

INTERNATIONAL MONTHLY MARKET UPDATE

FEBRUARY 2024

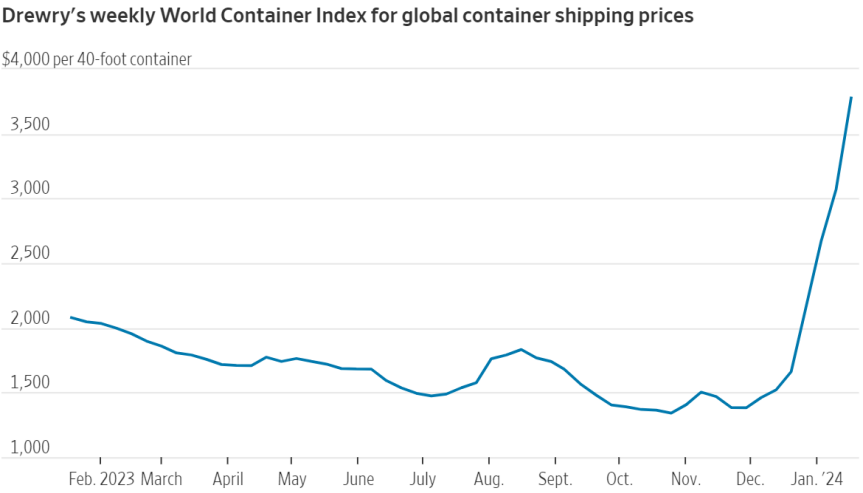


Over the last few weeks, mass diversions of container ships are now rerouting around Africa’s Cape of Good Hope. Carriers sent a notice that transits through the Red Sea should stop altogether due to the heightened security risk. Safety for the crews is their number one priority. As carriers adjust their schedules to longer routes, the Chinese New Year’s decreased demand will help keep vessels moving. Below is a snapshot released by Marine Traffic at the end of January showing current container ships (with a capacity of 10,000 twenty-foot equivalent units or more) routing around Africa.



Source: [FreightWaves](#)

With the continued attacks in the Red Sea, rates over the last month have almost doubled. According to the Drewry, the average cost of a 40ft container rose 23%. The increases are not limited to the disrupted trade routes between China and Europe. Spot market rates from China to Los Angeles rose 38% in just one week in January.



Source: Drewry Shipping Consultants

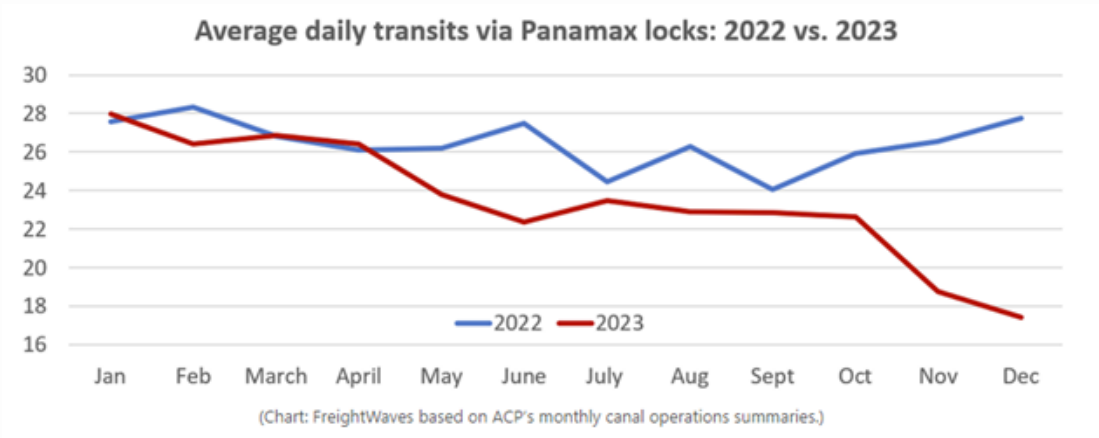
Source: [Wall Street Journal](#)

The Federal Maritime Commission (FMC) will hold an informal hearing on February 7, 2024. They will examine how conditions in the Red Sea and Gulf of Adens regions impact commercial shipping and global supply chains.

FMC also announced that Transpacific Eastbound Carriers have recently updated their respective tariffs to implement general rate increases (GRIs) effective February 15 and March 1. The carrier list includes CMA CGM, COSCO, Evergreen, Hapag, HMM, ONE, Yang Ming, and ZIM. The rate increase averages \$1000 to \$2000 per date for each carrier.

Panama Canal

News posted on the Panama Canal continues to decline. Transits dropped another 4.7% in December, with an overall 21.9% decline since October. Panama has entered its dry season, which has been extended to May this year. Reservations were further restricted by the Panama Canal Authority (ACP). Data shows the locks averaged 17.42 transits daily, down 37% from last year.



Source: [FreightWaves](#)

Port News

- Long Beach is seeing berthing delays as vessels bunch up due to late arrivals.
- Wait times in Houston have increased recently to 3 to 5 days, as the port has several cranes under repair.

Rail

One year after the massive derailment in Ohio, Norfolk Southern is the only Class I railroad to join a Federal Railroad Administration safety program. NS President and CEO Alan H. Shaw stated that the company is committed to setting the gold standard for rail safety. The goal is to foster an environment where safety concerns can be reported without workers fearing losing their jobs. It encourages employees to report any "close call" incidents to keep safety at the forefront.

Customs

Some highlights from CBP's December 2023 monthly update include:

- CBP continues to lead in eliminating goods made with forced labor from the supply chain. In December, CBP stopped 450 shipments valued at more than \$187 million.
 - CBP seized 1291 shipments that contained counterfeit goods valued at more than \$86 million.
 - Ocean imports were up in December, accounting for 41% of the total import value; CBP processed more than 2.6 million entry summaries valued at more than \$260 billion, with estimated duties being nearly \$6.3 million.
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- CBP is modifying the timing of the automatic release message for non-express air cargo effective January 27 to give CBP sufficient time to review entries and notify the filer of holds.
 - FMC has ruled that starting February 1, Common Carriers and Conferences must provide public access to their tariff publication systems free of charge.

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Sources: Wall Street Journal, Drewry Shipping Consultants, Distribution Publications, Maersk, Freight Waves, Maersk, CBP.gov, customsandinternationaltradelaw.com