

INTERNATIONAL MONTHLY MARKET UPDATE

MARCH 2024

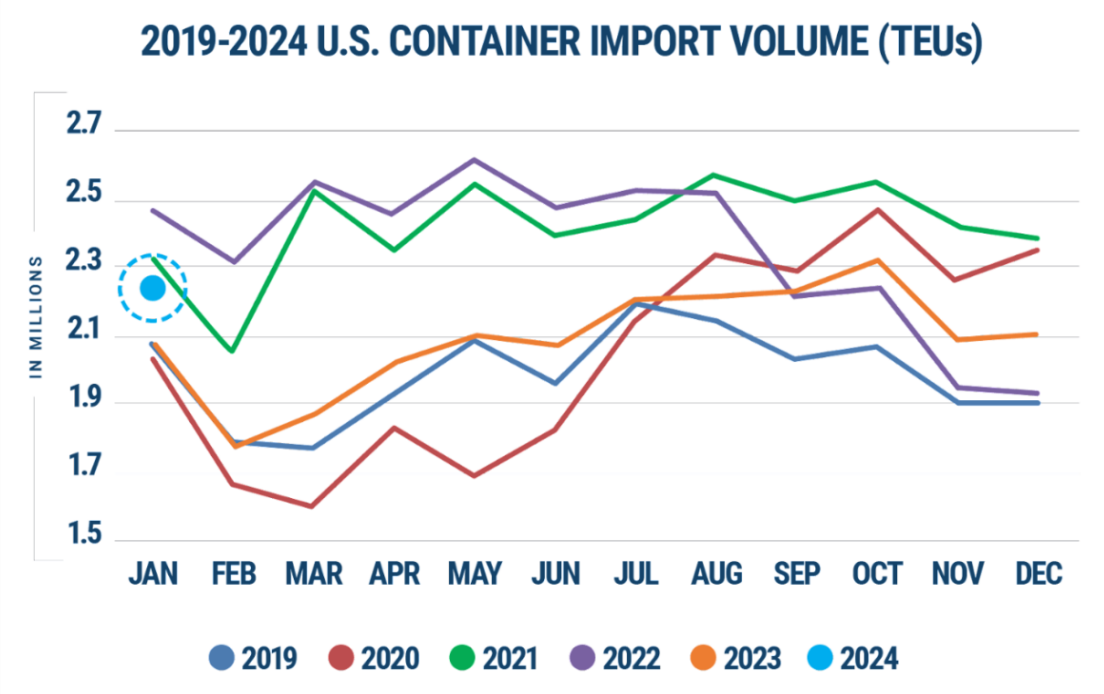


IL2000 continues to closely monitor the situation around the Red Sea and the Gulf of Aden. We are close to 80 days without any sustainable resolution. Due to continuing delays, we encourage all customers to plan ahead. Prepare for space availability disruptions, transit time delays, and costs. Many ocean carriers have planned GRIs for later in the month.

The TPM24 conference is taking place March 3 to 6. The theme this year is Extreme Normalization Fallout. The ultimate goal of the conference is to illuminate where the market is heading for the remainder of the year and beyond. We look forward to gathering more insights over the coming month to share with you.

Imports

Mid-month data indicates that January saw the sharpest import increase in the past seven years. Despite tensions involving the Suez Canal and the continued drought at the Panama Canal, data from Descartes showed a 7.9% growth. January is usually a slower month as China prepares to go on holiday, and February is when the spike happens. In addition to the rise in volume we’ve been seeing on the West Coast, Norfolk and Baltimore showed a volume rise from 3.4% to 5.1%.



Source: Descartes Datamyne / [FreightWaves](#)

FMC News

February 13, FMC voted four to one to uphold a chassis pool system administrative law judge (ALJ) ruling that went into effect one year ago. The Intermodal Motor Carriers Conference (IMCC) initially started the case against the Ocean Carrier Equipment Management Association (OCEMA). This is a US-based group of 12 major ocean carriers. The law says, "a common carrier, marine terminal operator, or ocean transportation intermediary may not fail to establish, observe, and enforce just and reasonable regulations and practices relating to or connected with receiving, handling, storage or delivering property." OCEMA's practices deny merchant haulers the opportunity to negotiate rates and terms of service. (Source: [FreightWaves](#))

Labor Talks

At the end of September, the contract between the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) is set to expire. The USMX represents 36 coastal ports, including three of the US's busiest ports: Port of New York and New Jersey, Port of Savannah and Port of Houston. Contract negotiations between the two started back in February 2023, then halted due to issues surrounding wage increases. ILA's President Harold Daggett cautions there is no chance of extending the contract. As talk of potential disruptions increases, the ILA warns they are prepared for the possibility of a strike in October.

Air Freight

WorldACD released data showing air cargo demand was significantly up compared to last year. The 5% growth can be attributed to various factors, including the Chinese New Year and the ongoing disruptions in the Red Sea. The redirection around the Cape of Good Hope for ocean carriers has increased transit times by up to four weeks in some instances. Airlines have been adding back additional service, resulting in a 12% rise in capacity. While rates have dropped 22% from last year, they remain 32% higher than pre-covid.



Customs

CBP's latest updates released for January 2024 include the following:

- CBP processed over 2.7 million entry summaries valued at more than \$267 billion, with estimated duties being nearly \$7 billion. Of this, 44% was via ocean entries.
- Eradicating forced labor from our supply chains continues to be a priority of the US government, with CBP leading the efforts. CBP stopped 424 shipments valuing \$236 million suspected of use of forced labor.

The US is the world leader in taking action against forced labor. The US CBP is transparent that they will continue to prioritize enforcement of preventing products from forced labor from entering into US commerce. The USCBP is the only US government agency and one of the few agencies in the world with legal authority to take this kind of action.

The Office of Foreign Assets Control sanctioned a procurement network for facilitating the illegal export of goods and technology from over two dozen US companies to end-users in Iran.

The United States Trade Representative and the Interagency Committee for Trade in Automotive Goods conducted a hearing to examine feedback concerning the implementation of the USMCA, explicitly focusing on automotive trade.

The international team is here to help with your logistic needs! Making Logistics Happen!
international@il2000.com

Sources: FreightWaves, AirCargo News, WorldACD, TPM24, Maersk, Customs & International Trade Law and cbp.gov