



Global Shipping Conditions - 1st July 2024

STATE OF THE MARKET:

Export services from the UK are generally running well, the diversion around the Cape of Good Hope for Eastbound trades due to conflict in the region is now well established and schedules are usually followed. Consumers should understand the now longer transit times are the norm, and there is still no estimate as to when passage through the Suez Canal will be safe.

However, the increasing freight costs for export shipments from Asia may well begin to impact other routes, capacity reallocation may well see space become tight on export trades from Europe, especially to North and South America.

Lastly this is a very fluid situation, shipping lines are often reacting to unexpected developments so the situation can always change rapidly.

Issues with the Panama Canal due to drought have improved and the associated delays for shipments to the US West Coast have shortened.

While all of these present unique challenges, the most noticeable issue to someone moving, will be the possibility of the increased notice required to secure space on a vessel, and the inevitability of increased transits times or delays. Additionally, the likelihood of a container being rolled, left off its intended vessel and moved to a later vessel is increasing as shipping lines manage their volumes, if this happens it is totally outside of the movers control.

It is recommended that customers are transparent and plan moving dates in advance with their chosen mover. This is to allow sufficient time to book appropriate vessels to move customers belongings which will help ensure their moving schedule is met.

Imbalance of trade on some trade routes is still a problem because of the lack of import shipments arriving at European and UK ports. This imbalance is an additional challenge for the shipping-lines, causing a shortage of empty sea-containers readily available for re-loading and export. In some cases, this will impact customers' preferred moving date.

Additionally, because of this imbalance, the quality of container equipment supplied has in some instance fallen to unacceptable levels. If a mover receives an empty container which is unfit for purpose, it will need to be rejected and a new container supplied. This can in some cases delay load dates, but is outside the mover's control.

As reported last time, freight-rates on some trades have fallen so far that the shipping lines countermeasures of reduced vessels and slow steaming are even encouraging freight rates on those lanes to rise. Despite this, BAR movers continue to benefit from negotiated annual freight contracts which smooths the impact and contributes some degree of stability. We expect this uncertainty will gradually settle and stability will return slowly over the coming months.

Ultimately, severe service challenges, short-notice changes to container bookings, and variable freight rates, despite downward trends, will be reflected in your BAR mover's inter-continental door-to-door quotation and terms.



The BAR Overseas Group is a dedicated group of over 50 international relocation specialists from within the wider BAR Membership.

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RECENT DEVELOPMENTS

Shipping Line ONE LINE has just confirmed that they will not ship personal effect of assignees holding Russian passports. We are still reaching out to other shipping lines for their positions, but Russian passport holders need to be cautious when planning to move and ensure that the shipping line used can clear their goods at destination. As the accrued storage charges, should there be a dispute, could be significant.

We have heard of some shippers experiencing issues with loading fridge's and freezers with shipping lines. While both Hapag Lloyd and ONE Line have confirmed they can carry them, they caveated this acceptance, with the shipper being responsible for declaring them as hazardous if and when necessary. Consequently, any misdeclaration could be met with fines, and or the need to remove the goods from the container.

MARKET AVAILABILITY

Generally, acceptance of container bookings for export shipments from the UK has vastly improved in recent months. However, the current issues are causing challenges on several routes with available space currently outstripped by demand.

Eastbound trades from Europe (shipments to Asia, Oceania, India, and Middle East). These are the routes most affect by the Suez Canal diversions and will almost certainly be levied an operational surcharge. Acceptance is generally good, but we are seeing increased notice required for all of these routes. These trades are also the most likely to be impacted by cancelled sailings, and slow steaming. Customers should be aware that sea-container shipments may take longer than expected to arrive through no fault of the BAR Mover.

Westbound trades from Europe (USA, Canada, Caribbean, and Latin America): Acceptance of bookings is currently good and ships 'waiting time' for unloading at most USA ports continues to improve. High demand for container space aboard vessels on these trade routes during the peak season summer months may cause a shortage of empty containers. Destination ports in the Pacific Northwest, such as Seattle, Portland, and Vancouver, are still not being served on a direct 'all water basis', with alternative routes offered via ports on the US East Coast. However, expect delays because of intermittent congestion on the US rail networks which carry the containers from East to West Coast.

Southbound trades from Europe (South, East, and West Africa): No change. Where a shipping Line does offer a service on a given route to this area, it is usually quite reliable. However, many hinterland destinations (usually served via main ports with overland on-carriage to inland freight terminals) have been removed from the Shipping Line schedules because of lengthy main port congestion and or poor on-carrying transport infrastructure. This has caused a reduction of the main destination ports of call coverage across much of this region, especially the Indian Ocean Islands.

UK HAULAGE

The recent container road-haulage challenges due to a lack of drivers experienced across the UK has much improved in response to easing demand, with the majority of shipping lines withdrawing their Driver Retention surcharge (DRS). During the prior driver shortage, most moves were transhipped from van to sea-container, via loading at the movers warehouse, which safeguarded against substantial additional costs associated with a container no show at the customers residence. Whilst the preference is to direct load containers at customer residence whenever

possible, it must be noted that most container-hauliers prefer the certainty of collecting from the movers warehouse. This is particularly the case in and around busy cities with difficult parking, poor access to residence and increasing prevalence of Low Emission Zone surcharges. So, customers are cautioned that direct residence loading is prone to container no-shows or last minute rejections, whereas loading via the mover's warehouse offers much greater certainty.

CURRENCY EXCHANGE DIFFERENCES

Shipping Lines' container-freight rates and ancillary charges are usually quoted by them in foreign currency, mainly US Dollars and Euros for sea-freight, and local destination currency for destination port and on-carriage charges. These 'freight charges' are, however, payable in British Pounds (GBP) and converted typically at time of the ships' sailing date, applying the currency exchange rate at that point in time. BAR Movers generally will include these container-freight costs in their GBP quotation offered to the customer using the indicative exchange rate(s) valid at the time of their quotation. Customers should therefore expect an adjustment of the Mover's final invoice versus quotation, reflecting the actual exchange rate applied by the Shipping Line at time of despatch. A BAR Mover has no control over the actual exchange rate used and applied by the Shipping Line.

FUEL COST CHANGES

Sea container freight contracts are subject to periodical ships fuel (bunkering) cost reviews. This is a mechanism applied by Shipping Lines which compares the average price of bunkering quarter-on-quarter and then adjusts the rate either up or down based on the change. With the well-publicised energy supply issues, bunkering increases adding to the overall sea-container freight cost are highly probable. We have seen increases as much as US Dollars 350 per container in recent examples.

PORT STRIKES

No strikes at UK Ports are currently scheduled that we are aware of, however customers should be aware of the impact of potential future strike actions which invariably cause unexpected delays to both outbound (export) and inbound (import) shipments, particularly the inbound UK customs clearance time and subsequent container deliveries.

Lithium-Ion BATTERIES

The acceptance of 'Li-ION' batteries in household and personal effects shipments is a complicated subject. There is a widely reported increased fire risk associated with these batteries. Shipping Lines themselves are so far inconsistent in standardising their rules for their inclusion or exclusion from a consignment. Typically, we experience that Shipping Lines will decide on a shipment by shipment basis whether Li-ION batteries can be included. This extends to all and any items which may require such power units, examples include but not limited to cordless power tools, laptops, e-scooters, e-bikes and similar.

BAR Overseas Group recommends that Li-ION batteries are NOT shipped. If, however, you include them in your shipment, your moving company is likely required to declare the shipment as 'Hazardous Cargo'. This is not as simple as it sounds. Firstly, your mover must obtain the shipping line's permission to include *Li Ion Batteries* as hazardous cargo (not all carriers accept). Next, you will incur a substantial freight surcharge, driving up your cost of shipping. The rules for including hazardous material in a shipment are fastidious; it will also impact the time it takes to secure a confirmed container space booking on a ship.

Failure to declare Li-ION batteries (or other hazardous goods) in a shipment, whether by intent or in error, is treated by the Shipping Line as a **misdeclaration**. This is a serious offence under maritime

law and would lead to a substantial fine (payable by the customer) (currently circa 30,000 US Dollars); in addition, the Shipping Line could confiscate and dispose of the consignment.

IN CLOSING

We assure all customers that your BAR Overseas mover is highly experienced and will always use their best endeavours for an efficient and trouble-free overseas move. This update is intended to provide you with unbiased information on the state of shipping, and its many challenges. If you have any questions, please contact your BAR mover.