

Shap Talk:

What's Trending This Week?

Week of January 24 – 28

Regulatory News	Domestic News
<p>#UseTheForcedLaborCommentProcess!</p> <ul style="list-style-type: none">As required by the Uyghur Forced Labor Prevention Act, the US Department of Homeland Security is seeking public comments on how best to ensure that goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part with forced labor in the People's Republic of China are not imported into the United States.Comments are due by March 10, 2022; click here to view official Federal Register Notice.Read the full article on our website to learn more about the list of 18 questions for commenters to consider! <p>#UpcomingCBPFormalityChanges</p> <ul style="list-style-type: none">Beginning January 29th, trade users will no longer be able to submit responses to certain requests/notifications from US Customs and Border Protection (CBP) directly through the ACE Portal.Instead, electronic responses will only be available through the Document Image System (DIS)—or via EDI submission—for CBP Forms 28, 29 and 4647.	<p>#JumpingGasGas</p> <ul style="list-style-type: none">The average price of unleaded fuel (combining all types) increased another 5.5 cents and now sits at \$3.78— the highest average price since September 2014.The average cost of diesel is 40% higher than one year ago; similarly, unleaded is up 35% in the past 12 months.Shippers can expect increases in fuel surcharges for all modes of trucking, especially long-haul moves. <p>#CanuckThis!</p> <ul style="list-style-type: none">A convoy of Canadian truckers has descended in Ottawa, Canada to protest the new vaccine requirements on both sides of the (lengthy) US-Canada border.Ottawa police have indicated that protestors have cooperated with officials and have been largely peaceful; however, the Canadian government is preparing for potential violence.

- The new ACE forms application will be deployed in April 2022, which will allow users to directly respond through the new application.

- The “Freedom Convoy” has raised \$2.5M to date; they are calling for the delay or cancellation of recent vaccine mandates that will reduce border trucking capacity by as much as 15%.
- Many shippers are sympathetic due to immediate rate hikes and capacity constrictions. It is estimated that 25,000 Canadian truckers who specialize in cross-border remain unvaccinated, and the number of US drivers affected is even higher.

#TruckingLabored

- When analyzing all modes of transport, truckers still handle over 70% of American transportation by value. As we have all witnessed, retail and grocery shelves are increasingly bare, and trucking plays a huge role.
- Since the pandemic—and despite unprecedented growth in consumer demand—the US trucking industry has lost 6% of the total trucker population.
- Industry observers have noted a plunge in job satisfaction and more wage competition in other industries; during the pandemic, truckers have faced chronic supply chain congestion, quarantines, and demoralizing Covid complications for pick-ups, deliveries, meals, and rest areas.
- For port truckers, the chronic congestion equals fewer daily turns and a lowering of real wages even after increased pay per turn.
- The American Trucking Association estimates that the current shortage has doubled in the past year and currently eclipses 80,000 drivers.

Global News

#Trading(With)Places

- While December's results have not been announced, the US Commerce Department announced that the US merchandise (total goods) trade deficit established a new monthly of \$97.8B in November.
- November's jump was a full 17.5% higher than October, with the total value of imports climbing 5% in just one month.
- US imports for the month totaled \$252.4B; while the press all but scolds Americans for current consumer demand, consumer products represented just 26.7% of November imports, with industrial supplies and raw materials dominating the total numbers.

#TheFundIsNoFun

- The International Monetary Fund (IMF) has reduced economic growth estimates for the United States, Germany, and the UK. Globally, the IMF has reduced their forecast for economic growth from 4.9% to 4.4%.
- In related news, the IMF also increased their forecast for global inflation from 2.3% to 3.9%, with food and energy costs of particular concern.
- The IMF predicts that Omicron will fade rapidly as an economic obstacle in Q2, but the snarled global supply chain problems will persist into Q3, 2022.
- Also of great concern— especially in highly developed economies— is the chronic shortage of semi-conductors which greatly hinders expansion for automobiles and high-end electronics.
- After falling 3% in 2020, global economic growth was just above 6% in 2021.

International Freight News

#JiangsuToTheRescue

- Several mid-sized airports in China's Jiangsu province, a coastal region just north of Shanghai, have combined to grow 489% since the pandemic.
- Growth in medical products (including PPE) and the greater need for critical raw materials (both import and export) have contributed to the growth.
- Airports in the region include Nantong, Sunan Shuofang, Lianshui, Guangfu, Nanjing Lukou, and Lianyungang. With the famous airports in Shanghai, Ningbo, and Beijing struggling mightily with congestion, quarantines, and labor shortages, Jiangsu airports provide shippers with lift and flexibility during this time of shipping chaos.
- Only Nanjing directly increases capacity to the US, but the other regional airports support raw materials and regional shipping that positively impacts Chinese exports to the US.

#CharlestonChewsThroughBacklog

- After a heavy ice storm last weekend, the vessel backlog at Charleston grew to 20 as of Wednesday (January 26).
- Omicron labor shortages have made it difficult to catch up, but the local port authority has emphasized on-port container congestion as the main hurdle in re-establishing normal operations.
- Unlike most US ports, Charleston had largely avoided vessel backlogs in 2021.

#YantianCan'tFreeOnFive

- Yantian International Container Terminal, which handles 50% of the total container cargo in Shenzhen has reduced export receiving time to 4 days before vessels berth.

	<ul style="list-style-type: none">• Authorities describe the port as completely full, as vessel on-time performance slipped below 20% and average delays eclipsed 7 days. When vessels are late, containers are stuck on port for longer and longer periods.• Nearly 25% of export container trade between China and the US flows through Yantian, and the restricted gate-in rules, coupled with chronic delays associated with Covid testing, will certainly create challenges for shippers looking to ship before Chinese New Year (CNY).• Shenzhen and Yantian Terminal are certainly not alone; berthing delays, yard congestion, and labor shortages are also being reported in Shanghai, Ningbo, Tianjin, and Dalian.
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