



International Monthly Market Update:

July 2022



On June 16th, 2022, President Joe Biden signed the Ocean Shipping Reform Act of 2022. Provisions for detention and demurrage invoicing took effect immediately, and Non-Vessel-Operating Common Carriers (NVOCC) must take action to comply with the new law. This bill will require the FMC to investigate complaints and determine if charges for detention/demurrage are reasonable. This allows the FMC to order refunds for unreasonable charges.

China update:

- Shanghai's lockdown ended June 1st, with most manufacturing now returning to normal. Covid- 19 tests are still required for truckers.
- The United States and Taiwan announced the US – Taiwan Initiative on 21st Century Trade. The intention is to deepen economic and trade relationships, promote innovation, and bring the US closer to signing a free trade agreement.

Europe:

- On June 23rd, workers at the Port of Hamburg carried out their threat and held a one-day strike. Work stoppages impacted the ports of Emden, Bremerhaven, and Wilhelmshaven as



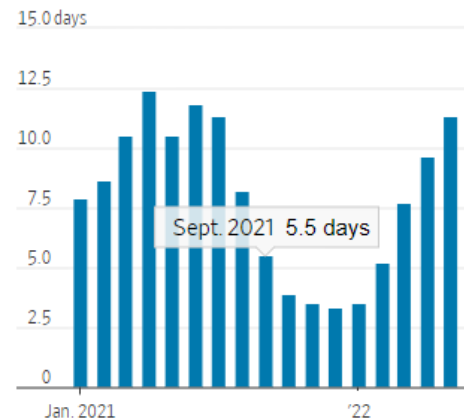
well. The strike comes at a critical time when the surge of imports from the Chinese lockdown continues to cause massive congestion at the ports.

- There are currently over 30 vessels waiting in the North Sea for berths.

West Coast:

- The BNSF Railway has limited the number of containers the railroad will carry out of the Southern California Ports. Over 29,000 containers are currently being held in container yards waiting to move on the rail. This is more than triple the usual number. The backup stretches to Chicago Ramp, one of the key transit points. Containers are not being picked up promptly, resulting in the accumulation of stacks of containers.
- Source: The Wall Street Journal "[US Port Backups Are Extending Into Freight Rail Supply Chains](#)"

Average number of days each month that shipping containers at the ports of Los Angeles and Long Beach waited for inland rail transport.



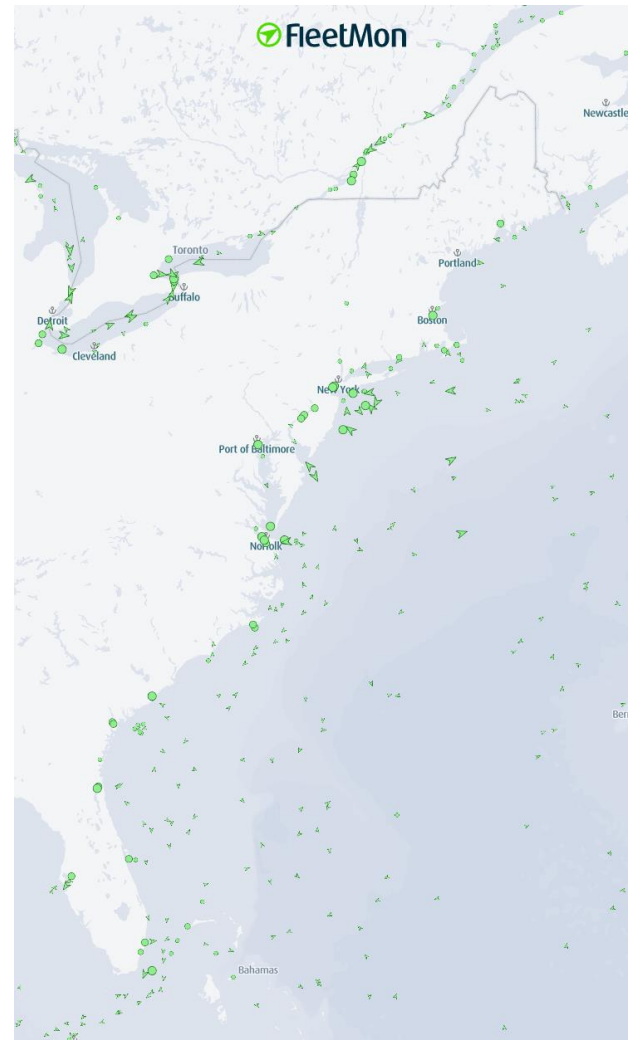
Source: Pacific Merchant Shipping Association

Carrier Announcements:

- ONE becomes the first carrier to start cracking down on shippers who incorrectly declare container weights and then make last minutes changes to the VGM. Beginning July 1st, a \$2,000 per container weight discrepancy charge will be applied. The penalty will apply to any cargo weight that deviated by more than +/- 3 tons per TEU. The advisory states implementation is intended to improve the operational safety of everyone in the cargo handling network, both onshore and onboard.
- The new service by CMA, the Chesapeake Bay Express (CBX), made its first call at the Port of Virginia's Norfolk Terminal last week. The new service connects the US East Coast to Asia with 10 Panamax vessels and a port call rotation for China Base ports.
- Lufthansa will reactivate some of its super jumbo jets, the Airbus A380, that have been grounded since the pandemic started. The A380 is the world's largest passenger aircraft at 239.5 feet long and 79 feet high. The sharp rise in travel demand and delayed delivery of ordered aircraft have prompted the carrier to review how many A380's will be put back into operation by 2023.
- CMA announced a rate reduction of Euro 500 per 40ft Container for all cargo imported into France, at the request of the French Government. The reduction will go into effect on August 1st.

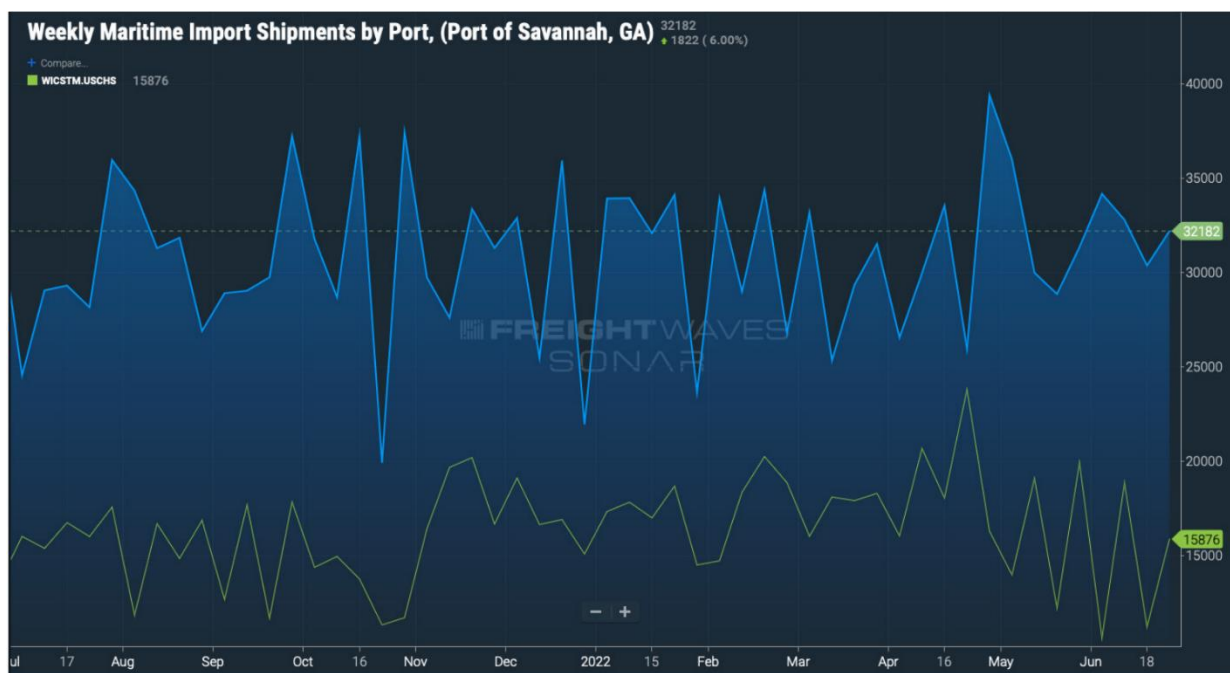
Port Updates:

- Container ships waiting to berth off North American Ports are as follows:
 - New York/New Jersey – 16
 - Long Beach/Los Angeles – 21
 - Houston – 17
 - Savannah – 29
- In addition, Maersk sent out an advisory that congestion on the East Coast continues to build. Current delays at each port:
 - Charleston – 3 days
 - Savannah – 8 to 12 days
 - Houston – up to 2 weeks
 - Miami – 3 to 5 days





- Weekly Maritime Import reports continue to show the Port of Savannah has a record number of imports over Charleston.



(Source: [ITG Weekly Maritime Report](#))

- The Port of Houston awarded two dredging contracts totaling \$429 million to kick off the \$1.1 billion expansion project. The expansion will allow the channel to accommodate an additional 1400 vessels per year. The two companies will dredge a 17.3-mile section of the ship channel, incorporating Bayport Ship, Barbour's Cut, and Bayport terminals.

US Customs Updates:

- On June 13th, US Customs and Border Protection announced the guidelines for implementing the Uyghur Forced Labor Prevention Act (UFLPA), which will go into effect on June 21st. The guidelines give importers an overview of how the CBP will process detentions, exclusions, and seizures, as well as what types of evidence and documents importers will have to provide. It also includes enforcement information regarding products currently covered by the existing Withhold Release Orders under 19 USC § 1307.
- On June 21st, The Uyghur Forced Labor Prevention Act went into effect. This act amends 19 USC § 1307 to reflect a rebuttable presumption that forced labor affects all goods made in Chinas Xinjiang Uyghur Autonomous Region, or goods produced in whole or in part by entities that enable the use of forced Uyghur labor. This act states that this presumption can only be rebutted using "clear and convincing evidence."



- On June 17th, The World Trade Organization finally adopted multiple decisions, reaffirming its strength and ability to deliver multilateral trade rules and provide trade-related responses to the most pressing global issues. These decisions encompassed:
 - fisheries subsidies
 - partial waiver of patent protection under the Agreement on Trade-Related Aspects of Intellectual Property Rights concerning the COVID-19 vaccines
 - a moratorium on customs duties on electronic transmissions
 - WTO reform
- Effective June 28th, The Bureau of Industry and Security issued a ruling that added 36 entities to the Entity List of items subject to Export Administration regulations. For all of these entities, any licenses will be reviewed with the presumption of denial, and no license exceptions will be available for export, reexports, or transfers to these entities.

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

Reach out any time: international@il2000.com

Sources: The Loadstar, The Wall Street Journal, CMA, American Shipper, ICAT, DPS, Maersk, Freight Waves, Wiley Law, internataionaltradecompliance.com, strtrade.com, Hapag