

CANADA Daily News and Updates July 3rd 2024

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Ocean Updates

Schedule Reliability for Boxships Rebounds to Highest Level in 2024

Schedule reliability for the container segment rebounded from the lows of January and April to reach the highest point in 2024. While the industry has been able to stabilize after the shocks caused by the Red Sea diversions, it remains far behind its post-pandemic performance, while Maersk is warning customers that the pain is going to continue.

Data intelligence firm Sea-Intelligence released its monthly analysis of global trade reports showing a rebound on the container liner routes to nearly 56 percent, which is the highest for the year. However, in the mid-50s, the rate is at the same levels as in late 2022 and 10 percentage points behind the recovery in 2023.

"This is now the highest schedule reliability figure for 2024," notes Alan Murphy, CEO of Sea-Intelligence. "Schedule reliability in May 2024 was 11 percent points lower," he notes versus year-ago levels.

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

Global Sea Transport Leaps Most Since 2010 After Red Sea Attacks

A gauge of global sea transport is heading for its biggest annual jump since 2010 after attacks in the Red Sea have forced ships to travel longer distances.

Shipping activity measured in ton miles is set for the second largest annual increase on record as a result of geopolitical disruptions in the Middle East and Europe, according to Clarksons Research, a unit of the world's largest shipbroker.

The marker, which multiplies the volume of cargo transported by the distance it sails, is heading for an increase of 5.1% compared with 2023, or 3.2 trillion ton miles.

The increase comes as vessels have had to reroute their usual journeys thousands of miles around the horn of Africa to avoid the Red Sea and Gulf of Aden, where Yemen's Houthi rebels are attacking ships.

Read more in an [article from BNN Bloomberg](#).

China Starts Regular Sea Ice Forecasts for Northeast Passage off Russian Coast

A Chinese radio station on Monday started broadcasts on Arctic sea ice conditions off Russia's coast for vessels sailing the Northeast Passage, as China seeks to further utilize the world's northernmost routes as alternatives to the Suez Canal.

Arctic sea routes are increasingly being used as an alternative global trade route connecting the Pacific Ocean and Atlantic Ocean to major economies as global warming shrinks ice packs and allows for longer ice-free periods for vessels.

China and Russia have also been working together to develop Arctic shipping routes as Russia seeks to deliver more oil and gas to China amid Western sanctions, while China seeks an alternative shipping route to reduce its dependence on the Strait of Malacca.

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

International Business/Government

China's Plastics Boom Is Set to Create Another Trade Headache

A surge of Chinese plastic supply is threatening to overflow in the face of weak domestic demand, morphing into a fresh trade challenge for the rest of the world.

Parts of the country's sprawling petrochemicals sector are running at as little as half capacity as producers cut back. But with the industry still expanding, that restraint is becoming harder to sustain.

"This is yet another example – after steel, solar panels – where China's structural imbalances are clearly spilling over into global markets," said Charlie Vest, an associate director at Rhodium Group who looks at U.S.-China relations and Chinese industrial policy.

Plants have mushroomed along the country's eastern coast over the last decade, built in a race to satisfy China's hunger for plastic and to help refiners counter an expected downturn in transport fuels, as electric vehicles take off. Vast volumes and lackluster post-pandemic demand mean margins are paper thin – but companies have kept producing, hoping to cling to existing market share.

In an echo of its predicament from batteries to green-energy technology, China's economy is staring down a situation of dramatic industrial excess.

Read more in an [article from the American Journal of Transportation](#).