

CANADA Daily News and Updates June 7th 2024

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Ocean Updates

More Newbuild Tonnage Sought as Rates Rise

Hot on the heels of X-Press Feeders' order for four methanol-ready containerships at Shanghai Waigaoqiao Shipbuilding, other owners are returning to China for more newbuild tonnage as rates continue to rise to the next highest level seen outside container shipping's boom during the covid pandemic. Seaspan is ordering boxships following a massive newbuilding campaign in 2021 and 2022. Shipbuilding sources suggest up to 10 dual-fuel newbuildings are at play at two Chinese shipyards worth around \$1.6bn, said a Splash report.

Brokers report a letter of intent for six LNG 14,000 teu vessels at Hudong Zhonghua Shipbuilding, with deliveries starting from end 2027 at about \$180m per vessel.

Greek owner Evangelos Marinakis, via his Capital Group, has also been linked to up to ten 8,400 teu LNG dual-fuel newbuilds at New Times, costing \$128m each. Deliveries are expected from mid-2027 through to 2028.

If all orders are firmed up, the sector is on track to add another 300,000 teu to the orderbook in what until recently looked to be a slow year for container newbuildings, according to MB Shipbrokers. Read more [here](#).

Ocean Contracts Under Strain Amidst Red Sea Diversions

With capacity and equipment scarce and spot rates now several thousand dollars above long-term contract levels, annual agreements are [once again](#) becoming unreliable. A recent [Freightos Group survey](#) of more than fifty logistics professionals found that since early May, nearly 70% of BCOs and forwarders with long term ocean contracts have had containers rolled or pushed to the spot market, or are facing contract renegotiations with carriers to increase their long term rate levels.

Capacity already stretched thin by Red Sea diversions is combining with an unexpected increase in demand in recent weeks to send ocean container spot rates spiking, and pose familiar challenges to shippers with long-term contracts, making rate visibility and market intelligence even more important to decision-making than usual. Read more [here](#).

Rail Updates

CN issues Customer Notice regarding CBSA potential strike

A June 6 Customer Notice from CN stated the following:

“CN has been advised by the Canada Border Services Agency (CBSA) that officers could be in a legal strike position as of June 6th, 2024.

At this stage it is difficult to assess the impact that this strike will have on the flow of traffic at the border. Public comments made by CBSA state that the border will remain open and safe as 90% of their officers are considered essential service providers and as such will continue to perform their duties during potential strike action. Officers will fulfill their duties with the highest level of integrity and professionalism.

The CBSA will respond quickly to any job action or work disruption in order to maintain the safety and security of our border, ensure compliance with our laws, and keep the border open to facilitate the flow of legitimate goods and travel.

On that basis, our understanding is that any business transactions that are electronic with CBSA will be minimally affected by a strike. At CN, we are fully electronic with CBSA reporting of goods into Canada and do not expect our trains to be delayed in crossing the border for that reason. As well, we do not expect delays to CBSA shipment releases where brokers file release entry documents electronically. In the event that an importer’s broker or service provider submits paper documents to CBSA as part of their release entry transactions, the processing of those releases may potentially be delayed.

CN will continue to monitor the situation closely and provide updates as the situation evolves.

Please do not hesitate to contact your Account Manager should you have any questions or require further information.

Thank you, we appreciate your business. CN”.