



April Hansson

India Outlook 2022: Freight rates, box prices continue to rise

Not a happy start to the New Year for exporters and freight forwarders in India and Asia as the volatility of spot rates and contract rates continues to spill over in 2022.

Container prices have risen at most of the major ports in India by at least 12% in January itself because of the Covid-19 Omicron variant that disrupted the global supply chains.

However, market watchers are not putting the burden of rising box rates solely on the corona virus variant but also on the changing purchasing patterns, the Chinese New Year that is around the corner and the restocking of supplies that followed due to the rising number of Covid-19 cases in China.



Source: <https://container-news.com/india-outlook-2022-freight-rates-box-prices-continue-to-rise/>
January 14, 2022

20-ft Container rates - Comparison between December 2021 and January 2022

Bhavik Mota, Maersk's director of ocean management in West & Central Asia, told *Container News* that the dynamics of the global trade are based on the dynamics of the pandemic.

"We do not want to guess when and how the situation will change. The current Omicron outbreak is a classic example of the events turning all the time. Without it, we may have been moving faster towards normalization.

The turnaround time of a container at the major ports in China has increased due to the rising number of cases along with the suspension of trucking activities in most parts of the country. Additionally, there is severe congestion at ports in the United States and the United Kingdom.

Mota said that the current level of freight rates is a reflection or consequence of the disruptions in the market that are partially driven by the exceptional demand situation in the US and Europe.

With several states implementing night and weekend curfew, there has been a production loss of up to 25%. Prices of metals and plastics rose by 70%. Semi-conductors that are used in making a product have also become costlier.

Indian exporters of basmati rice, tea and leather goods have raised concerns over the rising prices. Tea exporters in India feel the freight rates may not soften anytime soon. In the last 15 days, the freight rates of exporting tea to places like Iran and Kazakhstan have shot up by US\$500 to US\$1,000 per box.

The exporters feel that the soaring rates will trickle down to consumers eventually if not controlled. Prices of air conditioners and refrigerators have already risen due to the high cost of raw materials and ever-soaring freight rates. Consumer Electronics and Appliances Manufacturers Association (CEAMA) has said that the industry may hike the prices of home electronics and appliances like washing machines by 5% to 7%. Panasonic, LG and Haier have already revised their prices upwards

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"I've never presented. The logistics of that is a challenge."

"My ideas tend to be either really big in terms of, like, the logistics, or really small."

"Today's leading real-world retailer, Wal-Mart, uses software to power its logistics and distribution capabilities, which it has used to crush its competition."

Mirjam Nilsson

The latest breaking news of the day

Global Logistics 2022: Is this the new normal

By Dagmar Trepins, European Correspondent • February 2, 2022

Global supply chain disruptions, port congestion, capacity shortages, increasing ocean freight rates and an ongoing pandemic have challenged shippers, ports, carriers and logistics providers during the past year.

And looking ahead in 2022, experts estimate that the pressure on global supply chains will continue—and the light at the end of the tunnel is not to be expected until the second half of the year at the earliest.

Above all, the consensus is that the pressure on the ocean freight market will continue in 2022, and freight rates are unlikely to fall back to pre-COVID levels. Capacity problems and congestion in the ports will continue to combine with strong global demand in the consumer goods sector.

German economist Monika Schnitzer expects that the current Omicron variant will have further impact on global shipping times in the coming months. “This could exacerbate the already existing delivery bottlenecks,” she warns. “Shipping times from China to the United States have already increased from 85 days to 100 days due to the Delta variant, and that could increase again. Europe is also affected by these problems, as the situation remains tense.”

In the meantime, the ongoing pandemic has prompted logjams at leading ports on the U.S. West Coast and in China, meaning that hundreds of container vessels are waiting at sea for a berth. At the beginning of this year, Maersk warned its customers that the waiting time for container vessels to discharge or pick up cargoes at the Port of Long Beach near Los

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Martin Grolms

Impact of hydrogen on logistics Part 2: Off-Road Transportation

truck transportation In the first part: Impact of hydrogen on logistics Part 1: Road Transportation, we considered and the production of hydrogen. But often in logistics, one shipment is completed using multiple modes of transportation. So, we need to look at all transportation options. Furthermore, we should not evaluate transportation options only in terms of time and cost alone, but also in terms of the efficiency and sustainability of the means of transport.

Sure, making logistics processes resource-efficient and environmentally friendly has been the goal of many companies for years – a process that is still ongoing. The most common reasons why companies decide to invest in energy-efficient and environmentally friendly measures include rising energy prices, pressure from stakeholders such as competitors, employees or customers, or political and legal requirements.

The scoop of the day

The latest updates

Looking to China, fears are growing that recent Omicron breakouts will lead to further port shutdowns. As reported by the state broadcaster CCTV in January, the port of Tianjin was locked down after the local outbreak of Omicron—less than a month before the start of the winter Olympics in nearby Beijing. Chinese authorities temporarily locked down the ports of Yantian and Ningbo last year.

The restrictions resulted in delays for truck drivers moving loaded and empty containers between factories and the port, and the interruptions in production and transportation caused delays in exporting and returning empty containers to factories overseas.

In Europe’s largest seaport, the Port of Rotterdam, congestion is seen as persisting through 2022 as well. Although vessels are not currently waiting outside Rotterdam, storage capacities are limited and the European hinterland connections are not running smoothly



Bridget McCrea

The scoop of the day



As mainstays of the supply chain, warehouses depend on technology to help them keep their inner workings running smoothly, quickly and efficiently.

Software that's placed at the center of supply chain and manufacturing operations, WMS coordinates and optimizes material flows while ensuring that those materials flow through the warehouse in the most efficient possible manner. It manages receiving, inventory, picking and packing, orders

WMS also provides high levels of inventory visibility, both within the facility and while that inventory is in transit. As Logistics Management reported in 2021, more WMS users began taking a "Cloud-first" approach to buying new or replacing existing solutions last year.

According to [Howard Turner](#), director of supply chain systems at [St. Once Company](#), that movement is continuing in 2022 as more organizations look to leverage the faster deployment schedules, lower upfront costs, automatic updates and remote availability that Cloud offers.

And the trend is hitting all corners of the software market. According to Gartner, global Cloud spending increased by 23.1% in 2021 to \$332.3 billion, up from \$270 billion the prior year. By 2024, the research firm expects over 45% of system infrastructure, infrastructure software, application software and business process outsourcing to shift from traditional, on-premises sol

Sarah Banks

Logistics needs more women

One of the missions of this year's International Women's Day is "to forge inclusive work cultures where women's careers thrive and their achievements are celebrated."

Gender diversity in the workforce results in a broader range of thought and experience—which in turn, challenges companies to look at new, innovative ways of working. This innovation helps to uncover new paths for growth that may not have been visible without a diversity of thought.



European Logistics: From one crisis to the next

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Indospace to invest Rs 600 crore in two logistics parks in Gujarat

The two parks are spread over 90 acres with around 2 million sq ft of warehousing space

With automotive companies such as Maruti Suzuki, Honda, and Toyota located around the parks, IndoSpace said its parks in Becharaji and Bavla are ideal for businesses across sectors that are looking to expand and strengthen their presence in the state.

IndoSpace plans to invest about Rs 600 crore in two warehousing and logistics parks in Becharaji and Bavla, in Gujarat, in a bid to grow its presence in western India.

The two parks are spread over 90 acres with around 2 million sq ft of warehousing space. The IndoSpace park in Becharaji is located on the outskirts of the Mandal Becharaji Special Investment Region (MBSIR), while the park in Bavla is close to the Changodar-Bagodara industrial belts.

“After establishing a strong presence in Chakan, Pune in the western region, we are excited to further strengthen our presence in the state of Gujarat. The state is today one of India’s important industrial hubs, and we aim at serving companies in the automotive (including Battery Electric Vehicle (BEV) and BEV batteries manufacturing), e-commerce and retail industries. We plan to leverage on the manufacturing growth in the state and provide our Grade A logistics infrastructure to customers across industries,” said Rajesh Jaggi, vice-chairman- real estate, Everstone Group.

"Good logistics management is essential for any business that wants to be successful."

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Cargo-partner is expanding to 10 Indian cities by FY 2025

The latest updates to get you through the day



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Logistics service provider cargo-partner has announced its plan to expand to 10 more Indian cities in the next two-three years. After this expansion cargo-partner will be present in over 24 cities and all major states of India.

The company aims to have a pan-India presence by the end of FY 25 and to lead the national logistics market in India and their steady expansion is fuelled by the same.

Rajiv Singh, MD (India), cargo-partner, said, “cargo-partner will be creating over numerous job opportunities and onboard 500 employees in these cities, during FY2022-25. They will be serving B2B enterprises operating in the automotive & spare parts, fashion & lifestyle, foodstuffs & perishables, and pharmaceuticals & healthcare. The increase in demand from tier 2&3 cities has also led to this expansion in services by cargo-partner.”

With the e-commerce market growing at a very fast pace, the company is planning to expand in the area of warehousing to meet the demand of domestic consumers. The company is also eyeing growth in the pharmaceutical space and believes that India is one the largest manufacturers of medicines and there are ample opportunities for big firms to come up with more innovations in this area.

"In today's economy, successful businesses are the ones that have mastered the art of logistics." - Forbes

“At present, we are aiming to grow from Rs 530 crore to Rs 1500 crore in the next three years and we are ready to invest as much capital as will be required to bring these people with us,” Singh said.

Headquartered in Austria, cargo-partner has a global network with more than 140 offices in over 40 countries. cargo-partner has its network in Western, Eastern, and Central Europe, North East Asia, South East Asia, Oceania, Indian Subcontinent, and North America.

Currently, they are operational in 14 Indian offices with a presence in all major cities such as Delhi, Mumbai, Bangalore, Hyderabad, Kolkata, and Ahmadabad.

Mohan Narang

AME launches EGOPro 4.0 solution at LogiMAT'22

The latest updates



Safety and security solutions provider Advanced Microwave Engineering (AME) has introduced its new EGOPro Manager 4.0 platform, a state-of-the-art software that combines a proactive approach to increase site safety with tools to enhance productivity at the LogiMAT 2022.

The new EGOPro 4.0 software presents a digital revolution in site safety, using real-time data and analysis to provide an approach that gives a single, combined, objective measurement of safety and efficiency, by individual vehicle, fleet, or zone within the facility.

“Our EGOPro solutions create a proactive approach to safety and acts as a complete safety net for the site. As intralogistics become increasingly automated and with growing pressures to reach new levels in safety while making operations more efficient than ever to meet market demands, these tools are essential for the future,” Claudio Salvador, President and CEO, AME said.

AME has been present in the world of safety for over 20 years and has deep understanding of the challenges and opportunities of modern site logistics.

Alongside the launch of its new digital platform for site safety, AME also revealed its new branding at LogiMAT.

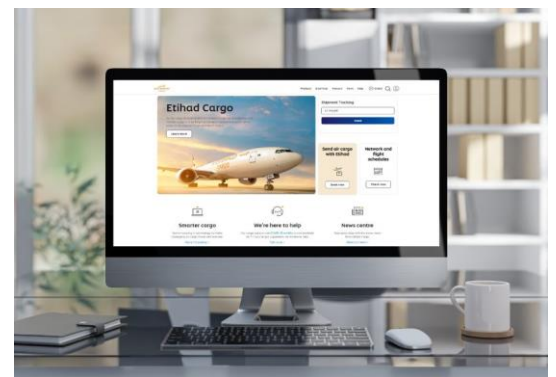
“With this, we are looking to the future and meeting the challenges our customers are facing using the latest digital technology. We believe the future of safety is now,” Salvador added

Mirjam Nilsson

Etihad cargo launches innovative pricing solution to streamline booking process

Etihad Cargo, the cargo and logistics arm of Etihad Airways, has launched an innovative ‘instant offer rate’ (IOR) tool, further enhancing the carrier’s online booking portal to streamline the booking process, provide faster response times and offer improved levels of customer service.

Developed in collaboration with IBS Software, Etihad Cargo’s IOR solution will enable the carrier to boost efficiency, reducing pricing transaction times by up to 70 per cent, the company said in a statement.



Mahindra Logistics on path to achieve sustainability goals

The latest updates to get you through the day

Mahindra Logistics (MLL) has announced that Science Based Targets Initiative (SBTi) has validated its target to reduce carbon emissions and the company remains on course to meet its long-term sustainability goals. This achievement of carbon reduction targets has been set in line with the level of reduction needed to limit global warming to 1.5°C, as per the Paris Agreement of climate change. This is an important milestone towards the company’s ambitious aim of being carbon neutral by 2040.

MLL had signed an agreement with SBTi last year and managed to accomplish the set standards targeted in the first year. By joining the initiative in 2021, MLL signaled its intention to align its targets to the most ambitious aim of the Paris Agreement, to limit global temperature rise to 1.5°C above preindustrial levels and reach net-zero by 2050 for the best chance of avoiding the worst impacts of climate change.