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Drewry's World Container Index

Drewry's World Container Index composite index fell 1.4% last week, but is 64% higher than the same week in 2021. Freight rates notably fell from China to the USA and northern Europe. However, rates to the Mediterranean increased by 2%. Drewry expects spot rates to remain stable over the coming week.



USA: consumer spending is still high

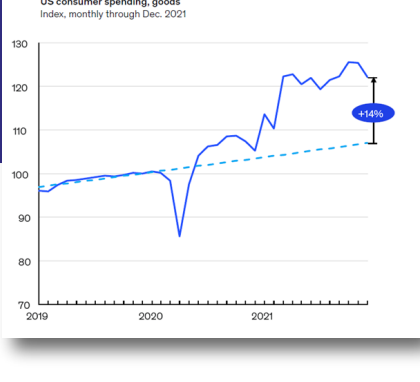
Consumer spending, which accounts for more than two-thirds of US economic activity, rose 0.2% last month.

Import demand is still high in the USA, however the situation of very heavy congestion in West Coast ports has improved a little.

China's supply chain disruptions due to the Shanghai lockdown, improved land operations, and continued transfer to hitherto less congested U.S. East Coast and Gulf of Mexico ports, are the main reasons for reducing congestion.

Unfortunately, this transfer of flows from West to East is detrimental to European exports to the USA, because maritime capacity has not increased, and demand remains strong.

Indeed, maritime capacity has even decreased recently, for ships coming from the Mediterranean, with the introduction of alternating calls every other week on the East Coast. One week New York only, and the following week all other East Coast ports except New York. These temporary measures aim to reduce the waiting of vessels in ports



Fuel prices

Oil prices recorded another week of decline, bringing prices to around USD 100 per barrel for the European benchmark, and USD 830 for Very Low Sulfur Fuel Oil.

The United States have pledged to draw from their reserves the equivalent of one million barrels a day for six months, a total of 180 million barrels: an effort aimed at curbing the rise in energy prices and offsetting the decline in Russian oil supplies. At the same time, operators are closely monitoring the evolution of lockdown measures in China, synonymous with compressed oil demand



On the air transport side



Here is some practical information and an overview of the situation in the air fret sector :

- Volumes remain stable; +12% growth at the beginning of the year.
- Demand surge still spread across various sectors but show some signs of softening.
- Ukraine, Russia crisis affecting manufacturing and cargo movement across tradelanes; airspaces closed

Chinese Focus :

Since the first Lockdown announce in Shanghai from 28th of March to 5th of April. The lockdown has been extended. Airport facility and truckers are facing short of manpower. Some difficulties to arrange transportation of goods to airport area should be foreseen.

Some airlines announced the cancellation of all flights ex Shanghai. Few Chinese airlines still operate some flights to major cities in the world but with reduced frequency.

This situation will lead on a rates increase.

In order, to face the space issue on flights, it would be highly recommended to place the flight reservation at least 4 days before. An improvement would be expected beginning of May.

Lockdown in Shanghai

The number of cases identified in Shanghai is not decreasing. Thus the confinement is again extended until the situation improves.

The epidemic is also increasing in Guangzhou where restrictions are tightening, to avoid an increase in the number of cases.

Although the port of Shanghai is still operational, there is practically no transport capacity left, shippers favor Ningbo and shipping lines are starting to reduce their calls in Shanghai. With the postponement of flows from Shanghai to Ningbo, port congestion is soon to be expected.

Concerning export to Shanghai, reefer containers can no longer be unloaded (lack of sockets) as well as dangerous containers. The lines are now suspending all new reefer and dangerous bookings to Shanghai.



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