

INTERNATIONAL MONTHLY MARKET UPDATE

OCTOBER 2023



Golden Week is upon us. Suppliers shipping ahead of time to avoid the holiday has caused some delays. Port operations are normal; however, cargo containers on the West Coast have been sitting for over a week waiting for rail transfers. Carriers continued to roll bookings destined for the Pacific Southwest up to the holiday week. Sea Intelligence reported a massive ramp-up of blank sailings after Golden Week. Planning for November will be important as the carriers adjust their schedules after the holiday.

Carriers

Ocean carrier fuel surcharges are on the rise again. IMO 2020 required carriers to use environmentally friendly and more expensive very low sulfur fuel oil (VLSFO). The carriers would pass this cost on to all cargo shippers. When Covid struck, demand for gasoline and diesel collapsed when vessel fuel was 30% cheaper than it was prior to the IMO 2020 implementation. Fast forward to 2023, and VLSFO is back on the rise again. This means carriers are going to start increasing BAFs for Q4. Cosco, Evergreen, OOCL, and CMA CGM are already showing increases of over 6%, with many carriers still pending announcements for the 4th QTR.

Hamburg Sud's unification with Maersk is almost complete. Bookings were only accepted until September 15, after which all new bookings were placed under Maersk. Currently, all legacy data is still available on www.hamburgsud.com. Once the website is closed, customers will be notified to download any necessary information. Transitioning to Maersk will allow customers a larger platform and global footprint, offering end-to-end solutions.

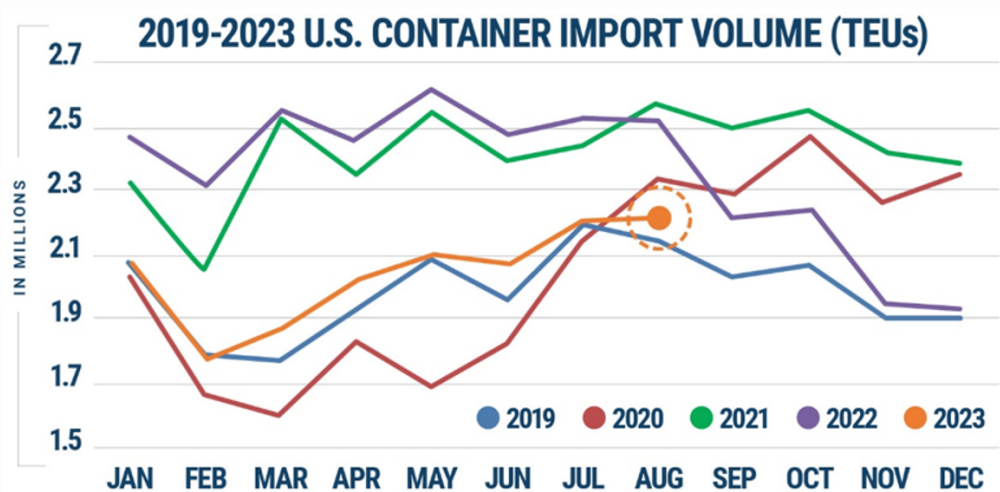
Maersk's first methanol-powered ship makes her maiden voyage, refueling in the Port of Rotterdam. The vessel was named Laura Maersk once she reached the Port of Copenhagen. The carrier is the first to lead the way to green shipping. There are another 24 vessels ordered as the carrier looks to positively impact the shipping industry and help achieve the goal of net zero emissions by 2050.



Image by Maric design. Source: [Maersk](https://www.maersk.com)

Imports

Mid-August, Descartes reported that US imports were on the rise, with volumes higher than pre-Covid levels in August 2019. This is consistent with peak season numbers from the past.

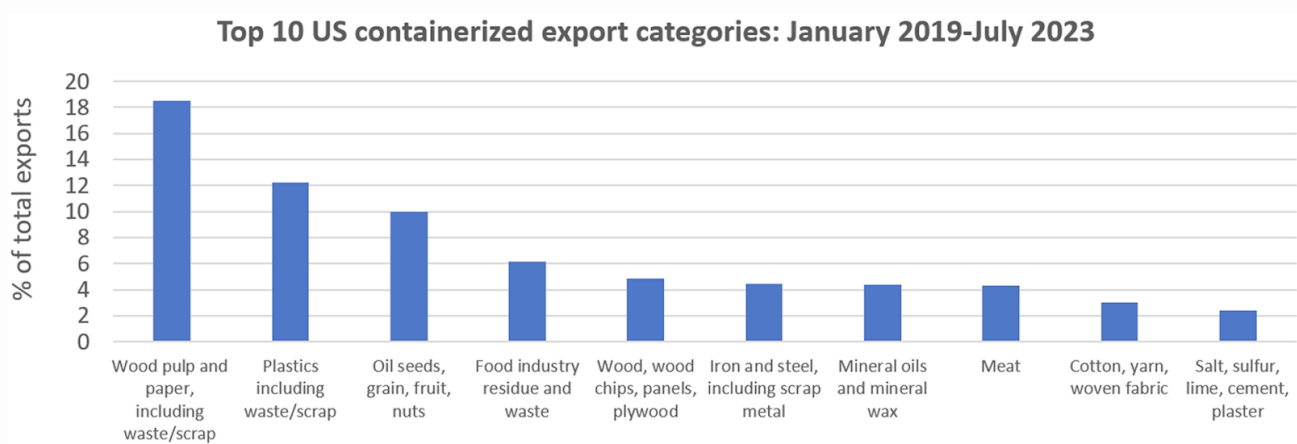


Source: [FreightWaves](#)

Exports

Now that US imports show signs of recovery, the focus is on exports, which are still far from pre-Covid normalcy. Sailing schedules remain irregular, causing exporters to pay more for detention, demurrage, and storage. Ocean carriers' lack of communication on delays forces shippers to consistently call the ports directly for updates on ERDs (earliest return dates). Shippers are experiencing increases in pre-pulls, which usually are only used with imports. US export demand has stayed strong over the last year, so carriers are not inclined to reduce rates anytime soon.

The US Census Bureau recently released data for containerized exports based on harmonized tariff codes from 2019 to 2023. The table below shows wood pulp and paper as the top export commodity, with plastics and grains rounding out the top three.



Source: [FreightWaves](#)

Port News

Great news for the Port of Los Angeles in August. For the first time in over 13 months, the port showed a 3% increase compared to a year ago. Port Executive Gene Seroka stated that August was a very solid month, seeing increases in both imports and exports. The recent ratification of the contract between the International Longshore and Warehouse Union and the Pacific Maritime Association has helped bring trade back to the port.

Customs

CBP completed its first interoperability test, which seeks to establish global standards to foster transparency and standard communication between the private sector and government agencies while still allowing options for various forms of technology to be used.

August statistics show the work CBP is doing to ensure efficiency in the trade community is strengthening international supply chains and improving border security. CBP processed more than 2.8 million entries valued at more than \$281 billion, with almost \$7.1 billion of duties to be collected, 43% of this via ocean travel.

United States Trade Representative announced a further extension of the China Section 301 Investigation tariffs until December 31, 2023.

The international team is here to help with your logistic needs! Making Logistics Happen!
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Sources: Maersk, Descartes, FreightWaves, Hamburg Sud, Shipco, Sinpex, Sea Intelligence, US Census Bureau, CBP, Customs & International Trade Law