Hillebrand
FORWARDING PASSION

Global freight procurement
Trade dashboard - April 2021

Contact us

Europe

Europe to North America

Rates remain extremely high, and will continue to increase for the months ahead. Not only **demand growth does not fade away**, but also bunker costs keep on increasing, and the Suez Canal blockade is only resulting in further congestion and greater equipment shortage in Europe...

Carriers are dealing with a huge backlogs of bookings, thousands of containers across Europe, to a point that many carriers are implementing « booking stops » and all alliances continue to omit ports last minute on certain rotations.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

Europe to Oceania

Demand is still very strong, with the **direct service as well as relay options already full into May.** Equipment remains an even worse challenge than space, particularly with 20ft.

Operations run more smoothly now, as delays through transhipments ports (Singapore, Port Kelang, Cartagena) have improved, as well as the congestion in Sydney, almost solved. In Auckland it remains extremely problematic.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

Europe to Middle East

Europe to Middle East trade is driven by the same market dynamics as Europe to Asia Trade : capacity is tight, equipment at origin is missing, and in addition **sourcing equipment for the Middle East can prove a struggle, when East Asia destinations are prioritized by shipping lines.** Empty containers are often prioritized oven laden ones on the backhaul voyage to reduce container cycle times.

Spot rates continued to raise in March, from 5 to 15% depending on the origin and destination port.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

Europe

Europe to Asia

The impact of the Suez canal blockade is translating **into an approximate 20% capacity reduction for the weeks ahead**, probably up to mid June. Equipment is also impacted, and supply will remain a challenge for the months ahead, in particular for reefer equipment.

The backlog of containers to evacuate, coupled with blank sailings in May and the fuel costs increases, means we are heading for continuous rates increase at least till end of the second quarter, when capacity injection will affect the Eastbound trade positively.

Hillebrand highly recommends to plan shipments 6 to 8 weeks in advance to secure space.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

North America

North America to Europe

Steady port congestion along US coasts impacts vessel-schedule integrity for all services, causing capacity to disappear week over week as ships make up time.

Demand for cars appear to have decreased in Europe, but it has been counterbalanced by medical products and food packaging industry. Export cargo struggles to find space on board due to congestion at USWC and schedule disruptions at USEC.

Spot rates from USEC to UK and Continent increased by 17%, and from USWC around 10%, over 2020. The restructuring of THE Alliance services starting in Q2 will further disrupt the market, by removing capacity and reducing the numbers of port of calls.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

North America to South America

Market challenges continue with space/equipment/weather & vessel bunching delays at USA ports, while facing congestion at transshipment hubs. **Transit time is on average increased by 5-10 days due to overcrowded transhipment ports** like Cartagena, Rodman, Lazaros Cardenas, Manzanillo. Containers are idling at these hubs too long and that also drives the carriers to **restrict the free time at PODs.**

All carriers are facing different pain points, which is affecting their appetite for new business. Rate levels are on the rise: theyhave been announced for April and May.

Space availability

Ocean rates, **next 3-months**

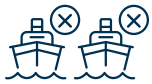
Ocean rates, **last 3-months**

North America

North America to Asia

Carriers are limiting the space dedicated to US exports to favor empty containers evacuation and reduce vessels berthing time in over congested ports. **This has provoken artificial capacity reductions** and strong rate increase with GRIs now announced every second week.

To really enjoy a relief, first it should come from an ease of congestion in US and **that is not expected to happen anytime in Q2.** The import flux is expected to continue in summer and beyond.

Space availability 

Ocean rates, **next 3-months** 

Ocean rates, **last 3-months** 

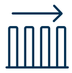
North America to Oceania

Schedules are affected by the USWC congestion, and **carriers continue to adapt routings and drop some port calls in order to regulate the voyages.** As latest example, Maersk / Hamburg Sud / CMA CGM / ANL / Hapag Lloyd / MSC are now omitting Oakland on their joint service for the next couple of months!

CMA-CGM's Panama is moving back to weekly rotation, which will assist ex US East Coast.

Space availability 

Ocean rates, **next 3-months** 

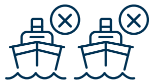
Ocean rates, **last 3-months** 

Asia

Asia to Europe

Following the Suez Canal event, **capacity will be cut in coming weeks, due to blank sailings organized so to catch up with the schedules.** Some vessels had to wait, others to be re-routed via the Cape of Good Hope and all ships are disrupted from usual schedules. This leads to a longer delay in empty positioning and to even more port congestions when vessels arrive at the same time.

With the added impact of lack of equipment, spot rates are expected to rebound back to higher levels in April, when carriers also tend to reduce the validity of rates to as limited as two weeks in some instances.

Space availability 

Ocean rates, **next 3-months** 

Ocean rates, **last 3-months** 

Asia

Asia to North America

Port congestion at Los Angeles / Long Beach remains critical. **Ships affected due to the Suez Canal event resumed their voyage, but simultaneous arrivals will further worsen congestions.** Whilst carriers continue to opt for blank sailings so to address the congestion issues, capacity deployed remain much higher than last year, around +25% to East Coast and +50% to West Coast.

According to Shanghai Containerized Freight Index, the March rates was stable with little changes compared to the last month. Expect April rates to trend higher than March.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

Intra Asia

Rates level will remain under pressure, as **equipment competes with long haul lanes from Asia to North America and Europe**, where profits are much higher.

Port congestion at major transshipment ports has barely improved. Vessels delays and late arrivals remain a current issue on Intra Asia trades.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

Asia to Oceania

Now should be the slack season for this trade, and yet, demand is still quite strong. Plus, very dynamic Europe to Oceania volumes also take their share of available capacity from Asia. Responding to market requirements, ZIM / Gold Star actually launched a new service (N2A) linking Australia with New Zealand. Connecting with existing services in Sydney, it will offer Shanghai to Auckland in a 16 days transit time.

Spot rates remain strong compared to previous year same month, approximately 150% higher.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

Oceania

Oceania to North America

Ex Australia, whilst schedule disruption is minimal around the coast, the continued poor situation on the USWC has led to the structured omission of Oakland for 2 months, on the direct VSA which calls Adelaide every fortnight. **Very few contingencies are available during this period.** Empty container depots in Sydney & Melbourne remain congested, making availability of equipment a challenge across the whole country, especially for 20ft.

Ex New Zealand, congestion in Auckland remains dire, and unlikely to improve until Q3. Carrier schedules and equipment supply to all ports of load remain severely disrupted because of this. Services are regularly omitting Nelson to rectify disrupted schedules.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

Oceania to Asia

Most carriers reporting full vessels through to end May and some June. Strong perishables peak season and continued strong grain ex Australia is making the situation even more challenging. Expect issues in getting space at short notice, and likely 4-6 weeks wait is required. 20ft equipment remains challenging from Australia in particular. Some services ex NZ are also stopping bookings to allow congested services to recover.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

Oceania to Europe

Ex Australia, similar challenges on equipment as described to North America & Asia, particularly 20fts in Adelaide & Melbourne. **Most services are running tight for space, given they all load for Asia en route to Europe**, although no immediate impacts from the Suez situation on diversions or booking restrictions.

Ex New Zealand, the direct service is benefiting from record perishables programme. Space is very restricted through April and May. Some carriers are avoiding acceptance of bookings ex Auckland due to congestion. Expect challenges for Auckland origin business for the coming months, in addition to generally constrained space and disrupted schedules.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

South America

South America to North America

Congestion in the US ports is not showing any sign of improvement. As a consequence, **carriers continue to restrict shipments at origin**, as they started to do last month. Booking are now placed with a minimum of 8 weeks in advance.

Rates are still under pressure and new increases are foreseen on the short term, through ocean freight increases as well as more specific imbalance or ports congestion surcharges.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

South America to Asia

Lack of space and lack of equipment (both dry and reefer) **continue to impact the trade severely**, with no improvement in sight as carriers expect strong demand and ports congestion to continue to impact for a few more months.

Equipment situation could even worsen a bit in the aftermaths of the Suez Canal recent situation, which created a shortage of equipment in Asia, that carriers will strive to address in priority.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

South America to Europe

Ex West Coast, situation has been very difficult lately, as an important backlog of containers has been sitting on the Chilean terminals, due to the several different operational issues happening at the same time : vessel cut & run on the Eurosal service, a Hamburg Sud blank sailing, a MSC vessel stopped in Panama due to COVID cases among the crew... Situation is now improving and carriers can accept new bookings again... from mid May onwards.

From the East Coast, space is challenging due to an increased demand and a slight capacity reduction due to a blank sailing.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**

South Africa

South Africa to Europe

The South African market still experiences a strong equipment imbalance, with carriers now implementing Equipment Imbalance Surcharges, affecting all trades, all rates. **All in rates are increasing, though to lesser extent than the Asian trades.**

A change of routing in the 'SAECS' service will see Cape Town being called only on the Northbound voyage on this service. Whilst the southbound transit time increases seriously, there is no consequence on the voyage duration from Cape Town to Europe.

Space availability

Ocean rates, **next 3-months**

Ocean rates, **last 3-months**