



# MARKET INSIGHTS

Global Logistics Update

NOVEMBER 2023

# State of Global Trade

## Trade Summary

- The World Trade Organization (WTO) has downgraded its projection for this year's trade growth to just 0.8%, down from the prior forecast of 1.7% amid inflation, high interest rates, China's underwhelming recovery, the high U.S. dollar, and rising geopolitical tensions
  - For 2024, the WTO revised its forecast from 3.3% to 3.2%, but warned a weak Chinese economy and high inflation rates could upend this forecast
  - Meanwhile, the reconfiguration of supply chains to a China +1 model has benefited several emerging markets, including Vietnam, India, Malaysia, and Mexico, with transaction volumes rising 3 - 7 times faster than the global average
- Trade activity snapshot for September 2023 (the most recently published data)
  - U.S.: Exports +2.2% Imports +2.7
  - China: Exports -6.4% Imports +3.0%
  - Vietnam: Exports +4.6% Imports +2.6%
  - EU: Exports +2.5% Imports +2.4%
- Global manufacturing PMI\* output fell to 48.8 in October, down from 49.1 in September; the contraction for the 5<sup>th</sup> straight month reflects a further deterioration in new orders
  - U.S.: 50.0, up from 49.8 - indicating a stabilization in the manufacturing sector
  - China: 49.5, down from 50.6 - lower than market expectations
  - Germany: 40.8, up from 39.6 - the 16<sup>th</sup> consecutive month below 50.0
  - UK: 44.8, up from 44.3 - the 8<sup>th</sup> consecutive month below 50.0
- According to [MarketWatch](#), weak economic growth globally and the high U.S. dollar have constrained demand for many American-made goods, but shipments of autos, passenger planes, and Covid-related medicines have helped to prop U.S. exports up
- The U.S. diesel crisis has eased as American manufacturing flatlines, down 0.8% YoY in September

\*A reading above 50 indicates growth, while anything below 50 denotes contraction.

## Upcoming Global Holidays

Holiday	Country	Date(s) Observed
Day of Repentance	Germany	November 22
Thanksgiving	United States and Japan	November 23
Constitution/Independence Day	Spain and Finland	December 6
Hanukkah	International	December 7 – 15
Immaculate Conception	Italy and Spain	December 8
Christmas	International	December 25
Multiple Holidays	Multiple Countries	December 26

For a more comprehensive list of business holiday closures, please click [here](#).

## Market Forecast

In its latest report, the National Retail Federation (NRF) expects holiday spending to grow 3% - 4% YoY, with average households expected to dole out \$875 on holiday spending this year, with \$620 going toward goods, and the remaining \$255 on consumable items, totaling approx. \$957.3 billion. Meanwhile, analysts at HSBC Global Research are cautious about a turnaround in inventory stocking, saying "it remains uncertain whether merchants are eager to replenish their inventories as strongly [as they did in 2022] given the potential deceleration in retail consumption, especially following the resumption of student loan payments in the U.S. in October."

Looking ahead to the new year, the NRF expects a 3.7% YoY increase in imports in January (1.87m TEU), followed by an 11.1% increase in February (1.72m TEU). They expect March will continue that upward trend, with a 56.5% increase (1.73m TEU). However, the general consensus among carriers across all sectors is for rough seas ahead. Manufacturers are less optimistic, as they foresee the challenging interest rate environment hindering output throughout



Global business refers to international trade whereas a global business is a company doing business across the world.

# State of Global Trade (Cont'd)

## Market Forecast (Cont'd)

1H'24. Consumers are also losing confidence as the cost of everyday essentials continue to rise and geopolitical tensions continue to mount, with the Consumer Confidence Index falling to 102.6, the 2<sup>nd</sup> lowest reading this year. On the bright side, China's producer price index (PPI) is currently at 97.5, suggesting that global manufacturers and producers could see lower production costs which could lead to lower consumer prices.

## Announcements

- FDA delays new requirements for facility registrations and product listings for [cosmetic companies](#) until **July 1, 2024**
  - Under the Modernization of Cosmetics Regulation Act of 2002, manufacturers and processors of cosmetic products must register their facilities with the FDA, provide annual product updates (including ingredients) and within 60 days of any changes, and renew registrations every two years
  - The regulation covers a broad range of products, including makeup, nail polish, perfumes, haircare and skincare products, moisturizers, face and body cleansers, shaving cream, and other grooming products
- The **Bureau of Industry and Security** has suspended exports of firearms, related components, and ammunition to non-government end users thru at least **January 25, 2024**
  - The pause applies to export control classification numbers (ECCN) OA501, OA502, OA504, and OA505
- Senators ask CBP for a report by December 8 detailing how the agency is using/plans to use Artificial Intelligence to support its trade mission in order to determine:
  - How CBP is currently using AI in Cargo screening, trade remedy and forced labor compliance, and the identification of errors or fraud in customs entries
  - How CBP tests and audits AI systems and tools
  - Whether importers and exporters have been notified of AI use and if they can challenge decisions based on AI results
  - The senators also warned using AI without proper guardrails could cause problems, as there have been instances in which AI tools were proven unsafe, ineffective, and biased

## Major Disruptions

- **The World Bank** is sounding the alarm that record high oil prices could be reached if the Gaza conflict spreads past the Strip, possibly reaching \$150/barrel
- Argentina suspends oil exports in effort to tackle the nation's ongoing fuel shortage which has led to long queues at gas stations and the closure of fuel stations
  - The Minister of Economy warned oil producers to ensure sufficient domestic supplies, "as Argentine oil belongs first and foremost to the Argentine people"
- Iowa-based Citizens Bank has failed, marking the 5th U.S. bank failure in 2023
  - In a [recent article](#), FreightWaves tied the bank's failure to bad trucking loans

## Requests for Public Comment

- Nothing to report.



# Air Freight

## Market Expectations, Space, Volume, and Rates

Preliminary figures from the American Journal of Transportation for Week 44 show a 3% WoW decline in global air cargo volumes, while a comparison of Weeks 43 and 44 with the preceding two weeks show overall tonnages remained flat. Comparing YoY figures, volumes were equivalent to the same week last year.

On a regional level, strong increases were recorded on flows from Asia Pacific to North America (+9%) and the Middle East & South Asia (+6%), while the seasonal perishables trade boosted the Africa to Europe trade (+10%). Conversely, tonnages from the Middle East & South Asia took a major hit, especially to Asia Pacific (-19%) and Europe (-7%), while outbound tonnages to Asia Pacific dropped steeply from North America (-5%) and Europe (-5%). Meanwhile, both of the Transatlantic trades recorded a small drop in volumes, westbound (-3%) and eastbound (-2%).

Overall capacity has increased 9% YoY, due to the rise in passenger traffic ex-Asia Pacific (+29%).

On the pricing side, average global air cargo rates have remained stable, with modest increases from Asia Pacific to all markets and from Europe to North America balanced out by declines on the major backhaul trades to Asia Pacific.

## Market Forecast

Demand is expected to increase marginally in the lead up to Christmas due to new product launches in the consumer electronics sector and strong eCommerce demand. Early indications for the peak season point towards higher overall tonnages than in 2022, but are a long way from the highs of the pre-COVID years, particularly for flows from Asia to Europe.

Looking ahead to the new year, demand is expected to be flat to slightly above this year's level, according to speakers at last week's Tiaca Executive Summit in Brussels. Conversely, WorldACD expects demand to increase 2% YoY in Q1 and by 3% in Q2. However, the demand outlook is clouded by factors such as the impact of geopolitical tensions, wars and rumors of war, and the strength of the global economy, all of which could have significant impacts on trade volumes and pressure global capacity. Other industry experts argue that air cargo is poised to benefit from reduced reliability in the ocean freight sector due to the Panama Canal drought and the EU's decision to repeal of the block exemption for ocean carriers.



CAPACITY



DEMAND



RATES

## Announcements

- The Dutch government has suspended plans to cut flights to Amsterdam's **Schiphol Airport** after objections from the U.S. and European Union that the planned reduction was a violation of the US-EU Transport Agreement of 2007, violated EU rules, and would be "unjust, discriminatory, and anti-competitive for airlines"
- **American Airlines Cargo** ramps up widebody winter schedule, with flights between London Heathrow and key U.S. destinations, including JFK and O'Hare, accounting for nearly half of the Transatlantic increase
- **Nearly 200 senior UPS pilot have accepted the carrier's voluntary severance package**
  - The early retirement package was offered to veteran pilots in late August as part of the company's efforts to reduce costs amid shrinking parcel volumes
  - Additionally, UPS is reducing capacity and adjusting its network as well as retiring its fleet of aging freighters
- **FedEx** encourages pilots to apply for jobs at American Airlines in hopes of trimming 700 pilots from its roster amid waning demand
  - Interest pilots are eligible for an expedited interview process with AA through December 1
  - Meanwhile, the leader of FedEx's pilots union, Billy Wilson, said the timing of the message is "suspect at best" as the two sides continue to hash out a new labor agreement
- **Virgin Australia** faces industrial action by cabin, ground crews
  - Cabin crew members have applied for a protected action ballot to allow for a strike vote as fatigue, long hours, staffing shortages, and successive pay freezes take their toll
  - Meanwhile the airlines' ground crew are currently voting on an industrial action after owners Bain Capital failed to hold up their end of the bargain to correct rock-bottom pay and unsustainable working conditions



# Air Freight (Cont'd)

## Announcements (Cont'd)

- **Southwest Airlines** pilots open strike centers in preparation for release from federal mediation, which could result in a holiday season strike
  - Once released from mediation, there will be a 30-day cooling off period before the pilots are allowed to strike under the Railway Labor Act
- **CargoJet** to sell 4 newly converted freighters, pauses new conversions as it looks to preserve cash flow amid waning demand
- The **FAA** is investigating laser strikes in the Boston area after multiple pilots reported a green laser striking their planes

## Major Disruptions

- **Cathay Cargo** warns of disruption to its freighter schedules as the shortage of spare parts delays aircraft maintenance
- Flight disruptions likely at airports across France as air traffic controllers stage another round of strikes, **November 19 - 21**
- **Air Transport International** (ATI) pilots have voted overwhelming in favor of a strike action after labor talks stalled
  - The cargo airline provides airlift to Amazon, DHL Express, and UPS
  - However, there is no immediate threat of a labor action as the pilots union has not yet been released from federal mediation and still faces a 30-day cooling off period once released



From all of  
us at  
OCEANAIR

# Ocean Freight

## Market Expectations, Space, Volume, and Rates

After weaknesses throughout most of the year, global containerized container volumes rebounded in October, up 2.0% MoM, driven by primarily by good trade figures for the U.S. and Europe. U.S. container import volumes increased in October to 2,307,918 TEU, up 3.9% MoM and up 11.4% from pre-pandemic October 2019. New York and New Jersey saw the largest volume increase (+44,621 TEU), while Los Angeles (-16,813) and Long Beach (-12,313) had the largest decreases. Looking at the top 10 countries of origin, Italy (+26.2%), Germany (+19.2%), and South Korea (+17.4%) saw the largest volume increases, while Japan (-9.1%) and India (-4.95) saw the biggest volume decreases. While China remained America’s biggest trade partner, it’s share of the pie fell 0.9% MoM to 38.5%, down from its high of 41.5% in February 2022. On the export side, demand for U.S. exports has increased by \$5.7bn to over \$261.1bn in September (the most recent data published), reaching the highest level since August 2022.

Meanwhile, British Columbia ports continue to struggle to recapture U.S. Midwest-bound cargos amid fallout from the two-week dockworkers strike July. Conversely, Seattle and Tacoma saw volumes surge 62% MoM in September. PKC Chief Marketing Officer John Brooks surmises “It may take congestion at Los Angeles and Long Beach to drive volume back to Vancouver.”

According to Sea-Intelligence’s latest report, global schedule reliability improved slightly in September, up 1.2% to 64.4%. Ten of the top 14 carriers recorded MoM increases, with Maersk and Hamburg Sud the most reliable at 71.3%. Yang Ming was again the least reliable carrier at 51.3%. The Europe - Oceania trade was the best performing lane at 94.4%, while the Asia - East Coast South America trade had the least reliable service at 37.6%, followed by Asia - East Coast North America, with 38.7%. The global average delay for late vessels also saw some improvement, decreasing by 0.09 days to 4.58 days late. Looking at U.S.-bound vessels, most West Coast transits saw improvements, down to an average of 5 days late, while overall transits to East and Gulf Coast ports have stabilized.

Blankings, slidings, and super-slow steaming have failed to balance supply with demand. And, with an additional 2m TEU scheduled for delivery between now and the end of March, vessel-sharing alliances have been forced to suspend some services across the major East- West Trades in order to prevent further rate erosion. Carriers also removed 315 vessels (1.18m TUE) from service last month, representing 4.3% of global container vessel capacity, up from 271 in September.

## Market Snapshot

Market	Trade Lane	Capacity	Demand	Rates	Origin Performance		
					Equipment	Reliability	Congestion
Asia	Asia – North America East Coast	●	↓	↓	●	●	●
	Asia – North America West Coast	●	↓	↓	●	●	●
	Asia – Europe	●	↑	↑	●	●	●
North America	North America – Asia	●	→	↓	●	●	●
	North America – Europe	●	→	↓	●	●	●
Europe	Europe – North America	●	→	↓	●	●	●
	Europe – Asia	●	→	↓	●	●	●

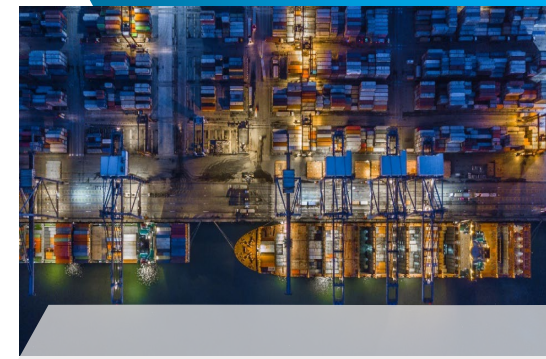
## Market Forecast

The National Retail Federation (NRF) expects U.S. import volumes to wind down through the remainder of the year, as “most imported holiday merchandise is already here.” The NRF expects overall imports for November to reach 1.88m TEU, up 5.8% YoY, in what would be the first YoY gain since June 2022, followed by another 1.85m TEU in December, up 6.8% YoY.

Looking ahead to the new year, analysts are expecting little to no global growth during the first half of 2024, with any hopes of improvement falling towards the latter half of the year. Emily Stausbøll, market analyst at Xeneta, said she expects an “even more severe decline” coming into the new year, with 2024 still looking “set to be a stormy time for them.”

According to Sea-Intelligence, the peak of excess capacity is not expected to hit the water until 2024, with 1/3 of it not absorbed until 2026. As Simon Heaney, Drewry’s senior manager of container research, put it ever so bluntly, “next year is shaping up to be a car crash for ocean carriers.”

On the pricing side, carriers are likely to continuing pushing for rate increases in December, although they are not withdrawing enough capacity for higher rates to stick. Looking ahead to 2024, rates are expected to have another volatile year amid the growing supply – demand imbalance.



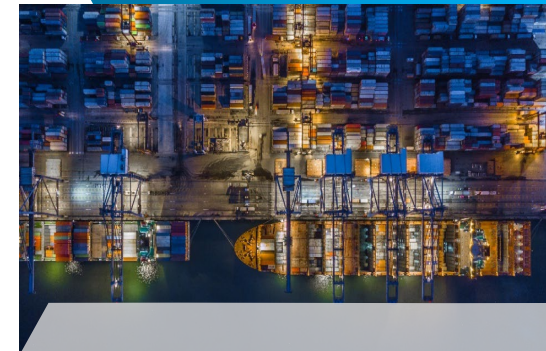
# Ocean Freight (Cont'd)

## Major Disruptions

- The **Panama Canal Authority** (ACP) has further reduced the number of daily transit volumes, down to 24 vessels from 31, following the driest October since 1950
  - LNG and dry bulk carriers have already begun taking longer routes to avoid the canal, knowing that containerships will gobble up the biggest slice of available slots
  - However, the drought has yet to impact U.S. East and Gulf Coast import volumes
  - In a client advisory, the ACP warned that, based on rainfall projections for the coming weeks, it would be whittling down the number of daily vessel crossings to 18 by **February**
- **DP World Australia** resumes operations, warns of prolonged delays at Sydney, Melbourne, Brisbane, and Fremantle after a cyberattack on Friday forced the ports to halt operations
- Labor woes are expected to affect port operations at **DP World Australia** terminals in Sydney, Melbourne, Brisbane, and Fremantle through the end of November as the Maritime Union of Australia (MUA) stages a series of rolling work stoppages in a dispute over pay and schedules
  - DP World has demanded the action end before it will return to the negotiating table
- Shippers cry foul after **DP World Australia** hikes terminal access charges (TAC) by more than 50% at Australia's Brisbane, Melbourne, and Sydney ports
- Carriers have begun diverting cargos bound for the Poland's Port of Gdansk to Gdynia due to challenges and bottlenecks cause by high yard density levels, causing a ripple effect on other terminals across the region
  - Additionally, container depots across Europe are struggling with a backlog of empty shipping containers amid declining trade, made worse by the chronic blank sailings and skipped port calls
- In another blow to the green agenda, **a new study** conducted by the Massachusetts Institute of Technology (MIT) shows stability and degradation issues for biofuels, which are being touted as a way to reduce containership CO2 emissions
  - The results of the study, commissioned by German shipowner Oldendorff Carriers, show that microbial contamination could lead to operational problems, including fouling of tanks, pipes, and filters; tank corrosion; and fuel injection equipment damage
- Carriers warn of potential transit delays, financial penalties due to skyrocketing numbers of mis-declared container weights
  - "It is imperative to understand that mis-declared weight shipments, in addition to being a safety hazard, necessitate extensive reworking procedures with the customs and regulatory requirements of the transshipment country, which can lead to substantial delays, potentially extending transit times by several weeks," said CMA CGM

## Announcements

- The Int'l Longshoremen's Association (ILA), representing 45,000 dockworkers across the East and Gulf coasts, warns shippers to "prepare for the possibility of a coastwide strike" in **October 2024**
  - The union advised it "will hold firm on its pledge not to extend the contract beyond its [Sept. 30, 2024] expiration date" if the U.S. Maritime Alliance fails to produce an acceptable deal
  - Among its demands, the ILA wants to halt "job-killing automation" at the ports and ensure work at all new terminals goes to its members
- After trimming nearly 7,000 from its workforce earlier this year, **Maersk** announces plans to cut at least another 10,000 jobs by **early 2024** amid the steep downturn in the container market
  - "The new normal we are now headed into is one of a more subdued macroeconomic outlook, and thus soft volume demands for the coming years, with prices back in line with historical levels, inflationary pressures on our cost base, especially from energy cost, and also increased geopolitical uncertainty," said Maersk CEO Vincent Clerk
- **Hapag-Lloyd** warns of challenging couple of years ahead, as low freight rates, a weakening global economy, and escalating geopolitical tensions cloud the outlook
  - "I'm certainly concerned about the next 24-36 months because I think we are going to see a downturn," CEO Rolf Habben Jansen said in a recent interview
  - While Jansen has been taking actions to reduce costs, including the suspension of some services, he "isn't planning layoffs at this stage"
- American maritime unions bash proposal to staff U.S. flagged vessels with foreign crews
  - The coalition of maritime and transportation unions warn the **proposal**, submitted by the Hudson Institute, would negatively impact existing U.S. maritime policies, especially during war or international emergencies, and argue against using taxpayer dollars to support U.S.-flagged vessels that utilize crew from allied nations instead of America's maritime workforce
- The **Suez Canal Authority** (SCA) has announced a 5% fee increase for all containership transiting the canal by 5%, effective **January 15, 2024**
  - Containerships sailing from northern Europe ports, including those calling in Algeciras and/or Tanger-Med, direct to the Far East (first port of call in Malaysia) are exempt from the increase
  - While the fee increase will not directly impact cargos transiting the canal, carriers will most likely pass the cost of the increase on to their customers

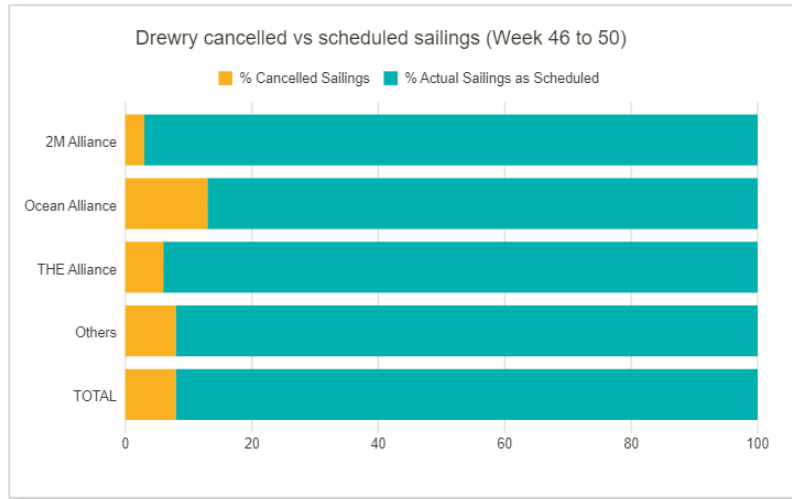


# Ocean Freight (Cont'd)

## Blank Sailings

Carriers have cancelled 53 sailings across the major East-West trades between Weeks 46 – 50, representing an 8% cancellation rate. Of the cancelled sailings, 42% are on the Transpacific, 42% on Asia – North Europe and Mediterranean, and 17% on the Transatlantic trades.

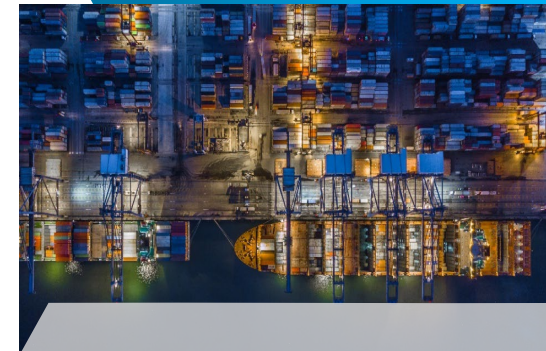
Carriers are likely to remove more capacity toward the end of the month in order to stabilize rates before making another attempt at a General Rate Increase (GRI) in early December.



Source: Drewry

## Port Rotation Changes

- **The Alliance** (Hapag Lloyd, ONE, Yang Ming, and HMM) announces the temporarily suspensions of its Asia-U.S. East Coast (**EC4**), Transpacific Northwest (**PN3**), and Asia-North Europe (**FE5**) services
  - However, additional port calls will be added to remaining loops in order to provide service coverage
- **MSC** has made substantial changes to its Far East – U.S. (**Santana**) service
  - Laem Chabang • Cai Mep • Ningbo • Shanghai • Busan • Manzanillo • Cristobal • Caucedo • New York • Norfolk • Laem Chabang
- **MSC** and **Maersk** will continue skipping one of their five weekly sailings on the Asia – North Europe loop through mid-December due to insufficient demand
- **Zim** has relaunched its direct express Southern China – Los Angeles (**ZEK**) service, targeting the time-sensitive eCommerce and eRetailing sectors
  - Xiamen • Yantian • Los Angeles
- **ZIM** to enhance its Latin American connections with the launch of two new services
  - U.S. - Latin America ZIM Gulf Toucan (**ZGT**) service, effective **January 2024**
    - Buenos Aires • Montevideo • Navegantes or Itapoa • Paranagua • Santos • Rio De Janeiro • Cartagena • Kingston • Veracruz • Altamira • Houston • Mobile
  - Asia – West Coast South America ZIM Albatross (**ZAT**) service, effective **December 2023**
    - Xingang • Qingdao • Shanghai • Ningbo • Busan • Lazaro Cardenas • Buenaventura • Guayaquil • Callao • San Antonio • Busan



# Trucking

## Market Expectations, Space, Volume, and Rates

After rallying 8% in Week 44, total load activity fell 7.8% last week, with volumes nearly 19% lower than the same week in 2022. Volume was up in the Mountain Central region but down across the rest of the country. However, while the overall load to truck ratio declined, it remained higher than it was two weeks earlier.

By segment: Dry van loads are not yet showing signs of typical holiday gains, falling 8.6% WoW, with loads up in the Mountain Central region, but down elsewhere. Refrigerated loads were relatively stable after surging almost 25% the week before in preparation for the Thanksgiving feast, with the West Coast and the Mountain Central region gobbling up the lion's share. Meanwhile, the flatbed market continues to struggle, with loads falling 11.3% across the country. Comparing YoY figures, overall volume was nearly 19% below the same week in 2022, with dry van loads down nearly 22%, refrigerated down 20%, and flatbed down 14%.

With no imminent sign of market recovery, capacity continues to decline as more and more small carriers file for bankruptcy and larger carriers opt to take trucks off the road – and hold off on hiring new drivers - until conditions normalize. However, loads continue to find capacity as the market remains oversupplied.

On the pricing side, overall rates on the spot market declined slightly, with rising refrigerated rates and flat dry van rates offsetting the falling flatbed rates. On the contract market, rates have recovered from a brief dip, returning to their Q3 average. Meanwhile, the bid season is underway through March/April 2024. With the current spread between the spot and contract markets still stubbornly wide, shippers will have the upper hand at the negotiating table.

On the LTL market, carriers are experiencing the most challenging conditions in years, as over-capacity collides with slowing demand and peak season volumes expected to be 7% - 9% lower than 2022 levels.

## Market Forecast

While the trucking market continues to trek through its toughest downturn since the 2008 financial crisis, industry insiders foresee more pain in 2024, with the lopsided capacity predicament unlikely to abate until at least the middle of 2024.



CAPACITY



DEMAND



RATES

## Cargo Theft

- CargoNet reported a 59% YoY surge in cargo theft in the U.S. and Canada during Q3 and warns that “strategic” thefts are expected to continue at “unprecedented levels” through year end
  - The security company warned that truckload shipments of commodities like copper, brass, and aluminum are being targeted, along with licensed sports apparel, personal care, and beauty products



Click on the image to watch the brazen attack on a FedEx truck.

## Announcements

- Aurora opens autonomous trucking route in Austin, TX, with expectations of fully launching autonomous trucks on highways throughout the state by 2024, despite rising public fears about the safety of driverless trucks
  - In a letter to Texas legislators, Teamsters regional vice president Brent Taylor urged the legislature “to seize the opportunity to pass a bill requiring human operators in all commercial vehicles,” saying “their voters do not want to be on the road with driverless cars or trucks”
  - Meanwhile, California has ordered General Motors to remove all Cruise autonomous vehicles from state roads, saying that the company “misrepresented” the technology’s safety, calling the cars an unreasonable risk to the public
- National average diesel prices continued their two-week decent, falling 8.8 cents last week to \$3.66/gallon, with prices down across all regions
- Legislators **introduce a bill** that would guarantee overtime pay to 2.19m truck drivers, repeal a 1938 law that excluded truck drivers from minimum wage and time-and-a-half pay
  - “Unbelievably, trucking is one of the only professions in America that is denied guaranteed overtime pay,” said OOIDA President Todd Spencer. “We are way past due as a nation in valuing the sacrifices that truckers make every single day.



# Rail

## Market Expectations, Space, Volume, and Rates

After a slight uptick in October, total U.S. rail volumes declined 1.7% in Week 44 compared to the same week last year. According to data issue by the Association of American Railroads, total carloads for the week were down 5.2%, while intermodal units rose 1.5%.

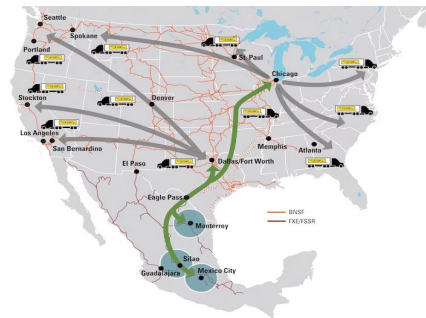
Looking at year to date figures, total combined volumes declined 3.7% compared to the same period last year, with carloads basically flat, up 0.1% annually, and intermodal units falling 7.0%.

Three of the 10 commodity groups tracked posted weekly increases, including petroleum and petroleum products (+2.9%), motor vehicles and parts (+2.5%), and farm products excluding grain and food (+1.6%). Meanwhile, commodity groups that posted notable decreases included grain (-14.6%), miscellaneous goods (-12.9%), and nonmetallic minerals (-7.6%).

According to the latest issue of the ITS Port/Rail Ramp Freight Index, all regions across the U.S. are operating normally for the first time since it began reporting in 2009. However, chassis availability at ramps in Chicago, Nashville, Cleveland, Columbus, and Dallas remains a concern.

## Announcements

- Shippers say the Surface Transportation Board’s proposed rule for reciprocal switching doesn’t go far enough to address subpar service, lack of competition
  - According to a [recent article](#) by FreightWaves, Rob Benedict, Vice president of AFPM argued, “a rail shipper would need to experience potentially devastating service for twelve weeks before they could even begin the process of seeking a reciprocal switching remedy. Poor rail service for just one week severely hurts operations and can even shut down a refinery or petrochemical facility, and rail shippers should not have to wait until service is unacceptable for a predetermined duration to have access to reciprocal switching.”
- **BNSF** and Mexican railway giant **GMXT** partner with **J.B. Hunt** to launch a new cross-border intermodal service between Mexico and the U.S., beginning **January 1**



CAPACITY



DEMAND



RATES

## Container Dwell Times

Rail Terminal	Average Dwell
Charleston	3 days <span style="color: yellow;">●</span>
Los Angeles / Long Beach	6 days <span style="color: red;">●</span>
New York / New Jersey	4 days <span style="color: yellow;">●</span>
Norfolk	4 days <span style="color: yellow;">●</span>
Oakland	3 days <span style="color: yellow;">●</span>
Savannah	3 days <span style="color: yellow;">●</span>
Seattle / Tacoma	9 days <span style="color: red;">●</span>

## Major Disruptions

- Despite calls by the **Surface Transportation Board** - and industry stakeholders - to increase staffing levels, employee headcounts at the Class I railroads remained roughly flat in Q3 compared to the same period in 2020
  - While the railroads increased the number of executives (+7.9) and train & engine crew (+8.5%), headcounts in all other employment categories declined sharply:
    - Maintenance of equipment and stores (-13%)
    - Maintenance of way structures (-4.6%)
    - Transportation (-5.9%)



# In Other News

## Carriers under fire as call comes for clearer rules on invoicing D&D charges

The LOADSTAR

An investigation into allegations that MSC wrongly billed D&D charges has raised claims that the carrier may not be alone in such practices. The FMC's audit was part of its investigation into claims MSC had ...

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## Workplace 'Slavery' Still Embedded I Supply Chain, Researcher Says

The University of Kansas

In a recent article, Joe Walden estimates between 17-21 million workers are living in slavery conditions worldwide. Although China is a frequent offender, workplace slavery occurs the most in Europe, specifically Great Britain ...

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## DP World refuses to respond to allegations of Aussie tax avoidance

Container News

DP World, which is in dispute over rostering plans with the Maritime Union of Australia (MUA), has refused to respond to the unions' allegations that the company has not paid a cent in taxes in eight years ...

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## China in the Crosshairs at G-7 Trade Ministers Meeting

Sandler, Travis & Rosenberg, P.A.

Although not specifically named, China is clearly the focus of many of the efforts the G-7 intends to pursue as they work to foster "a free and fair trading system based on the rule of law" and enhanced economic resilience and security ...

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## Truckers push FMCSA to make brokers pay for detention time

FreightWaves

Agency considers suggestions as it plans study on effects of delays on safety. Several commenters said FMCSA should allow for an industry-accepted two free hours of wait time, after which it should require a \$100-per-hour detention time fee be paid by the broker, shipper or receiver ...

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## Norfolk Southern is deploying digital train inspection portals

Rail Technology Magazine

The portals feature cutting-edge Machine Vision Inspection technology developed in partnership with the Georgia Tech. It is expected that the project will improve the company's safety infrastructure and inspection processes as they aim to deploy the portals by the end of 2024 ...

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