



Mid-November 2022 North America Freight Market Outlook

Top News

Peak Freight Season Struggles

Peak freight season tends to be August to mid-December where the volume of imports and exports are the highest. In 2022 this seems to not be the case and there are 2 main reasons for this:

First, inflation on a global scale has reached unprecedented levels and governments are fighting inflation with strong monetary policy. Central banks around the world have been increasing their interest rates to combat inflation. Some interest rates have seen an increase of over 360% in 6 months. These rate hikes have caused consumers to spend less on wants as the cost of living has increased. As consumers spend less, the demand for importation and exportation of goods decrease and importers have a lower turnover ratio prompting them to make less bookings.

Second, Covid-19 restrictions and lockdowns are still prevalent around the world creating supply chain bottlenecks. Currently China is experiencing Covid-19 restrictions as multiple key ports such as Shanghai and Ningbo have been

placed in lockdown. These restrictions have created longer shipment times and an increase in delays. Currently the Shanghai port is still an alternative to the Ningbo port as it faces less restrictive measures.

Canadian Customs Update

Canada Strengthen Ties with Southeast Asian Nations

Canada has implemented the Plan of Action Trust Fund which will increase the cooperation between the Association of Southeast Asian Nations (ASEAN) and Canada. These funds will be used to support the negotiations of a Free Trade Agreement which is meant to create new jobs and opportunities for businesses in Canada and the Southeast Asian Nations. The new partnership with Southeast Asia will also help close development gaps, improve regional engagement and enhance trade negotiations within nations.

United States Customs Update

Review of Customs Act, Section 301

The Office of the United States Trade Representative (USTR) has released the next steps in their 4-year review of Section 301 which is currently in effect on specific imports from China. They are concerned about the effectiveness of these tariffs and how it is impacting the United States economy. This has prompted the Office of the United States Trade Representative to seek public comments. They would like to know if American citizens and businesses believe section 301 is creating better economic conditions for the United States.

North American Freight Update

Ocean Freight

Canadian West Coast Ports and Dwell Times

The Vancouver and Prince Rupert ports are experiencing ongoing delays due to the terminal congestion in Canada.

- The **Vancouver Port** is currently experiencing an average delay of **40 days**.
- The **Prince Rupert port** is currently experiencing an average delay of **16 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 **22 days**.
- **Los Angeles/ Long Beach** is experiencing an average delay of **24 days**.
- **Oakland** is experiencing an average delay of **42 days**.
- **New York/ New Jersey** is experiencing an average delay of **15 days**.

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

Canadian Freight Improvements

Canada has experienced bottlenecks in their air freight procedures due to the extreme weather that takes place in winter. This has made Canadas air freight less competitive compared to other countries around the world.

In 2022 the Minister of Transport announced that they will be investing \$105 million CAD to be a key player in the global air freight market. This investment is meant to reduce bottlenecks and improve the current infrastructure to create a more efficient supply chain.

Land Freight

CN and CP Congestion Continues

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.

To learn more about how this is affecting importers and forwarders, we have published an article on LinkedIn: [Click here](#)

Main Takeaways for November 2022

- Peak Freight season struggles in 2022 as high inflation has prompted central banks to increase interest rates which has lowered consumer spending
- Canada is implementing the Plan of Action Trust Fund which will increase the cooperation between the Association of the Southeast Asian Nations (ASEAN)
- The United States Trade Representative (USTR) is looking to the public to voice their opinions about the tariffs that have been placed on Chinese imports and how it is affecting the American economy
- Canadian west coast ports are experiencing ongoing delays, Vancouver is experiencing an average of 40 days while Prince Rupert is experiencing delays of 16 days

- The United States ports are also experiencing delays ranging from 15 to 42 days
 - Canada has invested 105 million CAD into their air freight which is meant to reduce bottlenecks and improve upon the current infrastructure
 - The CN and CP are continuing to experience heavy congestion which creating delays for drivers to pick up and drop off containers, this has caused many importers to experience unavoidable demurrage and detention charges
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Additional Considerations

- Forecast 6-8 weeks minimum.
- Bookings are recommended to be placed at least 4 weeks in advance of sailing date.
- Prioritization solution: FCL convert to LCL, air (air freight has the ability to fill orders quickly and re-establish some level of safety stock).
- Variability of SKUs/ parts.
- Smooth volume week to week.
- To complete CBSA CARM client portal by Winter 2022.
- To obtain the importer direct customs release bond by fall 2022.
- Regular communication with DTS Advance Logistics.

