



Trade lane | TAWB

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Ocean cargo demand on the Transatlantic Westbound (TAWB) trade has continued to rally over the past months. The strong market demand is expected to continue well into December with no sign of downtime into the new year.

Capacity and Equipment Outlook

All carriers report vessel space fully utilised with increased risk of cargo rolls expected to persist through the end of the year. Port congestions in North Europe are causing vessels to shift position, leading to a surge in cargo delays and port omissions (particularly in the United Kingdom). In addition, due to the holiday closures over Christmas and New Year, several blank sailings have been announced for December, straining capacity even further.

Equipment availability is not a major concern in mainland Europe ports, but container stocks at inland depots are reportedly low. We recommend bookings to be placed three weeks in advance of intended departure date to ensure timely loading. Space and equipment guarantee on shorter notice is possible with premium offerings.

Mediterranean origins are more constrained due to lack of equipment. In Turkey, carriers have implemented hefty container repositioning surcharges on top of General Rate Increases (GRI) that went into effect in December to continue servicing shipments during peak demand.

Rate Outlook

Peak Season Surcharges (PSS) have been implemented by several carriers across trade lanes to combat the equipment and space crunches. In addition, the bull run observed on the Far East-North America (TPEB) and Far East-Europe (FEWB) trades, where rates have skyrocketed, is causing further pressure on rate levels on TAWB, as carriers focus on yield management and prioritize equipment accordingly.

In September 2020, Drewry reported the Hong Kong-Los Angeles spot freight rate benchmark had reached a 15-year high, exceeding previous historical records by 40%. In mid-November, the Shanghai Containerized Freight Index (SCFI) for North Europe increased by 21% within one week, topping the previous record of 2014, with further expected increases according to industry expert Lars Jensen. All the while, spot freight rates on TAWB have shown a mild increase of merely 3% over the past three months, based on the Xeneta market trend analysis from North Europe base ports to USA.



To learn more about the TAWB market situation, [Contact us today](#)

Service Outlook

A few major disruptions are currently affecting service reliability on TAWB:

- Ports in the United Kingdom are in crisis, experiencing extreme congestion brought on by a recent influx of PPE shipments for the second wave and the front-loading before the upcoming Brexit deadline. As a result, vessels are omitting port calls and cutting cargo. Felixstowe is facing the brunt of the burden, but London Gateway and Southampton have also been impacted.
- Take particular care for cargo routed to or over Los Angeles / Long Beach, where historic high volumes are being recorded. Delay in vessel berthing is impacting the repositioning of empties, while many carriers have applied a Port Congestion Surcharge (PCS) as consolation.

Access to Expert Support

Every supply chain is unique and so are some of the alternatives available to respond to the current market conditions. For any and all planning or troubleshooting on the TAWB trade, [please do not hesitate to reach out to Flexport](#) to provide tailored advice and assist in determining the best solution for your cargo.

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