



# ASIA PACIFIC FREIGHT REPORT

April to May 2024  
Review & Forecast

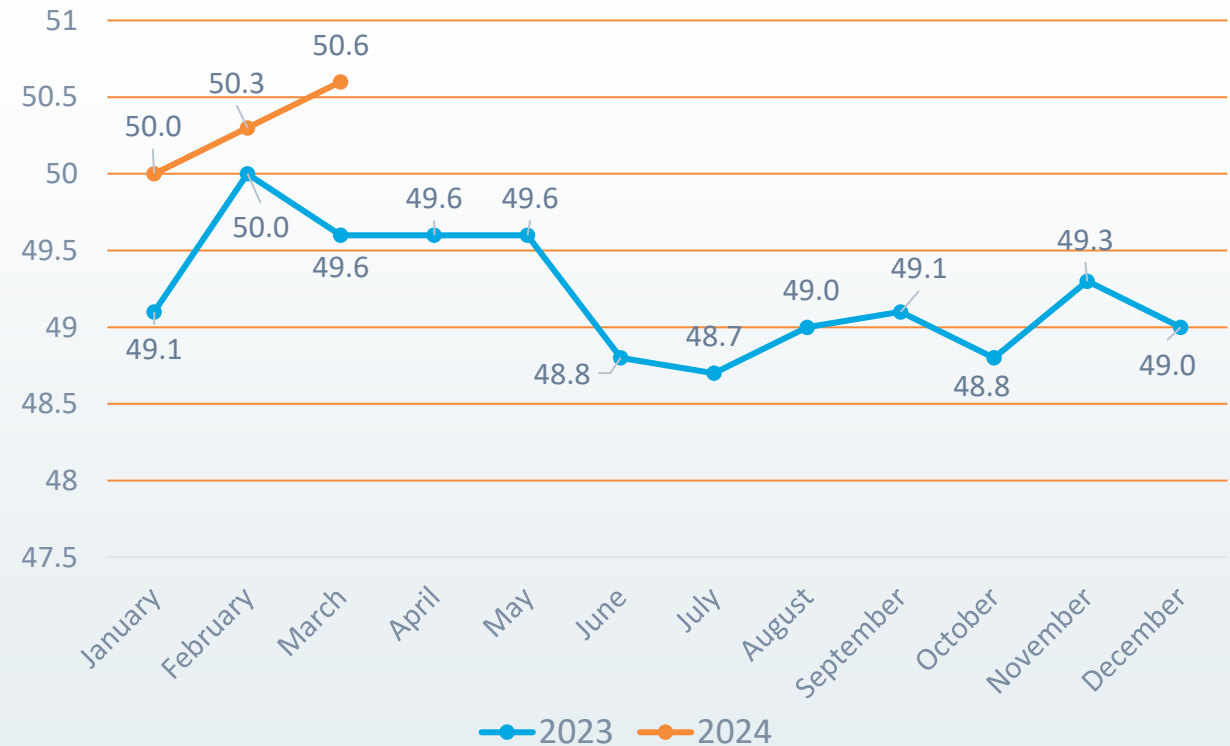


# ECONOMIC INDICATORS

APRIL TO MAY

The Global Manufacturing PMI rose from 50.3 in February 2024 to 50.6 in March 2024.

### Global Manufacturing PMI 2023 VS 2024



Source: S&P Global PMI

# GLOBAL OUTLOOK

APRIL TO MAY

## Global Expansion Persists Amid Inflation Worries

In March, the global economy saw a modest uptick in its expansion for the fifth consecutive month. This momentum was seen in both manufacturing output and services activity, which surged at a faster pace. Reflecting this trend, the Global PMI Composite Output Index climbed to 52.3, a slight improvement from February's 52.1. However, this growth came with a catch: a surge in price inflation, largely fueled by escalating prices and charges in the service sector.

Furthermore, with the US inflation rate surpassing expectations in March, reaching 3.5% year-over-year for headline inflation and 3.8% year-over-year for core inflation, market sentiments have adjusted. Expectations for interest rate cuts by US FED have been revised downwards from previously anticipated six to three or possibly even fewer. As a result, speculation arises regarding a potential delay in the anticipated interest rate cuts, possibly shifting from June to October or November if inflationary pressures persist.



# ECONOMIC INDICATORS

## ASIA PACIFIC MANUFACTURING PMI

Manufacturing Purchasing Managers Index (PMI)													
	2023										2024		
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Global</b>	49.6	49.6	49.6	48.8	48.7	49.0	49.1	48.8	49.3	49.0	50.0	50.3	50.6
<b>USA</b>	49.2	50.2	48.4	46.3	49.0	47.9	49.8	50.0	49.4	47.9	50.7	52.2	51.9
<b>China</b>	50.0	49.5	50.9	50.5	49.2	51.0	50.6	49.5	50.7	50.8	50.8	50.9	51.1
<b>Taiwan</b>	48.6	47.1	44.3	44.8	44.1	44.3	46.4	47.6	48.3	47.1	48.8	48.6	49.3
<b>Hong Kong</b>	53.5	52.4	50.6	50.3	49.4	49.8	49.6	48.9	50.1	51.3	49.9	49.7	50.9
<b>Japan</b>	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9	48.0	47.2	48.2
<b>S. Korea</b>	47.6	48.1	48.4	47.8	49.4	48.9	49.9	49.8	50.0	49.9	51.2	50.7	49.8
<b>Singapore</b>	49.9	49.7	49.5	49.7	49.8	49.9	50.1	50.2	50.3	50.5	50.7	50.6	50.7
<b>Vietnam</b>	47.7	46.7	45.3	46.2	48.7	50.5	49.7	49.6	47.3	48.9	50.3	50.4	49.9
<b>Malaysia</b>	48.8	48.8	47.8	47.7	47.8	47.8	46.8	46.8	47.9	47.9	49.0	49.5	49.4
<b>Philippines</b>	52.5	51.4	52.2	50.9	51.9	49.7	50.6	52.4	52.7	51.5	50.9	51.0	50.9
<b>Indonesia</b>	51.9	52.7	50.3	52.5	53.3	53.9	52.3	51.5	51.7	52.2	52.9	52.7	54.2
<b>Thailand</b>	53.1	60.4	58.2	53.2	50.7	48.9	47.8	47.5	47.6	45.1	46.7	45.3	49.1
<b>India</b>	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5	56.9	59.1
<b>Australia</b>	49.1	48.0	48.4	48.2	49.6	49.6	48.7	48.2	47.7	47.6	50.1	47.8	47.3

The manufacturing Purchasing Managers' Index™ (PMI™) is a survey-based economic indicator designed to provide a timely insight into changing business conditions in the goods-producing sector.

A PMI reading over 50 indicates growth or expansion of the manufacturing sector of the country as compared to the previous month, while a reading under 50 suggests contraction. A reading at 50 indicates that the number of manufacturers reporting better business is equal to those stating business is worse.

Source: S&P Global PMI

# AIR FREIGHT MARKET

APRIL - MAY

## Global Market Stability Faces Middle East Crisis Disruptions

According to Kathy Liu, Vice President of Global Sales and Marketing at Dimerco Express Group, “The global market has largely remained stable, except for disruptions stemming from the crisis in the Middle East affecting trade routes from Asia to Europe. Over the past few months, there has been a noticeable increase in European cargo opting for sea-air service through Dubai. However, the recent heavy rainfall in Dubai has caused setbacks in these operations.

Particularly noteworthy is the surge in demand for air capacity, exceeding 50%, driven by eCommerce and e-cigarette in China, particularly in the southern regions. In addition, TEMU has initiated sea/air routes via Taiwan, Japan, and Korea into the US, altering traditional trade patterns. Consequently, freight rates from these alternative routes are now exceeding those from mainland China—an unusual occurrence.”



### **Ms. Kathy Liu**

Vice President, Global Sales and Marketing  
Dimerco Express Group

# AIR FREIGHT MARKET FORECAST (APRIL 22 TO MAY 31)

## Air Freight Market Forecast

### Asia -> Intra Asia

Origin (Country/District)	Air Hub	Space	Rate	
Greater China	Hong Kong	HKG	Soft	Stable
	South China	CAN/SZX	Upturn	Stable
	Southeast China	XMN/FOC	Soft	Stable
	Central & East China	PVG	Tight	Rising
	North China	BJS/CGO/TAO	Soft	Stable
Northeast Asia	Korea	ICN	Upturn	Stable
	Taiwan	TPE	Soft	Stable
Southeast Asia	India	MAA/BLR	Soft	Stable
	Indonesia	CGK	Soft	Stable
	Malaysia	KUL	Soft	Stable
	Malaysia	PEN	Soft	Stable
	Philippines	MNL	Soft	Stable
	Singapore	SIN	Upturn	Stable
	Thailand	BKK	Soft	Stable
	Vietnam	HAN	Soft	Stable
	Vietnam	SGN	Upturn	Stable

## Air Freight Market Forecast

### Asia -> US/CA

Origin (Country/District)	Air Hub	Space	Rate	
Greater China	Hong Kong	HKG	Upturn	Stable
	South China	CAN/SZX	Tight	Rising
	Southeast China	XMN/FOC	Upturn	Stable
	Central & East China	PVG	Upturn	Rising
	North China	BJS/CGO/TAO	Upturn	Stable
Northeast Asia	Korea	ICN	Upturn	Stable
	Taiwan	TPE	Tight	Rising
Southeast Asia	India	MAA/BLR	Tight	Rising
	Indonesia	CGK	Upturn	Stable
	Malaysia	KUL	Tight	Rising
	Malaysia	PEN	Upturn	Rising
	Philippines	MNL	Upturn	Rising
	Singapore	SIN	Tight	Rising
	Thailand	BKK	Tight	Rising
Vietnam	HAN	Serious	Rising	
Vietnam	SGN	Serious	Rising	

Key for available space

**SOFT**  
Supply is more than demand

**UPTURN**  
Market is picking up, but demand of space can still be met by current supply.

**TIGHT**  
Space Gets tight. Pre-arrangement of space is needed.

**BACKLOG**  
Backlog of 1-2 days is found in the market.

**SERIOUS**  
Space demand critical, turnaround of booking found. Alternative routing may be needed.

# AIR FREIGHT

## MARKET FORECAST (APRIL 22 TO MAY 31)

### Air Freight Market Forecast

#### Asia -> Europe

Origin (Country/District)	Air Hub	Space	Rate	
Greater China	Hong Kong	HKG	Upturn	Stable
	South China	CAN/SZX	Tight	Rising
	Southeast China	XMN/FOC	Upturn	Stable
	Central & East China	PVG	Upturn	Stable
	North China	BJS/CGO/TAO	Tight	Rising
Northeast Asia	Korea	ICN	Upturn	Rising
	Taiwan	TPE	Tight	Rising
Southeast Asia	India	MAA/BLR	Upturn	Stable
	Indonesia	CGK	Upturn	Stable
	Malaysia	KUL	Tight	Rising
	Malaysia	PEN	Upturn	Stable
	Philippines	MNL	Upturn	Rising
	Singapore	SIN	Tight	Rising
	Thailand	BKK	Tight	Rising
	Vietnam	HAN	Backlog	Rising
Vietnam	SGN	Backlog	Rising	

### Air Freight Market Forecast

#### US/CA -> Asia

Origin (Country/District)	Air Hub	Space	Rate	
North America	US	US West Coast	Soft	Stable
	Canada	YVR	Soft	Stable

#### US/CA -> Europe

Origin (Country/District)	Air Hub	Space	Rate	
North America	US	US East Coast	Soft	Stable
	Canada	YYZ/YUL	Soft	Stable

#### Europe -> Asia

Origin (Country/District)	Air Hub	Space	Rate	
Europe	Netherlands	AMS	Upturn	Stable
	UK	LHR	Soft	Stable
	Germany	FRA / MUC	Soft	Stable

#### Europe -> US/CA

Origin (Country/District)	Air Hub	Space	Rate	
Europe	Netherlands	AMS	Soft	Stable
	UK	LHR	Soft	Stable
	Germany	FRA / MUC	Soft	Stable

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# AIR FREIGHT

## MARKET FORECAST (APRIL 22 TO MAY 31)

### Air Freight Market Forecast

#### MX -> Asia

Origin (Country/District)	Air Hub	Space	Rate
Mexico City	MEX	Upturn	Stable
Mexico City 2	NLU	Upturn	Stable
Monterrey	MTY/NLU	Upturn	Stable
Guadalajara	GDL/NLU	Upturn	Stable
Cancun	CUN/MEX	Upturn	Stable
Merida	MID/MEX/CUN	Upturn	Stable

#### MX -> Europe & Middle East

Mexico City	MEX	Upturn	Stable
Mexico City 2	NLU	Upturn	Stable
Monterrey	MTY/NLU	Upturn	Stable
Guadalajara	GDL/NLU	Upturn	Rising
Cancun	CUN/MEX	Upturn	Stable
Merida	MID/MEX/CUN	Upturn	Stable

#### MX -> North America

Mexico City	MEX	Soft	Stable
Mexico City 2	NLU	Tight	Stable
Monterrey	MTY/NLU	Upturn	Stable
Guadalajara	GDL/NLU	Upturn	Stable
Cancun	CUN/MEX	Upturn	Stable
Merida	MID/MEX/CUN	Soft	Stable

#### MX -> Central & South America

Mexico City	MEX	Upturn	Rising
Mexico City 2	NLU	Upturn	Rising
Monterrey	MTY/NLU	Soft	Rising
Guadalajara	GDL/NLU	Upturn	Rising
Cancun	CUN/MEX	Upturn	Stable
Merida	MID/MEX/CUN	Soft	Stable

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# OCEAN FREIGHT MARKET

APRIL - MAY

## Surge in New Container Ship Deliveries; Market Balance Maintained

In March, the delivery of new container ships surged, with 41 vessels delivered totaling a capacity of 260k TEUs. Ship types were of varying sizes, including MGX, NPX, 8-5 KTEU, and BKX. An additional 2 ships, totaling 20.9k TEUs, were delivered in April. Despite this influx, the increase in idle fleet was modest, rising from 0.7% to 0.9% by March. According to Hapag Lloyd's redirection of tonnage around the Cape of Good Hope, which requires an additional capacity of 5-9%, has effectively addressed carriers' over-tonnage issues, maintaining the supply-demand equilibrium.

## Cargo Surge Before Chinese Labor Holidays Spurs Carrier Actions

A pre-Labor Holiday rush in cargo shipments in China has allowed all long-haul carriers to announce a General Rate Increases (GRI) for the second half of April. On the other hand, carriers' plans to withdraw over 30% of the overall market tonnage supply in week 21 have been disclosed, prompting blank sailings by major alliances like THE, OA, and 2M.



# OCEAN FREIGHT MARKET

## APRIL - MAY

### Concerns Rise Over Wide Transpacific Rate Gap

According to Alvin Fuh, Special Assistant to the CEO at Dimerco Express Group, “The disparity between ideal rates sought by Beneficial Cargo Owners (BCOs) and carriers this year is causing a significant gap, potentially slowing down service contract renewals compared to previous years. As negotiations unfold, carriers are poised to hold the upper hand, particularly in Q3 and Q4 of 2024 and Q1 of 2025, over the service contract owners either in long-term-fixed-rate or FAK-floating-rate terms.

Situations such as potential disruptions in the Red Sea, a looming strike at US East Coast and Gulf Coast ports by ILA in October & November, and the US presidential election in November are expected to keep FAK floating rates elevated. This scenario may limit carriers' ability to accommodate lower-fixed-rate bookings if rates fall below their viability threshold, urging BCOs to seek solutions from reputable Non-Vessel Operating Common Carriers (NVOCCs) for assured space and rate stability.”



### Mr. Alvin Fuh

Special Assistant to the CEO  
Dimerco Express Group

# OCEAN FREIGHT

## MARKET FORECAST (APRIL 22 TO MAY 31)

### Ocean Freight Market Forecast

#### Asia -> Asia (Intra Asia)

Trade Lane	Space	Rate
Northeast Asia -> Southeast Asia	Soft	Stable
Northeast Asia -> Indian Subcontinent	Soft	Stable
Southeast Asia -> Northeast Asia	Soft	Stable
Indian Subcontinent -> Northeast Asia	Soft	Stable

#### Asia -> North America (Trans-Pacific Eastbound - TPEB)

Asia -> US West Coast	Upturn	Stable
Asia -> US East Coast	Soft	Falling
Asia -> US Gulf	Soft	Falling
Asia -> Canada	Upturn	Stable

#### Asia -> Europe (Far East Westbound - FEWB)

Asia -> European Base Ports	Soft	Falling
Asia -> Mediterranean	Upturn	Stable

#### North America -> Asia (Trans-Pacific Westbound - TPWB)

US -> Asia	Soft	Stable
Canada -> Asia	Soft	Stable

#### Europe -> Asia

Europe -> Asia	Tight	Stable
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#### Asia -> Europe (Far East Westbound - FEWB)

Asia -> European Base Ports	Soft	Falling
Asia -> Mediterranean	Upturn	Stable

#### North America -> Asia (Trans-Pacific Westbound - TPWB)

US -> Asia	Soft	Stable
Canada -> Asia	Soft	Stable

#### Europe -> Asia

Europe -> Asia	Tight	Stable
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Key for available space

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**TIGHT**  
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Backlog of 1-2 days is found in the market.

**SERIOUS**  
Space demand critical, turnaround of booking found. Alternative routing may be needed.

# TAIWAN MARKET SITUATION

## TAIWAN



Taiwan	TO ASIA				TO EUR				TO US/CA			
Air	C -	Soft	R -	Stable	C -	Tight	R -	Rising	C -	Tight	R -	Rising
Ocean	C -	Soft	R -	Stable	C -	Soft	R -	Falling	C -	Upturn	R -	Stable

### Airfreight

- Consumer demand is rebounding and is anticipated to pick up from Q3 of 2023.
- The surge in eCommerce shipments has resulted in full bookings from Taipei to New York. For urgent deliveries, an expedited rate will apply, with a transit time of 3-5 days.
- Certain airlines have stopped accepting cargo bound for Europe amid heightened tensions between Iran and Israel, leading to increased rates. Cathay Pacific (CX) has announced an expected price hike of 15-20%. In contrast, due to sluggish market demand for shipments from Taiwan to China and Southeast Asia, airlines have flexibility in negotiations, unlike the European routes where rates are assessed case-by-case.
- The fuel surcharge rate maintains the same from last month: TC I and TC II - TWD 41/kg | TC III - TWD 14/kg. In March 2024, air cargo tonnage witnessed a significant increase, with Air Exports rising by 38.7% and Air Imports by 39.2% compared to February 2024. This may be due to the post-Chinese New Year production.

Key for available space	SOFT	UPTURN	TIGHT	BACKLOG	SERIOUS
	Supply is more than demand	Market is picking up, but demand of space can still be met by current supply.	Space Gets tight. Pre-arrangement of space is needed.	Backlog of 1-2 days is found in the market.	Space demand critical, turnaround of booking found. Consider alternatives

# TAIWAN



Taiwan	TO ASIA				TO EUR				TO US/CA			
Air	C -	Soft	R -	Stable	C -	Tight	R -	Rising	C -	Tight	R -	Rising
Ocean	C -	Soft	R -	Stable	C -	Soft	R -	Falling	C -	Upturn	R -	Stable

## Ocean Freight

- In the Taiwan export market for ocean freight, demand hasn't experienced a notable increase, yet space to the US West Coast (USWC) is fully booked before the end of April. This situation arises from THE Alliance and OCEAN implementing blank sailings in the first week of May. Bookings for May are currently open with negotiable rates.
- For April, the Trans-Pacific East Bound (TPEB) rate is expected to remain stable during service contract renewals. However, there may be an increase in rates to the US West Coast (USWC) in May due to the favorable booking status. Rates to the U.S. East Coast (USEC) and Gulf are likely to stay unchanged in May. Regarding rates to Europe, carriers are expected to maintain current levels, with spot rates being applicable.

USWC (Pacific North West)

No blank sailing

USWC (Pacific South West)

One blank sailing at 1<sup>st</sup> week of May

USEC

One blank sailing at 1<sup>st</sup> week of May (THE Alliance)

Europe

One blank sailing at 1<sup>st</sup> week of May (THE Alliance)

Key for available space	<b>SOFT</b> Supply is more than demand	<b>UPTURN</b> Market is picking up, but demand of space can still be met by current supply.	<b>TIGHT</b> Space Gets tight. Pre-arrangement of space is needed.	<b>BACKLOG</b> Backlog of 1-2 days is found in the market.	<b>SERIOUS</b> Space demand critical, turnaround of booking found. Consider alternatives
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# EAST CHINA



## Air Freight

- There is an anticipated rate increase for the US lane prior to Labor Day. E-cigarette shipments have also surged, while eCommerce volumes have slowed down over the past month outbound from Shanghai. Notably, there's been a significant increase in automotive spare parts exports to the US.
- For the Southeast Asia lane, the rates remain the same, with an increase in volumes to Malaysia. Similarly for Europe, the rates and space have remained the same vs. last month.

## Ocean Freight

- US Route: the demand is stable with rates to USEC having a slight decrease
- EUR Route: Both rate and space are stable
- Southeast Asia Lane: Rate to Thailand and Vietnam remain at high levels with rates to Indonesia increasing significantly.

# CHINA MARKET SITUATION

## NORTH CHINA



### Air Freight

- In the Southeast Asia lane, both space and rates remain relatively stable. However, exports from Beijing to India face tightening space due to the presence of cell phone assembly factories in India.
- Meanwhile, factors such as the transportation of materials to France for the Olympic Games and the volatile situation in the Middle East are affecting space availability to Europe. Consequently, rates have increased, necessitating the booking of space at least one week in advance.
- In the US lane, the rate from Tianjin to the US has decreased since the beginning of April, though it's anticipated to rise again before Labor Day. Conversely, the rate from Beijing to the US has increased, requiring booking space at least one week in advance.

### Ocean Freight

- For the US trade lane, rates have slightly decreased, but congestion at the Panama Canal continues to cause delays in transit times to the USEC.
- For the Europe trade lane, both rates and space remain stable, with carriers continuing to opt for routes around the Cape of Good Hope.
- For Southeast Asia trade lane, rates and space are both stable

# CHINA MARKET SITUATION

## SOUTH CHINA



### Air Freight

- In the US lane, both rates and space are holding steady, but there's an expectation of rate increases ahead of Labor Day holidays in China in early May. Meanwhile, in the Europe lane, rates have surged due to the ongoing conflict in the Middle East. Conversely, the Southeast Asia lane enjoys stability in both rates and space.
- Due to the Middle East conflict, the following routes have been suspended:
  - Malaysia Airlines (MH) CAN-KUL-LHR line is suspended, with an unknown resume date.
  - Singapore Airlines (SQ) has suspended cargo reception to Europe until April 28th.

### Ocean Freight

- **EUR Trade Lane:** Rates have decreased, likely due to the upcoming labor holiday. However, tight space is anticipated, so it's advisable to book 1 to 2 weeks in advance.
- **US/CA Trade Lane:** Market demand has risen, leading to tightening space, particularly to USWC. Rates remain stable, but ongoing protests at LA/OAK in the US may slow down operations.
- **Intra-Asia Trade Lane:** Rates have increased due to Ramadan, and space is becoming limited. Blank sailings have increased in Vietnam, further affecting availability.



# CHINA MARKET SITUATION

## HONG KONG



### Air Freight

- For US Lane, the rate remains elevated due to the influx of eCommerce goods. For Europe lane, it's anticipated that rates will increase before Labor Day in China. For Southeast Asia Lane, rates are generally stable, except for shipments to India.
- Hong Kong Air Cargo (RH) plans to halt HK to India flights, reallocating capacity to European routes.

### Ocean Freight

- For US Trade Lane, both rate and space are stable. For Europe trade lane, rates have decreased, with space stable. For Southeast Asia trade lane, rates and space are stable.
- From Hong Kong to Malaysia: Rates are stable, but space is tight due to port congestion in Malaysia and Singapore, potentially causing delays of 4-5 days.
  - For HKG-Penang: Only EMC offers direct service, with a weekly schedule. However, EMC is skipping HKG, changing from weekly to a bi-weekly schedule.
  - For HKG-Port Klang: While there are multiple schedules, WHL will now route via SIN due to port congestion. Starting April 22<sup>nd</sup>, WHL will no longer offer direct service from HKG to SIN, switching to Shekou>SIN instead.

## CHINA TO EUROPE CROSS BORDER RAIL

# CHINA – EUROPE FREIGHT TRAIN

- With shifting market dynamics, there's been a notable increase in freight trains bound for Europe. This surge has led to significant congestion at Alashankou and Khorgos railway ports, impacting reloading efficiency.
- In Poland, traffic control measures on the Swiebodin-Toporow railway section are causing delays, resulting in an extension of transit times for China-Europe freight trains by 1-2 days.

### Outbound Service:

- Exports from Chongqing, Zhengzhou, Jinan, Jiaozhou, and Suzhou to Europe are facing tight space and increased rates.
- Space for express trains from Xi'an to Duisburg and Hamburg is fully booked for April, with rates for May seeing an increase.

### Inbound Service:

- Rates and space remain stable for inbound shipments from Europe to China.



# SOUTH KOREA



### Airfreight

- The air export volume to Southeast Asia and China has held steady compared to the previous month. Notably, there's a tightening of space for shipments bound for Singapore, driven by an increase in semiconductor cargo. Conversely, exports to Japan have returned to normal levels.
- In the US, there is currently limited air export space due to a surge in demand for automotive parts, expected to last until the end of April.
- Additionally, throughout April, a Fuel Surcharge will be in effect from April 16th to May 15th within the IATA Traffic Conference (TC) area, specifically TC1, TC2, and TC3 at Incheon International Airport.

### Ocean Freight

- Ocean freight rates to the US and European markets have notably declined and are continuing to trend downward.
- Conversely, for routes to Southeast Asia, ocean freight rates have seen an upward shift. This is attributed to carriers exerting control over supply and a shortage of space originating from Korea.

# MEXICO



### Air Freight

- In the initial two months of 2024, air cargo movement in Mexico experienced a notable uptick, recording a year-on-year increase of 5.2%. This resulted in the transportation of 193,521 tons, marking a substantial rise of 9,587 tons compared to the same period in 2023. Notably, the surge in cargo primarily stemmed from the transportation of mobile phones and telecommunication products.

### Ocean Freight

- The demand for container trade saw a significant surge of 59.7% in January compared to the corresponding month in 2023, resulting in an additional 44,000 TEUs being transported. Notably, a substantial portion of this increase can be attributed to the heightened demand for telecommunication products.

### Logistics & Service Notice

The upcoming elections in both the US in November and Mexico in July are expected to prompt stricter border security protocols and inspection procedures, raising concerns regarding freight flows. As a result, the current alternative solution of rerouting via the Laredo–Colombia Solidarity International Bridge may come with additional expenses. To mitigate potential risks, it is advisable to adopt best practices such as ensuring proper insurance coverage. Additionally, conducting thorough checks of paperwork for compliance is highly recommended when shipping to Mexico.

# SOUTHEAST ASIA - PHILIPPINES



Philippines

Philippines		TO ASIA				TO EUR				TO US/CA			
Air	C -	Soft	R -	Stable	C -	Upturn	R -	Rising	C -	Upturn	R -	Rising	
Ocean	C -	Soft	R -	Stable	C -	Soft	R -	Stable	C -	Soft	R -	Stable	

**Air** - |1| Airlines still require forwarders to book 3 to 5 days prior to departure for both European and US routes as there is still a slight backlog in the connecting hubs. |2| Due to the unpredictable fluctuations in rates, carriers are unable to provide a single, fixed, long-term rate proposal. |3| Ninoy Aquino International Airport Terminal 3 will undergo sectoral power maintenance from April 2 to May 28. The shutdowns will commence at midnight, aligning with minimal flight schedules

**Ocean** - |1| There is no reported congestion in the main ports with sufficient space to all destinations.

**Government Announcement:** Beginning May 2, government agencies in the Philippines will be adjusting their work schedule to 7AM – 4PM to promote energy efficiency during daylight saving.

**Upcoming Holidays in the Philippines**

- May 1 : Labor Day

**Recommendation**

**Air** - |1| It is advisable to secure bookings at least a week in advance to ensure space availability for long haul shipments.

<b>Key for available space</b>	<b>SOFT</b> Supply is more than demand	<b>UPTURN</b> Market is picking up, but demand of space can still be met by current supply.	<b>TIGHT</b> Space Gets tight. Pre-arrangement of space is needed.	<b>BACKLOG</b> Backlog of 1-2 days is found in the market.	<b>SERIOUS</b> Space demand critical, turnaround of booking found. Consider alternatives
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C – Freight Capacity | R – Freight Rates

# SOUTHEAST ASIA - MALAYSIA



Malaysia

Malaysia		TO ASIA				TO EUR				TO US/CA			
Penang	Air	C -	Soft	R -	Stable	C -	Upturn	R -	Stable	C -	Upturn	R -	Rising
	Ocean	C -	Soft	R -	Stable	C -	Soft	R -	Stable	C -	Soft	R -	Stable
Kuala Lumpur	Air	C -	Tight	R -	Rising	C -	Tight	R -	Rising	C -	Tight	R -	Rising
	Ocean	C -	Tight	R -	Stable	C -	Tight	R -	Stable	C -	Tight	R -	Stable

**PEN** - |1| The airfreight demand is picking up for the EUR and US/CA trade lanes, however the demand for ocean freight remains slow for all destinations.

**KUL** – |1| For ocean freight, the ports are experiencing severe congestion, resulting in significant delays in vessel arrivals. The congestion may be due to the post-Hari Raya holiday. The congestion has led to some vessels opting to skip Port Klang, leading to more backlogs. Instances have occurred where vessels change their routes and transship containers in Singapore. |2| The limited capacity for long-haul air freight is a result of backlogs occurring in connecting hubs.

**Recommendation:**

**KUL** - All ocean export bookings should be made at least 3 weeks in advance to secure space. However, shippers should also consider potential cancellation charges for cancelled bookings. For ocean import bookings, customers should anticipate possible delays of up to a week due to port congestion. For airfreight exports, it is recommended to book early and plan a buffer for the possible delays in transit times.

Key for available space	<b>SOFT</b> Supply is more than demand	<b>UPTURN</b> Market is picking up, but demand of space can still be met by current supply.	<b>TIGHT</b> Space Gets tight. Pre-arrangement of space is needed.	<b>BACKLOG</b> Backlog of 1-2 days is found in the market.	<b>SERIOUS</b> Space demand critical, turnaround of booking found. Consider alternatives
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C – Freight Capacity | R – Freight Rates

# SOUTHEAST ASIA - VIETNAM



Vietnam

Vietnam		TO ASIA				TO EUR				TO US/CA			
Air	C -	Upturn	R -	Stable	C -	Backlog	R -	Rising	C -	Serious	R -	Rising	
Ocean	C -	Soft	R -	Stable	C -	Soft	R -	Stable	C -	Soft	R -	Stable	

**Air - |1|** The surge in demand for both traditional electronic products and e-commerce items, combined with backlogs in connecting hubs, is creating space constraints along the US and EU routes.

**Ocean – |1|** The rates and space are stable with no significant events.

**Upcoming Holidays in Vietnam**

- April 29 - 30: Victory Day | May 1: Labor Day

**Recommendation**

**Air -** Due to limited space availability, it is advised to reserve space at least one week in advance of departure to secure airline booking confirmation.

C – Freight Capacity | R – Freight Rates

Key for available space

**SOFT**  
Supply is more than demand

**UPTURN**  
Market is picking up, but demand of space can still be met by current supply.

**TIGHT**  
Space Gets tight. Pre-arrangement of space is needed.

**BACKLOG**  
Backlog of 1-2 days is found in the market.

**SERIOUS**  
Space demand critical, turnaround of booking found. Consider alternatives

# FREIGHT MARKET SITUATION

## SOUTHEAST ASIA - THAILAND



Thailand

Thailand	TO ASIA				TO EUR				TO US/CA			
Air	C -	Soft	R -	Stable	C -	Tight	R -	Rising	C -	Tight	R -	Rising
Ocean	C -	Tight	R -	Stable	C -	Upturn	R -	Falling	C -	Tight	R -	Falling

**Air** - |1| The airfreight capacity and rates for intra-Asia lanes is stable. For EUR and US/CA routes, there has been a significant increase in both capacity demand and rates, requiring the need to assess bookings on a case-by-case basis. |2|The BFS Terminal is anticipated to experience significant congestion after the Songkran Festival, which is expected to last till the end of May.

**Ocean** - |1| The demand for ocean freight services from Thailand has been at a high level for the past months. However, there is a slight reduction in the current month. In terms of rate, the Intra-Asia lane is stable with rates to EUR reduced by 10% and US/CA by 5% vs. last month.

**Airline Announcement:** Thai Airways cut-off time update – (1) General cargo: Docs in 3 hours, weighing slips in 4 hours (2) Perishable cargo: Docs in 2.5 hours, weighing slips in 3 hours.

### Upcoming Holidays in Thailand:

- May 1: Labor Day | May 6: Coronation Day | Visakha Bucha Day: May 22

### Recommendation

**Ocean** - It is recommended to book 1-2 weeks in advance for intra Asia, 2-3 weeks for Europe and 3-4 weeks for US/CA routes to ensure space. **Air** – It is advised to book 3-4 days in advance.

Key for available space	<b>SOFT</b> Supply is more than demand	<b>UPTURN</b> Market is picking up, but demand of space can still be met by current supply.	<b>TIGHT</b> Space Gets tight. Pre-arrangement of space is needed.	<b>BACKLOG</b> Backlog of 1-2 days is found in the market.	<b>SERIOUS</b> Space demand critical, turnaround of booking found. Consider alternatives
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C – Freight Capacity | R – Freight Rates



# SOUTHEAST ASIA - SINGAPORE



Singapore		TO ASIA				TO EUR				TO US/CA			
Air	C -	Upturn	R -	Stable	C -	Tight	R -	Rising	C -	Tight	R -	Rising	
Ocean	C -	Soft	R -	Stable	C -	Soft	R -	Stable	C -	Soft	R -	Stable	

**Air** - Airfreight activity from Singapore remains high, especially outbound to EUR and US/CA as the Red Sea crisis and Panama Canal disruptions continues to be a challenge for ocean freight. Post-Ramadan period may also affect the air freight capacity outbound to the Middle East.

**Ocean** - Ocean freight demand from Singapore has been sluggish, indicating an anticipated continuation of soft space availability and stable rates for the next two months.

**Upcoming Holidays in Singapore**

- May 1: Labor Day | May 22: Vesak Day

C – Freight Capacity | R – Freight Rates

Key for available space

**SOFT**  
Supply is more than demand

**UPTURN**  
Market is picking up, but demand of space can still be met by current supply.

**TIGHT**  
Space Gets tight. Pre-arrangement of space is needed.

**BACKLOG**  
Backlog of 1-2 days is found in the market.

**SERIOUS**  
Space demand critical, turnaround of booking found. Consider alternatives

# SOUTHEAST ASIA - INDONESIA



Indonesia		TO ASIA				TO EUR				TO US/CA			
Air	C -	Soft	R -	Stable	C -	Upturn	R -	Stable	C -	Upturn	R -	Stable	
Ocean	C -	Upturn	R -	Stable	C -	Upturn	R -	Falling	C -	Upturn	R -	Stable	

After Indonesia's recent long holiday in early April, many factories have just resumed operations. Consequently, with production only just beginning, there's a slowdown in demand, resulting in increased freight capacity and stable rates.

**Air - |1|** Air freight capacity and rates remain stable overall. However, rates on the EUR and US/CA routes remain high due to congestion in connecting flights, with only a slight decrease observed.

**Ocean – |1|** Entering May, the capacity for Intra-Asia and Europe routes is not as constrained as it was in early April, which was due to the Eid al-Fitr holiday.

### Upcoming Holidays in Indonesia

May 1: Labor Day | May 9-10: Ascension Day of Jesus Christ | May 23-24: Waisak Day

C – Freight Capacity | R – Freight Rates

<b>Key for available space</b>	<b>SOFT</b> Supply is more than demand	<b>UPTURN</b> Market is picking up, but demand of space can still be met by current supply.	<b>TIGHT</b> Space Gets tight. Pre-arrangement of space is needed.	<b>BACKLOG</b> Backlog of 1-2 days is found in the market.	<b>SERIOUS</b> Space demand critical, turnaround of booking found. Consider alternatives
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# FREIGHT MARKET SITUATION

## INDIA



India	TO ASIA				TO EUR				TO US/CA			
Air	C -	Soft	R -	Stable	C -	Upturn	R -	Stable	C -	Tight	R -	Rising
Ocean	C -	Soft	R -	Stable	C -	Soft	R -	Stable	C -	Soft	R -	Stable

The air freight demand for the India to EUR route remains unchanged, keeping rates stable. However, for the India to US/CA lane, some transit-sensitive cargos are shifting from ocean freight to air freight due to delays stemming from the Red Sea crisis, likely resulting in a slight rate increase.

### Upcoming Holidays in India:

- May 1: Labor Day | May 23: Buddha Punima Day

C – Freight Capacity | R – Freight Rates

Key for  
available space

**SOFT**  
Supply is more than demand

**UPTURN**  
Market is picking up, but demand of space can still be met by current supply.

**TIGHT**  
Space Gets tight. Pre-arrangement of space is needed.

**BACKLOG**  
Backlog of 1-2 days is found in the market.

**SERIOUS**  
Space demand critical, turnaround of booking found. Consider alternatives

# FREIGHT MARKET SITUATION AUSTRALIA



Australia	TO ASIA				TO EUR				TO US/CA			
Air	C - Tight	R - Rising	C - Upturn	R - Stable	C - Upturn	R - Stable	C - Upturn	R - Stable	C - Upturn	R - Stable		
Ocean	C - Soft	R - Stable	C - Soft	R - Stable	C - Soft	R - Stable	C - Soft	R - Stable	C - Soft	R - Stable		

The Australian airfreight market to intra-Asia routes is currently facing a minor challenge with limited space availability throughout April, resulting in instances of fully booked flights and occasional delays.

### Upcoming Holidays in Australia:

- April 25: Anzac Day

### Recommendation

**Air** - It is recommended to book 3-5 days in advance in order to secure the space.

C – Freight Capacity | R – Freight Rates

<b>Key for available space</b>	<b>SOFT</b> Supply is more than demand	<b>UPTURN</b> Market is picking up, but demand of space can still be met by current supply.	<b>TIGHT</b> Space Gets tight. Pre-arrangement of space is needed.	<b>BACKLOG</b> Backlog of 1-2 days is found in the market.	<b>SERIOUS</b> Space demand critical, turnaround of booking found. Consider alternatives
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# USA OCEAN MARKET SITUATION

## Ocean Market

Several major US retailers have recently finalized their service contracts with Ocean Carriers for Transpacific Eastbound shipments, agreeing to rates approximately 12% to 17% higher than last year. Of particular note is the significant increase in rates to the US East Coast, with an increment of around USD 800-1000 compared to last year.

The surge in import volume to the US during the first three months of 2024 is beginning to show early signs of potential port congestion. While the Ports of LA and Long Beach currently are not reporting any vessel dwells, the rail dwell time has risen from 4.7 days in January to 6.3 days in February. Similarly, the Port of Vancouver has been grappling with rail backlogs since earlier this year. Whether this volume increase indicates an inventory recovery or a strong remainder of 2024 is unclear.

# FUEL SURCHARGE SHOWS UPWARD TREND



## Toronto (YYZ)

- **Air Exports** - Direct options to Asia-Pac from YYZ are limited, with gateways including YVR, HKG, ICN, TPE, and various ports in the USA. Similarly, there are limited direct options to Europe from YYZ, with more services available to hub cities such as FRA, CDG, MXP, MAD, and ZRH. Rates to both Asia Pacific and Europe are currently normal.

## Chicago (ORD)

- **Air Exports** – Air Export - Capacity remains normal, with negotiable rates for destinations in the Asia Pacific and Europe regions. Trucking rates have increased due to an additional diesel fuel surcharge ranging from 32% to 34%. Rates to Malaysia from China Airlines have reverted to contract terms, though an additional delay of 2-3 days is anticipated.
- **Air Import** - Chicago is currently facing congestion issues within a specific building, impacting operations for some carriers. As a result, drivers are experiencing significant wait times, sometimes extending for several hours, before they can be loaded.

## Dallas (DFW)

- **Air Exports** - Rates and capacity to the Asia-Pacific region are currently at a moderate level. However, there is a backlog at terminals, which may affect scheduling and processing times.
- **Air Imports** - Terminal waiting times are currently ranging from 1 to 2 hours. Space may become critical as demand increases.
- **Trucking** – There is an increase in fuel surcharge costs.

## New York (NYC)

- **Air Export** - Space to Asia-Pac and Europe is soft, with spot rates available for 300Kg to 1,000Kg shipments. Fuel surcharge rates are as follows: China Airlines \$1.15/KG | Eva Air: \$0.90/KG | Cathay \$0.60/KG | Korean Air: \$1.20/KG.
- **Air Import** -JFK permits only 24 hours of free time post-cargo arrival. It's advisable to steer clear of flights arriving at JFK on Fridays and Saturdays.
- **Trucking** - The current additional truck fuel surcharge ranges between 35% and 40% on top of base.

# NO MAJOR ISSUES FROM MOST OF GATEWAYS

## Vancouver (YVR)

- **Air Export** - Eva Air and China Airlines operate daily flights from YVR. Cathay offers daily flights to HKG. Air China has one flight to PEK on Saturdays. Air Canada provides daily service to HKG and on days Tue, Thu, Fri, and Sun to PVG.
- **Air Import** – There is no terminal congestion.

## San Francisco (SFO)

- **Air Exports** - Rates to Asia Pacific and Europe are holding steady at the moment, but there's an upward trend in the current Fuel Surcharge. It's important to prepare for potential FSC increases in the near future. Additionally, with the perishable season approaching, there might be heightened demand, which could potentially constrain exports from the Pacific Northwest regions.

## Los Angeles (LAX)

- **Air Exports** – Rates remain consistently stable with abundant capacity to both Asia and Europe. Carriers have not made any announcements regarding adjustments to Fuel Surcharge (FSC) rates across the Pacific. Additionally, stable trucking rates and ample capacity are readily available in the market.
- **Air Import** - As fuel prices surge, so do the rates for long-haul trucking carriers, adding pressure to logistics costs. Terminal fees have recently been adjusted upward to \$220.50 per House Air Waybill (HAWB), with a trend of further increases looming. Airlines are also implementing frequent hikes in storage charges. To mitigate expense, consider avoiding Fri and Sat when scheduling shipments .



# MARKET IS SLOW, RATE IS STABLE AND CAPACITY IS AMPLE

## Vancouver

- Port Congestion Update (2-4 Days in Port of Vancouver)
- Port capacity remains stable across all terminals in Vancouver.
- Fuel Surcharge (FSC): additional 32% on base charge
- Vessel discharge times have returned to typical levels.
- However, Vancouver rail terminal and Prince Rupert rail terminal dwell times are currently extended to approximately 7-10 days, due to a shortage in railcar supply.

## Oakland

- There is a shortage of oversized equipment and 20-foot chassis
- Port congestion is causing delays in Tacoma.

## Los Angeles / Long Beach

- **Ocean Export:** Space for shipments to Southeast Asia is currently limited, and all bookings are subject to approval from feeder vessels. The May 1st holiday week in China might impact the estimated time of arrival (ETA) for vessels.
- **Ocean Import:** Container pickups and returns are based on appointment availability. There is a possibility of yard stops, yard storage fees, and detention charges.



## Dallas

- Equipment shortages persist in El Paso, impacting operations.
- Fuel prices are on the rise.
- Railroad congestion has intensified in Santa Teresa, El Paso, and Dallas due to severe shortages in equipment and workers.



# DWELL TIME IS LONGER ON THE WEST COAST



**Chicago**

- **Ocean Export:** Rate and capacity are stable for both Asia-Pac and Europe routes
- **Ocean Import:** There is a 10-day dwell time before the container gets loaded to rail due to a chassis shortage.

**Toronto**

- **Ocean Export:** Rate and capacity are stable for both Asia-Pac and Europe routes
- **Ocean Import:** The port is currently congested with delays in operations. Dwell times at West Coast ports, including Vancouver and Prince Rupert, are longer than usual. It is recommended to use ERS service, as dwell times at ports are currently averaging 2-3 weeks.

**New York, New Jersey & Norfolk:**

- In the current sluggish market, New York is experiencing smooth port operations, with no congestion reported at both Global Container Terminal (GCT) and New York Container Terminal (NYCT), both of which are waiving toll-free surcharges. Ocean export rates remain steady, and there is ample space available.
- There is a challenge of securing pickup and empty return appointments at APM terminal
- Fuel and trucking rates now range between 40% to 45%.

# WHAT TO WATCH

## **Airlines Shifts Route amidst EU Conflict**

Amidst the heightened conflict between Iran and Israel, several airlines in Asia have taken proactive measures to mitigate risks by either rerouting or temporarily suspending their flights to Europe. This decision reflects the airlines' prioritization of safety and operational concerns. However, the reduction in available flight capacity between Asia and Europe is expected to exert pressure on airfreight rates along these routes, potentially leading to increased costs for shippers.

## **May Holiday to Impact Production**

The upcoming May holidays in China (May 1-5) and across Asia (May 1) may influence freight movements. These holidays may lead to temporary closures of businesses and government offices across Asia. One of the primary effects of these holidays is the disruption to production activities, although some factories in China may continue to work during the holiday keeping the overall market stable.

## **Major Congestion in Malaysia Port**

The recent surge in congestion at key ports in Malaysia, specifically in Port Klang, has resulted in significant delays for ocean services in the region. The congestion has emerged as a major challenge for shippers and logistics companies, impacting the flow of goods and disrupting supply chains. Many vessels have opted to transship in Singapore instead of Malaysia, exacerbating the strain on port capacities and adding to the logistical complexities.

## **Increased China-US Flights Ease Cargo Space**

The U.S. Department of Transportation granted China-based carriers permission to increase flights between the US and China, effective March 31st. This move is expected to ease space constraints into the US and create more availability for shipments back to Asia.

## **US Customs Postpones Low-Value Entry Type 86**

The US Customs Border Protection has postponed the start of low-value Entry Type 86 clearance requirements. Currently, filings can be made up to 15 days after cargo arrival. However, once the change takes effect, filings will need to be completed before cargo arrival.



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