



International Monthly Market Update:

February 2023



February is already here! With global demand down, we are seeing global trade dynamics shifting, and carriers have extra capacity to improve their service reliability. We believe the disruptions of the pandemic are behind us, and now we must navigate the new challenges ahead in 2023.

Carrier Announcements:

- Breaking news announced in January: Maersk and MSC have mutually agreed to discontinue the 2M alliance, set to end in January 2025. They will work to minimize any disruptions to the 2M network leading up to the termination. Both organizations recognize that much has changed since the partnership was signed in 2015. Background information on the 2M Alliance:
 - 2M is a container shipping line vessel sharing agreement, often referred to as VSA.
 - The alliance was signed in 2015 to ensure competitive and cost-efficient operations.
 - Agreements are usually a minimum of 10 years and allow a 2-year notice period for termination.
- Maersk released a statement streamlining their brand structure where Hamburg Sud and Sealand will be removed as brand names and integrated fully into Maersk. However, they have yet to release details on the timeline, and customers are wondering what is next!

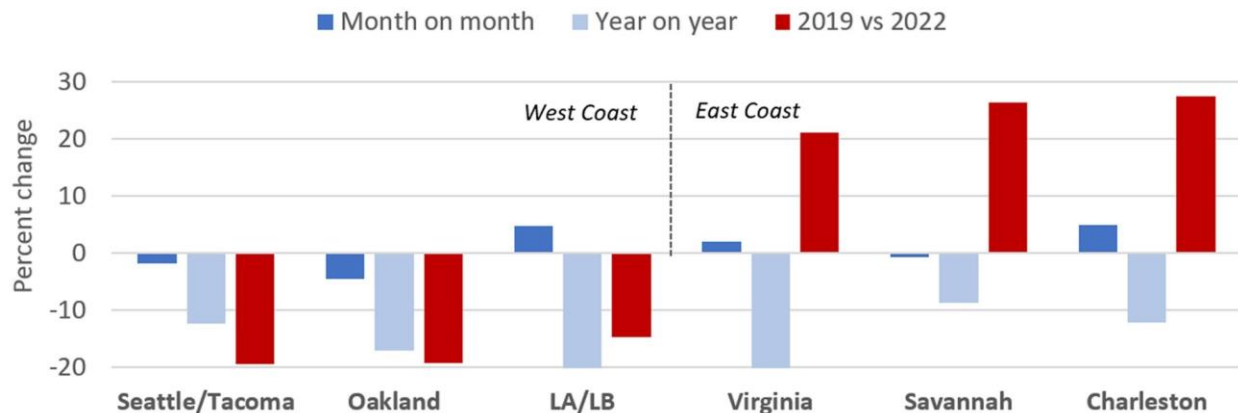


- In January, ECU Worldwide announced service for full containers from the world to Jamaica and door-to-door service in over 50 markets. In addition, ECU issued an LCL Export Advisory with the inland fuel surcharge reduced to \$10.00w/m, effective January 15.
- Vanguard postponed their GRI (previously set for January 15 for all imports from Asia and ISC) to a new effective date of February 15.
- A series of unfortunate events continue to plague MSC. In late December, the MSC Lorena sailing to Antwerp received a bomb threat and was sent back to Wielingen -Noord area. After authorities confirmed no bomb was onboard, it finally sailed to Antwerp, where officials found over 2,400kgs of cocaine. An article in Bloomberg stated that MSC has become a prime drug-trafficking conduit for Balkan gangs. MSC has officially denied the allegations, publishing a rebuttal stating that the carrier is not involved with drug cartels.

Port Updates:

- As Long Beach returns to normal conditions, 2022 still proved to be another "almost" record year with 9.13 million TEUs handled, just 2.7% below 2021 posted numbers. Despite imports falling 4.9% and exports down 1.6%, the port announced its second-best year ever, as 2021 proved to be the busiest in its 112-year history.
- South Carolina announced that in 2022, the Port of Charleston handled the most containers ever in its history. In recent years, the port has expanded its infrastructure and plans to invest another \$2.5 billion over the next decade to keep up with demand.
- East Coast imports are still showing well above pre-pandemic levels. Here are the numbers posted for December 2022.
 - Virginia up 21%
 - Savannah up 26%
 - Charleston up 28%

December 2022: Import volume trends by coast



(Source: [FreightWaves](https://www.freightwaves.com) / Chart: American Shipper based on data from ports.)

Air Freight:

- Air France – KLM has ordered additional A350 widebody freighters from Airbus to replace the aging 747s in their fleet. This fleet upgrade is extremely important to KLM's ambition to become more sustainable in the market. The A350F reduces CO₂ by over 40% and noise by 50%. Freighters will be ready in the fall of 2026.



(Source: [FreightWaves](#) / Artist's rendering of an Airbus A350 freighter. Image: Airbus.)

Customs:

- The ACE AES Direct program updated its Schedule B and Harmonized Tariff Schedule (HTS) codes effective January 1. The new table is available online for downloading: <http://www.census.gov/foreign-trade/aes/documentlibrary/#concordance>
- On International Customs Day, January 26, the US announced Ian Saunders as the US Candidate for WCO Secretary General.
- Effective January 13, the Office of Foreign Assets Control issued a final rule increasing its maximum civil monetary penalties for Export and Sanctions penalties to account for inflation.

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

Reach out any time: international@il2000.com

Sources: ECU, Maersk, Census, Vanguard, Container News, FreightWaves, MSC, America Shipper, CBP.GOV, USITC.GOV