



INTERLINE CORPORATION

Celebrating 40 years of service

*Thank you to all of our friends, partners, and customers.
We look forward to continue growing our relationship for
years to come.*

Newsletter

News and other useful information in the freight forwarding industry.



COVID Outbreak in China - Lockdown

WRITTEN BY INTERLINE CORPORATION

June of last year, China experienced a COVID outbreak and had a complete lockdown in Yantian. Both factories and ports were shut down which created the congestion and high freight rates that we are still seeing today.

Fast forward 9 months and we are at risk of a similar situation as COVID cases are rising in Shanghai.

Factories in Shenzhen closed down as a lockdown was enforced. The port of Shenzhen, the third largest port by volume, remained operational for now.

If COVID cases are not contained, we may be at risk of the port closing as well as other areas going into lockdown.

What can this lead to?

The biggest factor is whether the ports continue to operate or not.

If the ports suspend operations, we may see a spike in congestion that will be worse than last year. The number of containers waiting to berth are much higher now compared to June, 2021.

If the ports continue to operate while factories are closed, it can help with the current backlogged containers in China. But since the factories may stay closed, the backlog on production can create a surge of imports leading to congestion as well.

Seems like lockdowns will just lead to congestions, so we hope that the COVID situation in China is contained soon.

Our Top Picks from 2021

Felicity Ace Fire

Felicity Ace, a RORO vessel, caught fire on waters in mid-February.

Reports showed that the vessel was carrying high value vehicles and damages are estimated to be around \$400 million. Several lithium ion battery powered electric vehicles were on board.

Cargo insurance is important!!!

Containership Schedule Unreliability

At this point, we all expect ocean shipments to be delayed. In January, containerships were delayed an average of 7.38 days.

Container reliability was at 30.9%.
(Typically at around 70%)

Increasing Fuel Costs

Fuel costs have been increasing at an alarming rate.

This will influence the price of all types of transportation.

BAF (bunker adjustment fee) from carriers for Q2 have gone up 49% for Asia ⇌ USWC and 48% for Asia ⇌ USEC year over year.