NEWSLETTER
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Content

New CEO for EV Cargo Global Forwarding and Technology divisions

Paul Coutts has been appointed as chief executive of Hong Kong-headquartered EV Cargo Global Forwarding & Technology.

In his new role, which starts on January 1, Coutts has been given the task of driving the growth, development and integration of the firm's forwarding and technology divisions.

He joined EV Cargo in 2021 as global chief operating officer and has more than 40 years of industry experience including serving as group chief executive of Singapore Post, chief executive of Toll Global Forwarding, as well as other leadership positions at major global logistics companies including DHL.

Global Forwarding is EV Cargo's largest operating division with over 1,400 professionals and 65 locations in 26 countries worldwide.

The division manages the movement of over 250,000 TEU of seafreight, 75,000 tonnes of airfreight and 30,000 road freight jobs each year.

"Global Forwarding has grown its worldwide footprint and service coverage meaningfully in the last two years through both organic growth and the integration of key acquisitions, adding over 600 of our own people in 10 offices and five new countries in Europe, and 150 people in 10 offices and five new countries across Asia, including our substantially expanded logistics execution platform in China," the company said.

Meanwhile, EV Cargo Technology provides cloud-based supply chain management software for many of the forwarding businesses' largest accounts.

EV Cargo recently acquired the remaining 60% of the shares of Allport Netherlands from its joint venture partner, as well as the remaining shares in EV Cargo Forwarding Belgium.

Sponsored: CPK to redefine sustainable aviation

In the heart of Poland, a pioneering project is taking shape that could redefine airport sustainability on a global scale. The Centralny Port Komunikacyjny (CPK), set to become one of Europe's most innovative airports, is drawing attention for its unique approach to environmental management, multimodality and transport integration.

CPK is not only a response to today's transport challenges, but also a vision of the future in which passenger and freight transport is more sustainable, efficient and competitive.

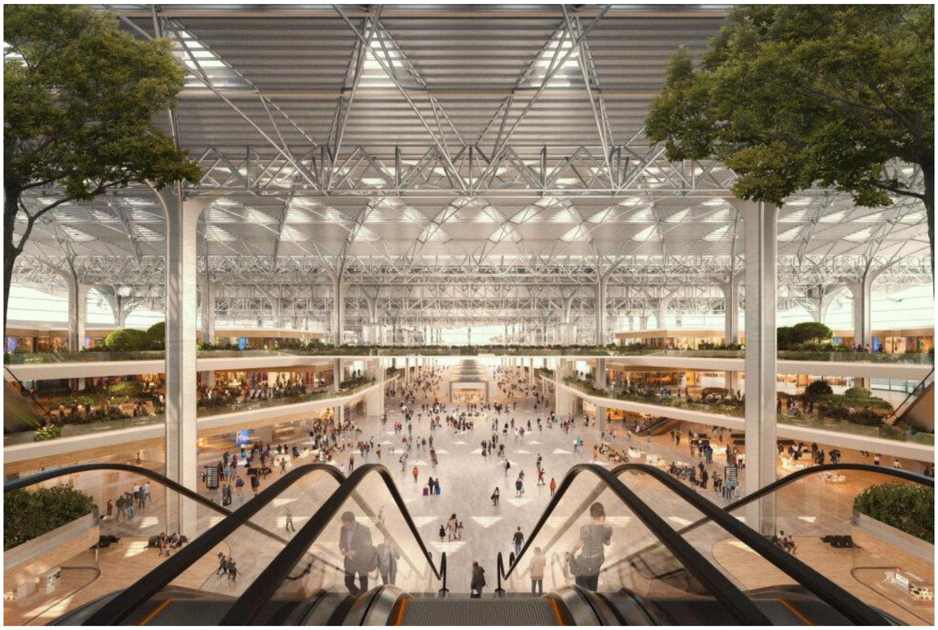
At the core of CPK's uniqueness is its multimodal design, meaning that it integrates different modes of transport in one place. Poland's geographical situation makes it easier and justified. As a result, it has the potential to completely transform the transport sector, making it more sustainable and innovative on a global scale and in many ways, implementing state-of-the-art technologies hence benefiting from the latecomers' premium. Additionally, decarbonisation is a priority for CPK, indicating a drive to reduce CO2 emissions and environmental impact.

From the first day of operation, CPK will have 'Net Zero Ready Airport' status. This means technical readiness to be powered exclusively with on-site and off-site renewable energy for heating, cooling and power supply.

Out of concern for the environment, the CPK airport has been located at a safe distance from protected nature zones, minimising the impact on the local ecosystems and biodiversity. As a result, more than 280,000 residents of Warsaw, for whom the existing inner-city Chopin Airport has been a nuisance for decades, will breathe a sigh of relief.

The CPK aims, among other things, to become a regional leader and thus an integrator of sustainable transport systems in the CEE region. As a result, the new airport, a network of 2,000 km of new railways and new roads are expected to transform the entire transport system in the country and improve connectivity in the CEE region, linking it seamlessly to Western Europe and other continents, bringing travel into the 21st century and completely changing how passengers will travel across the country, continent or beyond.

This improved first and last mile connectivity will bring air passenger experience as well as travel sustainability to the next level.



Today, in order to fly to further destinations in the world, CEE residents often have to travel to Western European airports first. In the case of flights from Poland to Asia or the Middle East, this means travelling the same route twice – first by plane, car, train or bus to an airport in Western Europe, and then flying to Japan or the Arab Emirates over Poland again.

With CPK, a truly international hub to be built soon, will be much closer not only to Poles, but also to the 180 million inhabitants of Central and Eastern Europe, such as Lithuanians, Czechs and Slovaks,

Ukrainians. There is no large global hub airport with sufficient capacity in the CEE region today. Czech Minister of Transport Martin Kupka has said lately that CPK is an important point of reference for Czech's investment plans as the Czech Republic can't build an airport hub.

The same applies to our other CEE neighbours who plan consecutively to connect themselves within Europe through High-Speed Rail. The largest airport in CEE, Chopin Airport in Warsaw, which is the base of LOT Polish Airlines, is approaching the end of its capacity. And that is why new infrastructure is urgently needed.

CPK is also a significant improvement in the passenger experience. Since the passenger's journey begins much earlier than at the airport entrance, the CPK project aims to ensure great airport access, with a destination and an attractive transfer location, where all the transport modes meet, and to provide a multimodal passenger experience.

We aspire to create an experience that provides a smooth comfortable stress-free predictable journey. This not only gives them greater control over the entire journey but also provides an unparalleled sense of security and comfort, especially in a sanitary aesthetic environment.

CPK has been committed to fighting climate change and supporting a shared green future from the very beginning and has included sustainability as one of 3 key pillars of its investment programme. During the planning and design phase, we set very ambitious climate change mitigation and pollution reduction targets, making CPK the first 'Net-Zero Ready' airport in the region when it is launched.

What this means is that the schedule already envisages sustainability in the project and the technologies necessary to achieve this objective are an inherent part of it from the very beginning concerning both a construction stage according to BREEAM certification requirements and an operation phase under conditions of planned ACA accreditation.

JD Airlines signs supply chain charter deal

Chinese cargo airline Jiangsu Jingdong Cargo Airlines (JD Airlines) has signed an air charter service agreement with Shenzhen-based end-to-end supply chain solution provider Jayud Global Logistics.

The companies have established a new charter service on the Shenzhen to Clark, Philippines (CRK) route. This service began on December 16 and the companies further plan to o operate at least 100 round trips over the next year.

This is set to last for a year, with the potential for further collaboration based on the success of the route, commented Jayud.

Xiaogang Geng, chairman of the board and chief executive of Jayud, commented: "As we embark on this exciting new partnership with JD Airlines, we at Jayud are not just opening a new route; we are rapidly expanding our service footprint while narrowing the distances between cargo and end-markets.

"This collaboration is a testament to our commitment to providing efficient, reliable, innovative logistics solutions. The Shenzhen-to-Clark service is the next important step we are taking towards making a major impact in the air cargo landscape and enhancing global trade connectivity."

Jayud Global Logistics offers a range of cross-border supply chain solution services, including freight forwarding, supply chain management, and other value-added services.

The company is active in 12 provinces in Mainland China and 16 countries across six continents.

The JD Logistics-affiliated JD Airlines was established in 2019, making Nantong Xingdong International Airport its primary operational hub. The airline centres its operations in key cities, including Nantong, Beijing, Shenzhen, Hangzhou, and Wuxi. It has a presence in the air cargo market across major domestic economic sectors.

Recently, JD Airlines inaugurated international cargo routes such as Shenzhen-Ho Chi Minh and Nanjing-Dhaka.

Panama and Suez Canal double crisis threatens global supply chains

Persisting Suez Canal and Panama Canal-related supply chain delays and increased rates may see shippers and forwarders opting for air cargo.

Shipping operations are currently being compromised by the need to avoid the Suez Canal due to the risk of attacks in the Red Sea, and restrictions on the Panama Canal following drought.

Pierre Van Der Stichele, vice president of global cargo at charter broker Air Partner, told *Air Cargo News* that resulting higher costs and increased transit times for container ships "has the potential of increasing demand for airfreight" in the long term.

What's happening?

Shipping companies have rerouted vessels away from the Suez Canal in Egypt following attacks on container ships in the Red Sea, off the Yemen coast.

These attacks have been carried out by the Houthi Militia in response to Israel's military operations in Gaza.

Scan Global Logistics said in a market update on December 18 that several container carriers had suspended services through the Red Sea and the adjoining Suez Canal following attacks on "around 10 commercial vessels" in recent weeks.

And Flexport said: "As of Monday, December 18, all major ocean carriers besides OOCL and COSCO have announced they'll pause all vessels bound for the Suez Canal via the Red Sea and Bab-el-Mandeb Strait."

Companies are now considering a costly and time-consuming alternative route around Africa via the Cape of Good Hope.

MSC's *Palatium* was amongst the ships attacked, with MSC reporting the incident happened on December 15 in the Red Sea, while under sub charter to Messina Line.

The shipping company said in a December 16 advisory: "Due to this incident and to protect the lives and safety of our seafarers, until the Red Sea passage is safe, MSC ships will not transit the Suez Canal Eastbound and Westbound. Already now, some services will be rerouted to go via the Cape of Good Hope instead.

"This disruption will impact the sailing schedules by several days of vessels booked for Suez transit."

Meanwhile, CMA CGM said that it would reroute some of its vessels as a safety measure in an operational update on December 18.

"Accordingly, CMA CGM has decided, in accordance with the clause 10 of its bill of lading, to reroute some of its vessels currently sailing to and from US, to and from North Europe and to and from Asia or Indian Subcontinent via the Cape of Good Hope at the southern tip of Africa.

“All other CMA CGM containerships in the area that are scheduled to pass through the Red Sea have already been instructed to reach safe areas and pause their journey until further notice.”

In addition to MSC and CMA CGM, Norman Global Logistics said in an update on December 18 that Maersk, Hapag-Lloyd, ONE, HMM, and potentially COSCO, also appear to be diverting or halting operations.

What’s the impact?

Logistics and forwarding companies have painted a bleak picture for the impact on shipping.

Scan Global Logistics said the situation means that the industry “could be faced with a milder version of the supply chain crisis seen during the worst of the pandemic.”

The alternative route around Africa via the Cape of Good Hope will add 10 days to ship voyages, said the company.

“In addition to shipment delays, it is also likely that shippers will be faced with increased rate levels as a result of the latest development.”

And Scan Global noted that according to Xeneta analyst Peter Sand: “Depending on the scale and duration, we could see ocean freight prices increase by up to 100%”.

Flexport stated that 90% of Suez Canal-bound container vessels are pausing or rerouting, which could remove about a quarter of the globe’s total capacity, inflate prices, and delay shipments.

Shippers should expect significant delays, Flexport said.

“It’s currently estimated that re-routing via the Cape of Good Hope will prolong transit times by 7-10 days, but it depends on where the vessel is when the re-routing decision has been made.

“Depending on the vessel’s location, some may experience an even longer delay of 2-4 weeks if they’ve had to detour from the Red Sea.”

Looking at how the situation might evolve, Van Der Stichele, said: “The Suez Canal disruption will most likely affect Asia – Europe markets with similar extended sailing time and costs. The Suez Canal may benefit through added security through the protection of Navy ships ensuring safe passage by preventing any attacks to take place, in a more uniform manner.

“Nonetheless War Risk Insurance premiums have already increased as the risk would still exist whilst minimized through Navy escorts, adding to the cost of transport generally passed onto the customers.”

Governments are now looking at measures they can take to address the Red Sea danger. An international task force has been set up that will share ships and other resources.

Participating countries include the US, UK, Bahrain, Canada, France, Italy, Netherlands, Norway, Seychelles and Spain.

Panama problem

As well as the Suez Canal disruption, the shipping industry has had to navigate restrictions on vessels passing through the Panama Canal set by the Panama Canal Authority due to reduced water levels due to drought.

The number of ships allowed to pass through the route each day is currently down to 22 from the usual 36 ships per day, which has also caused delays within the global supply chain.

However, while the restrictions were set to become stricter with ships to be limited to 18 by February next year, rainfall and lake levels have been higher than expected, meaning the Panama Canal Authority recently decided it will increase the number of daily transits to 24 starting in January.

Restrictions on the number of vessels allowed combined with the increase of the Canal Tariff implemented earlier this year have raised MSC’s operations costs, said the company.

“As a result, pricing for cargo from South Africa, Mozambique & Namibia to South America West Coast transiting the Panama Canal will no longer be inclusive of Panama Canal Surcharge (PCS). Effective 1 January 2024, pricing will be subject to a PCS of USD 200 / TEU.”

Van Der Stichele commented: “The issues at the Panama Canal have the potential for a longer disruption due to portions of the canal drying up unless there is a significant period of rainfall anytime soon.

“A technical solution is planned but potentially two years away. Shipping transit time sailings would increase significantly as well as the cost and will mostly affect the European, African markets but not the US as shipping lanes will still be able to dock on western US ports.”

How could airfreight benefit?

The Suez Canal and Panama Canal problems have come about too late in the year for the impact to flow through to air cargo, according to Van Der Stichele.

Air Partner hasn’t seen an increase in air charter business as of yet.

“We haven’t seen any additional requests yet as we are too close to Christmas. However, the current situation in Panama is of growing concern for sea container shipping companies with the added pressure of shipping lines avoiding sailings through the Red Sea and the Gulf of Aden due to recent attacks on vessels.

“Any Ocean freight peak season would have already sailed and reached its destination whether it be through the Panama Canal, or the Suez Canal or through the longest diversion routes around the continents. Should these have been an issue one or two months ago, it would have been the perfect storm as high-value consumerism goods would have faced serious delays prior to Christmas.”

However, while airfreight may not be set to gain significant business in the near future, air cargo demand may rise in the long term.

Van Der Stichele explains: “The affects on the market comes when the peak season is ready with wind down and will not affect the markets from one day to another, but I expect the cost of Ocean freight to increase significantly, whether it be for consumer goods, raw materials, semi-finished goods, built vehicles and outsized cargo, to the point that added sailing time in both instances (ships due to use the Suez and Panama canals), adding several weeks circumnavigating the continents has the potential of increasing demand for airfreight just as the low season is due to start which would be welcomed by the air cargo industry.”

AD Ports to invest $200 million in new Red Sea port terminal

AD Ports Group has signed a concession agreement with the Red Sea Ports Authority (RSPA) to develop and operate a new multi-purpose terminal at Safaga Sea Port in Egypt.

AD Ports will invest $200 million over three years, aimed at developing "a state-of-the-art facility" and will be the first internationally operated port serving the Upper Egypt region.

The terminal, of approximately 810,000 square metres, will feature a 1,000-metre quay wall and will handle dry bulk, liquid bulk, containerised cargo, and ro-ro vessels.

This project is expected to bring substantial economic impact, with cost savings and efficiency improvements to traders and businesses in the region. The terminal should become operational by 2025, said AD Ports.

"We are delighted to have signed the definitive concession agreement to develop and operate a multi-purpose terminal in Egypt's Safaga Port. The confidence and trust placed by the Egyptian government and our partners is a testament in AD Ports Group's capabilities and experience in developing ports and terminals infrastructure," said Mohamed Juma Al Shamisi, Managing Director and Group CEO, AD Ports Group said.

"With this project, our Group will demonstrate its commitment to enhancing the efficiency of global supply chains, creating faster trade routes, and providing diverse logistics solutions for our key strategic trading partners,"

Saif Al Mazrouei, CEO of Ports Cluster at AD Ports Group, added: "AD Ports Group's expertise in port infrastructure development and operations positions us uniquely to leverage those skills and knowledge to play a key role in the next stage in the evolution of Safaga Port. Moreover, Safaga's strategic position on the Red Sea coast allowing to not only enhance our commercial offerings and diversify revenue streams, but also contribute to Egypt's broader economic objectives, setting the stage for further cooperation and opportunities in other sectors," added

In June this year, AD Ports signed a concession agreement with Karachi Port Trust (KPT), the Pakistani federal government agency that oversees the operations of the Port of Karachi.

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