



Keep your business on the move

Global Incidents create an uncertain world. All the market news to keep your cargo moving with our latest Asia-Pacific Market Update.

The positive trade outlook that heralded the first two months of this year has gradually faded amid an intensifying of the Russia-Ukraine situation. Russian sanctions, especially against oil and gas exports, could result in a shift in trade patterns. In Asia, another COVID 19 wave in China which is seen as the most challenging Covid breakout since the start of the pandemic back in 2020. While global trade volumes were down in February, they were up compared with the pre-COVID-19 era three years ago and container volumes from Asia into Europe and the US remain strong despite the wider economic uncertainties.

This month, we share the latest trends and current challenges. We also explain Maersk's latest solutions to help you keep cargo moving. If there are new topics you would like to talk about, please let us know by filling out our survey from [here](#).

Market Trends

The Russia-Ukraine situation continues to weigh on the global economy, disrupting supply chains and adding to inflationary pressures. Sanctions have led to the suspension of virtually all trade links between Russia and the west including rail freight services between China and central and western Europe. With Ukraine and Russia major exporters of wheat and sunflower oil, the situation also threatens to disrupt food supplies, while embargoes on Russian oil and gas also have the potential to change commodity trading patterns. Key to the outlook for trade is how consumers and businesses react to the elevated uncertainty and higher prices.

Crude oil prices are back to pre-conflict levels of about \$100 a barrel after member countries of the International Energy Agency (IEA) agreed on April 1 to release 120 million barrels of oil from their collective reserves over a six-month period. That followed the release of 62.7 million barrels agreed in March. Uncertainty over further energy sanctions and ambiguity over future oil and gas supplies overshadows the market going forward. The global crude oil market could lose up to 4 million barrels per day, equivalent to 4% of global supply, due to tougher sanctions on Russian crude exports. It is not yet clear whether Organization of the Petroleum Exporting Countries and non-OPEC members will increase production to offset the loss of Russian barrels.

China's on-going fight to contain another COVID-19 wave is impacting the economic growth outlook for the world's most populous counties. Shanghai, the country's commercial hub, which has been locked down for more than a month, disrupting manufacturing output and road freight links with neighboring provinces including Zhejiang and Jiangsu.

Trending Topic

Global trade: Overall container volumes declined by around 5% year-on-year in February although demand remained buoyant as the yearly decline mainly reflected seasonal swings caused by Chinese New Year and the impact from COVID-19. Average growth was 3 percent higher compared with pre-COVID February 2019. Container import levels remained strong in North America and Europe, while North-South trade flows remained more subdued. We expect lower container volumes in our base scenario mainly due to lost volumes as a result of Russian sanctions and weaker demand in Europe.

China and COVID-19: Major ports in the Greater China area remain in open and vessel operation, yard handling and gate-in/gate-out are largely working normally. In Shanghai there is still significant disruption to local and inter-provincial trucking due to extensive testing and quarantine requirements. We resumed booking acceptance for IMO class 2.2 and 3 dangerous goods into Shanghai on April 22 following a temporary halt due to high yard density. Some warehouses in Shanghai also re-opened from mid-April. Maersk offices in Shanghai remain closed. For Ningbo, there is also an increase in ad-hoc port calls which is lengthening vessel wait times. Elsewhere, warehouses remain operational at other ports including Ningbo, Shenzhen, Qingdao and Xiamen although there are local restrictions on drivers which mainly focus on the need for a negative NAT report within 24 hours.

Ocean Update



Anne-Sophie Zerlang Karlsen,
Head of Asia Pacific Ocean Customer Logistics

"As Shanghai's restrictions are entering into the sixth week, we continue to see the Shanghai ports remaining operational with everything from vessel operations, yard handling and gate-in-and-out working with only slight interruptions. The situation continues to be fluid, and the largest pain for our customers are working out how to run close-cycle operations as well as trucking capacity. We are doing everything we can to support where we can, and have a key focus on creating alternative inland options through rail and barges as well as developing relief options with more flexibility on demurrage and detention, free amendments and cancellations as well as offering products to speed up or slow down cargo in transit to fit our customers' needs in this difficult time."

Voyage changes: We are making some changes to our AE1 and AE55 services in May schedules which have been affected by terminal congestion, delays and bottlenecks, mainly in destinations. The changes mean voyage number 220W/225E on the AE1 service will be a lost. There will also be a blank sailing on voyage 219W and 224E on the AE55 service.

COVID-19 relief measures: Due to the on-going disruption to trucking, warehousing and cargo operations in Shanghai we have introduced a package of relief measures. These include a free Change of Destination on import cargo into Shanghai port with an ETA up to April 30 and free Combined Detention and Demurrage on cancelled export shipments from Shanghai, with an ETD up to April 30. We are also offering rail and barge options to nearby locations where the services are available. Please visit the shipment binder page on Maersk website, under our web advisory page for further details. Please click here for export log in to the shipment binder, and here for import log in to the shipment binder.

Key Market Outlook Across Trade Lanes

Trade Lane	Trade Statement	Port Situation Update
Asia to North Europe	Ocean networks are disrupted and suffer from accumulated delays. We have performed voyage resets on AE1/AE7/AE55 to restore the schedules, for which we have released separate detailed advisories. For missing vessel positions, we try to transfer cargo to other services that offer the same coverage to minimize delays.	Congestion primarily in Rotterdam and North German ports as these locations are most heavily affected by Russia cargo stuck in transit. Felixstowe has gradually improved over the past few months. Following this, we have reinstated the direct call into Felixstowe on our AE7 service, starting from vessel Monaco Maersk in mid-April.
Asia to Mediterranean	Demand is gradually recovering. May-June is the transitional peak season for the Mediterranean, and we will monitor for market change. We forecast tight supply given the relatively stable performance of Mediterranean market. Due to port congestion, we have implemented voyage resets and port omissions to recover schedule reliability for AE11/12/15 services. Gap loaders are planned to mitigate potential vessel delays.	'Israel/Algiers cannot accept any short term cargo due to port constraints and congestion.
Asia to North America	Overall, Asia to North America network is still full. April and May export volumes are impacted by constraints in Asia, especially the COVID-19 situation in Shanghai, but we expect to see good demand rebound in June and July. The North American ports situation continues to deteriorate and capacity loss is expected to continue as a result. From mid-April, to cope with congestion in Vancouver, Maersk will restructure the port rotation of our TP9 service to reinstate the Seattle call and consolidate the two Vancouver calls. With these changes, Maersk aims to strengthen the Pacific North-West Coast network with direct Seattle coverage and improve efficiency by avoiding a double Vancouver call. The new rotation is Kaohsiung – Xiamen – Yantian – Ningbo – Shanghai – Busan – Vancouver – Seattle. As the North American ports situation is unlikely to improve in the coming months, we will see more overflow in the network due to strong demand and missing sailings. Customers should prepare more lead time between ETA and actual departure time.	'Vessel wait times as follows: Los Angeles/Long Beach - 25 days - Savannah/Newark/Baltimore: 1-2 days. - Seattle/Miami/Norfolk: 3 days - Charleston/Houston: 12 days - Los Angeles/Long Beach: 25 days - Oakland: 11 days - Vancouver: 28 days, with 107% yard density. - Prince Rupert: 15 days with 122% yard density. Match back is required.

<p>Asia to Latin America</p>	<p>Overall demand in April and early May is slowing due to Shanghai lockdown. We encourage customers to load more from other China origin ports, or South East Asia/North East Asia. We forecast demand will start to increase after labor holiday in China in early May. We will continue to focus on non-operating reefers. We have stopped accepting Cuba cargo until further notice due to new feeder arrangements</p>	
<p>Asia to WPA/WCA</p>	<p>For Middle East/Red Sea market, we expect gradual improvement in overall demand with the coming Eid Holiday and traditional consumption patterns. We expect a medium-term impact on solar cargo shipments after India imposed an additional 40% tax of solar panels from March 31.</p>	<p>Colombo port productivity is impacted by high yard density and bad weather disruption, so operational delays should be expected.</p>
<p>Asia to Africa</p>	<p>'South Africa: Overall demand is slowing down due to Shanghai lockdown situation. West Africa: Demand is also impacted by the COVID-19 situation in China. Vessel schedule reliability is improving. SPOT product is open for all markets. East Africa: Volumes from Southeast Asia are gradually picking up as overall demand is affected by China's COVID-19 wave. Service to Mombasa is running very smoothly and we are aiming to further improve reliability. With Dar Es Salaam still facing port congestion, we will give early notice of any vessel delays/sliding to minimize the impact on customers.</p>	<p>'South Africa: Cape Town is super congested and the average wait time is around 15 days. As Dar Es Salaam the wait time is around 10-12 days.</p>
<p>Asia to Oceania</p>	<p>Demand is impacted by the Shanghai lock-down. Capacity is available for customers who need to move cargo from other parts of China or North East Asia. To preserve schedule reliability, we continue to slide vessels on the South East Asia network hence capacity is very tight. Customers are encouraged to re-route cargo via connections in China.</p>	

Asia to Oceania	<p>Australia: US export demand continues to be strong as the cotton and seed season starts with large volumes and high demand for ocean transport. We are forecasting especially strong demand of cotton to Vietnam and Indonesia while the demand for seed is mainly to main ports in Greater China.</p> <p>New Zealand: Reefers are in high demand due to peak season exports. Exports to the Americas remain strong with reefers also in high demand.</p> <p>Space continues to be avail from the East Coast of Australia to New Zealand for dry and reefer cargo.</p> <p>Maersk schedule reliability continues to improve at around 49.4% on the Oceania-Asia trade compared with the market average of 21.4%.</p> <p>Australia completed a free trade agreement with India which is expected to lead to sustained export demand for Australia products under reduced tariffs.</p>	<p>'Equipment situation for reefers remains tight in Oceania as demand continues to be strong. Port situation in Brisbane has started to alleviate and cargo backlogs are being dealt with following major weather events and sustained flooding.</p>
Import to Asia Pacific/Africa		<p>Durban in South Africa has extensive flooding due to severe storms. Vessels are currently prohibited from the port. We will keep monitoring the situation.</p> <p>In Shekou, South China, frozen meat and seafood imports are suspended until further notice due to reconstruction works and improvements at the terminal warehouse. We suggest customers book via nearby South China ports.</p>

Air Update



Greater China: Airlines have cancelled a large number of flights from Shanghai due to COVID-19 related restrictions. While cargo terminals and warehouses remain open productivity is being negatively affected by quarantine requirements. We expect more volume to be diverted to other airports in China. From China to Australia, Maersk block space solutions offer support to customers shipping airfreight from Shanghai to Melbourne and Sydney. In Shenzhen and Guangzhou, cargo operations are continuing but we expect lead times for inbound freight to be 2-3 weeks longer due to increased volumes. Cargo backlogs will affect transit times. In Hong Kong, a lack of cross-border trucking is leading to delays of up to 10 days in air cargo shipments, although shippers are embracing barge transfer options. Other airports including Guangzhou, Zhengzhou and Chengdu are experiencing congestion, both for import and export. In order to support customers, Maersk has introduced a new weekly charter service to Europe to supplement commercial capacity.

Vietnam: Air cargo demand is not as strong as we were expecting and there's little sign yet of a peak season, unlike last year. Factory closures in China due to lockdowns have the potential of reducing airfreight demand from component manufacturers in Vietnam, Cambodia and Myanmar.

North East Asia: Airlines are set to continue cutting the total number of cargo flights from Japan after the total number fell below 250 in April for the first time since last September. A ban on Russian overflights due to sanctions has led to longer flight times and capacity constraints of around 20% per flight.

Indonesia: Air cargo demand and capacity is quite stable, especially to European and US destinations, although shippers also face fuel surcharges.

Australia: Airlines have yet to confirm any changes to cross-Tasman cargo options in the coming months between Australia and New Zealand. Freight prices remain at record rates.

Inland Services Update



China: Maersk has reconnected its intercontinental rail services between China and Europe with a deal to use the middle corridor via Poti in Georgia. Services had been suspended due to the ban on ICR services through Russia. We can also provide rail services between China and Vietnam, Laos, Turkey and Georgia. We are winding down operations related to the AE19/66/77/88 rail services due to the withdrawal from doing business in Russia. Barge and rail services are available for customers across China to mitigate the COVID-19 impact on road freight. But first/last mile trucking services are impacted by local quarantine and virus control policies.

Philippines: Terminal utilization is at manageable levels at all ports, although Manila North Terminal is experiencing a wait time of up to 1.5 days due to off-window vessel arrivals*. [correction from previous version]

Indonesia: Inland volumes are expected to drop in the first half of May due to the Idul Fitri Long festival but are set to quickly rebound and remain strong in the coming months. Fuel prices are likely to remain stable in May as a result of government policy to subsidize commercial trucking fuel prices.

Australia: We continue to see disruption to supply chains due to port congestion in Australia and New Zealand. Consequently, we have seen customers utilize our Maersk Connect Product to move containers direct from port to store.

Japan: Demand remains high for import container transportation from Yokohama to Tokyo off-dock container yards, although it remains manageable.

Australia: The warehousing market in Australia has never been so tight, partly fueled by the boom on online shopping, with vacancy rates at an all-time low which in turn is impacting warehousing costs.

Vietnam: Fuel prices across Vietnam, Cambodia & Myanmar continue to rise amidst the ongoing global situation. On the other hand, infrastructure Fee will be implemented in Ho Chi Minh City from April onwards. Sihanoukville is set up to have a Multi-Purpose Special Economic Zone broken into five phases with an approximate 18-month timeframe to complete and Major cross border locations witnessing congestion in Vietnam.

Major Ports Update

Vessel Waiting Time Indicator

	● Less than 1 day	● 1-3 days	● More than 3 days
APA Ports	Busan, Dalian, Xingang, Nansha, Yantian, Hong Kong, Singapore, Port Klang, Tanjung Pelepas	Qingdao, Shanghai, Ningbo, Xiamen, Shekou, Lyttelton, Tauranga, Auckland	Sydney
Rest of World	Buenaventura, Tema	Bremerhaven, Durban, Newark, Savannah, Baltimore, Tema	Antwerp, Rotterdam, Long Beach, Los Angeles, Oakland, Vancouver, Seattle, Prince Rupert, Charleston, Houston, Miami, Norfolk, Cotonou, Abidjan, Cape Town, Dar Es Salaam, Colombo

Maersk Marketing Campaign



2022 APA Technology campaign has been launched on 7th April and the This campaign is focusing on three Technology sectors namely Home Appliance, Home Entertainment and Consumer Electronics.

Fast innovators are more disruptive and often generate more sales. However, in today's ever-changing, consumer-driven world, speed can be the biggest strength for tech companies or the hardest obstacle to overcome. For high-tech businesses, it doesn't matter how innovative a new product is if their supply chain isn't up to speed.

Over the last 24 months, the perception of supply chains has changed due to the Covid-19 pandemic. Whereas once they were thought of merely as cost centers, supply chains are now the talk of boardrooms. A fast supply chain that is resilient and agile has become a competitive advantage, as being able to get your goods to shelves quicker is essential for capturing market share. According to a recent survey, 79% of companies with high-performing supply chains achieve revenue growth superior to the average within their industries.

Download our free eBook today to learn how to Drive Your High Tech Supply Chain to the Fast Lane. [Download](#)

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Please do reach out to us if you have any further questions about your supply chain. We are here to navigate you through the current situation.

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