

ITF SUMMIT: RESHAPING MOBILITY IN THE WAKE OF COVID-19

CLECAT will join the International Transport Forum's 2021 Summit on ***Transport Innovation for Sustainable Development: Reshaping Mobility in the Wake of Covid-19***, which will be held under the Presidency of Ireland from 17 to 28 May 2021, in a virtual format.

The ITF Annual Summit is the leading global platform for discussion on the future of transport. It gathers ministers from 62 ITF member countries and beyond to engage with decision-makers from industry, civil society and academia on the trends shaping mobility in the 21st century. The ITF Summit is a key moment for the international transport community to discuss global challenges related to transport and mobility. Now more than ever, it is imperative that all stakeholders come together to explore possible avenues across policy, technology and business to tackle the effects of the COVID-19 crisis on transport.

The 2021 Summit debates will focus on opportunities this crisis provides to harness innovation in the sector to help reshape transport for a safer, more inclusive and sustainable pathway to the future. More information about the Summit programme is available at: <https://www.2021.itf-oecd.org/>

Maritime

TIME FOR EFFECTIVE COMPETITION POLICY FOR LINER SHIPPING

At the end of March, CLECAT and other maritime stakeholders including shippers, terminal operators, and inland waterway representatives, voiced concern on the continued disruption in the maritime logistics supply chain with ongoing unreliability and peaking prices. During the 'Maritime Forum', organised by the competition and transport directorates of the European Commission, gathering maritime stakeholders - shippers, freight forwarders, carriers, port operators, and container carriers - developments in the container shipping sector and possible ways forward were discussed. But the Commission remained in a 'listening mode.'

Today, we wonder whether it would be unreasonable to expect the Commission to start a serious investigation, and to step out of their observing role. CLECAT welcomed the Commission's Maritime Forum initiative, as it is vital that competition and transport authorities engage with the market to monitor the consequences of the special privileges they have granted to the shipping industry, especially during times of unprecedented market turbulence. But we continue to question why it is taking the Commission so long to assess the situation, fearing to lose momentum whilst carriers continue to fine-tune their in-depth capacity management and price discipline. Maersk Group reported the strongest quarterly profit in its history, with earnings driven upwards by strong demand across the ocean freight division and capacity shortages. Overall, container carrier profits are peaking as never before.

Meanwhile carriers are continuing to lobby high-level authorities at national and international level to maintain their special status. This may not come as a surprise because there are three important distortions which are caused predominantly by the fact that the major liner companies have integrated other activities in their service offering, including freight forwarding and intermodal transport (also called 'vertical integration').

You can read the full blog [here](#).



CONTAINER FREIGHT RATES STILL RISING TO NEW RECORDS



Ocean freight spot rates rose further again this week from their already record-high levels. According to Drewry's World Container Index, spot prices to ship a 40-foot container from Shanghai to Rotterdam surged another 7% or \$605 this week to \$8,976 – more than six times their level last year, and those on Shanghai-Genoa rose \$411 to \$8,943 for a 40-foot box, more than five times their level in the same period of 2020.

Lloyds Loading List reported today that some shippers have been paying as much as \$18,000 per feu for urgent shipments from Asia to Northern Europe, “with average slot utilisation rate ex-Shanghai about 100% and most vessels over booked”, meaning cargo owners with urgent cargo had to bid for limited space resources due to the pressure of the delivery period. The latest rates update today from digital freight marketplace Freightos highlights that non-stop demand for ocean freight and the resulting delays and equipment shortages “pushed spot rates to new heights across major trade lanes once again this week”. But it also noted that “with nearly 40% of containers getting rolled, many shippers are paying significantly more in premiums in the hopes of securing space”.

According to Freightos' FBX rates index – based on current rates being used by global logistics providers for the week leading up to Tuesday each week – prices out of Asia to the US increased this week by more than 13% and to new highs to both coasts, and Europe-North America rates spiked another 23% to \$4,299/FEU, “nearly double their level just six weeks ago.”

The exceptionally high freight rates on the Asia-Europe routes also seems to have spread to Transatlantic routes: according to analyst firm Alphaliner, freight rates between Northern Europe and the US East Coast have risen by more than a third, surpassing \$3,600 for a forty-foot container. According to Shipping Watch, carriers have moved capacity from the Transatlantic routes to the Transpacific and Far East routes, where rapidly growing volumes of goods in the wake of the COVID-19 pandemic have made shipping extremely lucrative. However, the freight volume growth on the Transatlantic routes is relatively small, by 1.4% compared to May 2020.

Source: [Drewry](#), [ShippingWatch](#), [Lloyds' Loading List](#)

Rail

CONNECTING EUROPE EXPRESS TIMETABLE ANNOUNCED

On 9 May, the European Commission announced the route and timetable of [the Connecting Europe Express](#), an initiative forming part of the [European Year of Rail 2021](#), aimed at demonstrating the power of rail to connect people and businesses, and the importance of EU infrastructure policy in making this possible. Beginning its journey on 2 September in Lisbon and stopping in more than 70 cities in 26 countries, the train will link the Portuguese, Slovenian and French Presidencies of the Council of the EU, arriving in Paris on 7 October.

