



## Mid-September 2023 North American Freight Market Outlook

### Special Announcement - International Logistics Supply Chain Fair, China

We are delighted to inform you that we will be participating in the International Logistics Supply Chain Fair in Shenzhen, China, scheduled for September 21st to September 23rd. During this event, we will be presenting our extensive range of services designed to enhance and optimize supply chain operations. Our offerings encompass Freight Forwarding, Customs Clearance, Customs Consulting, E-commerce and 3PL solutions.

We invite you to engage with our team to explore our comprehensive logistical services or simply to have an insightful discussion about the logistics industry.

Find us at our booth:

Booth Number: 8A060-8A061

Venue: Shenzhen Convention & Exhibition Center, Shenzhen, China

Don't miss the opportunity to take advantage of some exciting offers when you visit our booth! We look forward to seeing you there!



## Top News

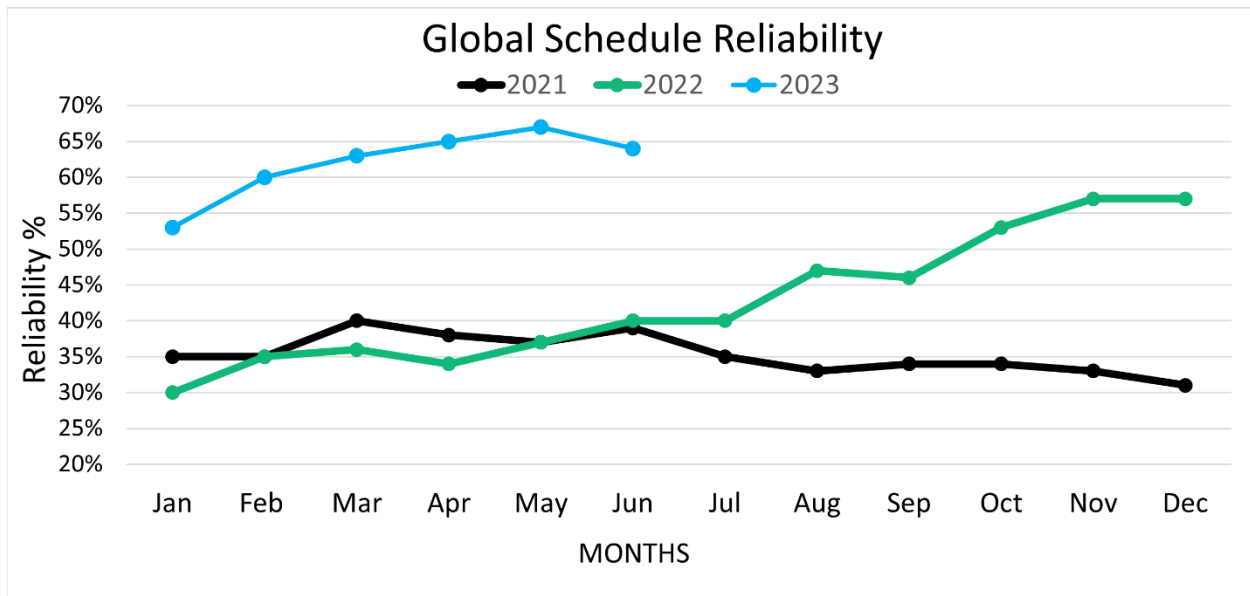
### **Chinas Golden Week Holiday Begins September 29**

China's upcoming Golden Week holiday is scheduled to run from Friday, September 29, through to Friday, October 6th. This period typically sees many individuals embarking on week-long vacations, dedicating quality time to their families. Consequently, it's essential to anticipate potential delays in the shipping and freight processes, as workers take a well-deserved break.

In light of this, some steamship lines have proactively adjusted their ocean freight rates, offering slight reduction to the end of September. This strategic move aims to optimize cargo space utilization ahead of the commencement of Golden Week.

## Global Ocean Freight Schedule Reliability

The reliability of the Global Ocean Freight Schedule has witnessed significant improvement in 2023, primarily attributed to reduced congestion resulting from lower shipment volumes and the easing of restrictions. From January onwards, we've observed a consistent month-by-month improvement in reliability, reaching its peak in May. However, it's noteworthy that there was a slight dip in reliability in June this is due to carriers scaling back the number of sailings and adjusting for the reduction in volume.



## United States Inflation Increases for the Second Month in a Row

According to the latest report from the Federal Reserve, the inflation rate in the United States has marked its second consecutive monthly rise, climbing from 3.2% in July to 3.7% in August. While this may initially raise concerns, it's important to understand that this uptick in inflation is primarily attributed to continued increases in energy prices. These energy price hikes, in turn, have a direct impact on various services. For example, when fuel costs rise, the expenses associated with transporting goods also increase, resulting in a slight uptick in the prices of those goods.

On a broader scale, core inflation, which excludes volatile items like food and energy, exhibited a decline from 4.7% in July to 4.3% in August. This dip is partly due to lower prices observed in various goods, including fruits, vegetables, and used cars, during the month of August.

These reports are expected to influence the Federal Reserve's decision regarding a potential increase in the overnight lending rate. Many anticipate that, at their upcoming meeting, the Fed may indeed raise the overnight lending rate by 25 basis points. Notably, if this increase materializes, it could potentially mark the final rate hike for the year 2023.

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## Canadian Customs Update

### **CARM Client Portal Phase 2 Delayed to May 2024**

As our readers are aware, the Canadian Border Services Agency (CBSA) has informed to the importing and customs community that CARM 2 will come into effect in October 2023, where imports would have been required to register and purchase their own customs bond.

In a recent development on Friday August 11, the CBSA informed the community that the CARM 2.0 launch will only be available to select industry partners in October 2023 to test out the system further. Subsequently, it will transition into the official system of record by **May 2024 for all commercial importers**.

All commercial imports will need to register for the CARM Client Portal prior to May 2024 to gain the benefit of Release Prior to Payment (RPP) and to mitigate border delays effectively.

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## North America Freight Update

### Ocean Freight

#### **Canada West Coast Port Delays**

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

- The **Vancouver Port** is currently recovering from the port strike and the current average delay is **3 days**.
- The **Prince Rupert Port** is currently recovering from the port strike and the current average delay is **2 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 **5 days**.
- **Los Angeles/ Long Beach** is experiencing an average delay of **1 day**.
- **Oakland** is experiencing an average delay of **2 days**.
- **New York/ New Jersey** is experiencing an average delay of **1 day**.

## Ocean Freight Rates Hold Steady for September 15-30

As we enter into the latter half of September, steamship lines have chosen to hold ocean freight rates steady. This decision is aligned with the ongoing decline in volume within the transpacific trade lane. Notably, certain steamship lines, like **ONE**, have even initiated marginal rate reductions in anticipation of China's upcoming Golden Week. This strategic move aims to stimulate demand and optimize cargo capacity.

For insights into any exclusive rates that may be accessible to you, we encourage you to reach out to your dedicated account manager. They will be able to provide you with detailed information and guidance on available options.

## Air Freight

### Canadian Air Freight Rates Increase Prior to Chinas Golden Week Holiday

Before China's Golden Week holiday, air freight rates from China to Canada have seen a notable upsurge. This surge can be attributed to importers booking rush orders in anticipation of Golden Week, during which the flow of goods tends to slow down as many individuals take time off for to enjoy their holidays.

If you have any questions or concerns, please reach out to your DTS Advance Logistics account manager or if you are inquiring about rates, please email [info@dtsadvance.com](mailto:info@dtsadvance.com)

### The United States is Hopeful for Cherry Exports

Cherry Season is in full swing in California, and the past two years have witnessed harvests below the average, reaching some of the lowest levels in a decade. However, 2023 offers a more promising outlook compared to the preceding two years, thanks to weather conditions that have been more favourable for cherry farming. Nevertheless, it falls short of the ideal average harvest.

Traditionally, the export of cherries from the United States to Asia and Europe significantly boosts airfreight export volumes in North America. However, over the years, cherry export volume to these regions has gradually declined. This decline can be attributed to countries like Turkey and Spain emerging as major cherry producers. This ongoing trend suggests that the cherry export season may continue to wane, with cherry harvesters possibly redirecting their focus towards domestic markets.

## **Land Freight**

### **Trucking Companies Expected to Increase their FSC Rate**

As many of our readers have observed, gas prices have surged across Canada, exerting upward influence on inflation, a trend explained in the Bank of Canada's last inflation report. In response to these escalating fuel costs, trucking companies in British Columbia have initiated adjustments in their Fuel Surcharge (FSC) rates to offset the impact. Importers should prepare for trucking rates to increase in Ontario as well as FSC is expected to increase anywhere from 2% to 7%.

### **Canadian West Coast Rail Dwell Times**

The most utilized ocean ports in Canada are based in the western provinces, more specifically British Columbia as it is on the transpacific trade route which allows trade with many Asian countries.

The two ports in British Columbia are the Vancouver and Prince Rupert Port, due to the high volume they receive. This volume creates rail dwell times that can cause delays of moving cargo onto the rail. These delays do still play a factor but have improved since 2023 and are expected to improve continuously throughout the year.

The current rail dwell times are as follows:

- The **Vancouver Port** is currently experiencing an average dwell time of **9 days**.
- The **Prince Rupert Port** is currently experiencing an average dwell time of **10 days**.

### **CN Train Reservation Penalties, Item 2500**

The CN is providing reservation services to secure space on the train. This will allow shipment prioritization when the reservation service is used. Reserving a

spot is free but modifications and cancellations will incur penalty charges. The charges are as follows:

### **Units in International Services Excluding Reefer**

Cancellations and modifications can be made without a fee until 7:00am local time of the original terminal on the same day of your reserved train service. If cancellations or modifications are made after this time a **\$50** charge will be posted. If a reservation expires a **\$100** charge will be posted to the party that made the reservation.

### **Reefer Units in International Service**

Cancellations and modifications can be made without a fee until 12:00pm local time of the original terminal on the Monday of the week of your reserved train service. If cancellations or modifications are made after this time a **\$150** charge will be posted. If a reservation expires a **\$200** charge will be posted to the party that made the reservation.

### **Units in Domestic Service**

Cancellations and modifications can be made without a fee until 10:00am local time of the original terminal on the same day of your reserved train service. If cancellations or modifications are made after this time a **\$50** charge will be posted. If a reservation expires a **\$100** charge will be posted to the party that made the reservation

## **CN and CP Congestion Continues to Improve in Q3 2023**

In 2022, Canadian terminals experienced heavy congestion, which prevented trucking companies from returning empty containers to the CN and CP. However, the situation continues to improve going into the second quarter of 2023 as shipment demand has dropped, allowing terminals to catch up on the backlog on containers.

As terminal congestion continues to improve, congestion will not be resolved instantaneously. Fortunately, drivers will no longer have to wait for 4-5 hours to drop off a container. The average wait time for drivers is expected to decrease to 2-3 hours.

The decrease in terminal congestion will also help prevent detention charges, as drivers will be able to return containers before the free time expires.