



## CHINA 2022 – SHENZHEN/HONG KONG

Freight rates have continued to soften since we wrote last, and the September rates were released this weekend bringing the ocean freight cost back under USD 0.20/kg for LCL shipments. NCFI + FBX report falling spot rates -

- Hong Kong – Sydney/Melbourne 20'GP – USD 2,250.00/40'HC – USD 4,200.00
- Hong Kong – Sydney/Melbourne LCL USD 75.00/cbm
- Shanghai/Ningbo – North Europe/Mediterranean Range USD 8,869/40'HC
- Hong Kong/Shenzhen – North America West Coast USD 5,939/40'HC
- Hong Kong/Shenzhen – North America East Coast USD 9,560/40'HC

There have also been good reductions from the North Chinese ports, but we are still seeing containers transhipped via Southern ports with the applicable surcharges.

- Power shortage bring crucial factories in China to standstill – factories in Sichuan province were ordered to shut for 6 days. Sichuan is key manufacturing region for batteries, semiconductor + solar panels.
- Falling demand for capacity from China to USA East + West Coast sees waiting times at West Coast ports reducing before peak season. Ocean carriers are expected to continue blanking sailings to re-position vessels in service.
- German discount retailer Lidl took control of its logistics requirements by setting up Tailwind Shipping + creating a regular service from China to Europe with a one-year-charter. There will be 4 container vessels capable of carrying 2,750 – 5,500 TEU each offering sailings every 16 days at an estimate \$ 50,000/day for the charter.
- River barge traffic in Europe continues to suffer and surcharges of +150% now apply to this mode of transport. Traditional shippers now compete with increasing demand for coal transport due to the gas shortages on the pipeline traffic from Russia while barges are weight restricted due to reduced water depth.

Please continue to update us on any orders that you place with Chinese printers/suppliers to ensure we are fully briefed on your specific requirements.

Thank you for your continuous support.

Yours sincerely,  
BOOK SYSTEMS INTERNATIONAL

Melbourne, 28 August 2022