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# Eco X-Press

Ecosphere Global Logistics Newsletter



Let's Chat!



As we embark on our journey into April, it's evident that our path ahead is fraught with a mix of challenges and opportunities in the realm of freight forwarding. It is clear the complexities of the Red Sea will continue to play a significant role in shaping the year ahead along with keeping a keen eye on developments at the Panama Canal, and now, grappling with the aftermath of the Francis Scott Key Bridge collapse and it's stark reminder of the fragility of the freight infrastructure, our journey promises to be anything but smooth sailing.

In the coming months, let us uphold a spirit of collaboration and innovation, working together to overcome obstacles and seize opportunities. By staying proactive and agile, we can chart a course towards success amidst the turbulent seas of April's freight trends.



## USA

The intricacies of demand trends shaping freight dynamics, it's evident that our journey through the U.S market is marked by a blend of positive signals and cautionary notes. A nuanced picture, characterized by mostly positive signs tempered with some areas of concern. An anticipated increase in retail sales hasn't come to fruition and a slight dip was recorded in January. Indicating a consumer pullback which is most likely influenced by higher interest rates. The pullback hasn't made any significant dent, and the economy continues to show resilience with west coast ports continuing to see large numbers of containers moving through.

The West coast is predicted to continue to do well with an increase of container volumes as a watchful eye is looking for the potential storm of strike action that is set to hit the East coast as the contract between the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) comes to an end in October. With Peak Season approaching it is important to strategically plan your supply chain, a prompt shift to cargo moving via the West Coast as a likely approach.

As we monitor the aftermath of the recent incident at the Francis Scott Key Bridge in Baltimore, there are bound to be disruptions. However, it is heartening to note that the surrounding ports, notably Norfolk and New York, possess sufficient handling capacity to accommodate the influx of cargo redirected from Baltimore. The West coast and US Gulf ports will also be alternative ports as their deep water and rail connectivity are viable solutions for specialized cargo. While the redirection may necessitate adjustments to our shipping routes and schedules, it provides a viable alternative to ensure continuity of operations. Currently there are 92 vessels and over 2000 loads with current and upcoming voyages into the port of Baltimore that are being redirected. Two temporary channels have been opened, one at a depth of 11 feet, the other at the depth of 14 feet. A third is in the works with an estimated depth of 20-25 feet which will allow the larger tugs and barges to utilize the port. Salvage operations are underway, however the vessel will remain in place until investigations are completed. In the meantime, it's crucial

we maintain the open lines of communication and we will keep you informed of any developments and changes to contingency plans.

## Panama Canal



Despite ongoing drought conditions, the Panama Canal remains a vital artery for global trade. According to the latest update, the Panama Canal Authority is granting 27 booking slots per day, with an average wait time in the queue of 2 days. Additionally, by mid-March, the water level of Gatun Lake, crucial for feeding the canal and its locks, has risen by 1 foot since July of the previous year.

As the highly anticipated rainy season is set to commence in April and May, the Panama Canal Authority increased the daily slots to 27 in March. While the impending rain is eagerly awaited, it is expected that the daily slots will remain at this level until conditions necessitate changes. It is anticipated that the canal will take the remainder of the year to fully recover from the effects of the drought.

Moreover, the Panama Canal Authority reports that it continues to carefully monitor water levels and implement other water conservation measures, such as "double locking" smaller ships simultaneously transiting the locks and water recycling wherever possible. However, they have cautioned that the restrictions are likely to persist for months. Panama's rainy season typically runs from May to December, providing the first significant opportunity to replenish the reservoir's water levels after the ongoing drought.

Let's discuss your  
business needs

## Red Sea

The Red Sea situation remains a paramount concern when it comes to security. Recent incidents highlighting the complexities of navigating these waters. An incident involving a vessel being hailed by an entity claiming to be the Yemeni Navy to activate their Automatic Identification System (AIS), often associated with Houthi engagement tactics emphasizes the tensions have far from eased. Couple an already rocky boat with the resurgence of Somali pirates who are also lurking in the "target-rich" waters of the Indian Ocean after the diverted vessels to avoid Houthi attacks have settled into their new routes, showing the crisis clearly has broader repercussions.

As the carriers schedules have now adjusted to their new norm, the conversion from ocean freight to air freight is noticeable and in some areas more than others. The disparities in airfreight volumes, particularly in airports such as Delhi, Mumbai and Chennai. With backlogs and congestion being putting on the squeeze, Air France made the decision to remove Chennai from their summer schedule as well as Etihad's cancellation of their Chennai freighter service, both further exacerbating the issues.



Carriers are overbooked and offloading is expected particularly to USA and Europe destinations. Sea freight ports in the India Sub-Continent are also feeling the strain.

DP Worlds Vallarpadam Transshipment Terminal (ICTT) at Cochin Port and Colombo, the well utilized transshipment port, facing capacity constraints operating at over 90% utilization. The changes in schedules by carriers to minimize disruptions has had a major impact on popular transshipment hubs,

as managing the increase in cargo posed its challenges, the port expects to surpass handling 7 million TEU's this year.

Additionally , Ramadan's anticipated disruption to productivity in factories and logistics connections in the Middle East snowballing existing congestion and challenges. The ripple effect of congestion is being felt beyond India, with Dubai continuing to experience large volumes of cargo. Eid al Fitr marks the end of Ramadan which starts a 4 day public holiday from April 9th to April 13th.

While Asia-Europe container supply chains have been relatively unaffected by the Red Sea Crisis and vessel diversions around the Cape of Good Hope, European exporters to the Middle East and Indian Sub-Continent have faced significant challenges.

## China



The Chinese logistics industry experienced a significant improvement in March, indicating a promising beginning to the first quarter and reflecting the broader recovery of the Chinese economy. Industry data suggests that this positive momentum is expected to continue throughout the year.

The ports of Manzhouli, Suifenhe and Tongjiang Railway Port in Northeast China have experienced significant growth in China-Europe freight train trips during the first quarter of this year.

According to the China Railway Harbin Group Co. Ltd, these ports collectively handled 1443 China-Europe freight train trips and transported 151,000 TEUs of goods during this period. Marking record highs for the same timeframe in history. This represents a year on year increase of 7.6 percent and 6.9 percent respectively. Of particular note is the launch of a direct train route between the Manzhouli port and the Netherlands, which further enhances connectivity and trade between China and Europe. The eastern corridor of the China-Europe freight train service, where these ports are situated, plays a crucial role in linking over 60 Chinese cities with 14 European countries. This corridor facilitates the transportation of various goods, including mechanical and electrical products, grocery items and agricultural produce.

It's worth mentioning that the China-Europe freight train service operates through three main corridors; the western, eastern and middle corridors. Each corridor services a vital artery for trade and logistics between China and Europe, contributing to the deepening economic ties between the two regions.

As the Chinese economy continues to rebound from the impacts of the COVID-19 pandemic, there is an increased demand for logistics services to support the movement of goods both domestically and internationally. Overall, the positive trajectory of the Chinese logistics industry reflects broader trends of economic recovery and growth in the country. With favorable market conditions, the outlook for the logistics sector remains optimistic for the foreseeable future.

The Qingming Festival, also known as Tomb Sweeping Day, is indeed a significant traditional Chinese festival that typically falls on April 4th or 5th each year, depending on the lunar calendar. In 2024, the festival spans from April 4th through to April 6th. It is a time for families to come together, remember their roots and express gratitude for the sacrifices made by their forebears.

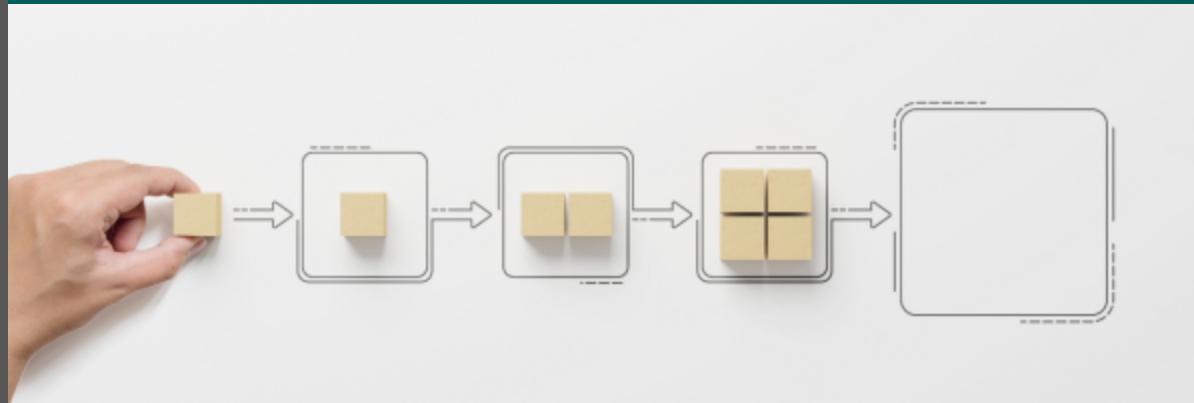
Thank you for entrusting us with your freight and logistics needs. At Ecosphere Global Logistics, we are committed to providing comprehensive services to all industries, including sea freight, air freight, customs clearance and our cutting edge digital portal.

We understand the importance of keeping our customers informed about changing market conditions, which is why we prioritize timely updates and communication.

Our dedicated and professional team is ready to assist every step of the way. Whether you have questions about our services or need guidance on the current market landscape, our freight specialists are here to help. Don't hesitate to reach out to us for personalized support and solutions tailored to your unique requirements.

Thank you for choosing Ecosphere Global Logistics, we look forward to serving you and contributing to the success of your logistics operations.

Let's discuss your  
business needs



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