

Port updates

► Pent-up demand for rigs should benefit 2022

While 2020 started out with hopes of being a turnaround year after a lengthy downturn that began in 2014, those hopes were dashed by the fast-spreading COVID-19 virus and the oil price war that started in March between Saudi Arabia and Russia. Therefore, the global offshore rig market once again finds itself in a downturn. However, given the short, slow recovery that was under way before March, the industry has had little time to build itself back up.

Eighteen drillships are under construction, all of which have scheduled delivery dates by the end of 2022. "However, given that only two have firm charters in place at this time, we anticipate some of these delivery dates will be pushed out until market conditions warrant their addition to the global supply. We are expecting weakness in drillship demand this year, most of which is currently pushed into 2021," said Cinnamon Edralin, senior offshore rig market analyst at IHS Markit.

► Recovery started for Japanese crude oil imports

Japan crude oil imports increased by 13.6% m/m in July 2020, but remained around 29% lower than a year ago. The country's appetite for crude oil seems to be slowly recovering after reaching a record low in June, when imports dropped below 2 million barrels per day (million bpd). Data by IHS Markit Commodities at Sea for the first 10 days of August suggested imports continued to slowly but steadily recover, with activity so far standing at 2.35 million b/d. A 7.7% m/m growth was observed in the first 10 days of August, but volumes were still significantly below normal levels. Japan imported more than 25% in August 2019 compared with August 2020.

Taipei and Kaohsiung ports offer fast-track customs clearance

The Taiwanese ports of Kaohsiung and Taipei have opened express customs clearance facilities, as COVID-19-related lockdowns have resulted in more e-commerce retail sales.

Commercial aviation has nearly stopped due to travel restrictions and the lack of international flights has caused e-commerce merchants and postal services to turn to shipping.

Therefore, there is a need for expedited customs clearance to ensure the goods get to the consumers in the shortest time possible.

Taipei port launched an express customs clearance facility after Taipei Port Container Terminal (TPCT) did so on 18 May 2020.

TPCT is a joint venture between Taiwan's three largest liner operators: Evergreen Marine Corporation, Yang Ming Marine Transport Corporation, and Wan Hai Lines. TPCT's facility was built in the warehouse in the terminal, using x-ray machines, synchronous displays, and dynamic weighing systems to speed up customs clearance.

On 3 June, Kaohsiung, Taiwan's busiest container port, opened an express customs clearance facility, which was built by port operator Taiwan International Ports Corporation (TIPC).

TIPC selected logistics company First Union Postal Transport to operate the facility through an open tender. The facility has two x-ray machines for dual-angle imaging of cargoes, two sets of synchronous display devices, conveyor belts, video surveillance, and sniffer dogs.

The Taipei and Kaohsiung facilities each have two



Kaohsiung express customs facility

customs clearance lanes in the initial phase.

Each lane can clear seven to eight 40 ft containers each day. Depending on market demand, more lanes may be created in the future.

TPCT's management said, "Through working with various liner operators, we can offer vessel berthing, unsealing of containers, customs clearance, and transportation.

This allows e-commerce companies on both sides of the Taiwan Strait to enjoy faster, more convenient, and safer logistics customs clearance services."

The management added that Taipei port is near Taoyuan International Airport, which makes it possible for goods to be transported through a combination of air and sea freight.

Therefore, Taipei port can become a logistics

hub for international e-commerce in future.

TIPC noted that East Asia and Southeast Asia have a large population and, in recent years, economic growth has already fuelled regional consumption, making these regions the fastest growing e-commerce markets in the world, the port authority estimated.

Both regions also have the highest mobile internet access rate in the world, which indirectly feeds e-commerce.

Kaohsiung's express customs warehouse facility is near wharves 63 and 64, which is operated by Wan Hai Lines.

Road traffic around the facility is smooth, allowing containers to be trucked along Xinsheng Expressway, which connects to National Freeway 1, Provincial Highway 88, and National Freeway 3, making transportation quick and cost-efficient.