



Good Logistics

Your **quarterly** roundup

Q1
2023



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Industry Update



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Sales and Marketing
Director



As we approach the end of Q1 2023, the world of global logistics remains uncertain. Looking back the last two years have been unprecedented for the supply chain industry, and the challenges faced have had a massive knock-on effect on cargo owners trying to navigate the uncharted waters.

With little notice during the pandemic, the freight rates reached record highs while service reliability reached record lows.

For the UK & EU, Asia Westbound jumped in price by over 1000%, while schedule reliability dropped as low as 20% of vessels arriving on time with the average round trip time going from 60 days to over 100 days.

With such uncertainty trying to plan and manage stock control became virtually impossible. Chuck in the Suez Canal incident, driver shortages and a massive lack of empty equipment in the right places following covid, and the invasion of Ukraine by Russian forces, we have experienced a perfect storm of global events, resulting in supply chain chaos across the board. Explaining the issues to anyone outside of the industry or not

directly involved with moving products brought some looks of disbelief, to say the least.

Yet as we moved into the 4th QTR of 2022 there were signs the tide was turning as demand softened as consumers were faced and continue to be faced with record inflation levels and the rising cost of living.

Consumer demand has reduced and the volume of cargo moving and the demand for space on vessels has followed suit.



Freight rate levels thankfully have decreased almost as sharply as they rose at the back end of 2020, and now on the majority of trades they are back to pre-COVID levels, an unbelievable shift from where we were.

Service reliability is now better at 50% but is still somewhat off pre-pandemic levels where carriers reported figures of 80+%. Void sailings and port omissions are the general response to slowing demand as carriers look to soak up excess capacity and stop the rates from dropping further, but of course, this has an adverse effect on schedule integrity and impact planning.

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Most are now looking at the more traditional peak season moving into the second half of the year for a potential uplift in demand. However, with carrier order books at record highs with new tonnage due in from the end of 2023 going into 2024, it may be some time before carriers are able to warrant any significant rate increase without looking at first pulling vessels altogether or restructuring their networks to allow for the slow down.

In terms of order books CMA CGM, Hapag, and MSC have nearly 3 million TEU on order or in production and other carriers have followed suit following record-breaking profits giving them the ability to invest in the newest technologies in terms of new builds and efficiencies they can bring.

In terms of port operations, in line with other industrial action, we have seen in the UK from, Doctors, Nurses, Paramedics, teachers, and train drivers, the shipping industry has been impacted by port strikes at both Felixstowe and Liverpool as well as action taken by border force and now the national clearance hub taking further action on the 15th March.



Whilst some industries have seen a slowdown we continue to see many businesses pushing for increased collaboration within their supply chains, especially around sustainability, technology, and efficiency.

Businesses are looking to reduce time-heavy manual processes, for example, ditching the older excel based practices in favour of automation and EDI & API Connectivity. This approach has allowed us to develop more strategic and meaningful relationships, more than just facilitating the

movement of cargo but becoming integrated within our client's businesses.

Our advisors are now very much seen as an extension of our clients own shipping and logistics departments, as we focus on digital innovation and consultative solutions to help them achieve their business objectives.

Sustainability and ethical practice continue to gather momentum and we support clients with their own initiatives as well as working to refine our own ESG processes and practices. CO2 calculations and carbon offsetting are common discussions within our client meetings, especially now they are faced with global environmental targets for 2030 and then 2050 in terms of net zero.



At Good Logistics we are in the final stages of developing a new carbon offsetting product for our clients, which will be launched in QTR 2. If calculating your CO2 emissions and looking for ways to offset it, is high on your business agenda, register your interest in our new initiative [here](#).

In summary, 2023 for many industries is a year to reset, with the second half of the year expected to see an increase in demand as businesses complete destocking exercises, clearing out expensive stock, before starting a reordering cycle with an eye on 2024 and the economic predictions of reduced inflation, falling costs and rising consumer confidence.

Customs Update



The deadline for CDS for exports is approaching in 2023. On 2nd February 2023, HMRC announced a set of revised dates for a phased approach to transition from CHIEF to CDS for exports.

Goods that move via the Goods Vehicle Movement Service (GVMS) are available to be declared via CDS from late February 2023. Those are departures via Roll On Roll Off port locations, which are primarily manned trailer exports from the UK to the EU.

HMRC is working with the existing Community Service Providers (MCP, CNS, CCS-UK et. al.) to be able to provide an export solution on CDS for goods that depart via inventory linking services in the Summer of 2023.

They expect the full functionality of CDS for exports to be completed by September 2023, which we can consider a “soft deadline” for all export traders and declarants to make the transition to CDS. The actual deadline for the transition is set at 30 November 2023, but HMRC wants to avoid granting extensions as was required with CDS imports, so we can view September as a deadline to aim for.

[Click here to get CDS ready](#)

Good Logistics is working towards our own phased approach to using CDS for exports and will begin contacting export customers with details in the coming months. If you have already registered for CDS during the import transition, then you're all ready to go with exports. For anyone not yet registered for CDS we have a set of step-by-step guides, which is available [here](#).

Join our webinar Beyond Borders: How to manage custom complexities and streamline your business on the 16th May at 11am.

Our aim in this 1st webinar is to break down the complexities of customs and give expert advice on how to successfully navigate customs and share examples of how specific customs processes can save businesses time and money [Click here to register your interest.](#)



UK Legislation Update



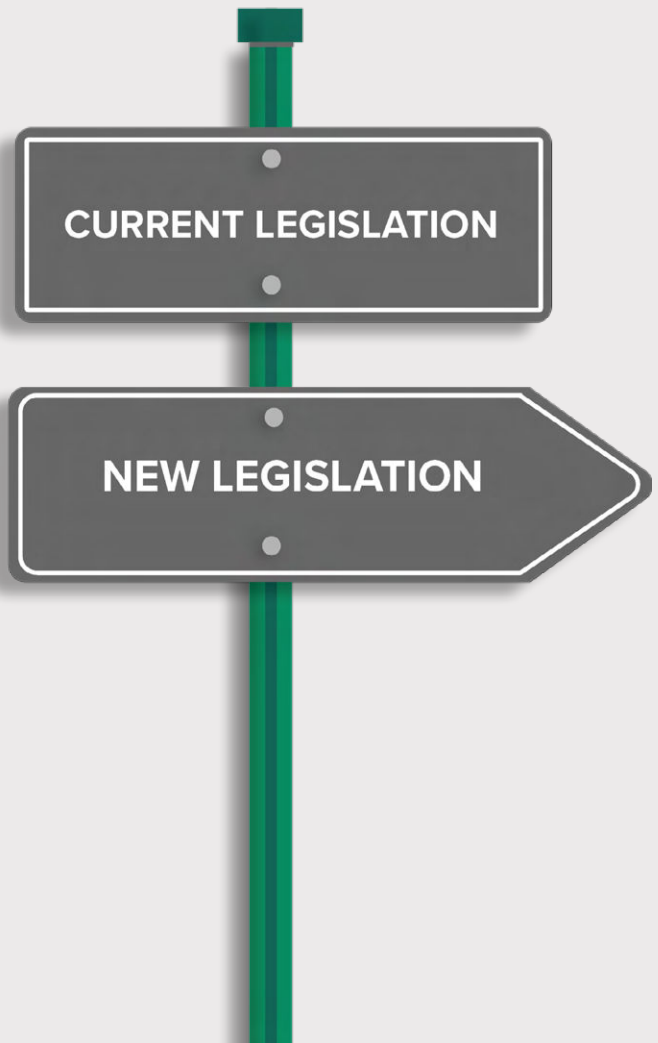
The Windsor Framework is an agreement in principle between the UK government and the EU commission that lays out the amendments to the existing Northern Ireland Protocol. It details the changes to the Protocol for the movement of goods between Great Britain and Northern Ireland.

The Windsor Framework looks to remove what has been considered a border in the Irish Sea between Northern Ireland and the rest of the United Kingdom. Although full details have not been released yet, the Framework proposes operating a system of “Red” and “Green” channels for goods arriving in Northern Ireland.

Similar to how these channels operate currently in airports, the “Red” channel will be used for goods that are considered “at risk” of moving from Northern Ireland into the Republic of Ireland and the rest of the EU. Those movements will continue to require import declarations completed with import duty paid at the EU rates.

The “Green” channel will be for goods that are considered “not at risk” and will remain in Northern Ireland. This will allow goods to travel from the rest of the United Kingdom into Northern Ireland without an import declaration being completed. The proposal is for goods “not at risk” to be affixed with a “Not for EU” label to indicate they will remain in Northern Ireland.

ICS Safety and Security Declarations will still be required for goods entering Northern Ireland. Further details will be released in the future as the government consults businesses over the coming months ahead of implementing any changes. Expectations within the industry do not expect the Framework to be implemented before some time in 2024.



Freight Forwarding Update



The diverse range of our forwarding services, Air, European, Courier, Consol Services, Cross Trades, etc has facilitated the successful navigation of the ever-changing geopolitical conditions and rising inflation that have led to an economic slowdown across the Logistics & Supply Chain Industries.

With shipments to and from the EU, we have seen a shift in the modes of transport used with sea freight raising in popularity. This is due to competitive rates and our EU team working closely with businesses, auditing their supply chain process and offering cost-saving and time-saving solutions. In some cases, our team has saved businesses up to £300k YOY following a full supply chain process audit, read our case studies here. You can register for a FREE supply chain audit for your business [here](#).



Our Air freight team is working closely with our global partners and building and developing relationships in specific countries to secure more competitive air freight rates. In our drive to continuously offer new services, we are currently working with a new agent in the Philippines and hope to offer these additional services soon. We

are working very closely with our colleagues in both the US and Turkey, we have seen a massive increase in inquiries from both sides, as well as an increase in shipments.

Our continuous innovative IT development can now provide businesses with real-time visibility and enhanced data on your shipments. If you are not already registered to use our Good Track, tracking system, [click here](#) to register.



In May, we launch the 1st of our webinars series **Beyond Borders: How to manage customs complexities and streamline your business.**

Customs is a very complex and time-consuming process for businesses, our aim in this webinar is to break down those complexities and give expert guidance on how to successfully navigate the customs and streamline your current customs process. We will be sharing real examples throughout the webinar of how specific customs processes can save businesses time and money.

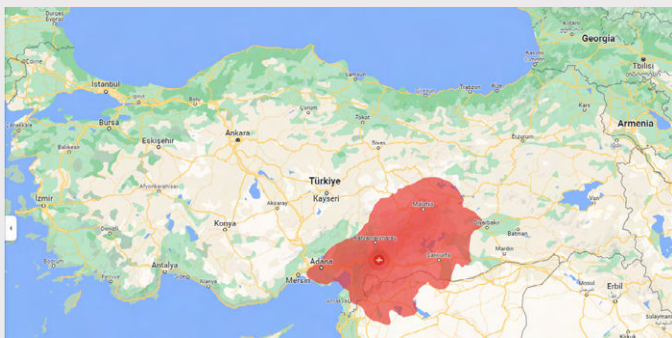
Beyond Borders webinar 16th May at 11am, [register here](#)

Turkey Update



Although we had a particularly good start to the year, this was unfortunately seriously impacted by the devastating earthquake that struck on the 6th of February. The earthquake and fires left serious problems at the southern ports, the port in Iskenderun is not usable and at the port in Mersin, there is heavy congestion and a container shortage.

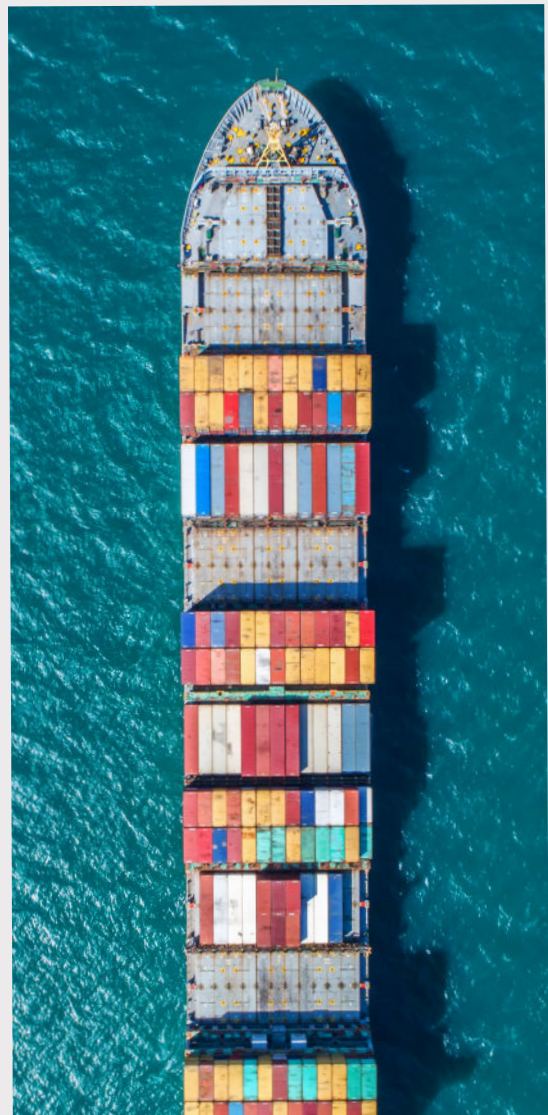
on this service [click here](#). Sea freight rates are becoming more cost-effective, especially against the cost of road given the current high fuel costs, meaning in some circumstances a road freight trailer can be up to £3K higher than a 40' container by sea.



Therefore, shipments from the middle regions of Turkey have started to be diverted to ports in Izmir, Gemlik, and Gebze.

This disruption is resulting in delays in departures, with delays expected to reach 10-15 days, it is still not clear when the port in Iskenderun will begin operating again.

We expanded our direct container groupage services at the beginning of the year, as well as our established service from Istanbul, we now have a new service running from Izmir to Felixstowe. Services from Istanbul run weekly and fortnightly from Izmir, this service has proven to be very popular. If you would like any further information

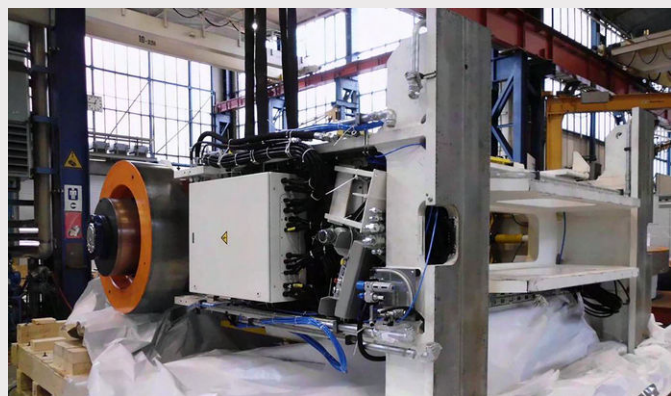
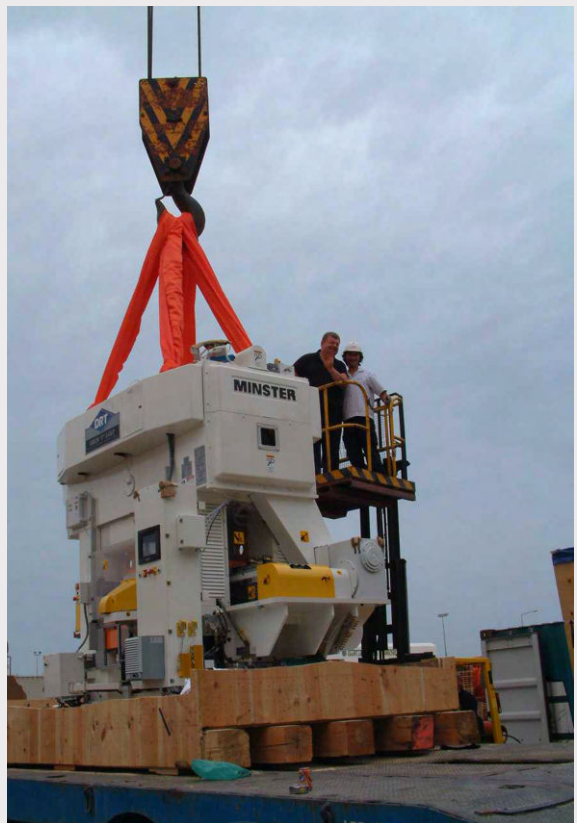


USA Update



Last year, the ports of New York and New Jersey had their highest volume of TEU at 9.5M TEU. With our US office residing on the East Coast, we have been able to stay on top of the pulse of this busy port. Although the congestion at the ports on the West Coast has decreased there is still a continuation of labor negotiation.

In February, we had a trip to the UK to not only meet up with our UK colleagues but to also meet with key clients to further discuss their unique OOG projects, as we have over 40 years of experience in shipping manufacturing can lines and ancillaries worldwide.



We will be attending Metpack 2023 in May in Messe Essen, which is the world's leading trade fair for metal packaging, including the machinery and equipment for the production of cans, lids, and bases.

If you have any oversized or OOG projects you wish to discuss please email:

USA@goodlogisticsgroup.com

What have we been up to at Good Logistics?

It's been a busy start to the year here at Good Logistics, with the below, and much more, having already taken place:

- Award nominations
- Award ceremonies
- Celebrating International apprenticeship week
- Supporting International women's day
- Planting trees in the Aegean Forests
- Becoming Corporate Members of the Chartered Institute of Logistics and Transport



Celebration Friday!
It's National Apprenticeship Week #NAW2023

Kelly Bell
MACS Liner Agency Administrator

"I strongly believe that had I not joined Good Logistics, I would never have become an apprentice, especially with the misconception that apprenticeships are for school leavers. I've found the course reinforcing, broadened my knowledge and gained greater confidence in my abilities.

From the apprenticeship, I went on to win the Special Recognition Award in the Bifa Freight Awards 2022, which has made me feel very accomplished and proud.

Multimodal Awards:

We have just been short listed for 3 awards, Road Freight Company of the year, Sea Freight Company of the year and 3PL of the year. You can make your vote count, by voting for us now [here](#), voting closes on the 26th May. Thank you for your vote.



Our **quarter 2** campaigns include:

- **FREE Audit** – Let us review, adapt, and simplify your EU supply chain process to save you time & money. To register your interest in receiving a FREE Audit [click here](#)
- **Webinar series** – We are excited to launch our first webinar on the 16th of May at 11am - **Beyond Borders: How to manage customs complexities and streamline your business.**

Customs is a very complex and time-consuming process for businesses, our aim in this webinar is to break down those complexities and give expert guidance on how to successfully navigate the customs and streamline your current customs process. We will be sharing real examples throughout the webinar of how specific customs processes can save businesses time and money. [To register click here.](#)

You are invited to our live webinar!

Beyond Borders: How to manage customs complexities and streamline your business.

Hosted by our customs experts on:
Tuesday the 16th May at 11am

- We will also be launching a new initiative, which will allow you to **offset and track your carbon emissions helping businesses achieve their goal of being Carbon Neutral**, whilst supporting over 5 incredible projects in emerging and developing countries. If you would like more information on this, please [click here](#).

You can keep up to date by following us on our social media:





Good Logistics

For further information and resources please visit our website or email hello@goodlogisticsgroup.com



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