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Monthly Review on All Things Market,  
Economy and Transportation.





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## IN THIS NEWSLETTER:

- PENNSYLVANIA TRUCK PARKING
- LOW DEMAND BATTERY ELECTRIC TRUCKS
- TROUBLE IN THE RED SEA
- PANAMA CANAL
- NATURAL GAS TANKER RATES
- IMPROVING ROAD SAFETY IN BRITISH COLUMBIA







## DECEMBER 2023

As the year concludes and we look into the New Year, we reflect on the final month of the year—December and everything that occurred in the transportation and logistics world. To start we address the Pennsylvania Parking shortage with a report titled “expanding truck parking in Pennsylvania,” emphasizing public-private collaboration and designating PennDOT as an executive sponsor. Additionally, this year the progress for battery-electric trucks was slower than expected. Issues arose in both the Red Sea and the Panama Canal where there were attacks on commercial vessels in the lower Red Sea, and a drought in the Panama Canal forcing shippers to pick between extended wait times or high fees.

Amid Red Sea turmoil, LNG tanker rental rates have dropped below \$100,000 a day in the Pacific basin due to reduced demand from mild weather and market segmentation. Finally, on a more positive note, Canada has allocated \$3.9 million for safety improvements on the Alaska highway for safer roadways. As the heart of winter continues, and we reflect on December, we are excited for what’s to come in the industry.





## **PMTA LEADS INNOVATIVE PA TRUCK PARKING REPORT**

Pennsylvania transportation planners, led by the Pennsylvania Motor Truck Association, are addressing the truck parking shortage with a 50-page report titled "Expanding Truck Parking in Pennsylvania." The report, initiated by the State Transportation Advisory Committee, outlines concrete steps and priority locations for new truck parking, emphasizing collaboration between public and private sectors. The report designates PennDOT as an executive sponsor to underscore the ongoing importance of truck parking.

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## **RED SEA CRISIS EXPLAINED: WHAT IS HAPPENING AND WHAT DOES IT MEAN FOR GLOBAL TRADE?**

Rebels in Yemen have intensified attacks on commercial vessels in the lower Red Sea since mid-November, responding to Israel's actions in Gaza. The threats prompted major shipping groups, such as Maersk and MSC, to halt or reroute traffic, leading to concerns about global trade disruptions. The US has formed a coalition to defend against attacks, and tensions persist as shipping companies face increased risks, rising insurance premiums, and potential impacts on oil and gas prices.

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## **BATTERY-ELECTRIC TRUCK GROWTH UNDERWHELMS IN 2023**

In 2023, progress for battery-electric trucks was slower than expected, with executives noting underwhelming demand and necessary improvements in infrastructure. While Daimler Truck North America launched its eCascadia model and reported growth in sales, overall transformation was deemed slower than desired.

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## **LNG SHIPPING RATES DIP ON LOWER DEMAND DESPITE RED SEA CHAOS**

Amid Red Sea turmoil, LNG tanker rental rates have dropped below \$100,000 a day in the Pacific basin due to reduced demand from mild weather and market segmentation. The decline in shipping rates is further influenced by ample LNG inventories. Despite the potential for increased ton-miles from redirected cargoes and the risk of further attacks, heightened Asian LNG demand may impact Seuz Canal routes, emphasizing the unpredictable stability of freight and cargo prices.

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## **SHIPPERS ARE PAYING UP \$4M TO JUMP THE PANAMA CANAL QUEUE AFTER BRUTAL DROUGHT**

The Panama Canal, vital for global trade, faces closure due to drought, forcing shippers to choose between extended waits, high fees for priority passage, or longer detours. Reduced ship allowances and draft restrictions, exacerbated by dry conditions, result in companies paying millions in auctions for priority slots. The bottleneck is expected to worsen, impacting supply chains, raising shipping costs, and potentially causing inflation as additional expenses are passed on to consumers.

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## **CANADA TO SPEND \$3.9 MILLION ON ALASKA HIGHWAY INTERSECTION**

Canada allocated \$3.9 million for safety improvement at the Pink Mountain intersection on the Alaska Highway, a key freight route connecting Alaska to the lower 48 states. The project includes enhancements like acceleration and deceleration lanes, left-turn bays, widened elevation, and drainage improvements. Construction begins in May and ends in September.

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