new B757 freighters and pause any additional growth plans.

## Customs

US CBP is teaming up with the US Chamber of Commerce to empower consumers to stay safe and shop smart by purchasing legitimate goods. They are launching an educational campaign about risks associated with fake products and how to steer clear of fraudulent deals. CBP has seized more than \$2.5 billion worth of counterfeit items in 2023.

US CBP continues to work diligently with the trade community to improve efficiency and security. In October, they processed more than 2.9 million entry summaries that resulted in \$6.8 billion of duties and taxes to be collected.

October statistics were released and reported that CBP stopped 504 shipments valued at over \$199 million for further examination based on suspected forced labor.

The Bureau of Industry and Security issued a final rule effective November 17, adding nine entities to the Entity List. Most are being added due to trying to circumvent US sanctions against Venezuela by concealing the true end-user and end-destination of exports by using fraudulent documents and filing false EEI information.

The international team is here to help with your logistic needs! Making Logistics Happen!  
[international@il2000.com](mailto:international@il2000.com)

*Sources: Maersk, FreightWaves, Load Star, Descartes, www.cbp.gov, Commerce News*