



International Monthly Market Update:

June 2022

The question on everyone's mind is, when will supply chains return to normal? The pandemic has been dragging on now for over two years. Even though we've learned many lessons along the way, new challenges arise daily. Many critics believe the world has permanently changed and that we will continue to see supply chain issues for decades to come. They state that "normal" does not exist anymore.

China update:

- Warehouses have started to open partially in Shanghai and Ningbo. Shanghai requires drivers to have a negative NAT Report within 24 hours and a temporary truck pass issued by the local government when gating in. Ningbo has followed the same protocols; however, cargo will not be accepted if a driver has been to a medium-high risk area in the last 14 days.
- Blank sailings out of China's base ports have started to drop. Last month they were over 40%, while currently:
 - 29% for Pacific Southwest
 - 33% for Pacific Northwest
 - 17% for United States East coast
- Experts estimate that over 260,000 TEUs of export cargo were not shipped from Shanghai since the shutdown. This number is equivalent to roughly 13 mega ships holding 20,000 TEUs each. With the capacity constraints and demand on the ocean side, airfreight rates will remain high as the pressure continues. June and July are expected to see surges in volume for the US and Europe.

West Coast:

- On May 26th, the Container Port Performance Index was posted, the result of collaboration between the World Bank and S&P Global Market Intelligence. Southern California Ports rank dead last on the global index. Rankings are determined by the amount of time vessels spend in port. Covid-induced labor, slow chassis turns, container staging space and slow rail service are the major contributors to the ranking.
- Contract negotiations continue between the International Longshore and Warehouse Union and Pacific Maritime Association. PMA President Jim McKenna said, "It doesn't matter when the contract isn't done by July 1st; it matters there are no disruptions."

Carrier Announcements:

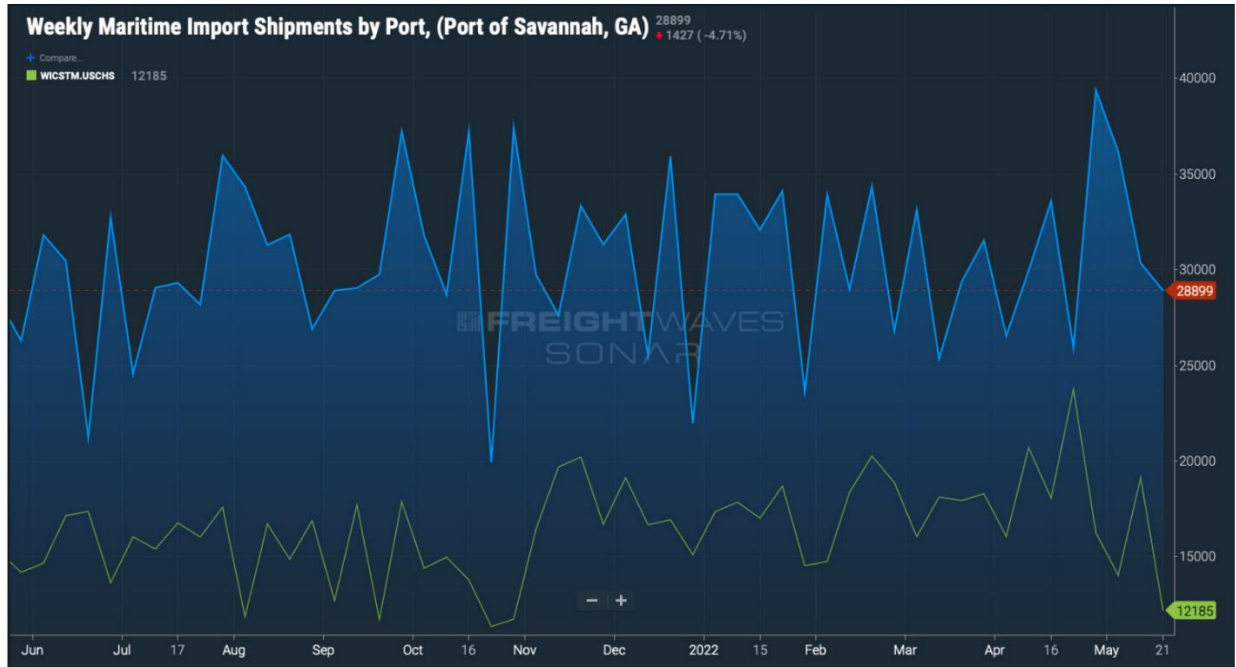
- One year after launching its in-house cargo airline, CMA CGM forms a cargo alliance with Air France-KLM. CMA CGM is taking aggressive steps to become a major player in the air cargo market. The cargo alliance will give CMA CGM the opportunity to bundle their air, ocean, and truck transportation services.
- Vanguard announced a new Wichita Import CFS for all cargo moving from Los Angeles.
- HMM America will cease rail operations between Portland and Seattle/Tacoma effective June 18th.
- In May, the Mediterranean Shipping Company informed customers that they were increasing the amount of their Hazardous Cargo Mis Declaration Fee (HCM) to USD 15,000 per container because of the various near-miss incidents that have occurred in the past few months.
- On May 20th, the Federal Aviation Administration greenlighted United Airlines to reintroduce Boeing 777's grounded since March 2021 due to engine failure. The 52 widebody jets represent about 10% of United's passenger capacity and will play a vital role in their cargo business.



- Berthing times at ports continue to cause delays. Here's what the latest information shows:
 - Newark: 17 vessels waiting to berth
 - Long Beach: 14-17 days
 - Los Angeles: 14-16 days
 - Savannah: 22 vessels waiting to berth



- Port of Houston reports April as the busiest month on record, handling 334,493 units for the month. This is a 21% year-over-year increase from 2021.
- Port of Savannah continues to see record numbers for imports reaching almost 40,000 mid-month.



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

US Customs Updates:

- The Office of the US Trade Representative recently announced they will be extending the exclusions from the Section 301 China tariffs (focused on goods used to treat COVID-19) for another six months.
- On May 13th, the US Department of Commerce announced they will be initiating administrative reviews in response to the requests received for reviews of various antidumping and countervailing duty orders with March anniversary dates.
- US Department of Commerce initiated a CCR to determine whether Russia will remain a market economy country for purposes of antidumping duty law.
- President Biden has proclaimed May 15th through May 21st, 2022 as World Trade Week. President Biden stressed the importance of the American worker and a trade agenda that put these workers first. The President also highlighted the importance of global trade and the role it plays in strengthening the US economy and workforce as well as raising the quality of life for American families.



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Sources: Sinpex, Vanguard, MSC, American Shipper, Freight Waves, Maersk., HMM, Bloomberg, Aircargo News, International Trade Today, Customs and International Trade Law