

CALENDAR of EVENTS

FTA Events: Details Here















TRADE and GOVERNMENT

FOCUS: Japan Boosting Seafood Exports to S.E. Asia, U.S. As China Keeps Ban



With China showing no signs of lifting its import ban on Japanese fisheries products, Japan has been diversifying export channels to other markets, most notably Southeast Asia and the United States, in response to what critics say is an economic coercion measure by the world's second-largest economy.

Beijing's unilateral measure -- which Japan dismisses for not being based on science -- is yet another reminder that in light of economic security, Tokyo should further reduce its dependence on the Chinese market for not only seafood but other sectors so as to minimize risks associated with trade, analysts say.

Fears Are Rising Ocean Freight Rates May Surpass \$20,000 With No Relief for Global Trade Into 2025



Just as the Federal Reserve and U.S. economy get good news on inflation, with consumer prices and wholesale prices softening, a major global trade inflation indicator is headed in the wrong direction. Rising freight rates are a new source of concern in the global supply chain with forecasts warning that ocean cargo prices could reach \$20,000 — potentially even touch the Covid era peak of \$30,000 — and stay there into 2025.

Spot ocean freight rates from the Far East to the U.S. popped between 36%-41% month over month, and ocean carriers increased additional charges known as general rate increases by roughly 140%, according to the CNBC Supply Chain Heat Map. These costs have taken the price of a 40-foot cargo container to about \$12,000.

US Textile Sector Asks Apparel Negotiator to Tackle Unfair Trade Policy



USTR apparel negotiator White made her inaugural trip to a major hub of American textile production facilities and visited six plants in total in North Carolina, including American & Efird, Parkdale Mills/US Cotton, TSG Finishing, Shuford Yarns, Schneider Mills, and Unifi.

White was shown recent textile and apparel industry innovations, the facilities' advanced manufacturing capabilities and the role the domestic sector plays in supplying the US military and personal protective equipment (PPE).

Exports Between US and China Could See Sharp Declines From AI-Powered Cyberattacks: Study



Cyberattacks powered by artificial intelligence could deal a consequential blow to global trade, driving downswings in exports between China and the United States, a recent study has found.

China's exports could plunge 8.2 per cent, economics and cybersecurity researchers projected, while the US could see a reduction of 5.6 per cent in a simulation scenario with a large number of cybersecurity breaches.

"The disparity stems from China's heavy reliance on the American market, which absorbs about 20 per cent of its total exports," the researchers said.



MARITIME

A New Chinese Megaport in South America Is Rattling the U.S.



CHANCAY, Peru—In this serene town on South America's Pacific coast, China is building a megaport that could challenge U.S. influence in a resource-rich region that Washington has long considered its backyard.

The Chancay deep-water port, rising here among pelicans and fishermen in small wooden boats, is important enough to Beijing that Chinese leader Xi Jinping is expected to inaugurate it at the end of the year in his first trip to the continent since the pandemic.

As Asian Shipbuilders Eye U.S., America's Maritime Defeatism Is Nuts



In China, South Korea and Japan, massive shipbuilding complexes are pumping out modern ships at a breakneck pace. Back on the American side of the Pacific, shipbuilding activity is on the decline, waterfront defeatism is rampant, and any proposal to compete with Asia's big shipbuilders laughed out of the room as unrealistic. The joke, however, is on the critics. The economic analysis—routinely used to back America's shipbuilding industry into a corner—is thin, dated, and largely based on a grab-bag of buzzy economic theories from the eighties. It's why Asian shipbuilders are, right now, racing to obtain a foothold in the United States.

FMC Seeks Public Comments on New Maersk & Hapag-Lloyd Cooperative Agreement



The Federal Maritime Commission has opened a 12-day comment period allowing interested members of the public to respond to Maersk and Hapag Lloyd's newly filed vessel sharing agreement, the Gemini Cooperation Agreement.

Instructions for submitting comments are included in a Notice of Agreements Filed published in the Federal Register yesterday. The deadline for submitting comments is Tuesday, June 18, 2024.

Port of Long Beach Awarded Funds for Critical Projects



The Port of Long Beach received federal funding for civil works plans laid out by the Army Corps of Engineers, aimed at financing several maintenance and repair projects along the waterfront.

The funds arise from the Harbor Maintenance Tax – collected by the federal government from ports based on the value of imports, some domestic cargo and on cruise passengers. Established by Congress in 1986 to fund dredging projects at U.S. seaports, funds from the Harbor Maintenance Tax were typically collected from but not directed to ports like the Port of Long Beach.



ENVIRONMENTAL

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Panama Canal Continues to Restore Capacity After Drought



The Panama Canal Authority has announced measures to enhance the canal's capacity and mitigate restrictions that have affected transits for the past year. These measures include the addition of a slot to each set of locks in July, with the Neopanamax Locks receiving an additional daily slot for a total of nine daily transits starting July 11, and the Panamax Locks adding a slot for a total of 25 daily transits from July 22. Consequently, the total daily transits will rise to 34 by late July, aiming for 36 to 39 daily transits by 2025. During the height of the water crisis, transits had been reduced to 22 per day.

US Renewable Diesel Production Growth Drastically Impacts Global Feedstock Trade



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MASH Carbon Negative Shipping Fuel Made From Agricultural Leftovers



Recent tests have demonstrated MASH Makes waste-based biofuel's viability as a 'drop-in' replacement for fossil fuels in the sector. In collaboration with leading global shipping company NORDEN, it will now be trialed in live vessels.

These trials represent a key milestone in the transition to net zero, with biofuel now poised to play a key role in decarbonizing shipping and heavy industry. Shipping facilitates over 80% of global trade and uses more than 330 million tons of fossil fuel every year, accounting for over 3% of CO2 emissions annually – more than all of Germany. Achieving climate goals is impossible without decarbonizing this global economic lynchpin, and it has proven difficult to achieve this using the go-to technologies of the green transition.



SUPPLY CHAINS and LOGISTICS

DHL: Four Ways Companies Can Bolster Supply Chain Resilience in Latest Trend Report "Supply Chain Diversification"



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BMW's Michael Nikolaides on a Localised, Digital Supply Chain



Through combining the company's production, supply chain and logistics divisions, Dr Michael Nikolaides is enhancing BMW's resilience and visibility. Having taken over the role in early 2022, Nikolaides is viewing logistics as a competitive advantage and has enabled the function to become more influential across the wider BMW Group.

At the Automotive Logistics and Supply Chain Europe conference in Bonn, Germany, Nikolaides sat down with Automotive Logistics to talk about the benefits of cross-functional decisions in logistics and how localisation can strengthen the group's resilience to help face future supply chain crises.

Airbus, Safran Strive To Toughen Supply Chain



PARIS—Airbus is considering a way to secure steel provision for its suppliers, and Safran has decided it had to replace its U.S. suppliers for turbine blades by building a new factory, company officials said June 13 at the Paris Air Forum.

Crises affecting the supply chain are happening one after the other. The moves by the airframer and the engine manufacturer illustrate their all-out effort to make their supply chain more resilient and reliable.

For aluminum and titanium, Airbus secures a quantity and price from metal providers, Airbus Commercial Aircraft COO Florent Massou said. Airbus' suppliers then purchase from that defined amount according to their needs. The scheme is called conbid.

What Does Air Cargo's Early Peak Season Mean for Peak Season?



Demand and rates for airfreight transportation continue to soar through the normally soft summer season, powered by the unrelenting strength of e-commerce fulfillment from China and shippers pulling forward orders for the winter holidays to protect against rising costs, capacity shortages and worsening ocean shipping delays.