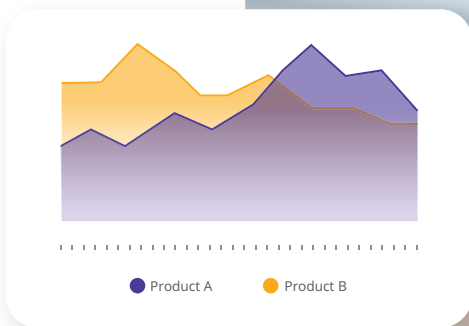
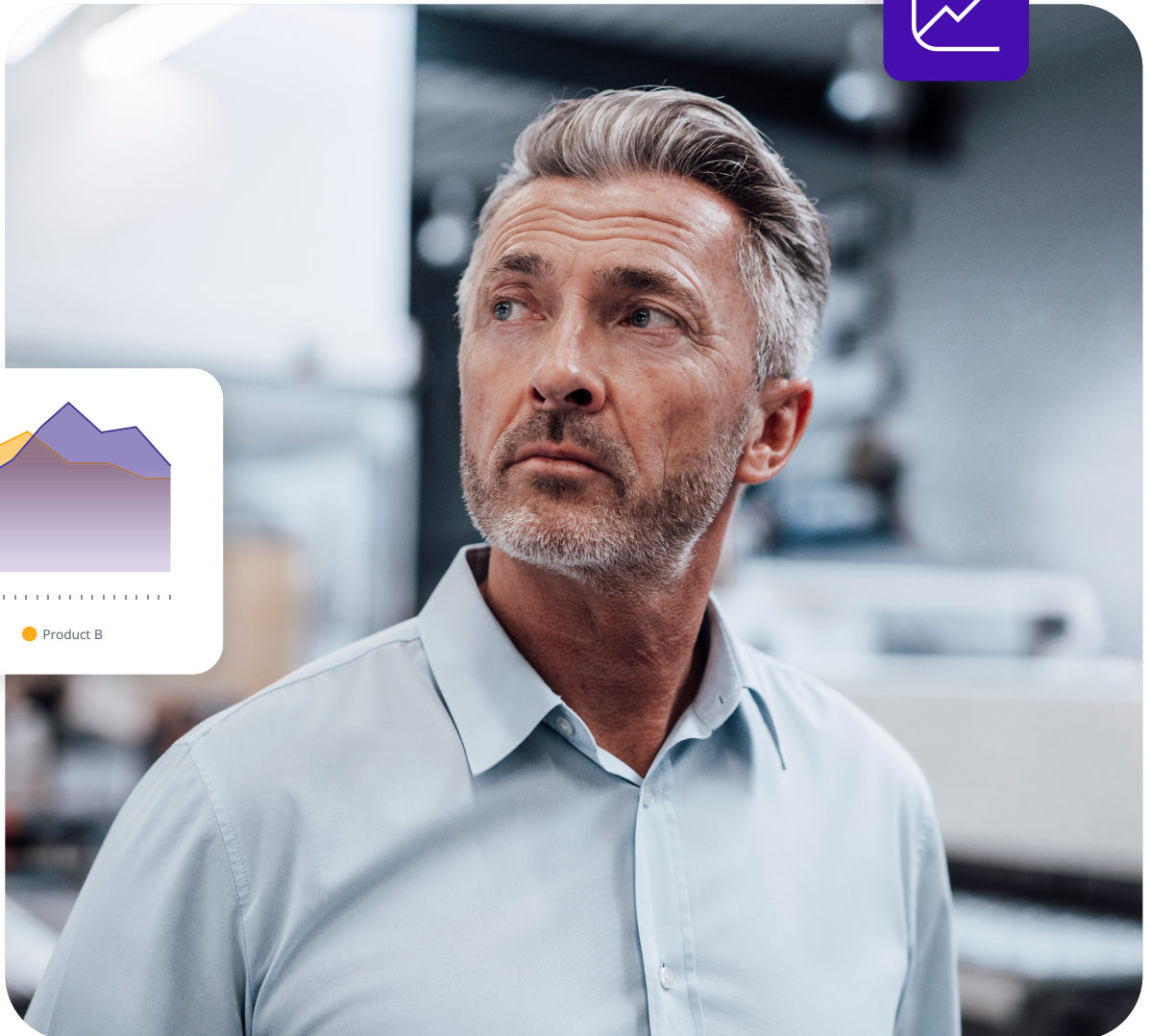


# Insights Update March 2024

Amidst the intricate web of global commerce, disruptions to the supply chain are increasingly pervasive. Here are some of the latest insights that we are observing across our network.



# Table of contents

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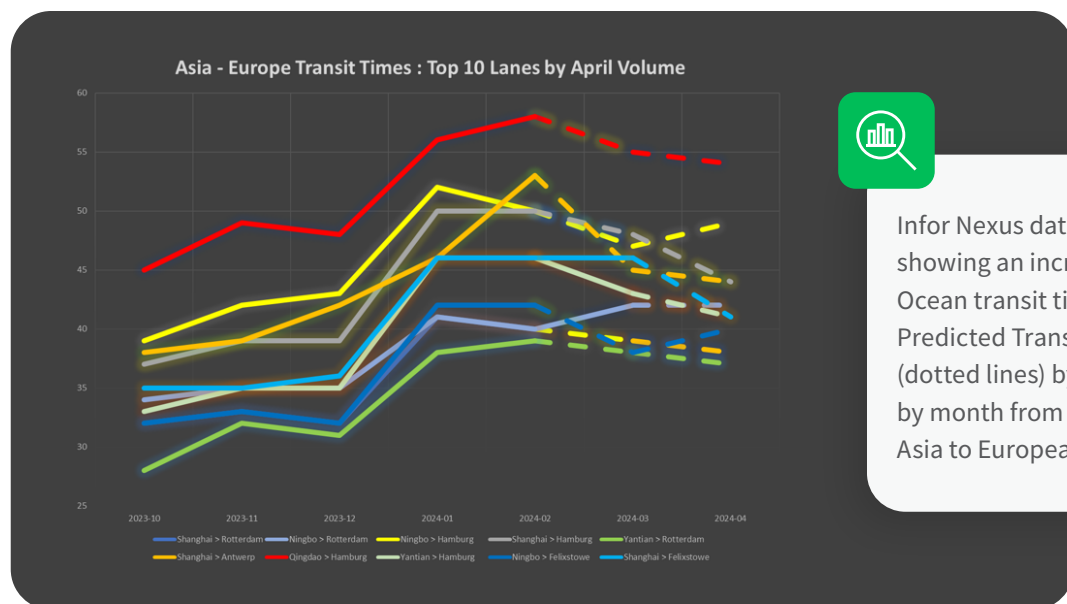
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# Rerouting continues to have a major impact on transit times to Europe and North America

The Bab el-Mandeb Strait is a narrow passage connecting the Red Sea to the Gulf of Aden and a vital artery for global trade. This chokepoint is critical for the shipping of goods, with around 15% of global trade and an estimated 30% of global container traffic passing through its waters.

As major shipping companies increasingly opt to suspend operations in the Red Sea due to increasing geopolitical concerns and piracy, choosing instead to reroute vessels around the Cape of Good Hope to bypass the Bab el-Mandeb Strait, transit times are experiencing a dramatic surge.

With many vessels opting to travel the longer but safer route around South Africa, large volume Western European ports such as Felixstowe, Rotterdam and Hamburg are being most affected by the delays as shipments continue to endure journeys that are between 6 and 16 days longer than was the case in October 2023, with an average transit time increase of up to 12.5 days for Hamburg, 11 days for Rotterdam, and 11 for Felixstowe.



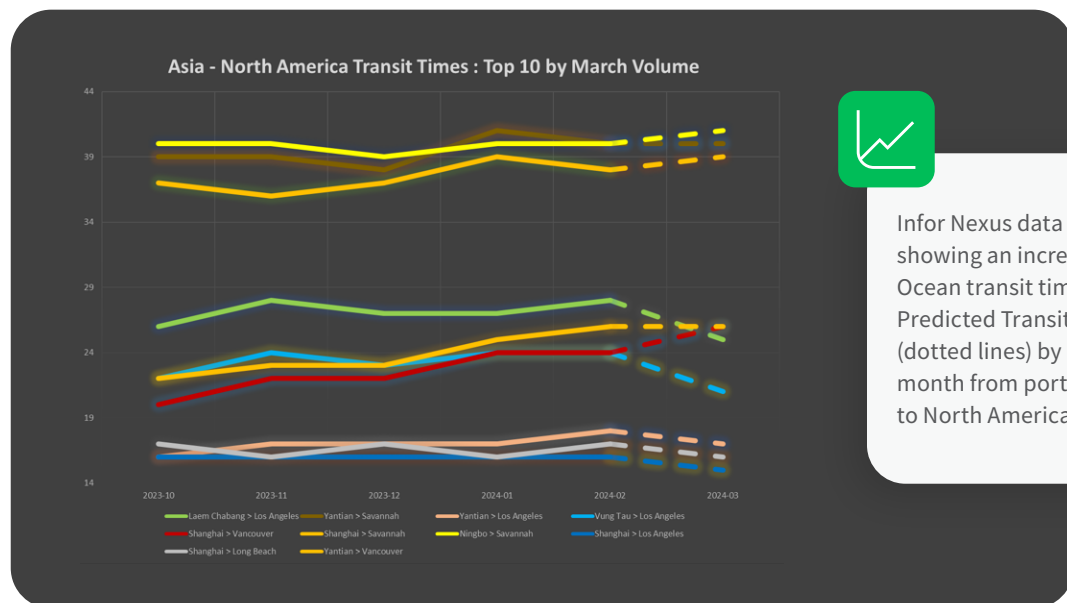
Infor Nexus data showing an increase in Ocean transit times and Predicted Transit Times (dotted lines) by lane by month from ports in Asia to European ports



Similarly, shipments travelling via the busy lanes that are destined for key ports in North America including New York and Vancouver, are still grappling with delays of up to 10 days; the most significantly hit route being Indonesia to Canada adding an extra 24% to the transit times from September, whilst the many of the other routes into the US from Asia including Sri Lanka, Singapore, and Thailand are still experiencing delays of up to a week.

Fortunately, as can be seen by the graph on the above and below, estimated transit times to European and East Coast North America ports in particular are due to decrease slightly as we progress through March.

To avoid disruptions caused by both geopolitical instability in the Red Sea and the ongoing drought in the Panama Canal, which has significantly lowered water levels and limited passage capacity, Infor Nexus data shows a clear shift in shipping routes towards Western North American ports, bypassing those on the East Coast. This data shows that over the last 6 months, ocean containers heading to the Canadian East Coast have decreased by 20%, whilst West Coast imports have increased by the same amount.

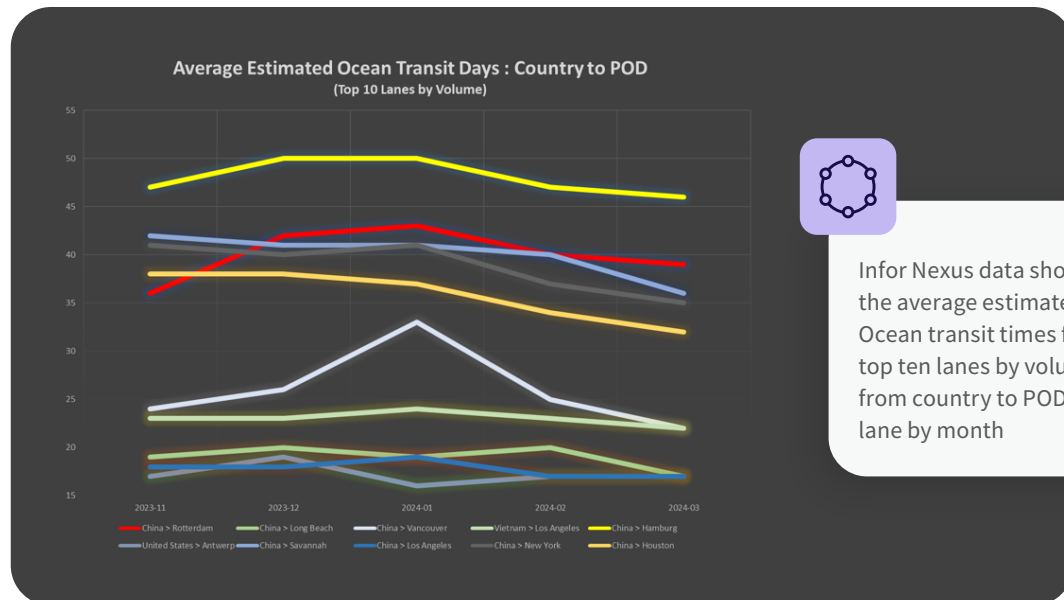


Infor Nexus data showing an increase in Ocean transit times and Predicted Transit Times (dotted lines) by lane by month from ports in Asia to North American ports

# Expected transit times drop as we enter March

Contrary to the evidence from increasing transit times, carriers are expecting transit time levels for March to drop to around the same level they were in November, which whilst still unnaturally high, is great news for businesses. Comparison to their competitors. Companies that are not integrating AI risk being left behind by competitors and new market players.

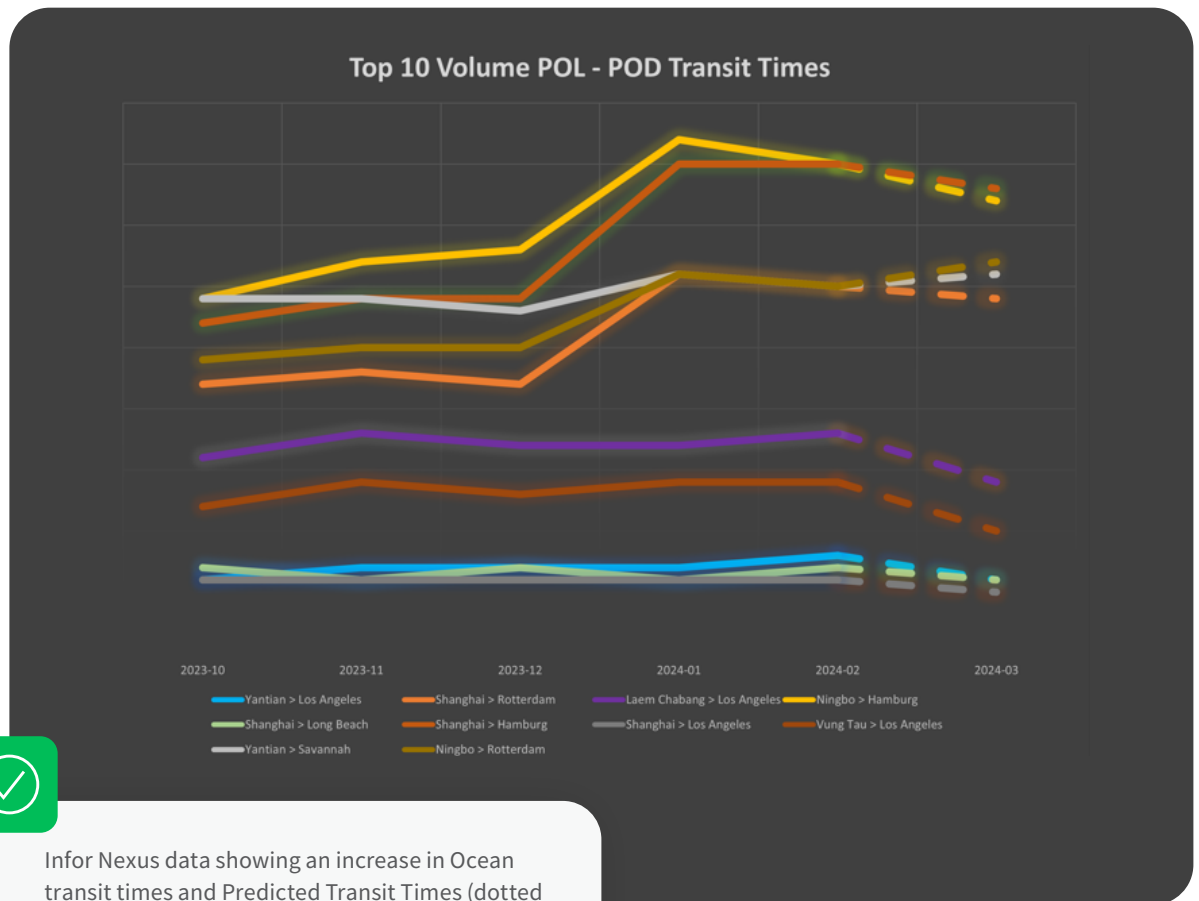
In the top 25 routes (by volume), only 5 of those are still showing an increase in transit times from what they were in November, with China to Rotterdam still being the most heavily affected route and sitting at about 10% above the levels they were before Christmas. However, data from January to March shows a distinctive decrease in estimated transit times across 23 of the 25 busiest lanes globally.



Infor Nexus data showing the average estimated Ocean transit times for the top ten lanes by volume from country to POD by lane by month

However, as the dotted lines on the graph below show, the maritime community still seems to be erring on the side of caution, with predicted transit times for the top 10 POL – POD Lanes only decreasing slightly almost unanimously across the board, or in some cases such as Ningbo-Rotterdam and Yantian-Savannah still climbing from February Transit times.

Whilst we can only hypothesize, this seems to suggest that, for Europe at least, carriers and shippers have managed to somewhat “come to terms” with the new normal and find ways to either mitigate or avoid potential issues without it adversely affecting their transit times; but are still unwilling to commit too much to transit times improving. Hopefully this shows a trend in the right direction, however we will continue to monitor and update you as more data comes in via the Nexus platform.

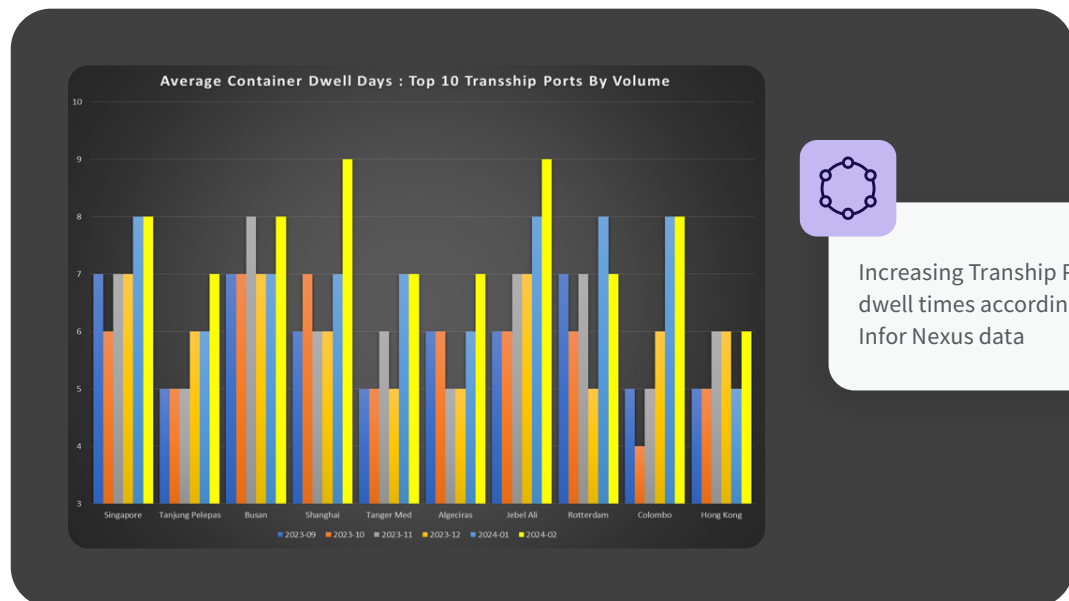


Infor Nexus data showing an increase in Ocean transit times and Predicted Transit Times (dotted lines) by lane by month from ports in Asia to European ports

# Dwell times grow at the larger tranship ports

As the disruptions continue to unfold in the Red Sea, Infor Nexus can agnostically use data to look at the situation globally within the supply chain community. Many throughout the global supply chains are now being affected not just by the geopolitical events themselves, but by the ripple effect and reverberating impact of the ongoing crisis, underscoring the interconnectedness and vulnerability of the maritime trade network. The insights gleaned from Infor Nexus data offers a broader perspective, illuminating an uptick in dwell times at a number of the larger tranship ports; particularly those in Asia.

Extended return times to the port of origin as well as a number of other factors are becoming the new norm. Particularly hard-hit is the Port of Colombo, where dwell times have surged 100% from 4 days in October to 8 in the last January and have remained high since. Similarly, Jebel Ali and Shanghai are both witnessing sharp spikes in dwell times, surging by 50% since the onset of the Red Sea Crisis in September of the previous year.

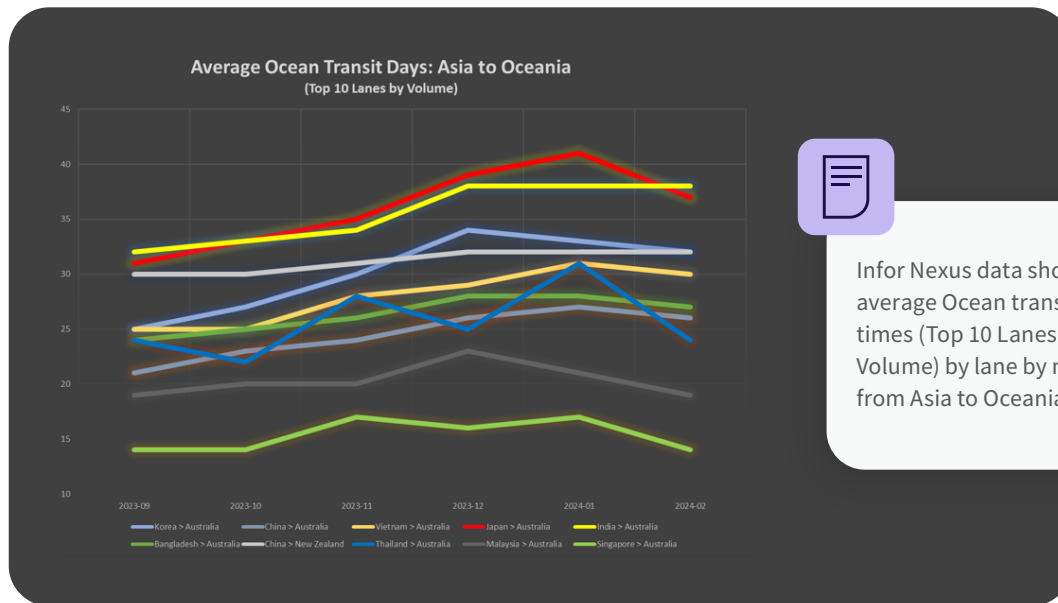


# DP World strike ends as shipments to Australia return to the norm

The logistics landscape to Australia has been profoundly disrupted over the last few months due to a strike at some of the major ports, with goods facing prolonged transit times well beyond the established norms.

As noted before, the rerouting strategies adopted in response to these challenges, particularly for ships bound for Europe and North America,

have resulted in considerable extensions to the return journey of a significant number of container shipments to their ports of origin. Added to this, dock workers throughout Australia have been striking since October 2023 in a pay dispute against port operator DP World, which it is estimated has cost the Australian economy \$56m a week.



Infor Nexus data showing average Ocean transit times (Top 10 Lanes by Volume) by lane by month from Asia to Oceania

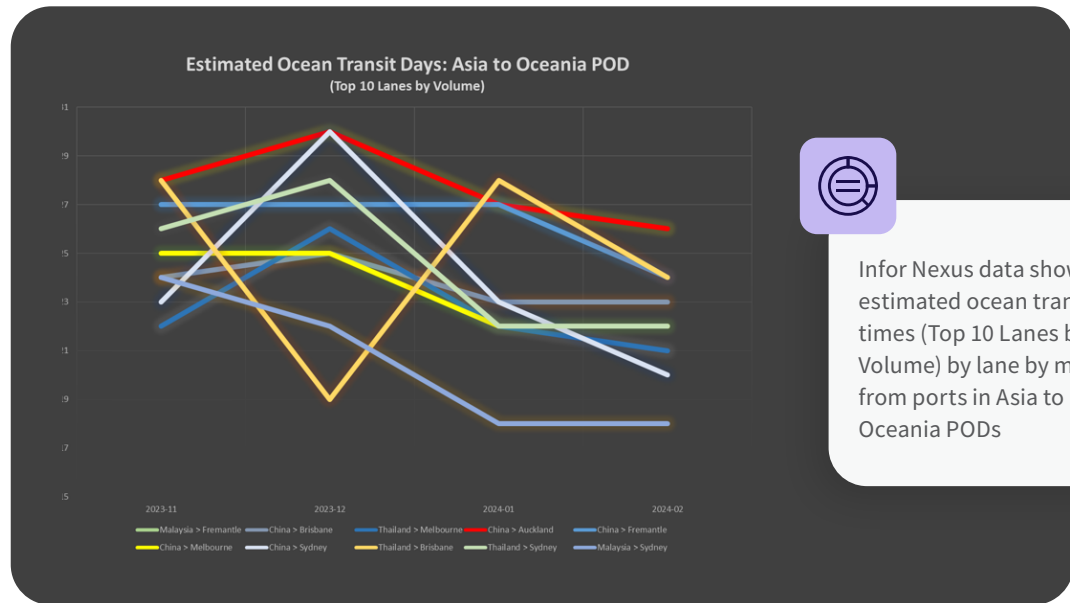


However, Australian shipping stakeholders have cause to celebrate as DP World and the Maritime Union of Australia (MUA) reached an agreement that will end protected industrial action at Australian ports and leveraging the data flowing through the Infor Nexus platform, we can see that things were already beginning to trend in the right direction towards the end of February.

As the estimated transit times from Asia to Oceania PODs graph shows, 3 of the top ten lanes by volume showed estimated transit times levelling out whilst

the rest showed a marked decrease in expected transit times along those routes.

Ultimately, this isn't the first time that a port strike has affected transit times, and it undoubtedly won't be the last, but it does show how vital it is to have a resilient supply chain that can adapt to unexpected disruptions that are outside of our control, and also highlights the vital work that members of the dock worker community do for global supply chains.



# Export volumes out of China continue to rise

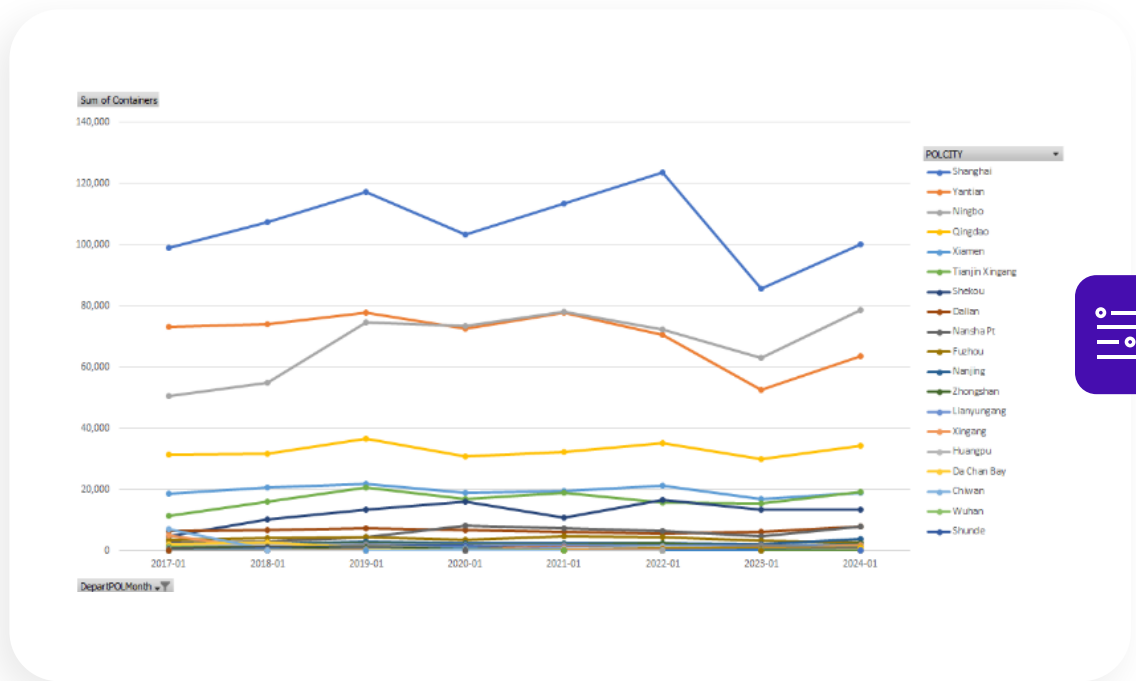
Despite the prevailing narrative advocating for the relocation of manufacturing away from China, recent trends show a contrary reality: Export volumes from China are actually increasing.

Analysis of monthly export data spanning over seven years, starting from 2017, as provided by Infor Nexus, indicates a consistent upward trajectory in export volumes since September 2023, with no apparent signs of abating in container exports from China—yet.



Overall China Ocean Container Exports By Month: 2017 – 2024

Moreover, a deeper dive into the data reveals a noteworthy trend: in nearly every instance, when comparing export volumes by port of loading, January 2024 figures significantly surpass those of January 2023. This trend is particularly evident in the bustling ports of Shanghai, Yantian, and Ningbo, where there have been substantial increases in the flow of goods, underscoring the enduring significance of China as a pivotal hub in global trade networks.



China Ocean Container Export Volumes by POL : Jan Only, 2017 – 2024

# Conclusion

There are several promising signs indicating a positive trend in international shipping:



**Increased stability in Asian to European Routes :** Despite ongoing concerns, only three out of the top 25 highest volume Asian port to European port lanes are experiencing increased ocean transit times for their expected March/early April arrivals. It's worth noting that all these shipments are bound for Rotterdam. This suggests that while there are still localized challenges, the overall maritime situation is becoming relatively stable.



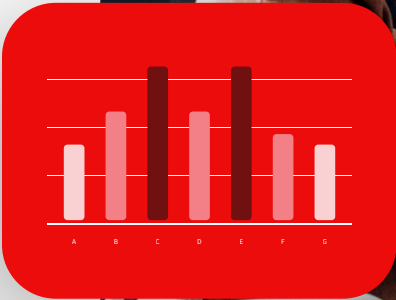
**Improved Transit Times to North America :** Encouragingly, for the majority of high-volume lanes, there is a decrease in expected transit times for shipments currently en-route to North America and scheduled to arrive in March/early April. Only eight out of the top 25 highest volume Asian port to North American port lanes are experiencing increased ocean transit times for their expected March arrivals. This suggests that disruptions are becoming manageable and less widespread across all routes.



**Progress in European Bound Shipments :** Despite longer ocean transit times ranging from 7 to 15 days for Asian export shipments that arrived at European ports in February, there's a positive shift. We're observing a decrease in expected transit times for shipments currently on the water and anticipated to arrive at European ports in March/early April. This indicates that efforts to streamline operations and address bottlenecks are yielding results, leading to improved efficiency in the European-bound supply chain.

In summary, whilst there remains a number localized challenges and fluctuations, the overall trajectory in international shipping is promising. These trends indicate resilience and adaptability within the industry, with stakeholders actively addressing issues to ensure smoother and more efficient global trade operations.

We will continue to monitor all of these situations, as well as many others, and provide you with the valuable and reliable insights that your organisation needs to run your supply chains smoothly.



## About Infor Nexus

Infor Nexus is the leading end-to-end global supply chain platform, helping companies achieve unmatched visibility for over 30 years. Infor Nexus connects a network of over 85,000 brands, retailers, manufacturers, suppliers, logistics providers, and banks on a single-instance network platform to seamlessly orchestrate global supply chain processes from source to delivery and payment. Companies streamline their operations, eliminating inefficiencies and waste while gaining data-driven insights and optimizing the flow of capital for improved agility, resilience and sustainability.

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agility and resilience  
with Infor Nexus**

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