



Mid-January 2023 North America Freight Market Outlook



Top News

Chinese New Year's Approaches

Chinese New Year takes place Sunday January 22, 2023, and the festival lasts until February 5, 2023. During this time many corporations will be understaffed causing potential supply chain bottlenecks. The decrease in demand of both ocean and air freight may help prevent any bottlenecks from taking place allowing supply chains to operate smoothly.

As the new year approaches for China, it drops its zero tolerance Covid-19 policy. By dropping the policy, Chinas economy can experience a possible boost as consumer spending will increase which should indirectly benefit the shipping industry.

DTS Advance Logistics overseas agent will be closed from January 20 to January 27.

Chinese Banks will also be closed from January 28 to January 29.

Canadian Single Use Plastic Ban Enforcement Action Procedure

The Single Use Plastic Ban came into effect on December 20, 2022, which has prohibited items containing problematic plastics in the form of checkout bags, foodservice ware, cutlery, stir sticks, straws, and ring carriers for importation into Canada.

This regulation will be enforced by Environment and Climate Change Canada (ECCC) in accordance to the [Compliance and Enforcement Policy for CEPA, 1999](#). Under this act, it outlines the following factors that affect how enforcement action will be taken against violators:

Nature of the alleged violation: This includes, consideration of the damage, the intent of the alleged violator, if it is a repeat offence, and if there has been an attempt to conceal information or prevent disclosure of the information.

Effectiveness in achieving the desired result with the alleged violator: The ECCC will take into account if alleged violator is cooperative in finding a solution and length of time it takes the violator to cooperate. Factors that are considered will be the violators history of compliance with CEPA, the willingness to cooperate with enforcement officers, and proof of corrective action already taken.

Consistency: Enforcement officers will use previous experiences to help determine the enforcement action taken against the violator.

These three factors will determine the penalty violators receive. Violators can receive warnings, tickets, environmental protection compliance orders, directions or prosecution recommendation to the Public Prosecution Service Canada.

For a in depth review of what plastic types are prohibited, the Government of Canada has published a [Technical Guide](#).

Canadian Customs Update

Updated Customs Regulations for Composite Wood Products

Environment and Climate Change Canada implemented new regulation on January 7, 2023, known as CANFER on Composite Wood Products that release

Formaldehyde into the air. The regulation prohibits the sale and import of composite wood that releases formaldehyde exceeding the regulatory threshold.

Formaldehyde is a colourless gas that is emitted from common commodities such as hardwood, plywood, laminated products, particleboards, and any finished goods made from composite wood. The purpose of the CANFER regulation is to reduce the amount of exposure of formaldehyde in indoor environments and reduce the risk of any associated negative health impacts.

Specifically wood panels and laminated products that meet the testing requirements will require a certification document to be imported and sold in Canada.

For more information about the CANFER regulations please visit the [Government of Canada Website](#).

North American Freight Update

Ocean Freight

Canadian West Coast Ports and Dwell Times

The Vancouver and Prince Rupert ports are seeing an improvement in port delays heading into January, delays are as follows:

- The **Vancouver Port** is currently experiencing an average delay of **13 days**.
- The **Prince Rupert port** is currently experiencing an average delay of **12 days**.

United States Port Delays

Currently the United States is experiencing port delays, the delays are as follows:

- **Houston** is experiencing an average delay of **11 days**.
- **Los Angeles/ Long Beach** is experiencing an average delay of **9 days**.
- **Oakland** is experiencing an average delay of **4 days**.
- **New York/ New Jersey** is experiencing an average delay of **1 days**.

North America has seen an overall improvement in port delays by **38%** from Mid-December. We recommend that importers incorporate the Canadian and United States port delays into their estimated time of arrival to prevent supply chain shortages. If you need assistance to navigate these delays, please contact DTS Advance Logistics.

Air Freight

Air Freight Rates Fall into the New Year

North American air freight rates continue to fall going into 2023. Rates are projected to decline further into Q1 of 2023 as demand continues on a downward trend.

Until there is an unexpected increase in demand, or the Federal Banks start to reverse their interest rate hikes, rates will remain soft. The reversal of any interest rate hikes are very unlikely until inflation falls further.

Air Freight Month Over Month Reduction

North American Air Freight saw a decrease in capacity for both import and exports in the month of December 2022 compared to November 2022.

The average month over month decrease for North American export capacity is **18.4%**. Specifically exports from Asia & Pacific to North America saw a **24%** month over month decrease.

The average month over month decrease for North American Imports is **22.6%**. Imports from Asia & Pacific has a month over month decrease of **36%**.

As air freight demand continues to fall for imports and exports, it is likely there will be a further reduction in capacity for January 2023.

Land Freight

Updated Container Return Procedures for Yang Ming

Yang Ming will not be accepting any empty container returns via email, instead they are asking to use a contracted third party called Trakking.

Trakking will allow Drayage companies to make return appointment online, but every return appointment made on Trakking will be subjected to a fee of \$75. This fee will ultimately be passed onto the final importer.

To access the Trakking website please click [here](#). If you need any further information on this update, please contact info@dtsadvance.com.

Changes to CN and CP Free Storage Time

The CN and CP has changed their free storage time to 24hrs, this change means all containers will require the pre-pull service on trucking companies' chassis to avoid extra demurrage and detention charges. The CP has also increased their terminal yard storage fee from \$225 to \$350. The trucking companies have also announced that the prepull service no longer includes the free time and the storage fee is \$100/day.

CN and CP Congestion Continues into January

The Canadian Terminals are experiencing heavy congestion which is preventing trucking companies from returning empty containers to the CN/CP. The CN Malport terminal is currently not accepting any empty container returns. This congestion has caused driver to wait an average of 4-5 hours to drop off an empty container. For this reason, importers must be prepared to incur added demurrage and detention charges for their containers.

Truck drivers are also having a difficult time picking up containers at both the CN and CP terminal due to the ongoing terminal congestion. Drivers are waiting an average of 5-10 hours to pick up a container and trucking companies have implemented waiting charges.

The CP is also not currently accepting any container returns on weekends and is not providing an alternative drop off location. This can cause the last free date to pass and detention charges to be incurred. Trucking companies have also asked forwarders to verify shipment gate appointments before it arrives at the terminal.

