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BRISTOL
GLOBAL MOBILITY

WE KEEP MOVING



By James Hooper, Oceanair International Movers

Onwards and upwards,” “Just keep swimming,” “Tomorrow’s another day,” “On to the next one,” “We go again,” “What doesn’t kill you makes you stronger”: these are all motivational sayings in times of challenge. When it comes to the current challenges in the shipping industry affecting transit times for relocating employees and freight costs for global mobility budgets, the mantra of Oceanair International Movers both internally and for their customers is: We keep moving.

Who remembers the Ever Given getting stuck in the Suez Canal a few years ago?! Oceanair International Movers kept people moving by devising alternative shipping routes. And who (not so fondly) remembers the imbalance of shipping containers after COVID?! Oceanair International Movers kept people moving by grouping smaller shipments into shared containers and carrying out more air freights when shipping costs went to an all-time high.

At present, there are some new challenges that have been making the news, which may impact relocating

employees and companies directly with higher freight costs and/or longer transit times (which can possibly require extending other services like furniture rental and temporary accommodation). These circumstances may alternatively have a downstream effect where the delay from a port on one side of the world will impact a shipment on the other side, and shipping lines are spreading their additional costs to various lanes and not just those directly involved. Please see the table on the following page for some current challenges in global shipping which are impacting the household goods shipments of relocating employees.

Currently

The Challenge	The Downstream Effect	The Solution – How to Keep Moving
Collapse of Francis Scott Key Bridge	The Port of Baltimore (a popular, busy port) was shut temporarily, which put pressure on surrounding ports such as New York.	Some direct services in Baltimore have now resumed so the East Coast keeps moving, and any new shipments should be unaffected, or less so.
The Port of Nelson in New Zealand	This is a popular zone for feeder vessels heading to/ from other main ports in NZ; it has recently ceased to operate.	The shipping lines are actively working on a solution for current and future shipments to keep moving.
Houthi rebels' attacks in the Red Sea	A very important route, via the Suez Canal, is currently unsafe to transit through.	Containers can keep moving via the Cape of Good Hope; there is a minimum of 2 weeks' increased transit times and more chance of waiting longer for new bookings, or bookings being rolled onto next vessel.
Panama Canal	The lack of abundant rainfall is slowing down the canal's lock-driven operations, impacting shipments to both the U.S. West Coast and the West Coast of Latin America.	Canal authorities have imposed restrictions on vessel weights and daily traffic; shipments can keep moving through there, but it will take longer than normal at present, or they will go via another longer route.
Dubai storms and floods	Port entry/exit, port handling, and customs clearance are experiencing delays due to record-breaking rainfall in the region.	Some shipping lines have advised the need to give 4-6 weeks' notice when booking to Jebel Ali (Dubai) and the wider Middle Eastern region; there is some delay until infrastructure in the area is back to normal.
Port congestion in Singapore	Congestion at the Port of Singapore, the world's second-busiest container port, is leading to spillover congestion, schedule disruptions, and freight rate increases by shipping lines.	Organizations should consider consolidating multiple shipments into one for relocating employees moving from Singapore to the same destination. For small to medium shipments, air freight is an option, but it's important to consider its increased environmental impact compared to sea or ground movement.

As we can see through the reference to the Panama Canal drought and Dubai floods in the above table, global warming has, and will continue to have, a significant role in shipping disruption. With global temperatures continuing to rise, the effects of extreme weather events are increasing not only in scope but also intensity.

These logistical challenges both impact shipments at sea as well as cause disruption at ports. Acute physical risks of climate change, including flooding, storm surges, tropical storms, and

droughts, often initiate downstream effects that can lead to significant operational downtime. For instance, the port of New Orleans was shut for almost four months after Hurricane Katrina (as detailed in a [Springer Nature article](#)).

It's vital that shipping lines, ports, and related providers can adapt to these scenarios not only through emergency preparedness but also by taking proactive measures to mitigate impacts through improving safety and energy efficiency. (Read [this Wartsila article](#) for more information on the subject.)



Further Shipping News*

Shipping lines have implemented emergency surcharges to recover their additional costs due to these challenges, which moving companies like Oceanair unfortunately have no control over. These surcharges have been given various names depending on the shipping line, such as “war risk” and “equipment recovery.” The level of these additional charges has generally reduced since they were first implemented as shipping lines have better organized their replacement services and found solutions; however, mobility practitioners need to be conscious of their impact on the overall shipment cost. Shipping lines have made it clear that these surcharges are for operational disruptions, so it is unlikely they will simply disappear the moment vessels resume transiting in the affected areas mentioned in the table on page 2.

It will likely be later this year before all shipping lines are again transiting places like the Suez Canal and for the operational issues to return to normal and the shipping lines to review the application of these surcharges. This outlook is based on the premise that there will be no further global challenges in the meantime of course! These challenges are in a very fluid situation, with shipping lines asserting the safety of their vessels and crews as paramount, which is understandable, but this means that the likelihood of a container being rolled (left off its intended vessel and moved to a later vessel) is increasing as shipping lines manage their volumes. Again, unfortunately, movers like Oceanair do not have control of this matter.

It’s suggested that relocating employees are transparent and plan moving dates in advance with their chosen mover to allow sufficient time to book appropriate vessels to move relocating employees’ belongings. While the issues in the Red Sea seem to have stabilized, shipping lines continue to introduce measures to compensate for low-volume levels. These measures include cancellation of an entire vessel schedule forcing all

bookings to a later vessel, dropping some previously routine destination ports-of-call, and “slow-steaming” to reduce vessel fuel consumption. The result is slower-than-advertised voyage times and arbitrary last-minute re-booking (of loaded) containers onto a later vessel. We reiterate our previous message that relocating employees should be prepared for uncertainty and slower overall transit times, even after a vessel has departed. It’s also worth noting that shipping lines are notorious for their lack of compensation for delays.

Imbalance of containers and vessels on some trade routes is still a problem because of the lack of import shipments arriving at European and UK ports. This imbalance is an additional challenge for the shipping lines, causing a shortage of empty sea containers readily available for re-loading and export. We expect this uncertainty will gradually settle and stability will return slowly over the coming months. Ultimately, severe service challenges, short-notice changes to container bookings, and variable freight rates; despite downward trends, will be reflected in your movers’ international door-to-door quotation and terms.

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Shipping Availability

Some destinations are “green light” destinations (e.g., Dubai and the UK). This means it’s paramount for the relocating employee to have all paperwork and customs formalities in order before the origin moving agent makes a booking with the shipping line, which allows the destination moving agent to confirm either “green light” or advise what parts of the puzzle still need to be completed before the green light can be given. This avoids the scenario where a shipment arrives too early and receives expensive rent and demurrage fees and/or customs duties and taxes. It’s currently a best practice to allow the time upfront to arrange for a “green light,” while also accounting for some delays with bookings with the shipping line as mentioned above. Air freight is an option for sending smaller items relocating employees require to settle into their new host location while awaiting the sea shipment. However, “green light” is still a requirement for air freight, and it’s important to consider the increased environmental impact of air freight.

Shipments to Asia, Oceania, India, and the Middle East

Asia, Oceania, India, and the Middle East are routes most affected by the Suez Canal diversions and will almost certainly be levied an operational surcharge. Acceptance from the shipping lines of bookings is generally good, but an increased notice required for all these routes is trending. These trades are also the most likely to be impacted by cancelled sailings. Relocating employees should be aware that sea container shipments may take longer than expected to arrive.

Shipments to the U.S., Canada, Caribbean, and Latin America

Acceptance from shipping lines of bookings is currently good for the U.S., Canada, the Caribbean, and Latin America, and ships’ “waiting time” for unloading at most U.S. ports continues to improve. High demand for container space aboard vessels on these trade routes during the peak season summer months may cause a shortage of empty containers. Destination ports in the Pacific Northwest such as Seattle, Portland, and Vancouver, are still not being served on a direct basis, with alternative routes offered via ports on the U.S. East Coast. However, expect delays because of intermittent congestion on the U.S. rail networks which carry the containers from East to West Coast.

Shipments to South, East, and West Africa

Where a shipping line does offer a service on a given route to South, East, and West Africa, it is usually quite reliable. However, many destinations that are usually served via main ports with overland on-carriage to inland freight terminals have been removed from the shipping line schedules because of lengthy main port congestion and/or poor on-carrying transport infrastructure. This has caused a reduction of the main destination ports of call coverage across much of this region, especially the Indian Ocean Islands.



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Fuel Cost Changes

Sea container freight contracts are subject to periodical reviews of the costs of bunkering (the process of supplying fuel to ships). The purpose is to compare the average price of bunkering quarter-on-quarter and then adjust the rate either up or down based on the change. With the well-publicized energy supply issues, it is highly probable bunkering price increases will add to the overall sea-container freight cost.

Lithium-Ion Batteries

The acceptance of “Li-ion” batteries in household and personal effects shipments is a complicated subject. There is a widely reported increased fire risk associated with these batteries. Shipping lines themselves are so far inconsistent in standardizing their rules for their inclusion or exclusion from a consignment. Typically, shipping lines will decide on a shipment-by-shipment basis whether Li-ion batteries can be included. This extends to all and any items requiring such power units (e.g., cordless power tools, laptops, e-scooters, e-bikes). Oceanair recommends that Li-ion batteries are NOT shipped. If they are included in a

shipment, the moving company is likely required to declare the shipment as “Hazardous Cargo.” This is not as simple as it sounds. Firstly, the mover must obtain the shipping line’s permission to include Li-ion batteries as hazardous cargo (not all carriers accept). Next, the relocating employee will incur a substantial freight surcharge, driving up the cost of shipping. The rules for including hazardous material in a shipment are fastidious; it will also impact the time it takes to secure a confirmed container space booking on a ship. Failure to declare Li-ion batteries (or other hazardous goods) in a shipment, whether by intent or in error, is treated by the shipping line as a misdeclaration. This is a serious offense under maritime law and would lead to a substantial fine (payable by the relocating employee) (currently circa \$30,000 USD); in addition, the shipping line could confiscate and dispose of the consignment.

Given all these potential pitfalls, it’s recommended the item be left behind, or if it has a removable battery, the mover can move the item itself, and the relocating employee can purchase a new battery at the destination.

In Closing

All relocating employees and mobility practitioners can rest assured that Oceanair and the rest of Bristol Global Mobility’s moving partners are highly experienced and will always use their best endeavors for an efficient and trouble-free overseas move. This update is intended to provide you with unbiased information on the state of shipping and its many challenges.

KEEP MOVING!

James Hooper is Director of Sales & Operations at Oceanair International Movers. james@oceanair-int.co.uk

Oceanair International Movers handles corporate international moving and storage services globally for assignees’ and their families’ household effects.

If you have any questions, please contact Oceanair at sales@oceanair-int.co.uk, or Bristol at info@bristolglobal.com.

*Information is courtesy of the British Association of Removals – Overseas Group

