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Air Updates

U.S. Port Strikes Would Expose Airfreight's Vulnerability to a 'Capacity Crisis'

Concern is mounting over the impact of looming U.S. East and Gulf coast port strikes on the nation's airfreight, with e-commerce already hoovering-up capacity as peak season nears.

The International Longshoremen's Association (ILA) will finalize contract demands and prep port members for an October 1 strike, should agreement not be reached with employer group the United States Maritime Alliance.

That timing has left cargo owners and their partners increasingly worried over the viability of the obvious solution, airfreight.

US Airforwarders Association executive director Brandon Fried said the threat of the port strike has already led to shippers moving volumes to West Coast gateways, and the strike now has "the potential to be extremely disruptive" for the U.S. airfreight sector.

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

Ocean Updates

Explosion at Ningbo Port Seen Impacting Supply Chains

Container xChange is warning of serious repercussions following the recent explosion aboard the Yang Ming vessel *YM Mobility* at Ningbo Port, China.

The incident, which has led to the closure of one of the world's busiest container terminals, is expected to significantly impact global supply chains, especially on the main trade lanes out of Asia.

The incident took place on August 9 when a container loaded with hazardous materials exploded aboard the *YM Mobility* while it was berthed at Ningbo Beilun's Phase III Terminal. The explosion, which involved organic peroxide materials, has led to the closure of the terminal until further notice.

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

More Challenges for Container Shipping May Be Lurking as Contract Talks Loom

Supply chain managers need to be wary of more threats to container shipping – and how to mitigate them – as contracting season approaches.

The Red Sea crisis has magnified small cracks emerging within the market, leading to port congestion, container shortages, low schedule reliability, extended lead times and eye-watering surcharges.

“The situation is set to become even more challenging, with industry figures warning of further threats to global ocean supply chains,” warned Xeneta.

These include increased protectionism, heightened geo-political risks, more labour disputes and climate change-induced extreme weather.

“Procurement professionals are faced with the seemingly impossible task of managing ocean freight budgets against extreme market dynamics,” the analytics platform added.

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

International Business/Government

Diversification Away from China Limited So Far, Report Finds

A recent report commissioned by The Business Roundtable, an association of chief executive officers of major U.S. companies, finds that diversification of production away from China, which the U.S. and other countries have been promoting in recent years as a way to lower supply chain and national security risks, has been limited so far.

The report states that diversification (also referred to as derisking or decoupling) is already taking place. Shocks from the U.S.-China trade war, the COVID pandemic, Russia's war on Ukraine and other events have made the risks of "hyperglobalized" value chains clear, and tensions with China continue to rise even as political authorities seek stabilization. As a result, about a quarter of U.S. and European Union firms are considering or actively moving parts of their manufacturing and sourcing activities out of China, a wide majority are deciding how to reduce supply chain risks from overreliance on China, and China has seen a decreasing share of U.S. imports and foreign direct investment over the past seven years.

At the same time, the report notes, China's market size, four-decade manufacturing investment boom, and geopolitical clout present major hurdles to diversification. As a result, diversification so far has centred on just a few countries, Mexico and Vietnam in particular, with Canada, Taiwan, Germany and South Korea also picking up trade and FDI shares. Diversification has also been concentrated in a few sectors – namely, textiles, electronics and autos – and in the assembly segment rather than upstream supply chains.

Read more in the [Sandler, Travis & Rosenberg Trade Report](#).