

# CANADA Daily News and Updates January 8th 2024

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## Ocean Updates

### Repercussions of Red Sea Turmoil Mount as Box Rates Jump 60% in One Week

Spot freight rates are the leading indicator of the mounting repercussions from ongoing disruptions to the shipping industry due to security problems in the Red Sea. With the attacks continuing, nearly 20 major carriers have reported that they are rerouting vessels, adding to travel time and expense, which is quickly being reflected in the spot price for shipping, as well as the growing concerns of impacts to supply chains and a renewal of port congestion.

Analytics firm Drewry provided its first report of 2024 on its closely watched World Container Index and to no surprise rates have skyrocketed. In one week, Drewry calculates the composite index is up by two-thirds (61 percent) per 40-foot container and stands 25 percent above the end of 2022/start of 2023. The latest Drewry World Container Index composite is 88 percent higher than the 2019 average.

Predictability, the highest increases are on the routes most directly impacted, i.e. those using the Suez Canal. Freight rates from Shanghai to Rotterdam, for example, are up by 115 percent. The increases for shipping containers to the Mediterranean are also up more than 100 percent, while rates from Asia to North America are up a more modest 26 to 30 percent.

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

### Threat to Ships Expands into Arabian Sea

The attempted hijack of a Liberia-flagged bulk carrier in the Arabian Sea on January 4 has raised navigational safety concerns already confronting the container shipping industry around Red Sea/Suez Canal routings.

The hijack attempt came after Indian forces had tightened surveillance and patrols in the region following a drone attack on another vessel off the Gujarat coast two weeks ago.

Industry sources see these incidents as a sign that the shipping security crisis, involving missile/drone attacks by Iran-backed Houthis from southern Yemen on commercial ships transiting the Red Sea, is not only worsening, but also spilling over to other regions.

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

## **Rail and Truck Updates**

### **CBP Reopens Four Southwest Ports of Entry After Weekslong Closures**

U.S. Customs and Border Protection resumed full commercial operations on January 4 at an international bridge in Eagle Pass, Texas, as well as two Mexico crossings in Arizona. CBP said it also was reopening an international pedestrian border crossing in San Diego.

An influx of migrants arriving in November along the U.S.-Mexico border prompted the agency to redirect personnel to assist U.S. Border Patrol with taking migrants into custody.

The resumption of operations reflects a drop in migrant crossings that peaked last month, according to Troy Miller, acting CBP commissioner. Miller said that illegal crossings had reached as many as 10,000 migrants a day in December, according to the Associated Press.

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

### **Trucking's Electrification Problem**

There's a prevailing theory out there that electric trucks are going to save the world and their adoption must be accelerated. Instead of pumping oil from the earth and converting it into energy – and as a result creating the harmful emissions that the United Nations warns will create climate catastrophes ranging from hurricanes to droughts – these battery-powered trucks can run on renewable resources like solar and wind power, all while creating zero emissions.

And because EVs have fewer moving parts, they are expected to require less maintenance. That's important, as maintenance operations struggle to find technicians to work on vehicles in general. Tack on the benefits to drivers – quieter, cleaner operation that doesn't cause fatigue-inducing vibrations – and there's a lot to be excited about.

The problem is that there's an equal or greater amount of concerns. Electric trucks cost more (even with subsidies and incentives), don't travel as far on the road or perform as well off it, and require major infrastructure changes. On top of that, no one really knows what the return on investment will be.

[In testimony to Congress](#), Andrew Boyle, the new chairman of American Trucking Associations, said converting the nation's diesel trucks to electric "would require a \$1 trillion investment, which ultimately would flow to consumers," adding that, due to less capacity, lower ranges and high charging times to haul the same freight, the industry would need "far more trucks" that cost two to three times as much as a comparable diesel truck. He pleaded that "we can't allow unrealistic timelines...and technically unachievable regulations to set trucking up for failure."

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

## Customs Regulatory

### World Customs Organization Welcomes New Secretary General

Ian Saunders has officially taken office as the new Secretary General of the World Customs Organization (WCO).

Saunders was elected by WCO members, represented by Directors General of Customs from around the world. He was nominated by U.S. Customs and Border Protection.

Read more in a [press release from the WCO](#).