

ROHLIG EXPERTS

Rohlig Asia Newsletter

January 2022

While Sea and Air Freight are still contending with space issues and rising rates, carriers have been able to regain some stability in the post-Christmas calm. Accurate and advanced forecasting is still recommended by our teams in order to help ensure adequate space in the lead up to the Lunar New Year at the end of the month. However, the spread of the Omicron variant may mean further restrictions in the coming weeks.

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NORTH ASIA

Greater China

- The region prepares for the largest annual holiday, Lunar New Year. In order to find out more about freight operations in North Asia during Lunar New Year, please click [here](#).
- **Xi'an and Ningbo are currently handling outbreaks of Covid-19.** In Xi'an, many

services are waylaid by lockdowns and enhanced restrictions. In Ningbo, an outbreak in Beilun District is affecting nearby Ningbo ports. Drivers are asked to submit proof of negative Covid-19 testing as well as recent travel history in order to apply for access to the port area. There may be delays in the pick-up and drop-off of containers in this area.

- Elsewhere in China, **resources remain critical across all Sea Freight trade lanes**. We encourage customers to provide a precise and timely forecast in order to better ensure space allocation.
- For **Sea Freight ex Hong Kong, Main North Europe/Middle East/North and South America and even North East Asia trades are becoming fraught**. A large number of blank sailings are expected before the end of the month. Precise forecasts are strongly recommended to avoid postponement.
- For **Taiwan Sea Freight, a large number of blank sailings proliferated across USA trade this month**, and equipment shortages still pose an issue.
- Changing pandemic policy has posed challenges to the Hong Kong Air Freight industry, including **flight cancellations to the EU/US and skyrocketing rates**. This is expected to last until at least the Lunar New Year.
- Sea congestion and the approaching Lunar New Year holiday has led to **record-breaking costs and space shortages for Air Freight in Taiwan**.
- **Rail services remain available in China** with an average transit time of 26-30 days Westbound and 20-24 days Eastbound, a small improvement compared to Q4, 2021. Peak season is of course expected around Lunar New Year, and we therefore encourage customers to submit forecasts early for advance space reservation.

South Korea

- Sea Freight is still suffering from space shortages, particularly to the US
- Air Freight space is still insufficient following flight cancellations in the face of Omicron.

SOUTH EAST ASIA

Malaysia

- Sea Freight space remains critical to **Europe, USA and Oceania**. The recent flash flood at Port Klang has resulted in congestion at the port.
- Air Freight rates are holding due to the post-Christmas drop in volume, but are set to peak again shortly before Lunar New Year.

Thailand

- Air Freight rates currently need to be checked per shipment per day. Some airlines offer **booking 10 days in advance with penalty fees for adjustment/cancellation/postponement within 72 hrs of departure**. Other airlines such require a **BSSA contact to be signed with cancellation fees as terms and conditions**.

Vietnam

- The Lunar New Year holiday in Vietnam lasts from Jan 29 to Feb 6.
- **Sea Freight is battling serious equipment shortages and blank sailings**, with carriers almost all fully booked across all trade lanes this month.
- Air Freight remains extremely expensive, with **backlogs spreading across South East Asia**. Expect space to also be snapped up at Hanoi International Airport (HAN) from shortly before the Lunar New Year.

INDIA

- With shipping lines making bumper profits (USD 80+ Billion - as per press reports) by reducing capacity, we expect the same to continue in 2022. Röhlig India has signed **long term commitments** with key shipping lines to help ensure that customers are not impacted by market fluctuations in 2022.
- Key ports across our global network remain stressed due to infrastructure bottlenecks, which has further impacted the calls by shipping lines to/from India (estimates are that **10-20% of global capacity will be absorbed due to increased waiting times**).
- Loading delays have been observed in Nhava Sheva, Mundra.
- Equipment shortages are expected to continue for the foreseeable future across many locations. We have substituted equipment, where traditional 40' commodities are being converted to 20' and vice versa.
- The surge in the Covid-19 cases has led to the government to introduce **restrictions on flights into/out of India** which is posing a challenge for space.

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