

Hamburg Süd

Market Update

January 2023



HAMBURG  SÜD

A Maersk Company

Topic of the month

The China New Year (CNY) is around the corner, and on this topic of the month, we bring you essential information on logistics and the Lunar New Year, which is a big celebration in China. We will share with you how this festivity will have an effect on the production and shipping from China to the rest of the world and what you can do to mitigate the business impacts.

What is the Chinese New Year?

A big festivity and one of the most important and festive holidays in China is the Lunar New Year or the Chinese New Year. Here is some important information to understand the logistic challenges the season can have on your business due to the big festivity. In late January, many factories are closing, and some port operations will be limited because people across China will be getting ready to reunite with their families and friends to celebrate the season.



Much inside traveling is done to get reunited as a once-a-year activity. This festivity, also called the “Spring Festival,” varies yearly according to the lunar calendar. For this year, The Chinese New Year will start on Sunday, the 22nd of January 2023, and will end around the 5th of February 2023, with a Lantern Festival. Signifying the beginning of the spring season and the new year of the Rabbit on the Chinese Zodiac Calendar.

China New Year and logistics impacts

China has become a manufacturing leader, being top in packing products and also an essential player in the global export industry. Important to mention that many factories close or lower their production because of festivities, and this might affect the supply chains across the regions. Some challenges seen in other years that might be important that you are aware of are:

- Factory Closures, the holiday only lasts a week, but factories get prepared and close half a month or a month before so that the workers can get to their hometowns.
- Lower production or shutdowns, there will be a lower production, and some other factories even shut down their work and will restart operations after the 5th of February. Their administrative work will also have less capacity, so providing quotations or new orders will not be at an average speed.
- Possible increase of Covid19 infections; since many workers are traveling and strict measures are being released, it is expected that the infections will increase over the holidays and when the workers come back to the factory’s campus.

How to prepare:

- Plan your shipments ahead of time

So, you can ensure that your business continues to run smoothly throughout the festive season.

- Organize your inventory

Ensure that you have all the supplies of your products in stock and don't get caught by the Chinese festivities.

- Alternatives

Have alternatives of transportation, providers, and storage mostly for urgent deliveries to meet the deadlines

- Visibility

Making sure you have complete visibility of your supply chain at every moment will help you make decisions at the right time.

- Have a reliable logistics partner

Having a logistics partner that you can rely on is important, so you delegate on them and clear complications during the Chinese New Year to get your products in time.



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 at ports remains stable however due to weather disruptions on the crossing we should attempt line-up delays, mainly in Southampton, Antwerp, and Bremerhaven
- In Asia, the situation is variable due to strong winds impacting vessel productivity and as consequence bringing delays to the port line-up, the main terminals impacted are Ningbo and Qingdao, and improvements for Busan and Shanghai have been imminent. Tauranga is severely congested, waiting time can reach up to 7 days for vessels out of the window and 3 days for vessels arriving on proforma.
- In Latin America the situation-related to weather disruption has improved in the last weeks in the Gulf of Mexico and as per the forecast should remain as is for the rest of January, in Buenos Aires the strong winds are impacting the Line up with 1-2 days of waiting time.
- In North America, overall, the situation has had a significant improvement, waiting times in both, the East and West coasts have reduced, Oakland, Seattle, Norfolk, Savannah, Baltimore (where the labor situation is improving), and Houston waiting time can reach 2 days for US Flag vessels and 8 days the rest of the vessel, still impacted due to labor shortage. For the Canadian ports, Vancouver is impacted due to the heavy winter having a waiting time of 6 days.

Vessel Arrival Waiting Time Indicator

	 Less than 1 day	 1 – 3 days	 3 – 7 days
Latin America	SSA/ Manzanillo MX, Lazaro Cardenas, Veracruz, Altamira, Moin, Balboa, Manzanillo, PA, PSA, Cristobal, Cartagena, Buenaventura, Santa Marta, Turbo, Callao, Guayaquil, Valparaiso, San Antonio (Chile), San Vicente, Santos, Paranagua, Itajai, Itapoa, Paranagua, Montevideo.	Buenos Aires	
Rest of the world	Singapore, Malaysia, Xiamen, Norfolk (USA Flag), Charleston, Wilmington, North Charleston, Jacksonville, Port Everglades, Tampa, Long Beach, Los Angeles, Philadelphia, Newark, Miami, Freeport, Mobile, Seattle, Shanghai, Busan	Montreal, Halifax, Baltimore, New Orleans, Oakland, Savannah, Antwerp, Bremerhaven, Rotterdam, London, Hamburg, Qingdao, Ningbo	Norfolk & Savannah (No USA Flag vessels), Vancouver, Prince Rupert, Tauranga, Housto(*)

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

Major Trade Lane Market Overview

TRADE LANE	COMMENTS	DEMAND TREND
East Coast to Asia	Reefer China market keeps soft but expectation demand improvement after the Chinese new year as well with the Chinese government easing on Covid restrictions. The cotton export pace is decreasing as demand is not showing up (especially to China). Recession is also a question mark all around the world.	Stable
East Coast to Europe	Despite the high inflation and consumption in Europe is still not normal behavior, on dry cargo, it's possible to see a higher demand for wood, cotton, and coffee. On reefer, the European meat market remains soft with low price per Kilogram.	Stable

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.

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