

THE HONG KONG SHIPPERS' COUNCIL

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Circular No. M-743

Date: 23 April 2021

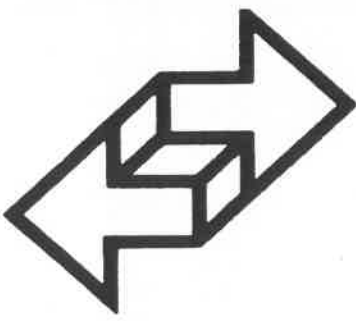
To : Executive Committee Members, Hong Kong Shippers' Council

Subject : Shipping Advice

The Hong Kong Shippers' Council has issued a shipping advice. You might consider asking the secretariat of your organisation to distribute to members.

Sunhy Ho

Executive Director



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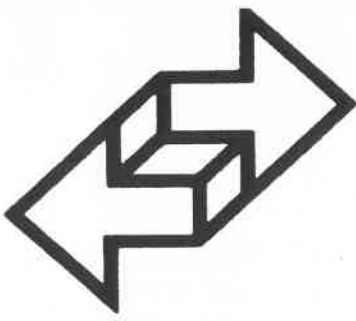
23 April 2021

SHIPPING ADVICE

The Hong Kong Shippers' Council wishes to give some advices on shipping arrangements:

(A) How's the Freight Market Look Like?

- Strong exports from China continued, softened a bit after the CNY, but picked up quickly afterwards.
- Currently demand growth is between normal and high in most trade routes, but is extremely high into North America.
- IMF revised global growth forecast to 6.0% for 2021 and 4.4% for 2022. Both figures exceed the 3.3% global GDP decline for 2020.
- Freight rates softened a bit in early March, but being pushed up by the aground of "M.V. Ever Given" and the subsequent blockage of Suze Canal from 23 March 2021.
- The ripple effects of the Suze Canal incident include congestion at all major ports: as at 13 April, there were 83 vessels queuing at the Port of Singapore, and 85 ships at Rotterdam. U.S. west coast ports are less affected and the number of queuing goes down to 28 ships from 40 ships in February at Long Beach. U.S. Ports however continue to suffer from low productivity and labor issues.
- Vessels' delay aggravated: in early April, 7 days on the Shanghai-Rotterdam trade compared with 2.79 days same time 2020, 8.05 days on the Shanghai-New York route compared with 1.09 days same time 2020, 9.23 days on Shenzhen-New Jersey route compared with 3.52 days same time 2020. Average for ship wait at Long Beach is reported to be at 8 days (as of 13 April 2021). The Suez Canal incident affected all major ports.
- The delays and disruptions affect container turn-a-round situation further. Container shortage aggravated.
- With these delay and disruptions, and demand stays high, operations could not be expected to return to normal until a few months later. Furthermore, the trade would enter into its traditional peak season from late May. Therefore, outlook remains critical.



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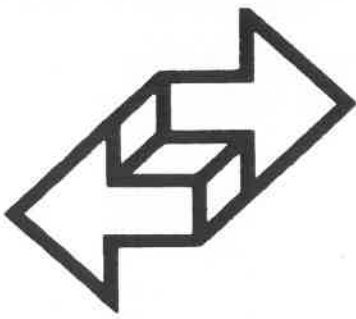
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- Maersk and some other lines announced temporary stoppage of bookings for east-bound shipments from North Europe to Asia on 21 March 2021 – even before the Suez incident, said due to “full terminal yard capacity” and “accumulation of those no-show booking in the immediate post CNY period”. The action however is seen to achieve due targets of jacking up rates and quickening turn-a-round of containers.
- Evergreen declared “General Average” (GA) for cargoes on Ever Given on 1 April 2021. GA means costs of the incident would have to be shared by cargoes onboard as well. It is cautioned that loss and compensation calculation, negotiations, litigations, etc. will normally take a few years, and therefore, cargo owners will be required to either present relevant insurance certificates (depending on valid and sufficient insurance coverage) or make cash deposits/guarantee before retrieval of the cargo onboard. The sum would not be small.
- On 14 April, Ever Given is still being held at Greater Bitter Lake, Suez Canal by court order. The Egyptian government is asking for a compensation of US\$10 billion for the losses.
- Freight rates surged after the incident. Shipping lines cancelled a lot of sailings because of capacity constraints and operations disruptions. However, the intention of pushing rates up cannot be excluded, considering especially the service contract negotiation season is imminent.
- Shipping lines are using higher ship leasing costs as an excuse for the high freight rates. Shipping lines say independent ship owners are asking for 2-3 times higher leasing rates (vary with types and ages of ships) and long (over 3 years) leasing period.
- It should be bear in mind, however, that the 3 main cost components of shipping lines – terminal costs, fuel costs and finance costs are likely to remain at low levels in at least the near future. There is no justification for the extremely high freight rates.
- Drewry remarked that port congestion and container equipment shortage would remain “an unwanted feature throughout most of 2021”.
- Clarksons predicted global box trade volume to increase 5.7% across 2021.



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(B) What Shippers Should Do?

The Council issued two Shipping Alerts in December 2020 warning shippers to take appropriate actions to cope with the shipping crisis. The Council warned that the high and volatile freight charges, and unreliability and unpredictability in supply chains were going to last, and that shippers should take mitigation measures. In view that these phenomenon would linger on, the Council wishes to advise shippers:

a. Do Not Accept the Responsibility of Shipping when making Deals on Purchase and Sale of Goods

This is to administrate through adoption of Incoterms including “Ex-Work”, “Free-on Board (FOB)”, and “Free Carrier (FCA)” and reject Incoterms including “Cargo and Freight (CNF)”, “Cargo, Insurance and Freight (CIF)”, etc. It is reported that overseas buyers lately wish to reverse the traditional habit of buying FOB and shift the responsibility to Asian (including Hong Kong) sellers. Because there is no way to ascertain freight costs and delivery reliability, Asian including Hong Kong shippers should avoid fallen into the traps.

b. Keep Close Contact with Carriers and Place Booking Early

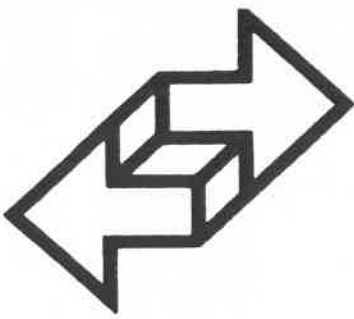
Shippers should keep close contact with their carriers (including both shipping lines and freight forwarders) and place booking at least 14 days ahead. Indeed, 21 days advance booking would be better.

c. Avoid Changes, Especially Last-Minute Changes

Shippers should pay due attention to shipping documents, booking confirmation, and physical handling of cargoes and containers. Changes, especially last minutes changes, whether to documents or operations of cargoes and containers should be avoided.

d. Pay Attention to Additional Charges

Shippers should pay attention to surcharges and additional charges. Demurrage (overtime storage) surcharges could be very heavy, and there are Detention (detaining the container) surcharge, Cancellation/No-show Fee, etc. Shipping lines use to provide some free services such as free storage period extension, hot box (fast pick-up), longer container detention (keeping the laden or empty container), etc. but they may have cancelled all these services. Shippers are advised not to take these services that have been offered in the past for granted but to check and agree with carriers early in advance.



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e. Secure Guarantees Over Freight Rates, Other Charges and Space Provision

Secure guarantees during deal making, or inclusion in the service contracts with carriers, etc. Shippers are advised to work out their own needs carefully and include any special requirements into their deal with carriers.

f. Consider Suitable Insurance Coverage

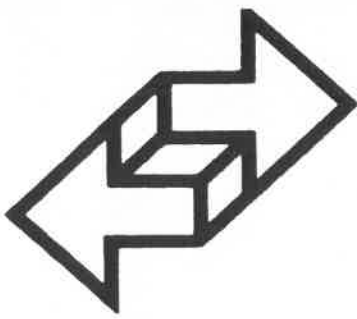
Shipping insurance is usually not given high priorities in Hong Kong. However, the recent shipping crisis and the Suez Canal incident reflect the importance of having proper insurance. Future supply chain could be very volatile and insurance could help to mitigate risks. It is important to full understand the insurance coverage, individual terms and select suitable policies.

For inquiry:

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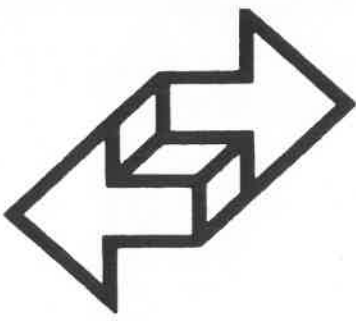
2021年4月23日

貨運建議

香港付貨人委員會希望提供以下貨運安排建議給付貨人：

1. 近期貨運概況

- 年初中國出口勢頭持續強勁，農曆新年後稍微緩和，但迅速重拾升軌。
- 目前，在大多數貿易航線中，需求的增長處於正常與高位之間，但北美航線的需求增長卻非常高。
- 國際貨幣基金組織將全球經濟增長預測上調至 2021 年的 6.0%和 2022 年的 4.4%，兩年預期增幅均超過 2020 年 3.3%全球 GDP 衰退。
- 運費在 3 月初回落，但 3 月 23 日貨櫃船“長賜號(M.V. Ever Given)”擱淺，蘇彝士運河航道陷於癱瘓，運費因而被推高。
- 蘇彝士運河的連鎖反應包括所有主要港口堵塞：截至 4 月 13 日，新加坡及鹿特丹港口分別有 83 艘及 85 艘貨櫃船輪候進入港口。美國西海岸港口受到的影響較輕微，貨櫃船輪候數目從 2 月份的 40 艘下降到 28 艘船。但是，北美港口繼續受生產力低和勞工問題的困擾。
- 4 月上旬貨櫃船延誤加劇：
 - 上海至鹿特丹航線：航程延誤約 7 天，2020 年同期約 2.79 天。
 - 上海至紐約航線：航程延誤約 8.05 天，2020 年同期約 1.09 天。
 - 深圳至新澤西航線：航程延誤約 9.23 天，2020 年同期約 3.52 天。



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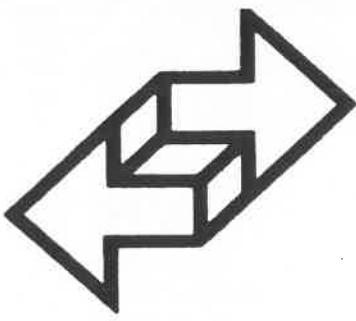
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- 消息指，長灘港的貨櫃船等候時間為 8 天（截至 2021 年 4 月 13 日）。蘇彝士運河事件影響了所有主要港口。
- 貨運延誤和服務中斷進一步影響貨櫃周轉，導致貨櫃短缺情況加劇。
- 由於船期延誤和服務中斷，但對貨櫃的需求卻仍然非常懇切，因此預期要數個月後才能恢復正常運作。但付貨人須留意貨運業將從 5 月下旬進入傳統旺季，貨櫃的供應將仍極為關鍵。
- 在蘇彝士運河事件發生之前，馬士基（Maersk）和其他部份船公司宣佈，自 2021 年 3 月 21 日起，暫時停止從北歐到亞洲的東向貨運訂單，原因是“碼頭艙位已滿”和“在農曆新年假後累積了多班取消航班”。當然，業界指這是船公司為了達到提高運費和加快貨櫃周轉一箭雙鵰的舉措。
- 長榮(Evergreen)在 2021 年 4 月 1 日宣佈長賜號事件執行“共同海損”(General Average)，意味着所有貨物方要分擔海損損失。大家要留意有關損失和賠償的計算、談判，和訴訟等一般需時數年。因此，貨主在提貨將被要求出示相關的保險證書（取決於有效和充分的保障範圍），或在取回船上貨物之前以現金支付訂金/或作擔保，涉及金額為數不少。
- 4 月 14 日，埃及法院頒令扣留長賜號於蘇彝士運河大苦湖(Greater Bitter Lake, Suze Canal)。埃及政府要求長賜號船東賠償 100 億美元。
- 長賜號事件發生後，運費急升。由於運力限制和貨運中斷，船公司取消了多個航班。但是，由於服務合約談判季節快將來臨，因此不排除船公司會提高運費。
- 此外，船公司藉詞貨櫃船租賃成本高昂，以抬高運費。船公司表示，獨立船東要求的租金要高出 2-3 倍（隨船舶類型和船齡而定），和長租期（超過 3 年）。



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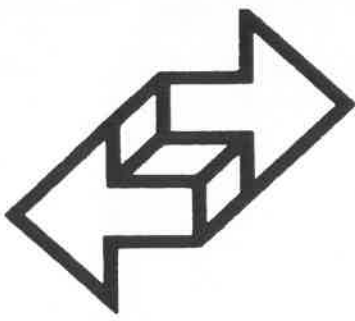
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- 但是，在可預見的將來，船公司的三個主要成本要素，即碼頭費用、燃料和財務成本很可能會保持在較低水平。超高運費是沒有理據支持的。
- Drewry 表示，在 2021 年大部分時間，港口擠塞和貨櫃設備短缺仍將是業界不希望但預期會出現的現象。
- 此外，Clarksons 預測，2021 年全年全球貨櫃貿易量將增長頗高的 5.7%。

2. 付貨人須注意的事項

- 本會於 2020 年 12 月先後發出兩次航運提示給付貨人，提醒他們採取適當行動以應對貨運危機。本會指出高昂的貨運費用、不可靠和不可預測的供應鏈將持續下去，因此付貨人應採取紓緩措施。鑑於這些現象會持續存在，本會給付貨人以下建議：
 - i. 在進行商品買賣交易時儘量不承擔貨運責任
 - 建議香港出口商/賣方使用國際貿易術語包括“工廠出貨”(Ex-Work)、“離岸價條款”(FOB)和“免費承運人”(FCA)等條款。此外，應拒絕包括“貨物和貨運”(CNF)、“貨物、保險和貨運”(CIF)等條款。消息指出，近期海外買家希望改變傳統上使用的離岸價條款，並將責任轉嫁給亞洲（包括香港）賣方。因為無法確定貨運成本和付運的可靠性，因此包括香港在內的亞洲付貨人要小心避免墮入陷阱。
 - ii. 與承運人保持密切聯繫並儘早預訂艙
 - 付貨人應與承運人（包括船公司和貨運代理）保持密切聯繫，並提前至少 14 天進行訂艙，我們建議提前 21 天會更理想。



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iii. 避免作出改動，特別是臨近貨物付運前

- 付貨人應小心檢查貨運文件內容、訂艙確認書、貨物和貨櫃處理的細節。之後應避免作出任何改動，包括文件、貨物或貨櫃操作各方面；特別是在臨近貨物付運前。

iv. 注意額外的費用

- 付貨人應注意是否被收取附加費和額外費用。逾期費（過期倉租）等附加費可能非常高昂。此外，還有扣櫃費（貨櫃滯留）附加費、取消訂單費用等。船公司一般會提供一些免費服務，例如免費延長倉儲期限、急箱提取（快速取櫃）、更長的扣櫃時間（載貨或吉櫃）等，但現時他們可能已經取消了此等免費服務。我們提醒付貨人不應將過往船公司提供的這些服務視為理所當然，應提早與承運人核對清楚和協商各項收費。

v. 確保運費、其他費用和船位獲得保證

- 在交易過程或與承運人簽訂服務合約時，必須確保獲得有關保證。付貨人應認真了解貨運要求，並將任何特殊需要納入與承運人的交易條款中。

vi. 考慮合適的保險

- 在香港，航運保險一般不太受重視。但是，最近的航運危機和蘇彝士運河事件反映了購買適當保險的重要性。未來的供應鏈可能非常不穩定，保險可以幫助減低風險。充分了解保險覆蓋範圍、個別條款和選擇合適的保單是非常重要的。

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