

INTERNATIONAL MONTHLY MARKET UPDATE

SEPTEMBER 2023



The Australian Department of Agriculture finalized measures for the Brown Marmorated Stink Bug (BMSM) for the 2023-2024 season. Sailings starting September 1st through April 30th, 2024, must be treated by an approved provider and accompanied by a signed BMSB Declaration. All bookings are placed on hold until the shipper provides the approved declaration. For more information, please use this link: <https://www.agriculture.gov.au/import/before/brown-marmorated-stink-bugs>

China

Golden Week this year will be September 29th through October 7th. With many manufacturers shutting down during this time, the push to get material out will be a priority. Carriers are asking shippers to prebook now to avoid any delays. Any shipment ready after September 15th could be subject to Peak Season Surcharges and delays due to space constraints. Please plan ahead and reach out to get shipments scheduled early.

Many carriers have increased freight rates and canceled sailings on the Trans-Pacific, successfully adjusting vessel supply to meet demand. Blank sailings jumped to 21.7% in July, whereas June was at 14%. In the months ahead, there is growing concern about the delivery of new vessels throughout 2024. With the increase in capacity, carriers will likely need to take strategic actions to successfully navigate the influx of capacity in the market and keep ocean rates from crashing.

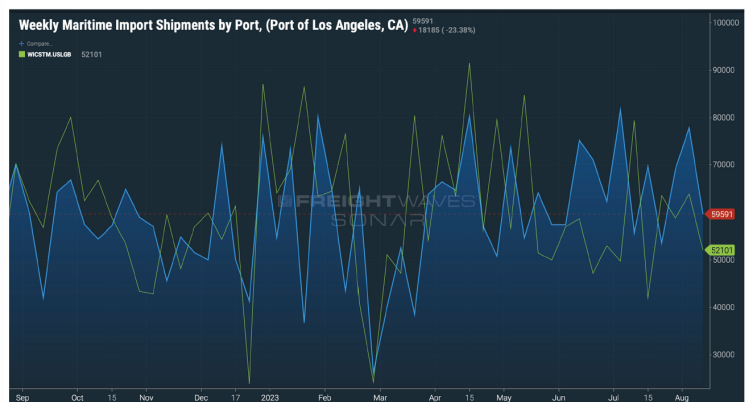
Current demand has softened for US East Coast and Pacific Northwest. Vessel wait times at most base ports are showing one to two days. In addition, equipment shortages have cleared up.

Imports

As demand continues to drop, trade at the port of Long Beach shows a decline of over 25% in July. Tracking the first seven months of 2023 showed an overall 25.6 % decrease compared to the same period last year. The decline is due to adjusted carrier routes, US warehouses still full of inventories, and reduced consumer spending. Port CEO Mario Cordero aims to rebuild market share through industry partnerships. Peak season is almost upon us, and the uptick is expected to be modest at best.

WEEKLY MARITIME IMPORT SHIPMENTS

Weekly Maritime shipments – Port Long Beach (green) compared to Port Los Angeles (blue)



Source: [ITG Weekly Maritime Report August 23, 2023](#)

FREIGHTWAVES
SONAR

Port News

The Panama Canal continues to struggle as vessel congestion builds. Restrictions have reduced the daily number of vessels down to 32. Wait times at the canal are now five days or more. Congestion is tracking at 81%. At the end of August, over 120 vessels were waiting to cross. With El Niño weather in question for 2024, draft restrictions for the canal will remain in effect to conserve water. Consequently, the carrying capacity of the larger vessels will be reduced, prompting some carriers to rail across instead, increasing transit time and cost.



Supply chain disruptions could develop if the drought in Panama continues. Photo credit: Diego Grandi. Source: Reproduced from [FreightWaves](#))

The Ports of Los Angeles and Long Beach reported no operational impact caused by Storm Hilary. The ports implemented several precautionary measures to help prepare ahead of time and relocated some vessels to anchorage points offshore.

The Port of Savannah invested in four new super Post-Panamax ship-to-shore (STS) container cranes. The Georgia Ports Authority announced that this brings the port's total crane fleet to 34. Implementing these cranes will help increase the Garden City Terminals' capacity to keep up with future supply chain needs.

Carrier

In early August, Hapag-Lloyd made a bid to acquire 40% of South Korean carrier HMM to help build their capacity to equal Cosco. Hapag was the only foreign bidder. By month end, Korea Development Bank and Korea Ocean Business Co excluded Hapag in the second round of bidding, stating it could lead to an overseas leakage of Korea's priceless national assets, container transportation, and terminal management. HMM is the largest shipping line in Korea, with 88 container ships.

Customs

Recently, Cincinnati CBP seized over 100 shipments of counterfeit sportswear merchandise. The importers then abandoned an additional 34 shipments.

On August 9th, CBP announced the expansion of its public-private partnership with the Reimbursable Services Program. This allows private sector and state and local governments to reimburse CBP for services such as inspections in remote ports of entry, overtime hours to support growing demand with customs and agricultural processing, and border security services. This program now includes 375 private sector entities and state and local governments, allowing CBP to provide more than 1.25 million additional processing hours.

A federal lawsuit against CBP accused them of ignoring the Ivory Coast cocoa ban petition. This lawsuit asks the judge to force the Biden administration to block imports of cocoa harvested by children in West Africa, enforcing a 1930s federal law requiring the government to ban products created by child labor from entering the US. The nonprofit groups say they filed due to CBP ignoring extensive evidence documenting children cultivating cocoa destined

for US-based production of well-known candy makers, including Hershey, Mars, and Nestle.

CBP published answers to FAQs regarding CE credit reporting, including how CE credits will be treated during the 2024-2027 triennial and accreditors regarding the final rule for the Broker Continuing Education (CE) requirements.

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Sources: Vanguard, Shipco, JOC, CPB.gov, The Loadstar, Splash247, Port Technology, Shipco, Sinpex, FreightWaves, ITG, Shipping Watch, apnews.com