



Hamburg Süd

Market Update

October 2022

Topic of the month

The COVID-19 pandemic makes more evident to businesses and companies the importance of having control over their supply chain and how increasing their digital footprint is an unavoidable step. But what does it mean to digitally transform your logistics? During this topic of the month, we will share additional light on a recurrent talking point in many articles and news. Digital transformation.

Supply chain digitalization:

It is also called; supply chain transformation and it is nothing more than changing an analog supply chain process to a digital one by settling master data that adds information from across the overall supply chain. The idea is to use software that focuses on automation and business intelligence. It also helps have interconnected networks by improving links between various nodes in the supply chain, using advanced analytics, and setting up the best combination of suppliers, distribution centers, and transport services at the best cost.



Some advantages of a digital supply chain:

- Reduce manual tasks, allowing automation and reducing human error, freeing up time for other tasks needed.
- Speeds up the process, as automated invoicing for example.
- Single source of information, by keeping the data organized and in one place, reduces time and different systems.
- Analyze massive amounts of data and reduce the time to take decisions.
- Incorporate real-time information and the best combination of suppliers.
- Improve quality and compliance by diversifying suppliers, the digitalized process gives visibility and compares counterparts

Nowadays, technology is a helpful tool to facilitate, not to complicate. Logistic stakeholders are using digitalization as an opportunity to potentialize their processes and to improve trust, transparency, and teamwork as the path to becoming more agile to the recent changes in the market.

The importance of having more visibility in your supply chain

In the past two years, with the pandemic and so many disruptions in ports and the supply chain in general, visibility has been something crucial Logistic professionals need to have visibility to run their business and be able to shift their gears at an opportune time.

Having more visibility means understanding the changing supply chain. Where products and parts are coming from and the main factors affecting and influencing the price or the available stock or certain products, for example.



Visibility needs to be enabled not only for the logistic processes controlled internally but also for the whole supply chain, which means connecting the data from the suppliers until the final delivery. McKinsey & Co. says that 93% of procurement departments are analyzing their supply chains and looking for new ways to increase the resilience of the whole network.

The supply chain must now be visible for the supply network to maintain clear control and react to changes and disruptions. An important tool that reflects crystal-clear visibility of the supply chain is given by technology and its goodness in analyzing data.

How can you improve your digital tools with Hamburg Sud solutions:

In these times, companies are looking to impulse their partnerships with logistic providers to support them in digitalizing and innovate in their processes to achieve end-to-end visibility in real-time

Some important aspects to look at are taking control and leveraging their environment, reducing manual work, and monitoring and improving performance.

In the next link, you can find “How to take control of your supply chain.”

<https://www.hamburgsud.com/en/services-and-products/logistics-and-services/flow/>



Major Trade Lane Market Overview




TRADE LANE	COMMENTS	DEMAND TREND
Asia to ECSA	After seeing in September that demand showed decreasing trends, noting the Q3 imports peak came to an end, there are signs of rate stabilization after Golden Week to maintain current levels. Brazil presidential elections results and Argentinian economic outlook impact on purchase power.	Stable
Europe to ECSA	Short-term demand from Europe has been stable with positive trends noticeably from the Mediterranean. North Europe remains under pressure noting the energy crisis and uncertain economic outlook; hence outlook for October onwards for both short and long-term demand is conservative added to the local events in Brazil and Argentina with presidential elections and economic struggles, respectively.	Stable
WCA to ECSA	Short-term demand has remained strong throughout August and September noting exports peak from India.	Stable
East Coast to Asia	Protein demand in Asia remains strong. Cotton exports to China increased quickly. Vietnam's cotton trade is stable according to seasonality. Wood consumption remains low mainly due to the construction industry slowdown in China.	Stable
East Coast to Europe	Citrus season from Argentina is over and the situation in Europe remains uncertain with high inflation and consumption concerns. Melon season is expected to peak in Q4 driving volume to the market from Northeast Brazil. Cotton season peaking up with Bangladesh and Pakistan among the main buyers of Brazilian cotton.	Stable

Main port status

Key ports across our global network remain stressed mainly due to a shortage of labor and weather impact.

- In Northern Europe, the Situation in Bremerhaven remains with an experienced waiting time of 3 days due to busy line-ups and yard congestions.
- In Asia, the situation has improved in Ningbo with experienced waiting time from 4 to 2 days, same as Yantian.
- In Latin America the situation related to weather disruption remains deteriorating the line up mainly in Chile and Gulf Of Mexico terminals. The same being experienced in South America, due to weather disruption, experienced waiting time can be of 1 day in Itapoa and Paranagua.
- In North America, West Coast the situation has not much changed with the very high experienced waiting time. Oakland is still under criticality with an experienced waiting time of up to 25 days. On East Coast, Savannah has deteriorated and the waiting time experienced can be up to 15 days. For the Canadian ports, Vancouver remains critical with waiting time experienced up to 35 days.

Vessel Arrival Waiting Time Indicator

	 Less than 1 day	 1 – 3 days	 3 – 7 days
Latin America	SSA/ Manzanillo, Lazaro Cardenas, Veracruz, Altamira, Moin, hubs (Balboa, MIT, PSA, Cristobal and Cartagena), Buenaventura, Callao, Guayaquil, Valparaiso, San Antonio (Chile), Santos, Paranagua, Itapoa, Itajai, Buenos Aires, Montevideo.		
Rest of the world	Vietnam, Singapore, and Malaysia, Norfolk, Charleston, North Charleston, Jacksonville, Port Everglades, Tampa	Philadelphia, Seattle, Miami, Freeport, Newark APMT, Baltimore, New Orleans, Mobile, Los Angeles, Antwerp, London, Hamburg, Qingdao, Hong Kong, Busan, Ningbo, Yantian, Shanghai, Tauranga, Prince Rupert (*)	Rotterdam, Bremerhaven, Vancouver, Long Beach, Savannah, Oakland, Newark PNCT, Houston (*)

(*) - cargo connections can be impacted considering the delays reported