

# Hamburg Süd

## Market Update

November 2022



HAMBURG  SÜD

A Maersk Company

## Topic of the month

As part of our commitment to provide you with the most up-to-date and relevant information on the logistics industry, we share our Market Update on the Latin American market. You will find information and interesting data on the update of the state of the ports, the most important transport routes, and relevant news. We hope you'll find the following information helpful, as well as inspiring to boost your business and keep your cargo moving.

### Peak Season:

In the logistics world it is important to know what Peak Season means, so as an importer, you can get prepared and find those key partners that can help you with an agile supply chain.

This important season for logistics is when demand for imports and exports outstrips capacity in the supply chain and this adds an extra layer of complexity to the already stressed environment of logistics. When the demand is high and the capacity is limited, cargo is held up, rolled, or delayed.



Peak season happens every year and is something that importers and exporters have to consider, normally the prime shipping time starts in August, and everything gets back on track near the end of October. This is because all the back-to-school, black Friday, cyber-Monday, and holiday shopping boost the demands during those months. Of course, the season might be longer, depending on the market and its conditions, in 2022 the World Cup is at the end of the year, which means the retailers are getting ready for that season, which sums up the peak season of this year.

There is another important shorter peak season that starts in January and February when most manufacturers from China shut down their factories for a week or more to celebrate the Chinese New Year.

Having these months on schedule can help to coordinate with your logistics provider to prevent delays and respond to unanticipated hurdles, therefore you can make the logistics chain more agile.

### Peak Season and Pandemic

These days with a logistics world stressed by the pandemic around the globe, peak seasons have shifted depending on the articles shipped or stored, and the different and possible bottlenecks from COVID19 variants, as we have seen lockdowns in Shanghai twisting the global supply chain, also climatic seasons are another factor that tend to affect logistics.

2022 peak season expectations are now looking towards the growing e-commerce. A study posted by Forbes explained that e-commerce will represent around 20% of global retail sales by the end of this year. These changes in the supply chain give more challenges to the logistics and preparation for importers and exporters.

In the xChange Industry Pulse Survey, more than 200 industry professionals exposed that a lot of companies have international shipments set up early in the year, but there is still a lot that will continue to rely on the spot freight market to move their cargo.



Last year during peak season, the supply chain suffered many disruptions, congestion, and high costs attached to the high demand. This 2022 a lot of importers have planned ahead by doing long-term contracts, multi-tender strategies, early inventory, alternative routes of shipment, and contracting long-term slot agreements with carriers.

### Golden Week adds additional pressure on freight space:

Golden Week is a national holiday in China, where all the factories close due to a week-long of festivity. The seven-day festival includes parades, ceremonies, and other displays and is held annually on October 1, celebrating the founding of the People's Republic of China. Many importers are rushing to finish production, and send their cargo before the festivity starts, this hurry contains the freight space which is already tightened up because of the peak season. Carriers and Trucking providers will be more overbooked and with this high demand, the logistics tend to be more challenging for all the stakeholders

Here are some tips to be prepared for Golden Week and Peak Season in this 2022:

- Plan and forecast your stock
- Find a provider that gives you visibility
- Book your shipments ahead of time
- Consider longer transit time
- Use an integrated solution that is resilient to supply chain changes

Nowadays with so many challenges in the logistics world, you must find the right partner that can help you with your supply chain needs, able to manage last-minute changes, provide visibility across all the supply chain, help you during these peaks, and respond to any disruption.

## Major Trade Lane Market Overview

TRADE LANE	COMMENTS	DEMAND TREND
<b>Asia to ECSA</b>	Strong recovery post Golden Week, little to no impact by the Ningbo lockdowns.	Stable
<b>Europe to ECSA</b>	Market remains stable and strong, Mexico still on veyr high demand.	Stable
<b>WCA to ECSA</b>	We are still awaiting on the impact the new tax regulations will cause on this market.	Stable
<b>East Coast to Asia</b>	Market remains stable, no further update.	Stable
<b>East Coast to Europe</b>	Market remains stable, no further update.	Stable
<b>WCA to ECSA</b>	We are still awaiting on the impact the new tax regulations will cause on this market.	Stable
<b>East Coast to Asia</b>	Due to the presidential election results in Brazil, on week 44, the truckers' community started a strike. The situation is already under control. Strong protein demand remains to Asia and Africa. Cotton demand to China tends to increase for the next coming weeks.	Stable
<b>East Coast to Europe</b>	Due to presidential election results in Brazil, on week 44, the truckers community started a strike High inflation and low consumption in Europe remain uncertain. Demand tends to drop for the coming months.	Stable

# Main port status

Key ports across our global network have made significant improvements in waiting time, as a consequence of less congestion and a drop in volumes,

- In Northern Europe, the situation in Bremerhaven remains stable and Rotterdam experienced only from 1 to 2 days of waiting time.
- In Asia, the situation has improved and only vessels out of the window are experiencing high waiting times.
- In Latin America the situation related to weather disruption remains deteriorating the line up mainly in the Gulf Of Mexico. The North Winds, common in that area from October up to March, are often causing port closure and line-up disruption. Waiting time in Veracruz and Altamira can reach up to 2 days.
- In North America, and the West Coast the situation has a signal of improvement, waiting time in Oakland has reduced from 25 to 18 days. On East Coast, Savannah remains critical, and waiting time can reach 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, Altamira, Moin, hubs (Balboa, MIT, PSA, Cristobal and Cartagena ), Buenaventura, Callao, Guayaquil, Valparaiso, San Antonio (Chile), Santos, Paranagua, Itajai, Itapoa, Paranagua, Buenos Aires, Montevideo.	Veracruz, Altamira	
Rest of the world	Tauranga, Singapore, Malaysia, Norfolk, Charleston, North Charleston, Jacksonville, Port Everglades, Tampa, Long Beach, Los Angeles	Philadelphia, Seattle, Miami, Freeport, Newark, Baltimore, New Orleans, Mobile, Antwerp, Bremerhaven, Rotterdam, London, Hamburg, Qingdao, Hong Kong, Busan, Ningbo, Yantian, Shanghai, Tauranga, Prince Rupert (*)	Vancouver, Savannah, Oakland, Houston (*)

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

## Monthly Highlights



### What is the Customer Satisfaction survey?

It is a quarterly survey sent to our customers randomly to know their opinion and comments about the service received from Hamburg Süd. It allows us to know points of improvement to offer the best possible service. And for every completed survey, Hamburg Süd will donate USD \$5 to a charity located in the participating countries! Our last survey of the year has started and is open until December 2nd. If you are one of the randomly selected customers, we invite you to participate by giving us feedback!

Is this newsletter useful? We would like to hear from you to improve the information we provide.

[FILL IN SURVEY](#)

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

[CONTACT US](#)