

CANADA Daily News and Updates January 24th 2024

Ocean Updates

- Hapag-Lloyd Offers Saudi Arabia Land Routes as Red Sea Diversions Continue
- FIATA Calls for Global Monitoring and Coordination to Facilitate Maritime Transport as Red Sea Tensions Intensify

Sustainability

- Emissions Soaring as Cargo Patterns Shift due to Red Sea Crisis

Ocean Updates

Hapag-Lloyd Offers Saudi Arabia Land Routes as Red Sea Diversions Continue

A month after diverting call of its container vessels away from the Red Sea due to security concerns, Hapag-Lloyd has a new temporary solution to help with the disruptions to services, especially in Saudi Arabia and Jordan. Since the diversions began, service has been impacted to the Middle Eastern ports, leaving the areas in the northern Red Sea virtually stranded.

“As we continue to address the impact of the Suez Canal situation, we are introducing land service corridors from Jebel Ali, Dammam and Jubail to Jeddah,” Hapag writes in a customer advisory. The carrier says that, by providing the new land links in Saudi Arabia, in addition to standard corridors, it hopes to ease some of the challenges and delays. It will also permit them to provide a link to neighbouring Jordan. Shippers will also be able to connect with Hapag’s ocean shuttle service out of Jeddah.

Read more in an [article from The Maritime Executive](#).

FIATA Calls for Global Monitoring and Coordination to Facilitate Maritime Transport as Red Sea Tensions Intensify

In the wake of mounting tensions in the Red Sea, FIATA has released a call to action for strengthened international dialogue and monitoring between governments and industry decision-makers to ensure maritime supply chain fluidity and connectivity amidst surcharges imposed by shipping lines operating on and outside of the Red Sea and Suez Canal, for the protection of consumers and economies worldwide.

Amid sharp increases in freight rates, concerns are being raised on the extent of surcharges levied on both affected and unaffected routes. Careful management will be required to mitigate impacts on international trade. In its recent [communication](#) and [position paper](#), FIATA calls for governments and all supply chain stakeholders to strengthen international dialogue and collaboration to facilitate a coordinated approach to finding and implementing united solutions for a resilient maritime supply chain.

Drawing lessons from the recent maritime crisis and, at a time of significant inflationary pressure, FIATA has urged shipping lines at large to exercise particular care in the imposition of surcharges, and to communicate additional surcharges in a transparent and clear manner. Prof. Sys, Professor at the University of Antwerp in the Department of Transport and Regional Economics, describes the surcharges levied as being of an “unprecedented magnitude” given the discrepancy calculated between the proportion of surcharges and the actual costs incurred when rerouting ships away from the Suez Canal. FIATA also raises concerns about the lack of information on the content of these surcharges, noting the alarming ‘all in’ invoicing with no itemization of the various components for shipments.

Read more in a [press release from FIATA](#).

Sustainability

Emissions Soaring as Cargo Patterns Shift due to Red Sea Crisis

While shipping around the Cape of Good Hope has increased ship emissions, by adding distance and voyage duration, uncertainty in maritime supply chains has led to a shift toward air cargo for some shippers.

This has created a massive secondary increase in CO₂, which dwarfs that of the extended shipping route.

Data from SeaRoutes suggests that emissions from a vessel travelling around the Cape could be some 27% higher per TEU than going via the Suez Canal.

However, this estimate assumes the vessel remains the same before and after the rerouting, and may be a considerable underestimate.

The latest findings from Sea Intelligence suggest a worst-case scenario would see the current supply chain chaos cascading cargo onto smaller, faster ships. If that happens, CO₂ per TEU on an Asia-North Europe trade could increase by as much as 435%.

But even that estimate pales in comparison with the emissions implications of shippers’ current strategy – that of moving cargo from sea onto aircraft.

Read more in an [article from The Loadstar](#).