

Insights Update May 2024

The ripple effects of the global maritime disruptions continue. Here are the latest Infor Nexus insights.

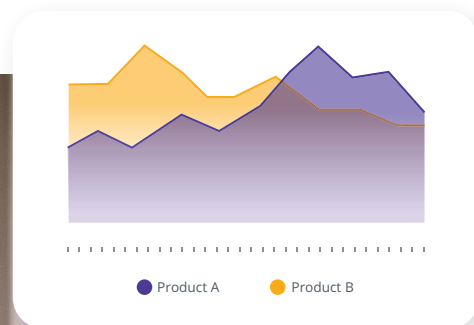
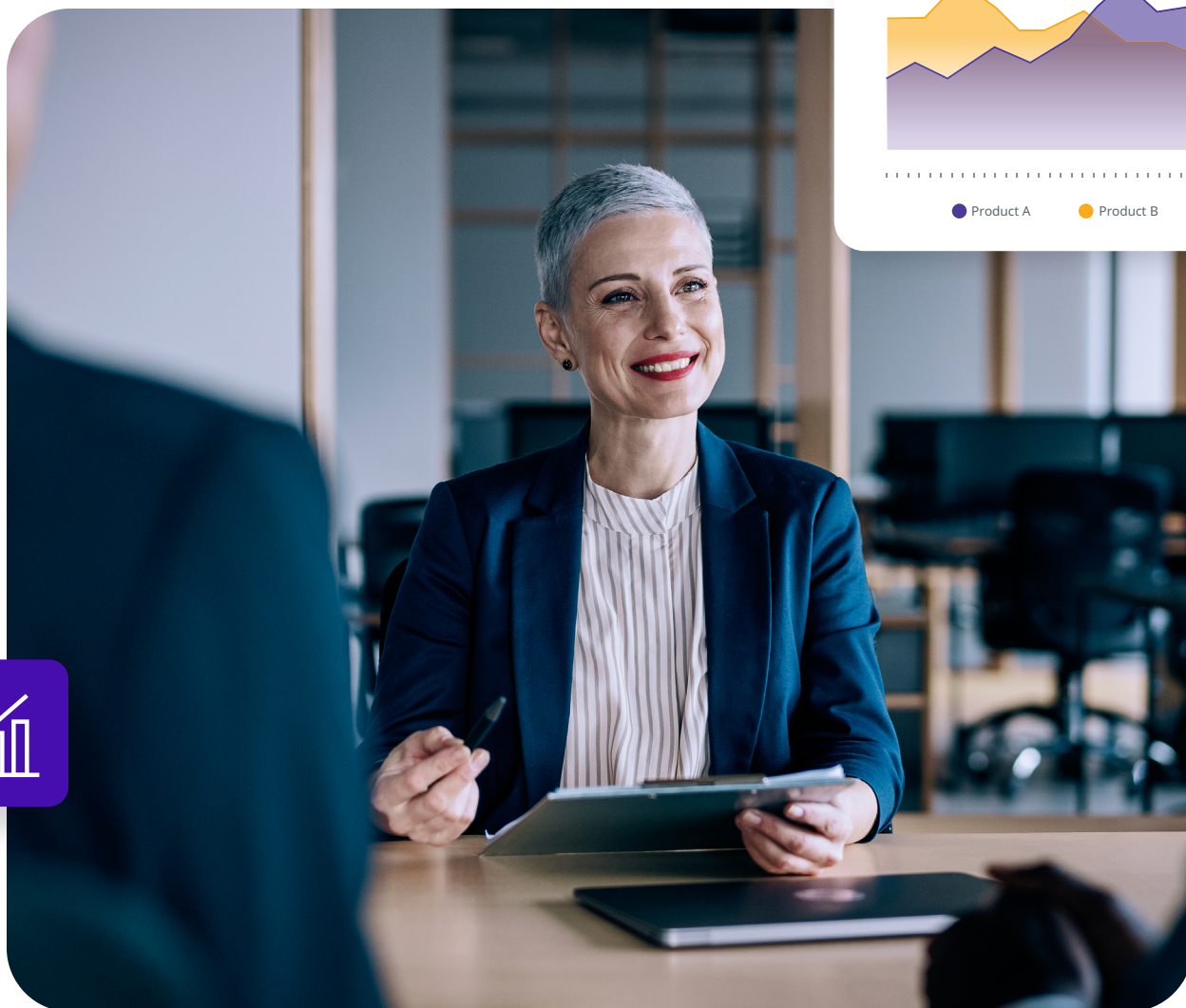


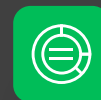
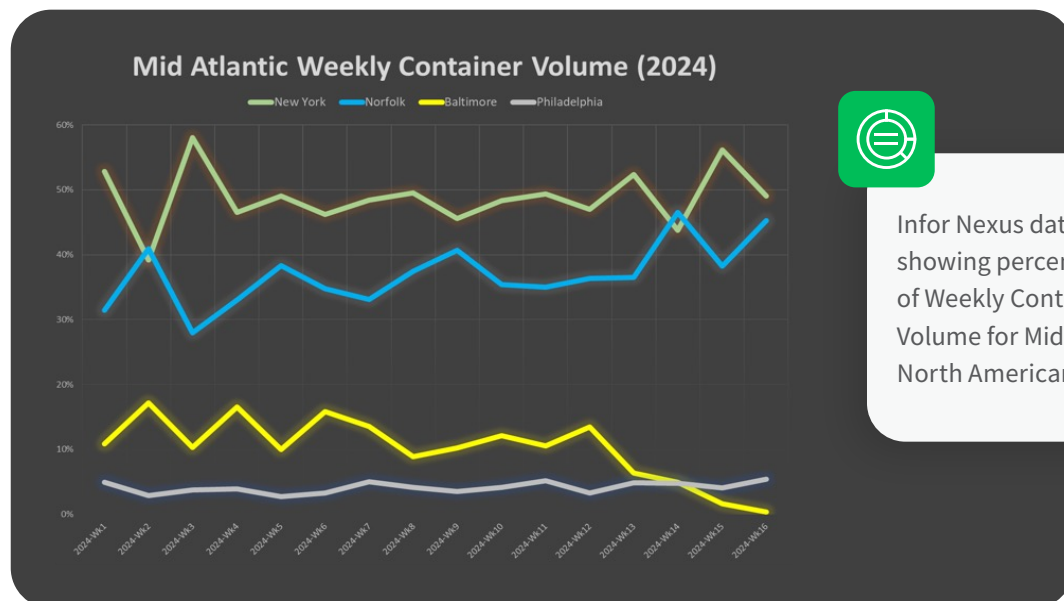
Table of contents

Mid-Atlantic shifts

Aftermath of the Baltimore bridge collapse

In the early hours of the 26th of March, disaster struck Baltimore as a massive cargo ship, the Dali, crippled by power loss, collided with the Francis Scott Key Bridge over the mouth of the Patapsco River, resulting in the bridge's collapse and significant disruptions to the port's operations.

Unsurprisingly, the container volume flowing through Baltimore is 0, and will unfortunately remain that way for some time, potentially [unable to operate at full capacity until the end of May](#) according to the New York Times. Norfolk and New York seem to have absorbed the bulk of that trade with **Norfolk jumping from about 30% of mid-Atlantic trade volume to around 45% of container volume**, whilst **New York hovers around the 50% mark**. Positively, both Norfolk and New York seem to be coping admirably with the sudden increase in containers, **with dwell times for each of these two ports climbing by only 1 day** in both cases. Philadelphia, another possible option for the rerouting of goods, has only seen a very mild increase and now handles around 5% of the container volume.



Infor Nexus data showing percentage of Weekly Container Volume for Mid-Atlantic North American ports

Transit time disruption

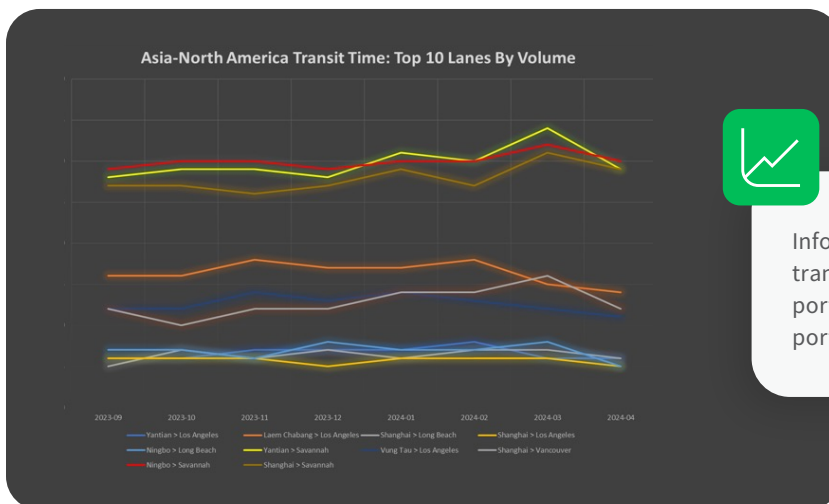
North America transit times return to normal, but Europe still struggling

In the wake of the persistent geopolitical tensions gripping the Red Sea region, commonly referred to as the Red Sea Crisis, the global maritime industry finds itself in a state of continual adjustment amidst adversity.

Bab el-Mandeb Strait, the narrow conduit linking the Red Sea to the Gulf of Aden, stands as a crucial lifeline for international trade. Approximately 15% of global trade and an estimated 30% of global container traffic usually traverse these waters, underscoring its indispensable role in global commerce. However, the rerouting of shipments around the Cape of Good Hope has become a necessary strategy for many shippers, resulting in a significant increase in transit times worldwide.

North America: Adapting to new norms

Recent data from Infor Nexus indicates that **inbound goods from Asia to North America have successfully acclimated to the prevailing circumstances**, with transit times reverting to pre-Red Sea Crisis levels. Conversely, outbound shipments from North America to Asia continue to grapple with adaptation challenges. Notably, cargo voyages from **Los Angeles, Oakland, and New York to Port Klang** endure extended journey durations of **26%, 29%, and 45%** respectively (9, 10, and 18 days longer). Whilst export transit times from North America exhibit signs of improvement or stabilization from March to April, they have yet to fully restore to pre-crisis benchmarks.



Infor Nexus data showing ocean transit times by lane by month from ports in Asia to North American ports for Top 10 Lanes by Volume

Europe: Persistent struggles

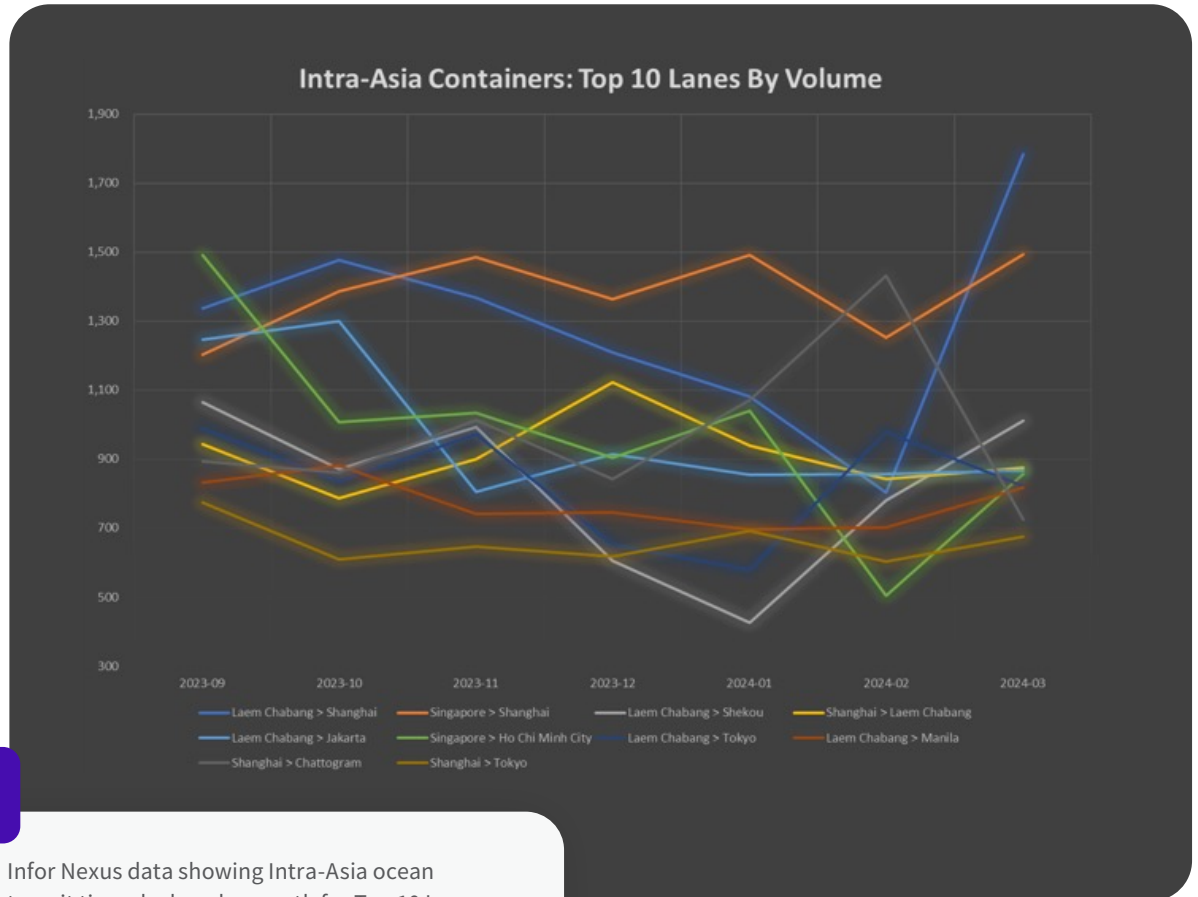
In contrast, Europe faces ongoing transit challenges. Imports from Asia to Europe persistently require **30%-40%** more time to reach their destinations, with certain routes, such as Shanghai to Felixstowe, experiencing a staggering **58% increase** (19 days longer). Moreover, transit times for exports from Europe to Asian ports initially displayed a promising decline in **March** but have since **rebounded in April**. This reversal may partly be attributed to reduced maritime traffic during the Chinese New Year, with container volumes surging once more, causing transit durations to elongate by **20-50%** compared to pre-crisis levels.



Infor Nexus data showing ocean transit times by lane by month from ports in Asia to European ports for Top 10 Lanes by Volume

Intra-Asia routes: Resilience amidst turbulence

Intra-Asia shipping remains relatively unaffected by the Red Sea Crisis, with most routes exhibiting only minor deviations of around +/- 1 day from pre-crisis transit times. Noteworthy exceptions include the **Singapore to Ho Chi Minh** route, which has seen a **doubling of journey duration** since November, albeit in isolation from broader trends.



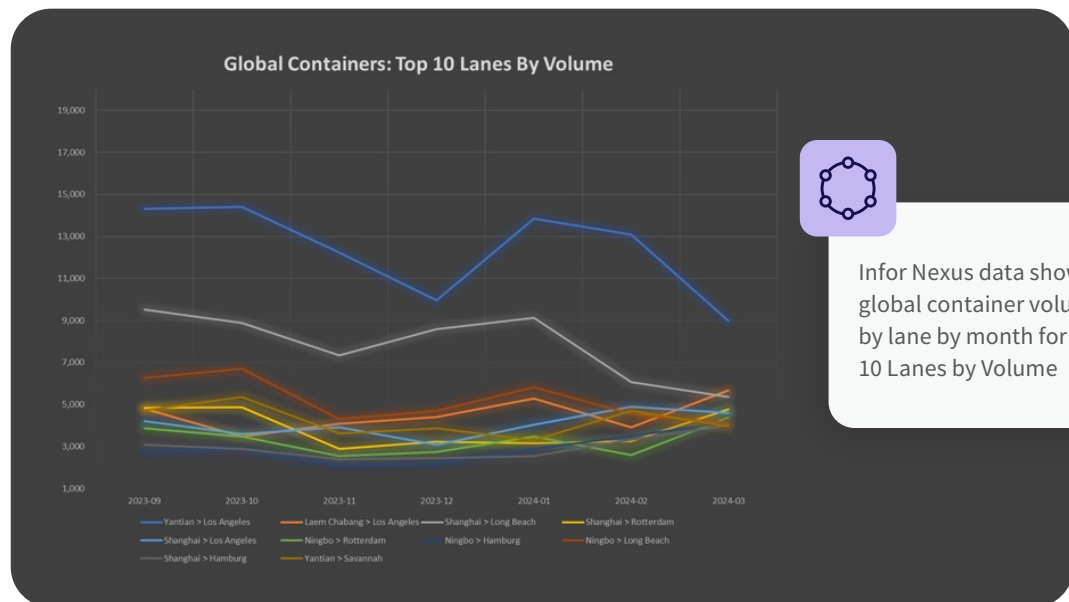
Infor Nexus data showing Intra-Asia ocean transit times by lane by month for Top 10 Lanes by Volume

Container volume fluctuations

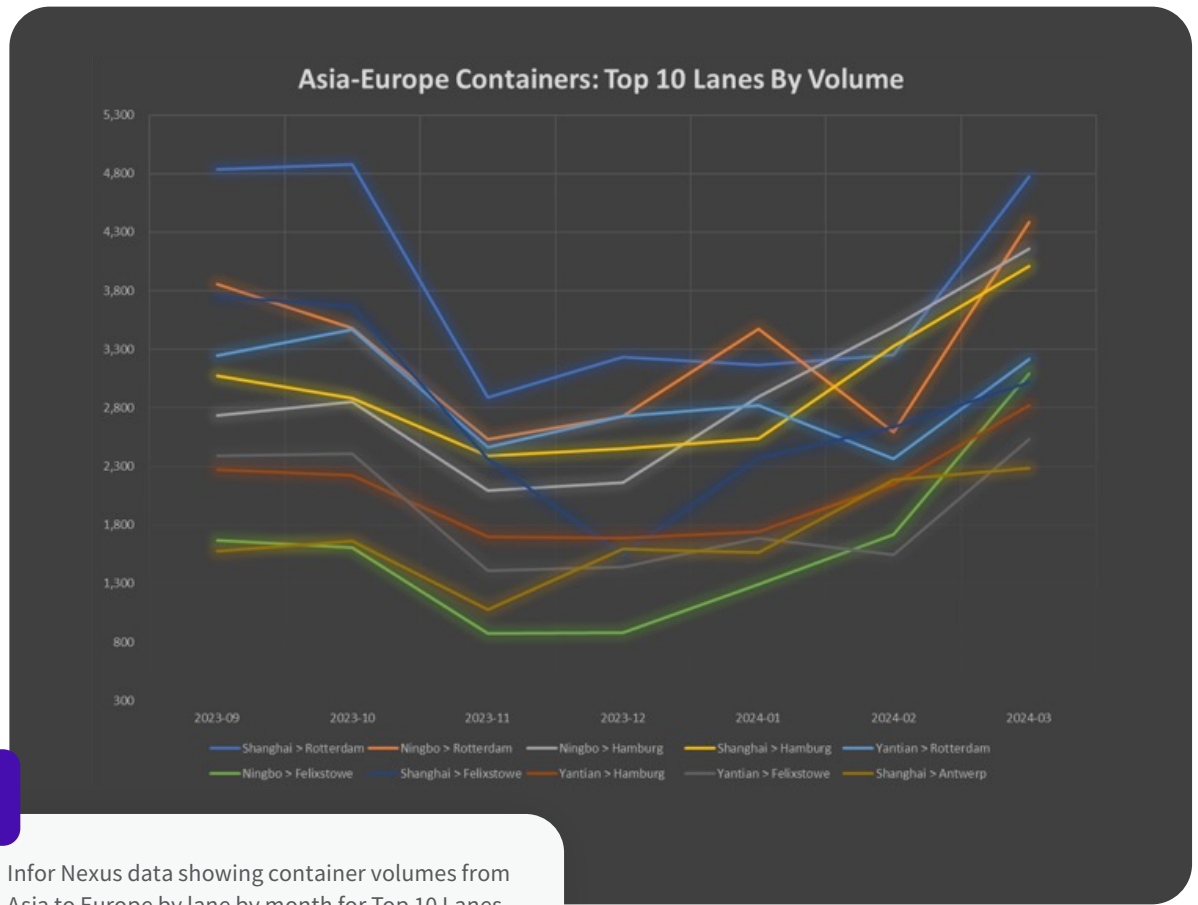
Seasonal changes have significance on maritime trade

Global container volumes are revealing seasonal trends in trade dynamics over the past six months as seasons shift and large-scale holidays impact the supply chain.

Notably, container volumes for the top 15 trade lanes by volume dropped by 11% from January to March 2024 as organizations grappled with the shutdown of many manufacturing plants in China due to the Chinese New Year, the most significant decline observed in the Yantian to Los Angeles route. This mirrors a pattern seen between October and December 2023 as the holiday season for many Western countries, particularly the US and Canada, starts to take hold.



Conversely, imports from Asia into Europe during a similar timeframe demonstrate a clear upward trajectory, as do exports from Europe to Asia. Notably, **volumes into Shanghai from European ports nearly doubled** in many instances from February to March, while **volumes from Asia into key European ports** like Rotterdam, Hamburg, and Felixstowe surged by an average of **approximately 35%** during the same period.



Infor Nexus data showing container volumes from Asia to Europe by lane by month for Top 10 Lanes by Volume

Global port dwell times



Europe still suffering as port dwell times stabilize globally

While the repercussions of the Red Sea Crisis have garnered significant attention, one often-overlooked consequence has been the surge in port dwell times, both at the port of load (POL), port of discharge (POD), and tranship ports. Despite global efforts to mitigate disruptions, Infor Nexus data shows that European POLs and Asian tranship ports in particular, continue to grapple with prolonged dwell times and acclimatize to the “new normal”, even as the situation stabilizes elsewhere.

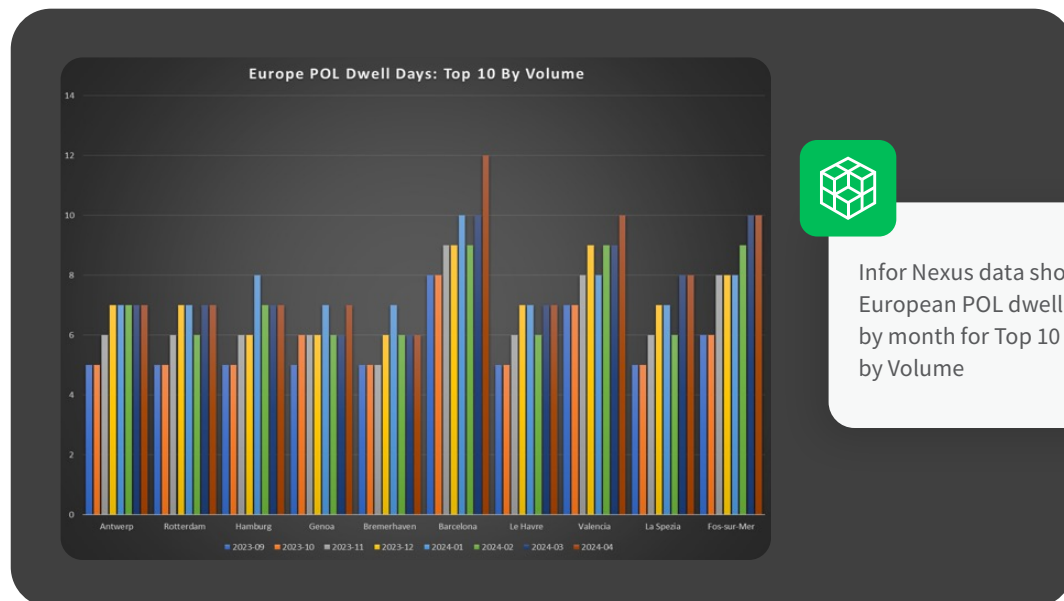




Port of load dwell: Across the globe, the majority of top 10 ports (by volume) have managed **to revert to or even improve upon pre-Red Sea dwell times**, dating back to September 2023. However, notable exceptions include **Antwerp and Rotterdam**, where **dwell times maintain an increased two days** and have done since December 2023.

While Asian POL dwell times experienced a spike in February, possibly attributed to factors like the Chinese New Year or Oceania port strikes, they have since stabilized and for the most part now sit at similar dwell times to pre-Red Sea Crisis.

In stark contrast, many high volume European POLs continue to struggle, with dwell times (with the exception of Bremerhaven) lingering a minimum of **2 days higher** than pre-Red Sea levels. Certain ports such as **Valencia and La Spezia** are suffering from an increase of **3 days**, whilst **Barcelona and Fos-sur-Mer** are experiencing the most pronounced increases, with **dwell times extended by up to four days** leaving them at 12 days and 10 days dwell times respectively. The port of Kotka in Finland which has largely been unaffected by the Red Sea Crisis, is severely struggling with **extended dwell times of 314%** in April, presumably due to the port strikes occurring in the country throughout March.



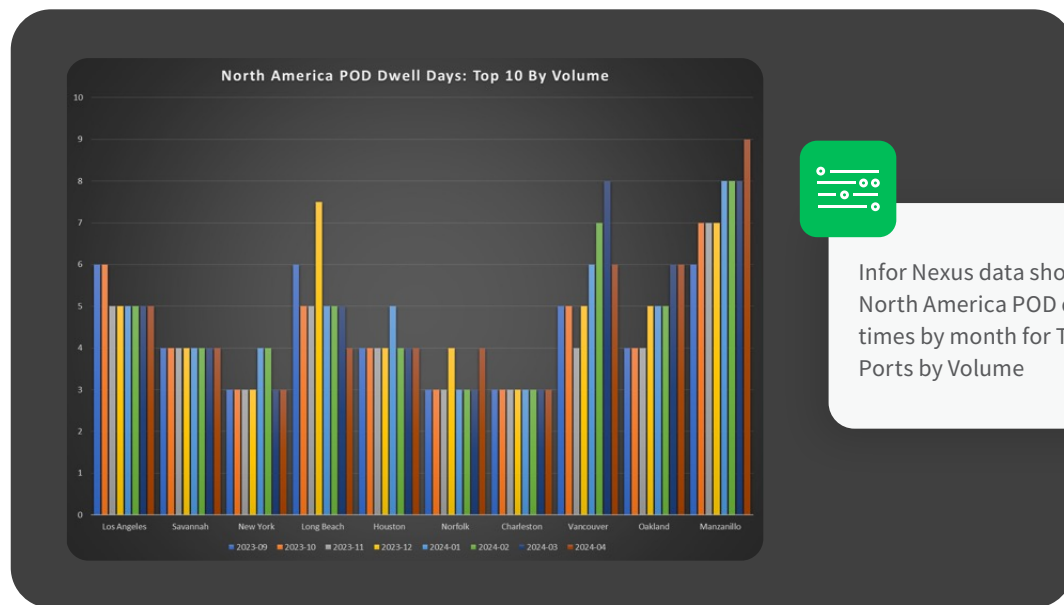
Infor Nexus data showing European POL dwell times by month for Top 10 Ports by Volume



Port of discharge dwell: Despite the turbulence of the Red Sea Crisis, the top 10 PODs by volume have largely maintained steady dwell times, with some even showing improvement compared to pre-crisis levels and most ports exhibiting no significant fluctuations

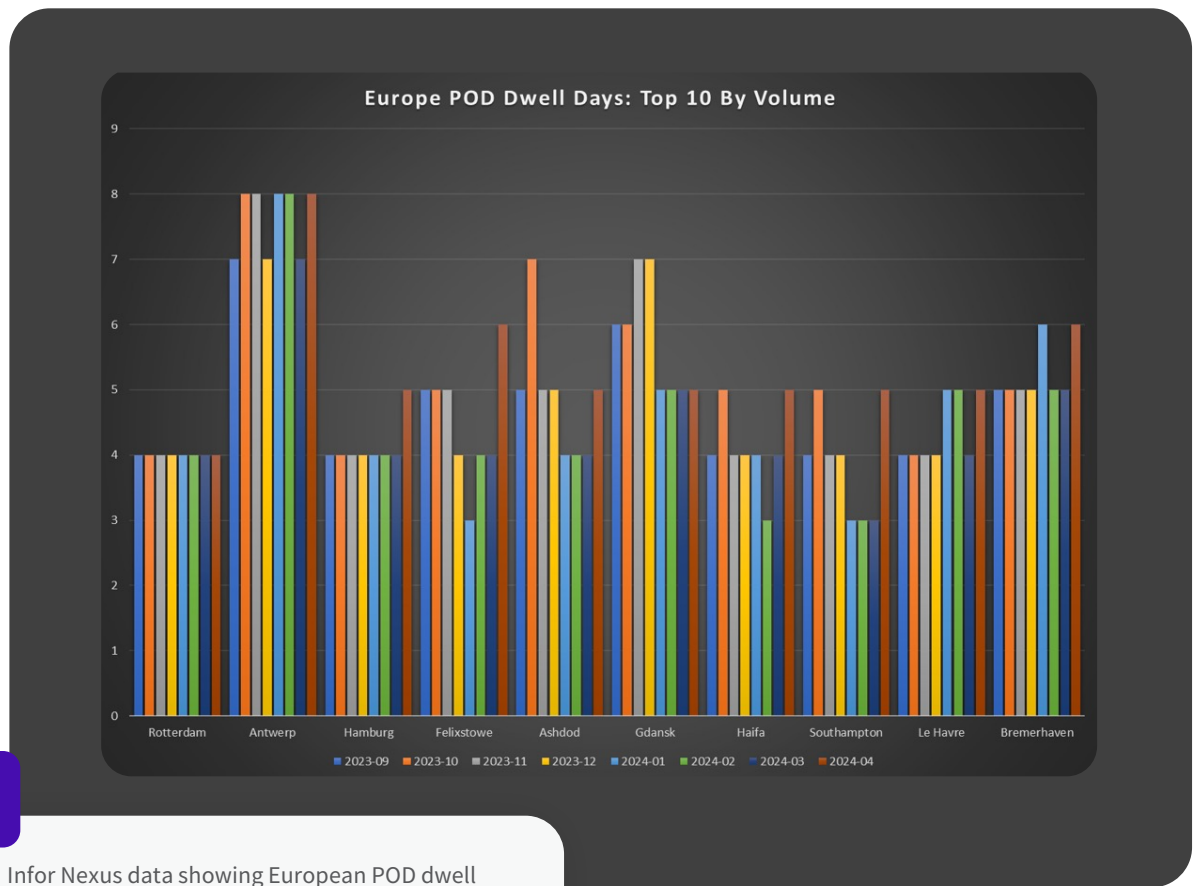
In Asia, impact is now minimal. Notable exceptions are the **Port of Jakarta, where dwell time has doubled** from pre-Red Sea levels, while Ningbo and Qingdao show a slight increase of one day, yet remain relatively stable at around one week.

In North America, whilst many of the ports are steady in POD dwell time, the situation in **Vancouver** has been unpredictable. Dwell times have been **steadily rising since November**, reaching a peak of eight days in March, however things did show promising signs of stabilization in April after **dropping to six days**. **Oakland and Manzanillo** have also seen a steady increase in dwell times since the onset of the crisis, now hovering at 50% higher than pre-crisis levels. Notably, in the aftermath of the Baltimore bridge collapse, ports like New York and Norfolk have managed to absorb increased volumes from Baltimore without experiencing a significant increase in dwell times.



Infor Nexus data showing North America POD dwell times by month for Top 10 Ports by Volume

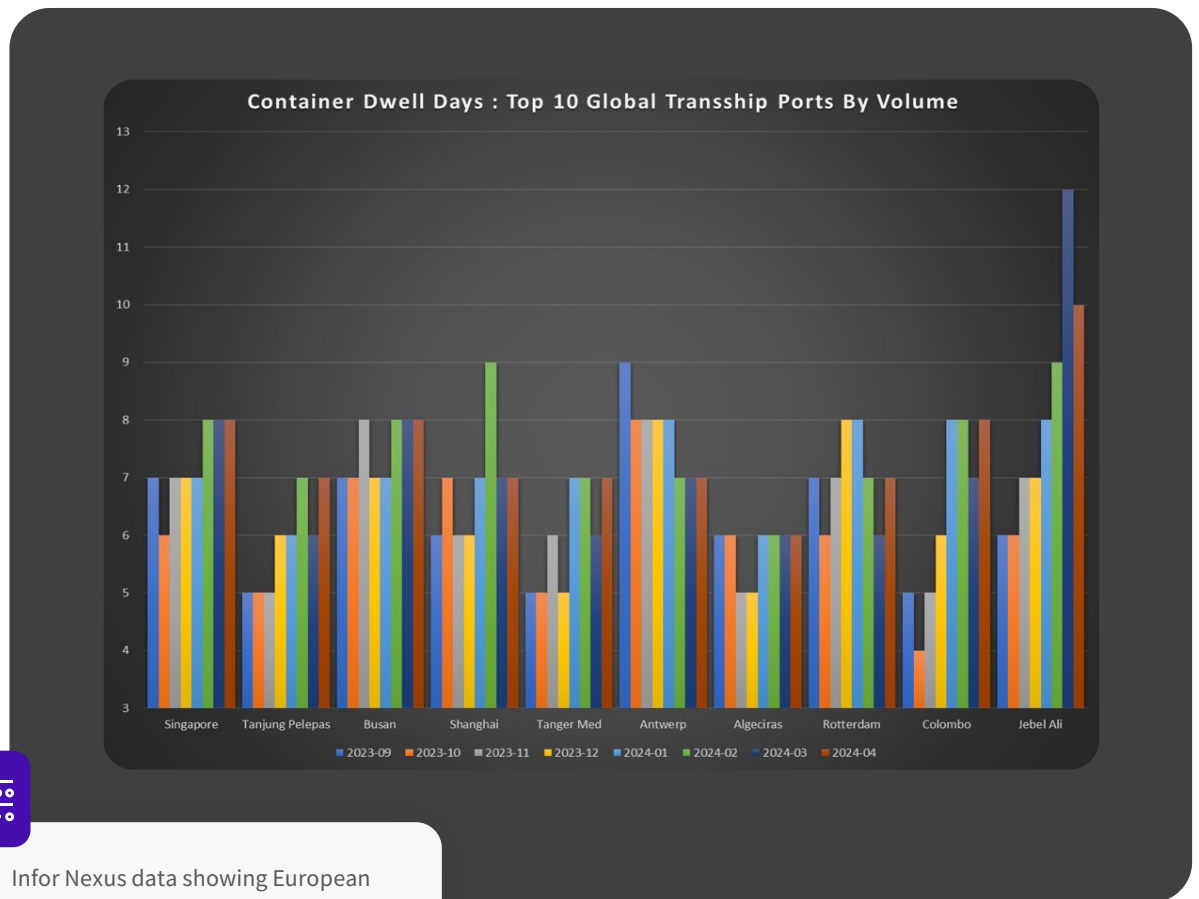
In **Europe**, whilst the majority of EU ports appear to have steadied, Danish Port Aarhus stands out with dwell times **nearly three times higher** than pre-Red Sea levels, currently at 11 days compared to the previous four. Certain ports like Antwerp continue to grapple with extended dwell times, persisting at over a week; whilst ports in the United Kingdom also seem to be struggling slightly. **Felixstowe**, having dropped to only 3 days dwell time in January (2 days shorter than pre-Red Sea levels) has now climbed back up to **6 days dwell time in March**; whilst **Southampton** shows a similar trend and has climbed up to **5 days**.



Infor Nexus data showing European POD dwell times by month for Top 10 Lanes by Volume

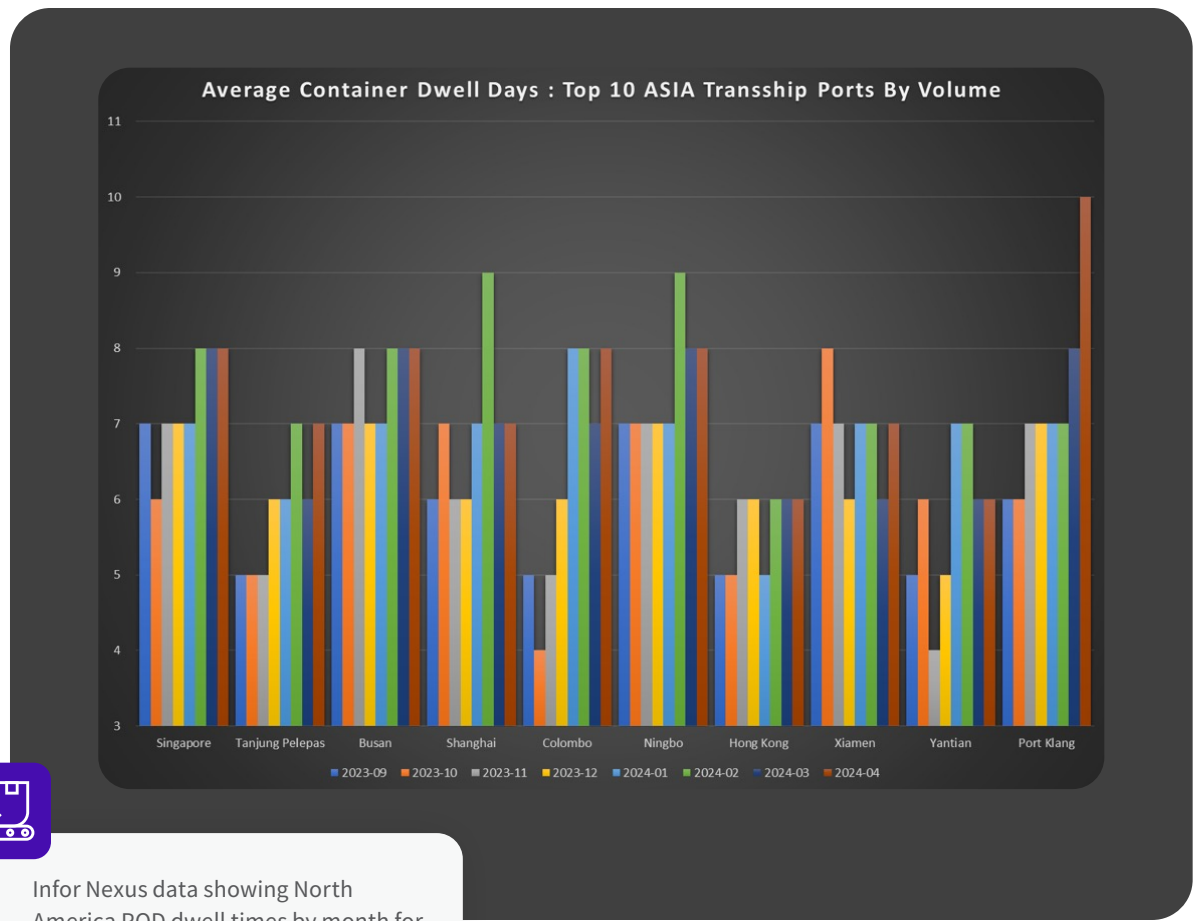


Tranship port dwell: Dwell times continue to be an issue for a number of the high volume tranship ports throughout the world. **Jebel Ali**, in particular, has seen a regular increase in dwell times since the onset of the Red Sea Crisis, **peaking at a massive 12 days** in March before falling back down to 10 days in April, however this is still **60% above pre-crisis levels**. Conversely, high-volume European tranship ports are actually performing better than expected. **Antwerp and Rotterdam**, both of which are suffering from significantly higher volumes and transit times than previous months, have either fallen below (Antwerp) or are now operating at similar dwell time levels (Rotterdam) seen in September, both of which now have **tranship dwell times of 7 days**.



Infor Nexus data showing European POD dwell times by month for Top 10 Ports by Volume

Asian tranship ports in particular seems to be suffering badly. In addition to the longer transit journeys to reach the port, **dweltimes at Port Klang have skyrocketed by 66%** since the onset of the Red Sea Crisis, now suffering from **10 days dwell**. Similarly, dwell times at the port of Colombo have **doubled since October 2023** and now rests fairly consistently at 8 days dwell time. Shanghai and Ningbo both had large spikes in dwell time in February, potentially due to the Chinese New Year, however this seems to be showing signs of returning back to normal, with times now sitting just 1 day above pre-Red Sea levels.



Infor Nexus data showing North America POD dwell times by month for Top 10 Ports by Volume

Conclusion



Baltimore aftermath: In the wake of the bridge collapse, many wondered what impact this would have on trade in the immediate area. Both New York and Norfolk have showed remarkable agility and resiliency, absorbing most of the Baltimore trade and adapting swiftly to the increased influx, with dwell times only marginally affected, rising by just one day.



Transit times: Still struggling to adapt to the ongoing disruptions in the Red Sea, both inbound and outbound transit times for Europe remain significantly higher than they were in September 2023, whilst North America and Intra-Asia shipping are showing signs of stabilization. Adaptation and innovation remain paramount as stakeholders seek to mitigate the impact of geopolitical challenges on the interconnected web of global commerce.

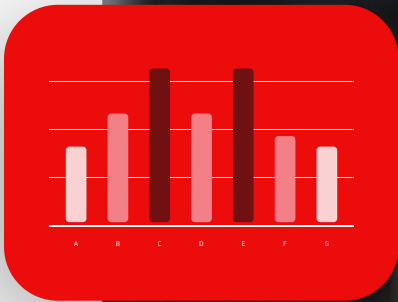


Container volumes: As the seasons change, discernible trends in container volumes arise, offering valuable guidance for stakeholders. Notably, North American volumes appear to be much more affected by large-scale holiday seasons than other regions, whilst Europe demonstrates a clear upward trajectory in imports from Asia and exports to Asia during the same timeframe, reflecting evolving global trade dynamics.



Port dwell: Managing port dwell times, particularly for European POLs and PODs and Asian tranship ports, remains a critical challenge. While some regions show signs of stabilization, concerted efforts are needed to address lingering disruptions and ensure the efficient flow of global trade. Asian tranship ports in particular are struggling to adapt to the 'new normal' with only one of the top ten Asian tranship ports by volume falling back down to pre-crisis levels.

We will continue to monitor all these situations, as well as many others, and provide you with the valuable and reliable insights that your organization 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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