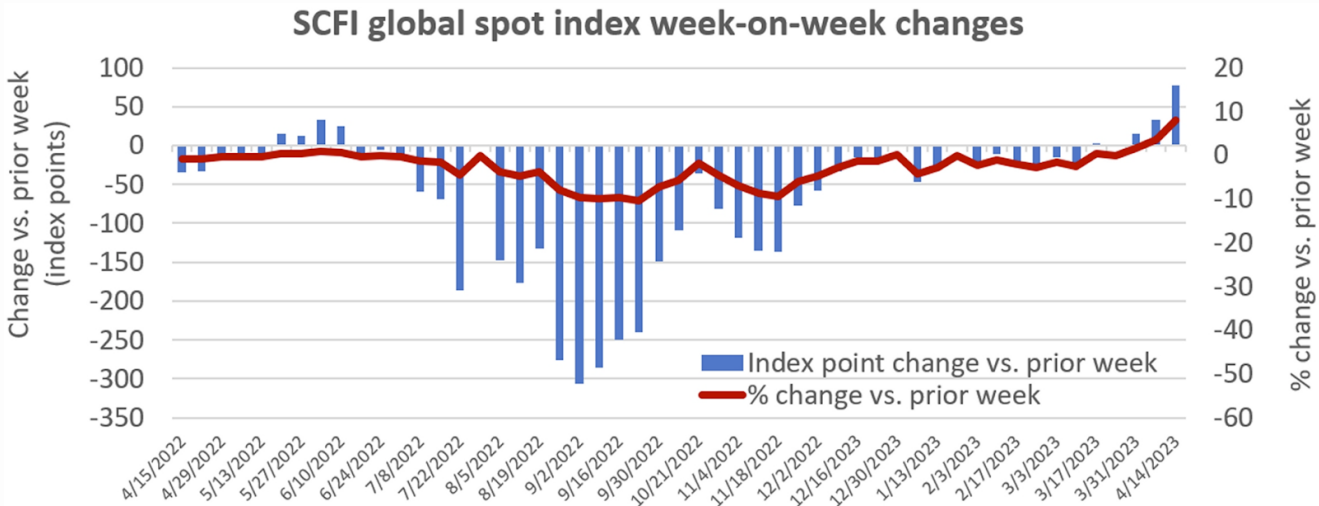


INTERNATIONAL MONTHLY MARKET UPDATE

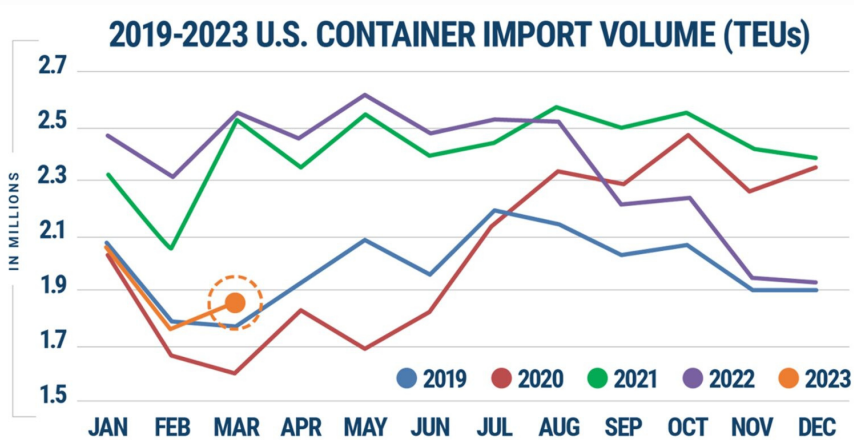
MAY 2023



Multiple sources report that the ocean market has finally hit bottom and is slowly beginning to rebound. The SCFI spot rate index has increased for four consecutive weeks, covering all trades out of China. It's up 27% higher than the 2019 average before the pandemic. Freight rates rebounded strongly in April, as many carriers implemented GRIs and started raising rates on the Trans-Pacific, Middle East, and Latin America routes.



Data released from Descartes showed a slight increase in US Imports for March. This is a 6.9% increase over February and up 4.2% from March 2019 pre-covid.



Source: Descartes / FreightWaves

West Coast:

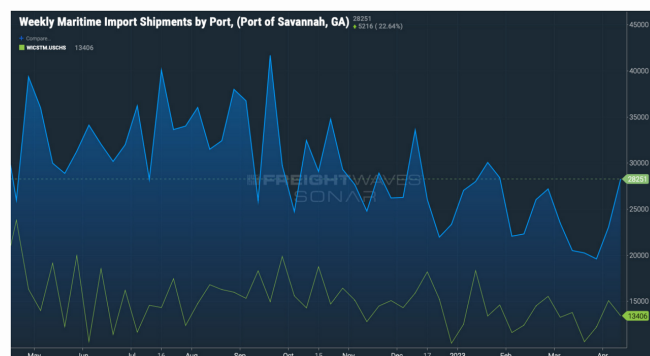
- Tensions are increasing as the Pacific Maritime Associate (PMA) representing Long Beach and Los Angeles terminals was forced to close port facilities on April 6. This was due to “concerted action to withhold labor” by the International Longshore and Warehouse Union (ILWU). The contract expired on July 1, 2022, and has been in negotiations for months without much disruption, with both ports pushing for volume. The National Retail Federation (NRF) urged the White House to step in and help prevent further disruptions. Additionally, Los Angeles Executive Director Gene Seroka stated that this was a call to action for everyone to complete this deal as quickly as possible.

Air Freight:

- FedEx announced plans to shut down pilot bases in Alaska, California, and Germany as part of their plan to eliminate billions in structural costs by 2027. The plan is to relocate pilots from Anchorage, Los Angeles, and Cologne who fly Boeing 757 freighters and McDonnell Douglas MD-11. FedEx stated that their operations in these markets are important and only affect the crews operating these flights. The process will be gradual and without any disruption to operations.
- Airfreight out of PVG remains steady, with a slight increase of 0.06/per kg. E-Commerce goods shipped to the US have caused capacity issues for the last few weeks.

Port and Terminal:

- Seattle has seen a shift in its capacity as volume is down over 50%. The terminal will start closing gates on Friday and work Monday-Thursday only.
- Vancouver is one of the only ports still having issues with wait times posted at three days and dwell time for the rail averaging ten days.
- Savannah and Norfolk continue to improve as Norfolk reported no wait times for vessels, and Savannah was currently at three vessels waiting to berth. The Weekly Maritime Import report shows volumes continue to decrease into Savannah and Charleston.



Source: [ITG Weekly Maritime Report](#)

Carriers:

- Announced in early April, CMA CGM has entered into negotiations with Bollore Logistics. This aligns with CMA CGM’s strategy to offer end-to-end solutions to support their customers’ supply chain needs. Bollore Logistics operates in nearly 150 countries and is one of the top 10 companies in the transportation and logistics sector. Negotiations will run through May 8.

Customs:

- On April 18, US CBP signed a Mutual Recognition Arrangement with the Customs Administrations of Guatemala and Colombia at the Trade Facilitation and Cargo Security Summit. This allows for a unified and sustainable security posture and supports further efforts to facilitate trade. This MRA is like the CTPAT program in the standards it is establishing.
- US CBP released a guidance document on April 10 containing best practices for customs brokers on preparing for and responding to a cyber-attack. The goal is to bolster supply chain resiliency. Some of the guidance laid out in the document includes:
 - Putting preventative IT controls in place that will allow for resuming normal business after system remediation if an attack does occur.
 - This is part of CBP's bigger focus on supply chain resiliency and establishing clear expectations for both industry and government actors on processes, procedures, and responsibilities in the face of cyber supply chain disruption.
- April 1 was the start of a temporary 120-day expansion of hours at four northern border ports of entry. These include Maida, Northgate, and Sherwood POEs in North Dakota and Porthill POE in Idaho.
- On April 20, World Trade Organization members shared their perspectives on the current practice of not imposing customs duties on electronic transmissions. This highlighted the need for more talks to define the scope and implications for developing countries. This indicates that changes in electronic trade are on the horizon.

The international team is here to help with your logistic needs! Making Logistics Happen!
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Sources: FreightWaves, Descartes, Maersk, ITG, Sinpex, Splash 247.com, Drewry WCI, CBP.gov, WTO.org, ITG