

PLANNING AHEAD

It's been a rocky first six months in our industry. The Red Sea crisis is still contributing to an unpredictable ocean market, driving up rates and congestion. The collapse of the Francis Scott Key Bridge and the limitation on operations that was seen (now re-opened at the Port of Baltimore), and the ongoing concern on the pending rail strike contributes to the chaos. Our worldwide relationships with our Agents and commitment from our carriers across Canada and the USA, ensures FCL Fisker Customs & Logistics delivers the best possible solutions to our clients.

When is the final cut-off date for Christmas goods leaving Asia? Asia peak season will officially end two weeks earlier than normal, and that makes the timing of China's Golden Week holiday especially complicated. Beginning Oct 1st, 2024, China shuts down for a week, causing pre-holiday rush at its ports to get the maximum cargo out, followed – sometimes – by a deluge once the country gets back to work. **Working with your FCL Fisker associate to make sure your cargo arrives in time for the holiday season is key.**

Sylvia Beck, Inside Sales

IN REVIEW | JULY 2024

MARINE

July 3 | “Schedule Reliability for Boxships Rebounds to Highest Level in 2024”

Schedule reliability for the container segment rebounded from the lows of January and April to reach the highest point in 2024. While the industry has been able to stabilize after the shocks caused by the Red Sea diversions, it remains far behind its post-pandemic performance. **Source: CIFFA**

July 3 | “More Rate Increases Expected Soon, Though Signs Congestion is Easing”

Ex-Asia ocean rates were stable last week, but prices already at a high this year are expected to climb further as we enter the typical peak season months and congestion – though less severe than in recent weeks – remains an issue at some major hubs, with several carriers announcing significant July Peak Season Surcharge increases or GRIs.

If the early start to peak season in May proves enough to mean an early end as well, then we might expect congestion and rate levels to reach their highest in July and August allowing some respite by October until pressure resumes in the lead-up to the Lunar New Year. If Red Sea diversions are still in place pre-LNY, pressure could resemble the levels we're seeing now and could start earlier than usual. **Source: Container News**

July 5 | “Box Rates Now Four Times Higher Than Pre-Pandemic”

Container freight rates continue to trend upwards with July as rate increases appear to be taking hold. Rates have more than doubled since the first week of May with the transpacific to both east and west coasts looking especially red-hot. If the early start to peak season in May proves enough to mean an early end as well, then expect congestion and rate levels to reach their highest in July and August allowing some respite by October. *Source: Splash 247.com*

July 5 | “Spot Rate Surge To Continue Past Golden Week, with Surcharges Causing More Pain”

Since the July 1st implementation of a series of peak season surcharges (PSS) and new FAK (freight all kinds) levels, the largest east-west container trades have seen a week of double-digit spot freight rate increases. Asia-North America trades to post the largest increases.

Many forwarders and shippers are paying well above the quoted indexed rates in order to secure space in an increasingly strong demand environment and shippers were being forced to pay space guarantee surcharges.

This will remain elevated until Golden Week holiday, which begins on October 1st – and could even persist until the second quarter of next year and there may be a further 50% increase between now and Golden Week. *Source: The Loadstar*

July 8 | “Strike Notice by B.C. Ship and Dock Foremen Contravenes the Canada Labour Code: CIRB”

VANCOUVER - The BC Maritime Employers Association says it has rescinded an industry-wide lockout notice after the Canada Industrial Relations Board found a looming strike by a union representing ship and dock foremen contravenes the Canada Labour Code.

The BCMEA said in a news release on Saturday that it had asked the CIRB to divert the upcoming strike against DP World Canada.

The association released another statement on Sunday saying the board has directed the union to rescind its July 5 strike notice.

It says the board's decision finds ILWU Local 514 failed to bargain in good faith when it issued a strike notice based on a vote conducted among employees of only one member employer of the BCMEA.

The association says it is "disappointed that these steps needed to be taken to ensure the stability of Canada's West Coast ports but is pleased with the outcome of the board's decision."

It adds that regular cargo and passenger operations at B.C.'s ports will continue uninterrupted.

The International Longshore and Warehouse Union said in a statement last month that 99 per cent of the nearly 600 longshore foremen who voted were against a "final offer" from the employers association. *Source: Canadian Press*

UPDATE July 9 – A strike by ship and dock foremen at DP World's port facilities in Western Canada has been prevented from occurring this week. CIRB gave this ruling after BCMEA pressed the federal board to intervene, since the strike will not occur, BCMEA has withdrawn its lockout notice. *Source: Container News*

July 9 | “Excerpts of an Interview with Syed Mohammad ARIF Chairman of Bangladesh Shipper Agents Association”

Syed Mohammad discussed the latest freight rate trends, impacts of Houthi attacks, and other critical issues in the shipping industry:

1. The freight rates have increased to some extent as ships are sailing an additional two weeks due to the crisis in the Middle East. Ocean carriers' cost of operation has increased significantly as the vessels ply additional miles to avoid possible attacks
2. The number of trips of mother vessels has lessened causing space shortage. The space crisis and congestion at regional hub ports have also impacted freight rates
3. The ups and downs of freight rates during the rest of the year will largely depend on the Middle East security situation
4. Current congestion in Singapore is almost four to five days. Vessels need to ply additional 15 days and the congestion eats up another four to five days totaling 20 days
5. Many importers did not take delivery of goods, thus, many containers became stuck in the Chittagong port. We believe the equipment shortage will ease soon. *Source: Container News*

July 11 | “Extreme Weather Halts Container Traffic at Cape of Good Hope”

Severe weather conditions near the Cape of Good Hope have halted container traffic this week, according to an analysis by LSEG Shipping Research.

"We have a complete stop at the Cape of Good Hope for container ships – east and west. There is no significant change in Red Sea traffic so far, but several container ships have made turnarounds and/or are waiting off the coast of Durban," said Fabrice Maille, global head of Shipping & Agriculture at LSEG.

Since July 8th, daily transit data and vessel location data from the LSEG Workspace Interactive Map have shown no container vessels passing the Cape of Good Hope, adding to the congestion and delays already worsened by the Red Sea crisis.

The Interactive Map indicates marine weather with waves over 10 meters high. Isaac Hanks, senior weather analyst at LSEG, observed that the waves off the South African coast coincided with a strong cyclone that impacted the region on the previous Sunday, bringing temperatures well below normal.

He commented, "This was a powerful cyclone (with winds that generated the waves), but we are not seeing anything extraordinary in the data. Something comparable happened in early June, for example. These events are like a cold air outbreak in the South Africa winter, in the Northern Hemisphere context." Hanks added, "There is another cyclone likely to impact South Africa later this week, so the issue with the waves may continue yet with respect to shipping issues. However, the AAO will soon move into its positive phase, which could signal the end of strong cyclones after the one later this week."

This situation aligns with LSEG Commodities' recent forecast, which predicts a potentially record-breaking Atlantic hurricane season this year, following the pattern expected after the exceptionally strong storm Beryl for this time of year. *Source: Container News*

July 15 | “Shortage of Reefer Boxes Plays Havoc with India’s Export Schedules”

Indian cool chain shippers could miss some export order commitments to western buyers for the upcoming holiday season because of their inability to secure sufficient reefer containers.

While an equipment shortage was expected to be widespread in the context of longer turnaround times, the pressure seems to be especially worrisome on refrigerated boxes.

“Reefer inventory is becoming a major challenge for all trades [out of India],” said one sales executive at a leading carrier. “But we are able to provide dry containers almost normally now,” the source claimed.

The executive said there were efforts to reposition more reefer containers into India to mitigate the developing crisis for shippers and forwarders.

Other carrier sources cited inventory management challenges. One senior operations manager at a European carrier said: “We are operating in abnormal times.” Read more in an [article from The Loadstar](#).

July 17 | “Upcoming Arrival of La Niña Set to Impact Trading Patterns”

Meteorologists in various nations have now concluded the world is set to be impacted by the weather phenomenon known as La Niña from as early as next month, something that will alter shipping trade patterns heading into the new year. La Niña is characterised by cooler-than-average waters and tends to have a significant effect on multiple commodities.

Forecasts now suggest a 70% probability that La Niña will develop during the period from August to October this year and persist through the Northern Hemisphere winter, with a 79% chance of continuing into early 2025. *Source: [Splash 247.com](#)*

July 17 | “Shipping Companies Impacted Around the World by Microsoft Outage”

Many shipping companies have been hit by today’s outage of Microsoft, one of the biggest IT outages recorded.

Multiple global businesses have reported failures of their Windows PCs today caused by a failed software update from antivirus company CrowdStrike. *Source: [Splash 247.com](#)*

July 23 | “Bangladesh Nationwide Curfew Disrupts Port Operations and Trade”

Protests over government job quotas have led to a nationwide curfew in Bangladesh, significantly disrupting port operations. Goods transportation to and from the ports of Dhaka and Chittagong has almost come to a standstill, causing delays and increased costs. The deployment of police and paramilitary forces has created an environment of fear among transport workers, further complicating logistics. The curfew is also affecting all communication channels, including phone and internet.

These disruptions are affecting both exports and imports, potentially delaying international shipments and increasing costs for all parties. The government’s measures to control the situation are exacerbating logistical challenges, highlighting the urgent need for a resolution. *Source: [CIFFA](#)*

UPDATE July 24: Bangladesh cargo flows have resumed after the government restored limited internet connections for airport, emergency services, hospitals, and port operators last night. A dozen containerships were waiting at the outer anchorage of the port today.

On the air side, the cargo village at Dhaka Airport had also become jam-packed, with Nasir Ahmed Khan, VP of the Bangladesh Freight Forwarders Association, estimating that some 3,000 to 3,500 tonnes of cargo had not moved during the outages. More than a week will be needed to clear the backlog.

The curfew will be lifted between the hours of 10am and 5pm, with offices permitted to operate from 11am to 3pm and internet access restricted to offices. All social media channels are blocked. Read the [full article here](#). *Source: The Loadstar*

July 24 | “Typhoon Carina (Gaemi) Philippines”

Heavy rains have caused significant flooding in several parts of Metro Manila, which has resulted in widespread disruptions due to Typhoon Carina (International Name: Gaemi). Some businesses have no access for their employees and the situation is being closely monitored. *Source: FCL Fisker & Agents in the Philippines*

AIR

July 8 | “Forwarders and Shippers Bracing for Anticipated Q4 Hike in Air Cargo Rates”

Airlines are looking ahead to air cargo's fourth-quarter peak season to decide how best to maximize returns from capacity out of Asia as spot rates are predicted to go sky high.

With a backdrop of more demand and less capacity, industry analyst Xeneta has warned that shippers and forwarders seeking capacity during the fourth quarter may find themselves “at the mercy of the market,” especially if they are looking to move shipments out of Asia Pacific.

Peak season surcharges and major increases in spot rates are expected, said Niall van de Wouw, chief airfreight officer at Xeneta. “There's a consensus it will be a hot Q4 for air cargo in many Asian markets.”

Read more in an [article from Air Cargo News](#). *Source: CIFFA*

July 26 | “Frankfurt Airport Cancels 140 Flights on Thursday Due to Protests”

Frankfurt Airport was forced to briefly suspend operations and cancel some flights on Thursday after climate protesters invaded the airfield of Germany's busiest hub.

In total, 140 flights had to be canceled, airport operator Fraport said in a statement. Operations are resuming after Fraport suspended services shortly after 5 a.m. because protesters had glued themselves to a taxiway, the company said.

All four runways were back in operation before 8 a.m. local time.

On Wednesday, protesters also targeted the smaller Cologne-Bonn Airport by gluing themselves to the tarmac. The protests in Frankfurt and Cologne-Bonn are part of an international action that also targeted London Heathrow and airports in Scandinavia, among others. *Source: CIFFA*

ROAD / RAIL

July 2 | “Shipper Fears Resurface as Canadian Rail Workers Renew Vote for Strike”

Shippers are planning for supply chain disruption this month, after Canadian rail workers affiliated with the Teamsters Canada Rail Conference (TCRC) voted overwhelmingly to re-authorize strike action – and say they will walk out at the earliest opportunity. A strike can take place with just 72 hours warning. Disruptions could begin mid-July.

Companies should expect widespread disruptions to rail and ocean shipping across many industries, as well as potential production stoppages due to increased cargo backlog. In the event of a rail strike, affected ports would include: Vancouver, Prince Rupert, Montreal, and Halifax. *Source: The Loadstar*

UPDATE July 15: The CIRB has advised CN that they intend to make a decision by August 9, 2024, regarding the question of essential services. In the event that a decision is not made by August 9, additional updates will be released. *Source: CN Customer News*

July 11 | “Construction to Begin on Burnaby Rail Overpass Late This Year”

Construction of a new four-lane overpass crossing the rail lines at Holdom Avenue in Burnaby will begin in late 2024. The Vancouver Fraser Port Authority is delivering the Holdom Overpass project in partnership with the City of Burnaby, CN, and the Government of Canada.

Upon completion of the overpass, there will be an increase of rail capacity for Port of Vancouver terminals, supporting the reliable movement of goods through the region, and improved traffic flow and safety for the Burnaby community.

Read more in a [press release from the Port of Vancouver](#). *Source: CIFFA*

July 12 | “Port of Montreal Completes Rail Optimization Project”

The Montreal Port Authority (MPA) has completed its extensive project to optimize rail capacity, a flagship project to improve the performance and fluidity of its logistics services. Phased in over three years at a total cost of \$62.4 million, this ambitious project that extends from Bourbonnière Avenue to Panet Street, near the Jacques-Cartier Bridge, signals a major increase in the Port of Montreal's rail capacity.

Through the project, the MPA installed two new tracks totalling 6 km of additional track and six switches to serve the 14 terminals and relocated the Port Road and all related infrastructure (sewer, water supply, power, and telecom networks, etc.).

Read more in a [press release from the Port of Montreal](#). *Source: CIFFA*

July 23 | “Wild Fire in Jasper, AB”

Parks Canada and RCMP closed mainline east of Jasper, AB on Edson subdivision due to an approaching wildfire that had been sparked by a lightning strike. Trucks cannot pass the area as water bombers, and local fire departments control the situation. Delays are to be expected on rail traffic entering, and departing lower BC toward, and from Vancouver, as well as BC North toward, and from Prince Rupert until a clear passage is available. *Source: CN*

UPDATE: July 26/24: The Port of Vancouver remains open and operational.

Rail service on CN's mainline through Jasper, Alberta, has been halted due to wildfires in the area. This rail line carries cargo to and from the Port of Vancouver. The situation remains fluid, with emergency response services focused on preservation of life and structures. CN is currently undertaking track and rail asset inspections to determine restoration requirements in the fire-affected area. The length of the rail line closure in the Jasper region is unknown at this time.

CPKC and CN railways are coordinating CN train detours over CPKC track between Calgary, Alta. and Kamloops, B.C. Both railways have also deployed specialized fire suppression equipment and crews, along with other fire mitigation activities.

Transport Canada's Supply Chain Office is undertaking regular stakeholder calls to provide updates, assist in response support, and help understand economic impacts to support future recovery efforts. Emergency task forces have also been activated to coordinate federal, provincial, and municipal agencies in monitoring and delivering fire prevention and recovery services.

Vessel delays and heightened anchorage demand are expected at the port in the coming days, due to rail disruptions impacting terminal operations. *Source: CIFFA*

July 25 | "How Would a Rail Strike in Canada Affect Supply Chains?"

Every day of a strike would have the potential to ripple into further supply chain disruptions, as railroads are critical links for maritime, trucking, and cross-border freight shipments, experts said.

More than 900,000 metric tons of goods move daily on Canada's railways, according to the Railway Association of Canada. A work stoppage would impact the movement of \$1 billion in goods daily.

Lawrence Gross, president of Gross Transportation Consulting, said Canada's western ports would be among the first impacted by a strike as a substantial percentage of containers arriving in Vancouver and Prince Rupert move inland on railroads.

A strike lasting more than a day or two would take weeks for Canada's railroad network to recover, Gross said.

Similarly, Shannon said cross-border freight shipments between the U.S. and Canada are heavily dependent on railroads and could be quickly affected.

In prior years, if a strike occurred at one railroad, freight could be shifted to the other, Shannon said.

"If workers at both railroads strike, it could paralyze the ports and trucking rates could spike because a whole lot of freight would have to find another way to travel," Shannon said.

The ripple effect of a strike would impact industries dependent on raw materials and minerals as well as agriculture and food products that depend on railroads for distribution. A total of \$380 billion dollars in goods were transported by Canada's railroads in 2022, Canada's railway association reports.

Marc Brazeau, president, and CEO of the Railway Association of Canada, said in a website post to members in May that the impact of a strike would be extensive.

"Not only would Canada's two Class 1s be idled, but there would also be deep impacts on trucking, transloading, warehousing, and port operations," he wrote. *Source: Supply Chain Dive*

CUSTOMS

July 5 | “Border Workers Ratify New Contract”

The union representing Canada's border workers says members have voted 91 percent in favour of a new collective agreement.

More than 9,000 Canada Border Services Agency workers were planning job action in June, but the strike was averted when a tentative agreement was reached with the federal government.

The vote solidifies the new collective agreement, preventing a strike that could have brought commercial border traffic to a standstill and caused major delays across the country. **Source:** *CTV News*. Read more in an [article from CTV News](#).

July 30 | “Reform of the EU Customs Union: Significant Disadvantages for Freight Forwarders”

The EU aims to comprehensively reform the customs union to reduce cumbersome customs procedures. However, not everyone is enthusiastic. The German Freight Forwarding and Logistics Association (DSLVL) sees significant disadvantages for freight forwarders.

Read more in an [article from Trans.INFO](#). **Source:** *CIFFA*

July 30 | “U.S. CBP Publishes Information on Customs User Fee Changes Effective October 1”

Pursuant to the General Notice ([89 FR 59126](#)) published July 22, 2024, adjustments to certain customs user fees and corresponding limitations, as codified in 19 U.S.C. § 58c, will take effect on October 1, 2024.

Find details in [Cargo Systems Message # 61572319](#). **Source:** *CIFFA*

CARM

July 8 | “CARM: Customs Bonded Warehouse Baseline Inventory Count”

1. The purpose of this Customs Notice is to provide Trade Chain Partners (TCPs), specifically Customs Bonded Warehouse (CBW) licensees (including operators, importers, and brokers) with an introduction to the CBSA Assessment and Revenue Management System (CARM) system. This notice will also outline the expectations for CBW TCPs and further communicate new program enhancements and requirements.
2. The CARM platform will be used by CBW TCPs for enrolment and future accounting, as well as to submit a one-time baseline inventory count of goods in their respective warehouses prior to the implementation of the CARM Client Portal (CCP). Note: All current program-based requirements and legislative obligations remain in effect.
3. The CARM platform will provide improved mechanisms for CBW TCPs to better communicate and provide all necessary documentation to the CBSA in a secure electronic environment, which will facilitate compliance and traceability requirements of the various CBSA trade programs to which they have applied and/or are enrolled.
4. Although CARM will allow for the electronic submission of applications and documents, the requirement remains for TCPs to keep a hard copy of all electronically submitted applications and associated supporting documentation, as per section 42(2) (a), subsections 43(1) and (2), section 40 of the Customs Act and section 2 of the Imported Goods Records Regulations. These records must be made available to the CBSA upon request.

5. CARM will become the official system for the collection of duties and taxes on October 21, 2024, for goods imported into Canada. At that time, CARM will expand the program-based functionalities of the CCP to include electronic accounting and application submission for CBWs. Visit the [CARM: CBSA Assessment and Revenue Management](#) webpage for more information pertaining to the CARM system initiative and their phased deployment approach.
6. In preparation for CARM becoming the official system of record for the collection of duties and taxes for goods imported into Canada, Customs Bonded Warehouse TCPs are required to:
 - a. provide their up-to-date baseline inventory count of all unreleased goods.
 - b. register in the CARM Client Portal (CCP).
 - c. keep an accurate account of all CBW movements before, during the cutover period and beyond.
7. It is important to note that the inventory information provided is considered to be a legal declaration and any inaccuracies, errors and/or omissions may result in Administrative Monetary Penalties. All inventory declarations are subject to post-compliance verification. Please note that all CBW TCPs will have the option to provide their inventory declaration directly to the CBSA, or have their representative (agent, customs broker, etc.) submit this information. Should a CBW TCP choose to use a broker to submit their information on their behalf, a copy of Power of Attorney is required before any information can be accepted and processed.
8. The exact dates for the transition measures and the cutover period will be published in a subsequent Customs Notice at a later date.

Recommended procedure for providing an up-to-date baseline inventory count of all unreleased goods

9. CBSA recommends that CBWs use the Application Programming Interface (API) or Electronic Data Interchange (EDI) to transmit inventory counts of all unreleased goods. API and EDI submission methods both allow CBW TCPs to transmit their goods movements into and out of a CBW and will be used during this one-time CBW inventory exercise to transmit their inventory to the CBSA using their system or their service provider's system.
10. EDI, a software provision certified by the CBSA, and API, a system integration already tested by CBSA, are the recommended electronic transmission options due to their efficiency and the accuracy of data capture on an individual transaction basis. With EDI or API, data is transmitted directly to the CARM solution with no need for a CBSA officer to review or validate data before it is entered in the solution.
11. Information regarding a submission via EDI or API can be found in [Chapter 26: Commercial Accounting Declaration \(CAD\) of the Electronic Commerce Client Requirements Document ECCRD](#). Contact the CARM Stakeholder Engagement Team if you require a copy of Chapter 26 of the ECCRD: cbsa.carm_engagement-engagement_de_la_gcra.asfc@cbsa-asfc.gc.ca

Alternative option 1: Manual CAD submission post-implementation

12. TCPs without EDI or API access, either directly or through their service provider, are required to submit a Type 10 Commercial Accounting Declaration (CAD) via the CCP within the first two weeks of CARM becoming the system of record, to reflect their current warehouse inventory. The date that the CAD is submitted via the CARM portal becomes the date of accounting.

Alternative option 2: Manual review and upload by the CBSA

13. For CBWs unable to transmit their inventories using one of the two recommended options above, the CBSA will provide a one-time file-upload option immediately prior to the cutover period to CARM becoming the official system for the collection of duties and taxes for goods imported into Canada.

14. CBWs will be required to submit inventories into an Excel template provided by the CBSA. A CBSA officer will review and validate entries. CARM technical providers will then upload approved templates during the cutover period.
15. Due to the manual validation required by CBSA officers during a limited cutover window, the Agency has implemented the following procedure for participants who wish to pursue this option:
 - a. Participants must advise the CBSA in writing by **August 1, 2024**, at the following email address: duty_deferral_notice_comments-avis_report_des_droits_commentaire@cbsa-asfc.gc.ca
 - b. Participants must use a spreadsheet template to be provided by the CBSA to capture inventory data
 - c. Participants must submit a sample inventory of data representing at least 5% of their inventory (minimum 20 lines) in the CBSA-provided template by **August 16, 2024**. Participants must also indicate the approximate number of importers and the approximate number of total lines of data they will provide for the manual review and upload by the CBSA.
 - d. Participants must submit their complete inventory **by the first day of the cutover period**
 - e. Participants must login to the CARM portal within the first two weeks of CARM becoming the official system for the collection of duties and taxes for goods imported into Canada, to review and submit any updates or corrections.
16. Important: In the event that a template cannot be uploaded during cutover due to formatting or other issues, including data entry issues discovered by a CBSA officer, the CBW will be required to transmit their inventory via a Type 10 CAD entry at Go Live, as described in paragraph 10 above.
17. Any goods movements that occur once CARM becomes the system of record will have to be declared in CARM.

Engagement

18. For all CARM related questions, the point of contact is the CARM Stakeholder Engagement Team: cbsa.carm_engagement-engagement_de_la_gcra.asfc@cbsa-asfc.gc.ca.
19. For issues relating to the CARM system once an account is created, please complete the client support contact form.
20. For more information, contact the [CBSA Border Information Service \(BIS\)](#):
Calls within Canada and the United States (toll free): 1-800-461-9999
Calls outside Canada and the United States (long distance charges apply):
1-204-983-3550 or 1-506-636-5064
TTY: 1-866-335-3237
[Contact us online](#)
[Contact us at the CBSA website](#) may also be accessed for information.
<https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn24-23-eng.html>

Source: CSCB

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