



NEWS



It's all happening again: The supply chain is under strain...

The floating traffic jams off ports. The multiplying costs of moving freight. The resulting shortages of goods. All of this had seemed like an unpleasant memory confined to the COVID-19 pandemic. But no such luck!

The intensifying upheaval in shipping is prompting carriers to lift rates while raising the specter of waterborne gridlock that could again threaten retailers with product shortages during the make-or-break holiday shopping season.

If the supply chain disturbances of the pandemic proved anything, it was this: Trouble in any one place tends to ripple out widely.

The maritime industry is grappling with the repercussions of escalating sea freight costs, which are significantly impacting the global trade. The rising costs are attributed to a combination of factors including heightened demand, geopolitical disruptions & logistical challenges.

Global container shipping fees have surged by 12% with routes from Asia to Europe witnessing increases of 11-14%. The overall increase in international container shipping rates exceeds 70% compared to the same period last year and is over 110% higher than pre-pandemic levels. The Red Sea conflicts, a shortage of empty containers, and surging transportation demands are poised to drive sea freights to levels reminiscent of the COVID-19 peak.

The current situation requires coordinated efforts. Enhanced regulatory framework, strategic collaborations will be crucial in navigating the turbulent waters of the global trade. In the face of such challenges, global supply chains' resilience and adaptability will be tested.

The solutions devised today will shape the future of international trade, determining how effectively the world can respond to and recover from economic disruptions.

Reference:

<https://economictimes.indiatimes.com/small-biz/trade/exports/insights/its-all-happening-again-the-supply-chain-is-under-strain/articleshow/111247043.cms>

<https://www.logisticsinsider.in/global-maritime-trade-faces-challenges-amid-rising-sea-freight-costs/#:~:text=The%20rising%20costs%20are%20attributed,increases%20of%2011%2D14%25.>