



International Monthly Market Update:

February 2022

The Lunar New Year celebration has begun. Many suppliers are closed over the next two weeks. There is hope that the slowdown in manufacturing will help ease congestion at some ports and bring back reliability in schedules.

Hot News – Canada:

- After failing to reach an agreement on Covid-19 restrictions, protests drawing thousands of demonstrators broke out at multiple border crossings. Truck convoys from as far as Florida joined in the protest. The Royal Canadian Mounted Police have begun an enforcement action targeting a blockade of commercial trucks and other vehicles. Drivers refuse to move, stating, "we are fighting for our freedom."

Los Angeles / Long Beach:

- The Port of Long Beach reported it moved more cargo in 2021 than any year in its 110-year history.
- Over 120 vessels were waiting to berth in late January, causing delays of up to 8 weeks at the port. This is now causing trucking shortages, and most carriers are booking 3-5 weeks in advance.
- American Shipper released data last week that Los Angeles imports have slumped further as congestion continues to increase. December marked the 4th month that imports fell, 4.5% from November and 17.6 % from October, meaning the bottleneck at the port is getting worse.

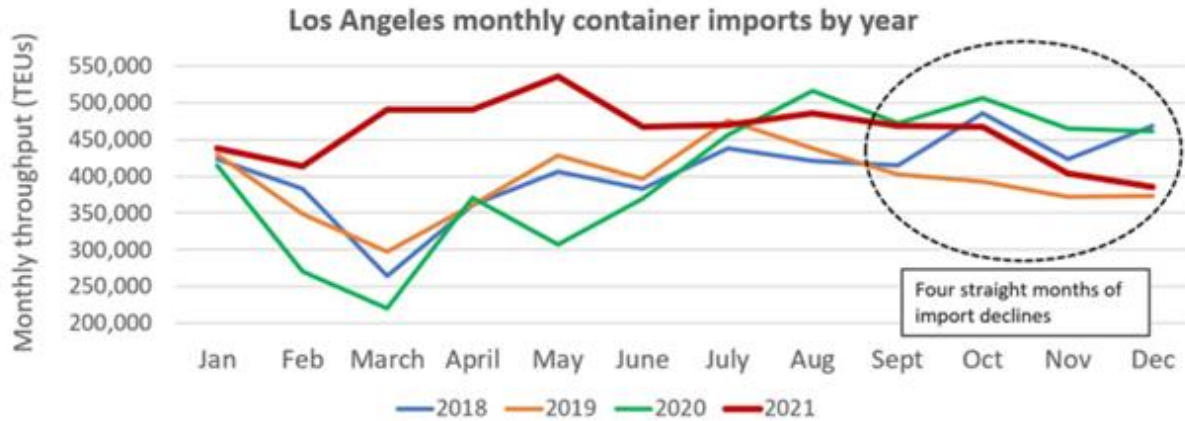
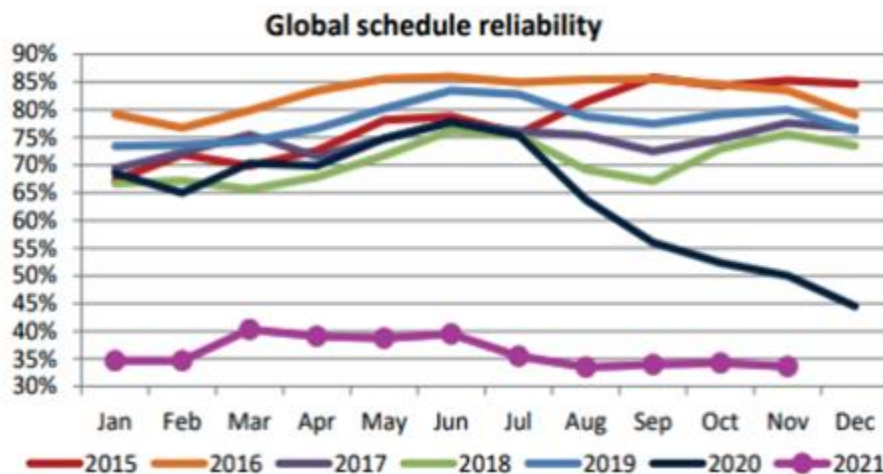


Chart: American Shipper based on data from Port of Los Angeles

Carrier Announcements:

- Mediterranean Shipping Company (MSC) announced in late January that the agreement between ZIM and 2M Alliance partners in the Asia Mediterranean and Pacific Northwest will end effective April 1, 2022. This means ZIM will no longer be a partner on these networks, and all services will be operated by the 2M partners. Additionally, they will cease operations on the North Europe–East Med Trade at the end of March.
- Carrier reliability is facing an all-time low. Reports covering December 2021 data show only 32% of vessels arriving globally on time, while 68% average more than a week late.



- CMA is expanding its footprint with a preliminary agreement to acquire Colis Prive, specializing in home and relay parcel delivery.



China Update:

- The spread of the Omicron variant has led to numerous flights being canceled due to new travel restrictions at major cargo hubs. The Beilun District, a significant hub for manufacturers and container terminals, is one of the largest impacted areas.
- Ningbo lockdown has threatened the regions' ability to keep manufacturing ahead of the Chinese New Year. This has impacted trucking services and operations at Ningbo Port, the world's third-largest container hub based on volume.

Airfreight:

- Due to the new Covid-19 quarantine rules in Hong Kong, Cathay Pacific stopped all long-haul freight flights prior to the Lunar holiday.

The international team is here to help with your logistic needs! Making Your Logistics Happen!

Reach out any time: international@il2000.com

Sources: American Shipper, MSC, Rose, DHL, CMA, Savino Del Bene, JOC, Freight Waves