



ASIA PACIFIC FREIGHT REPORT

July to August 2024

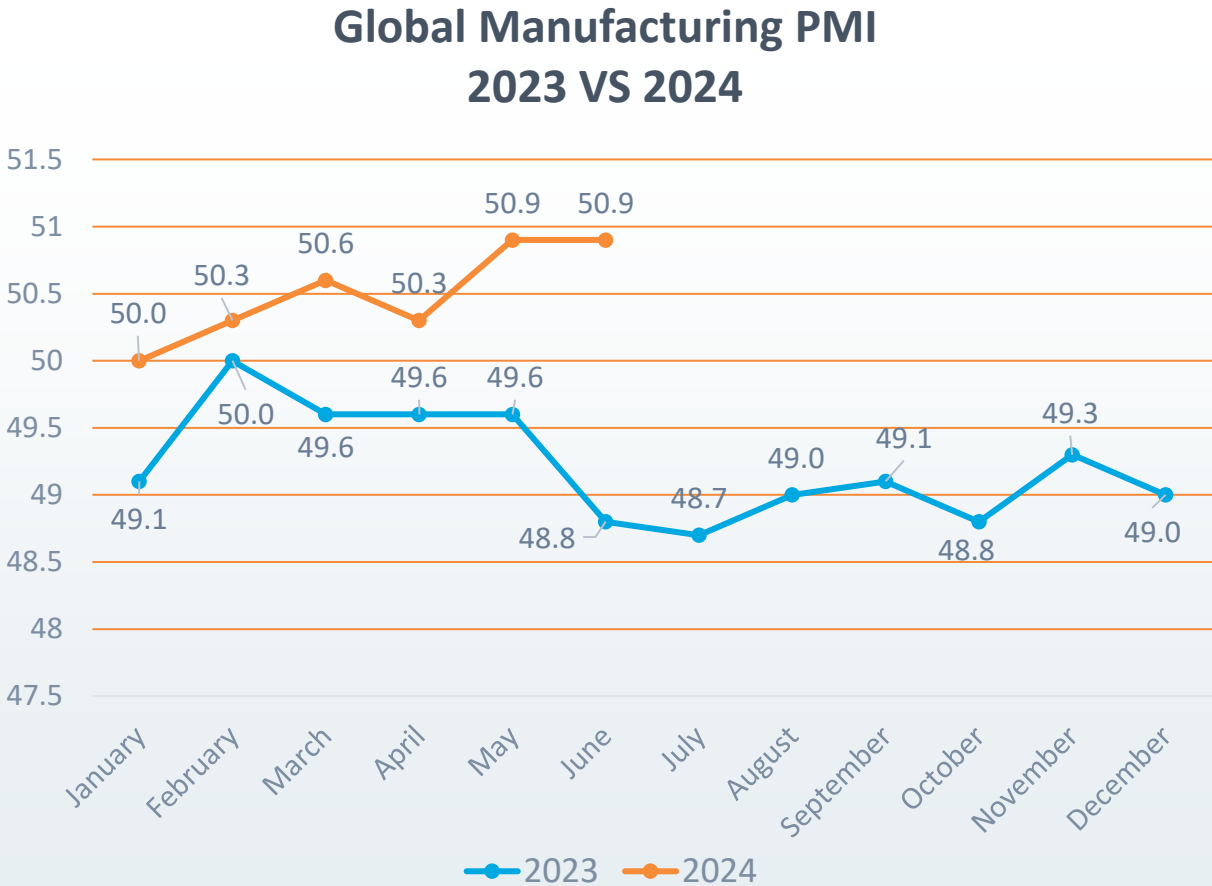
Review & Forecast



ECONOMIC INDICATORS

JULY - AUGUST

The Global Manufacturing PMI remains unchanged from the previous month at 50.9.



Source: S&P Global PMI

ECONOMIC INDICATORS

ASIA PACIFIC MANUFACTURING PMI

Manufacturing Purchasing Managers Index (PMI)													
	2023							2024					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Global	48.8	48.7	49.0	49.1	48.8	49.3	49.0	50.0	50.3	50.6	50.3	50.9	50.9
USA	46.3	49.0	47.9	49.8	50.0	49.4	47.9	50.7	52.2	51.9	50.0	51.3	51.6
China	50.5	49.2	51.0	50.6	49.5	50.7	50.8	50.8	50.9	51.1	51.4	51.7	51.8
Taiwan	44.8	44.1	44.3	46.4	47.6	48.3	47.1	48.8	48.6	49.3	50.2	50.9	53.2
Hong Kong	50.3	49.4	49.8	49.6	48.9	50.1	51.3	49.9	49.7	50.9	50.6	49.2	48.2
Japan	49.8	49.6	49.6	48.5	48.7	48.3	47.9	48.0	47.2	48.2	49.6	50.4	50.0
S. Korea	47.8	49.4	48.9	49.9	49.8	50.0	49.9	51.2	50.7	49.8	49.4	51.6	52.0
Singapore	49.7	49.8	49.9	50.1	50.2	50.3	50.5	50.7	50.6	50.7	50.5	50.6	50.4
Vietnam	46.2	48.7	50.5	49.7	49.6	47.3	48.9	50.3	50.4	49.9	50.3	50.3	54.7
Malaysia	47.7	47.8	47.8	46.8	46.8	47.9	47.9	49.0	49.5	48.4	49.0	50.2	49.9
Philippines	50.9	51.9	49.7	50.6	52.4	52.7	51.5	50.9	51.0	50.9	52.2	51.9	51.3
Indonesia	52.5	53.3	53.9	52.3	51.5	51.7	52.2	52.9	52.7	54.2	52.9	52.1	50.7
Thailand	53.2	50.7	48.9	47.8	47.5	47.6	45.1	46.7	45.3	49.1	48.6	50.3	51.7
India	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5	56.9	59.1	58.8	57.5	58.3
Australia	48.2	49.6	49.6	48.7	48.2	47.7	47.6	50.1	47.8	47.3	49.6	49.7	47.2

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

GLOBAL OUTLOOK

JULY - AUGUST

Global Economic Growth Slows but Remains Resilient

According to S&P Global Market Intelligence, global economic growth in June slowed but still marked the second strongest month over the past year. The Global PMI Composite Output Index decreased to 52.9 in June from 53.7 in May. Despite the slowdown, global economic growth remains supported by modest expansions in both the manufacturing and service sectors. Inflationary pressures are easing somewhat, as price increases in the goods-producing sector are offset by slower expansions in the service sector.



AIRFREIGHT OUTLOOK

JULY - AUGUST

Microsoft Outage Disrupts American Carriers

A recent CrowdStrike update, which affected Microsoft Windows systems, led to significant disruptions for many American carriers, resulting in the cancellation of numerous international flights into the US. This caused a notable reduction in belly capacity on direct flights from Asia to the US, with recovery taking approximately 3 to 5 days. While most airlines have resumed normal operations, some domestic carriers, particularly Delta (DL) and American Airlines (AA), continue to face challenges. In contrast, international carriers have experienced less impact and have largely recovered.

eCommerce Demand and Inventory Management

High eCommerce demand from China remains robust, driven by the possibility of tariff adjustments following the upcoming US elections. To preempt any potential tariff changes, shippers are expected to expedite inventory transfers from China to the US before the end of the year.



AIRFREIGHT OUTLOOK

JULY - AUGUST

Airfreight Demand Drives Shortages, Booking Challenges Through Q4

The airfreight commodity mix has evolved significantly due to several factors. Shifts from ocean freight to air freight have been driven by global port congestions, crises like the Red Sea incident, and a narrowing rate gap between air and ocean freight. Additionally, the launch of new e-commerce platforms and consumer electronics products has spurred demand for airfreight. This increased demand has led to a shortage of wide-body freighters, which are now fully booked through the end of Q4. Airlines have responded by splitting their Block Space Agreements (BSA) into smaller segments, particularly on the China to US route, with signing ratios reaching their highest levels since the pandemic.



AIRFREIGHT OUTLOOK

JULY - AUGUST

“

Given the current airfreight market dynamics, it is advisable to plan Q4 capacity early, especially for routes from China to the US and EU. Securing space in advance is crucial to meet forecasted demand and ensure smooth operations. Wide-body freighter charters with optimal routes and aircraft conditions are already sold out. Therefore, partnering with a reliable logistics service provider for long-term support is the best strategy. Shopping around at this stage could lead to uncontrollable service issues and unpredictable risks.

”



Kathy Liu
Vice President
Global Sales & Marketing
Dimerco Express Group

AIR FREIGHT

MARKET FORECAST (JULY 25 TO AUGUST 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	Soft	Stable
	Southeast China	XMN/FOC	Soft	Stable
	Central & East China	PVG	Upturn	Stable
	North China	BJS/CGO/TAO	Upturn	Stable
Northeast Asia	Korea	ICN	Upturn	Stable
	Taiwan	TPE	Soft	Stable
Southeast Asia	India	MAA/BLR	Soft	Stable
	Indonesia	CGK	Upturn	Stable
	Malaysia	KUL	Upturn	Stable
	Malaysia	PEN	Soft	Stable
	Philippines	MNL	Soft	Stable
	Singapore	SIN	Upturn	Stable
	Thailand	BKK	Upturn	Stable
	Vietnam	HAN	Upturn	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	Upturn	Stable
	Southeast China	XMN/FOC	Upturn	Stable
	Central & East China	PVG	Upturn	Stable
	North China	BJS/CGO/TAO	Tight	Rising
Northeast Asia	Korea	ICN	Tight	Rising
	Taiwan	TPE	Tight	Rising
Southeast Asia	India	MAA/BLR	Tight	Rising
	Indonesia	CGK	Tight	Rising
	Malaysia	KUL	Backlog	Rising
	Malaysia	PEN	Tight	Rising
	Philippines	MNL	Tight	Rising
	Singapore	SIN	Backlog	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 (JULY 25 TO AUGUST 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	Upturn	Falling
	Southeast China	XMN/FOC	Upturn	Stable
	Central & East China	PVG	Upturn	Stable
	North China	BJS/CGO/TAO	Tight	Rising
Northeast Asia	Korea	ICN	Upturn	Stable
	Taiwan	TPE	Tight	Rising
Southeast Asia	India	MAA/BLR	Upturn	Stable
	Indonesia	CGK	Tight	Rising
	Malaysia	KUL	Tight	Rising
	Malaysia	PEN	Tight	Rising
	Philippines	MNL	Upturn	Stable
	Singapore	SIN	Backlog	Rising
	Thailand	BKK	Tight	Rising
	Vietnam	HAN	Tight	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	Upturn	Stable
	Canada	YVR	Soft	Stable

US/CA -> Europe

North America	US	US East Coast	Soft	Stable
	Canada	YYZ/YUL	Soft	Stable

Europe -> Asia

Europe	Netherlands	AMS	Upturn	Stable
	UK	LHR	Soft	Stable
	Germany	FRA / MUC	Soft	Stable

Europe -> US/CA

Europe	Netherlands	AMS	Soft	Stable
	UK	LHR	Soft	Stable
	Germany	FRA / MUC	Soft	Stable

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 (JULY 25 TO AUGUST 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	Tight	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	Soft	Stable
Guadalajara	GDL/NLU	Upturn	Stable
Cancun	CUN/MEX	Soft	Stable
Merida	MID/MEX/CUN	Upturn	Stable

MX -> North America

Mexico City	MEX	Tight	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 -> Central & South America

Mexico City	MEX	Tight	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

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.

OCEAN FREIGHT MARKET

JULY - AUGUST

Blank Sailings and Adverse Weather on Global Shipping

Based on Drewry's weekly analysis on July 19, carriers announced the cancellation of 46 sailings from their East-West head haul trade lanes between weeks 30 and 34, a 6.7% cancellation rate out of 691 sailings. By trade lane, 46% of these blank sailings will occur on the Trans-Pacific Eastbound (TPEB) routes, 28% on Europe/Mediterranean Westbound (Europe/Med WB) routes, and 26% on Transatlantic Westbound (Transatlantic WB) routes.

The Ocean Alliance (OA) leads with 19 cancelled sailings, followed by THE Alliance with 8, the 2M Alliance with 7, and non-Alliance services with 12 blank sailings. While the number of blank sailings in existing services remains stable, the supply to certain trade lanes, such as the Pacific Southwest (PSW), has increased. Since May, seven new services have been added, leading to a drop in ocean freight rates for the Trans-Pacific PSW by less than 25% over three weeks. Meanwhile, rates for the US East Coast (USEC), inland point intermodal (IPI), and US Gulf remain relatively stable.



OCEAN FREIGHT MARKET

JULY - AUGUST

Shifts in Ocean Carrier Deployment Due to Geopolitical Tensions

Due to geopolitical tensions, ocean carriers are making significant shifts in their service deployments, moving from a China-centric approach to focusing on emerging markets such as Southeast Asia, the Indian Subcontinent, and Latin America. The global container fleet grew by 10.6% between June 1, 2023, and June 1, 2024. This substantial capacity increase of 2.85 million TEU slots has allowed carriers to deploy more ships on liner services between Asia and Latin America, the Indian Subcontinent/Persian Gulf, and Asia/Europe/Mediterranean.

According to Alphaliner data, the total capacity of vessels in deep-sea and regional liner services to and from Latin America increased from 3.5 million TEU on June 1, 2023, to 4.1 million TEU, a 17.4% increase. Liner services to and from the Middle East and the Indian Subcontinent also saw a 22% year-on-year increase. Although the largest deployment growth was on the Asia/Europe route at 24%, the extra tonnage had little impact on average weekly capacity due to rerouting via the Cape of Good Hope.



OCEAN FREIGHT MARKET

JULY - AUGUST

Impact of Red Sea Reopening on Global Ocean Freight Rates

While the UN is urging Israel and Hamas to sign a peace accord, there are concerns about the impact on global ocean freight rates, particularly for Asia/Europe routes, if the blockage in the Red Sea were to be lifted. If reopened, carriers' over-tonnage issues would immediately resurface, putting significant pressure on pricing. Currently, rate hikes in ocean freight are not driven by strong market demand but by the rerouting of westbound (WB) and eastbound (EB) shipments from the Suez Canal to the Cape of Good Hope. This diversion has forced carriers to reduce services from 27 to 25 loops and increase blank sailings.

“ Maintaining the 25 weekly services would require an additional 36 very large container carriers (VLCC) or 0.51 million TEUs of capacity. With approximately 1.5 million TEUs of new deliveries expected in the second half of this year, the market could face a significant oversupply if the Red Sea crisis is resolved suddenly. Freight rates could deteriorate as quickly as they have increased recently. It's important to note that BCOs and NVOs might need to wait two months or longer to benefit from lower rates, as carriers would need time to adjust their schedules and redeploy vessels.

”

Alvin Fuh
Vice President – Ocean Freight
Dimerco Express Group



OCEAN FREIGHT

MARKET FORECAST (JULY 25 TO AUGUST 31)

Ocean Freight Market Forecast

Asia -> Asia (Intra Asia)

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

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

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

Asia -> Europe (Far East Westbound - FEWB)

Asia -> European Base Ports	Tight	Rising
Asia -> Mediterranean	Tight	Rising

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

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

Europe -> Asia

Europe -> Asia	Tight	Rising
----------------	-------	--------

Ocean Freight Market Forecast

MX -> Asia

Trade Lane	Space	Rate
Manzanillo, ZLO -> Asia	Soft	Falling
Lázaro Cárdenas, LZC -> Asia	Soft	Falling
Veracruz, VER -> Asia	Tight	Stable
Altamira, ALT -> Asia	Upturn	Stable

MX -> Europe & Middle East

Veracruz, VER -> Europe & Middle East	Soft	Stable
Altamira, ALT -> Europe & Middle East	Upturn	Stable

MX -> North America

Manzanillo, ZLO -> North America	Upturn	Stable
Lázaro Cárdenas, LZC -> North America	Upturn	Stable
Veracruz, VER -> North America	Upturn	Stable
Altamira, ALT -> North America	Upturn	Stable

MX -> Central & South America

Manzanillo, ZLO -> Central & South America	Soft	Stable
Lázaro Cárdenas, LZC -> Central & South America	Soft	Stable
Veracruz, VER -> Central & South America	Soft	Stable
Altamira, ALT -> Central & South America	Soft	Stable

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.

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 -	Upturn	R -	Stable	C -	Upturn	R -	Falling	C -	Upturn	R -	Falling

Airfreight

- Consumer demand is slowly recovering, with an anticipated pick-up in Q3.
- For air freight from Taipei to the US, space remains tight but is improving compared to last month. Rates are dependent on space availability, with larger shipments quoted on a case-by-case basis. Urgent shipments will incur express rates to secure space.
- For routes from Taipei to Chennai, Bangalore, and Mumbai, space is fully booked through the end of July, leading to at least a 15% increase in air freight rates. Urgent shipments will face higher rates, around USD 6.6/kg and up.
- Airlines offer more room for price negotiations on routes from Taipei to China and Southeast Asia. However, shipping rates for Taipei to the US, Europe, and specific destinations like Chennai will be case by case.
- Effective from July 16, 2024, airlines have announced fuel surcharge adjustments: TC I and TC II are now TWD 34/kg, while TC III is TWD 12/kg.
- In June 2024, air cargo tonnage decreased by 7.7% for Air Export but increased by 5.4% for Air Import compared to May 2024.

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.

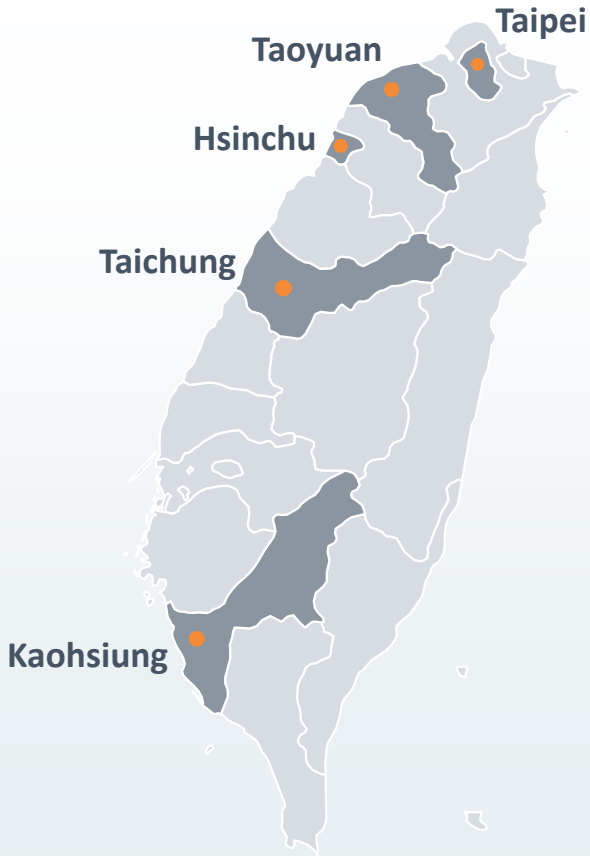
TIGHT
Space Gets tight. Pre-arrangement of
space is needed.

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

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

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 -	Upturn	R -	Stable	C -	Upturn	R -	Falling	C -	Upturn	R -	Falling

Ocean Freight

- For ocean export, long-haul booking activity for August is weaker than in previous months, leading to a downward trend in ocean freight rates starting in the first week of July 2024. Space to Southeast Asia is particularly tight as carriers are reallocating capacity to routes to the Middle East and India-Pakistan, where rates are significantly higher.
- Following the General Rate Increase (GRI) on July 1, 2024, the Transpacific Eastbound (TPEB) rate has decreased, with the US West Coast (USWC) rate dropping sharply from \$8,000/40' to around \$6,500/40' within two weeks. Additionally, TS Line rejoined the USWC trade in July 2024, and the market has seen extra loaders, which has created an oversupply of space. Consequently, TPEB rates are likely to continue declining from August 2024. The rate to Europe also fell after July 15, 2024, due to the absence of blank sailings in August.

USWC (Pacific South West)

No blank sailing for both OCEAN & THE Alliance

Pacific North West

1 Blank Sailing | 2 weeks (PNW1 Service)

USEC

No Blank Sailing

Europe

No Blank Sailing

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
-------------------------	---	--	---	---	---

CHINA MARKET SITUATION

EAST CHINA



Air Freight

- **US Lane:** Rates and space were stable during the first half of July, but began to rise starting in the third week of the month. This increase is attributed to a damaged flight by Air China Cargo (CA) and a global IT outage affecting logistics.
- **EUR Lane:** Rates and space remain stable due to the summer holidays in the EU, which have not significantly impacted the market.
- **Southeast Asia Lane:** Overall, rates and space are stable, with the exception of Penang, where space is notably tight.

Ocean Freight

- **US Lane:** New routes from Shanghai to LAX and LGB have increased capacity, leading to a decrease in rates.
- **EUR Lane:** Rates remain elevated.
- **Southeast Asia Lane:** Rates for Indonesia continue to be high, while rates for Thailand and Vietnam have seen a slight decrease. However, port congestion has caused overall transit times to Southeast Asia to be delayed.

CHINA MARKET SITUATION

NORTH CHINA



Air Freight

- **US Lane:** From Beijing to the US, rates have increased and space is tight, primarily due to high demand for e-commerce products. In contrast, rates from Tianjin have seen a slight decrease compared to the previous month.
- **EUR Lane:** Rates have increased and space remains tight.
- **Southeast Asia Lane:** Both rates and space are stable.

Ocean Freight

- **US Lane:** Since mid-July, rates have begun to decrease, and space is becoming more available.
- **EUR Lane:** Rates have continued to rise in recent weeks. Both THE and OA alliances have announced blank sailings at the end of July, leading to tighter space.
- **Southeast Asia Lane:** Rates remain high. Space is tight for Indonesia and Malaysia, so booking at least two weeks in advance is recommended.

CHINA MARKET SITUATION

SOUTH CHINA



Air Freight

- **US Lane:** Rates were stable during the first half of July but have slightly decreased starting in the second half of the month.
- **EUR Lane:** Rates have decreased due to the summer holidays in the EU.
- **Southeast Asia Lane:** Rates have slightly decreased compared to the previous month.
- ANA (NH) canceled freighter flights from CAN to NRT on July 9, 11, 13, 14, 15, and 17 due to the Obon Festival in Japan.
- SF Airlines (O3) launched new freighter flights from SZX to SGN starting July 1, with flights scheduled Monday through Friday.

Ocean Freight

- **US Lane:** The General Rate Increase (GRI) has been canceled, leading to a decrease in rates. For shipments with low-value goods and flexible transit times, SeaLead offers a lower-rate service from Nansha to Long Beach.
- **EUR Lane:** Rates remain high and space is tight. It is advisable to book 2-3 weeks in advance.
- **Southeast Asia Lane:** Rates and space are stable. However, port congestion has caused delays in transit times.

CHINA MARKET SITUATION

HONG KONG



Hong Kong

Air Freight

- Rates and space to all destinations are stable

Ocean Freight

- **US Lane:** Rates are fluctuating and have slightly decreased compared to the previous month.
- **EUR Lane:** Rates remain high, and space is tight. Due to the Red Sea crisis and port congestion in Southeast Asia, estimated arrival times are unstable, with expected transit delays of around 5 days.
- **Southeast Asia Lane:** Port congestion has led to tighter space and increased rates.
 - **Port Klang:** Delays of approximately 4-7 days.
 - **Jakarta Port:** Delays of around 1-3 days.
 - **Singapore Port:** Delays of about 2 days.



CHINA – EUROPE FREIGHT TRAIN

- With the rapid expansion of network infrastructure, the handling capacity at border crossings in some countries has reached its limit, leading to various degrees of backlogs and delays. The transit efficiency at the major border ports of Alashankou and Khorgos is currently affected, with reloading times ranging from 7 to 15 days. Similarly, the average delay for the Mala-Brest route is approximately 5 to 7 days.
- The container leasing market, which was previously overheated, is now cooling down, resulting in a decrease in container rental prices.
- For European-bound routes, despite strong demand, supply and freight demand have largely balanced out. However, space for shipments from Xian is tight for the latter half of July, and rates for August have seen a slight increase.



SOUTH KOREA



Air Freight

- Air export volumes to Southeast Asia have remained steady compared to the previous month, with no reported space issues with airlines.
- Air export space to the USA has become even tighter since last month. This is attributed to the current ocean market situation, where high freight rates are driven by a shortage of supply and strong demand for China's outbound cargo, particularly in e-commerce and e-cigarettes. Securing airline bookings has become increasingly challenging with general rates, and space reservations should now be made at least 2 weeks in advance, with updated rates required for each shipment.
- The fuel surcharge has increased by 11-12% from July 16 to August 15 for IATA Traffic Conference (TC) areas, including TC1, TC2, and TC3, at Incheon International Airport.

Ocean Freight

- Freight rates for Southeast Asia routes have stabilized, with space shifting from a critical shortage to a slightly tight situation.
- In the US market, while freight rates have leveled off after a sharp increase, space remains tight but is currently manageable.

FREIGHT MARKET SITUATION

SOUTHEAST ASIA - PHILIPPINES



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

Air – Long-haul shipments from the Philippines are still experiencing backlogs at connecting flights. To secure space, shippers need to apply for express rates, especially for shipments to North America.

Ocean – Based on the current ocean situation in the Philippines, space for both export and import remains an issue even with existing service contracts. The window for space confirmation is between 2 to 3 weeks for China and long-haul shipments. As a result, freight rates are still increasing.

Climate: The period from July to August marks the beginning of the rainy season, with typhoons and storms expected during this time. Shipping schedules may be affected.

Upcoming Holidays in Philippines:

August 21 – Ninoy Aquino Day | August 26: National Hero’s 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 - MALAYSIA



Malaysia

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

Air – Air freight from Penang to long-haul destinations is experiencing backlogs at connecting airports. For Kuala Lumpur, shippers are preparing for the 11.11 and Black Friday sales in the US. The restocking before the holidays may explain the increased demand. It is recommended to avoid any last minute bookings and plan a buffer for your shipments.

Ocean – Several vessels are canceling their calls at the Port of Penang and reallocating equipment to China due to higher yields there, resulting in equipment shortages in Penang. Meanwhile, Kuala Lumpur ports are experiencing congestion as they handle shipments redirected from Singapore to ease the situation there. Additionally, the intra-Asia lane will face further service shortages as smaller box ships are being diverted to long-haul routes. It is advisable to book export shipments 2–3 weeks in advance. For imports, expect delays of up to 1 week from arrival before containers are discharged.

Upcoming Holidays in Malaysia:

August 31: Independence Day

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

C – Freight Capacity | R – Freight Rates

FREIGHT MARKET SITUATION

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 -	Upturn	R -	Stable	C -	Tight	R -	Rising	C -	Upturn	R -	Falling	

Air – Until the end of the month, all available space for freight from Vietnam to the US/CA and EUR lanes is fully booked. Space is becoming increasingly limited, and rates are rising gradually each week. It is expected that rates will continue to increase through the end of Q3. Booking 2–3 weeks in advance is advised. Airlines will adjust costs based on requested delivery times at the time of booking. Shipments requiring expedited clearance will incur an express rate.

Ocean – For Vietnam to the US, there is a slight drop with rates with available spaces for booking. This is due to the drop in demand in China, allotting for space for export from Vietnam. Vietnam also has more carriers calling at Vietnam port for the Vietnam export to the US lane, giving it more space compared to other Southeast Asia regions. Some of these carriers are promoting lower spot rates, especially for Vietnam to LAX/LGB. For larger shipments to the US, it is still advised to book earlier to secure space.

Climate: The rainy season in Vietnam, particularly in the south, begins in July.

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

Air – Space and rates for intra-Asia shipments are generally stable. However, shipments to certain airports in India may require a check for space of no more than 2 days. There is an improvement in space for routes to the US/CA, with flights being confirmed within 1-2 days. However, rates remain high as airlines try to maintain current levels. The BFS Terminal is very congested, with a wait time of 4-5 hours to load cargo due to a high volume of shipments waiting for export, similar to last month.

Ocean – Ocean exports from Thailand are experiencing backlogs to all destinations, primarily due to space constraints at hub terminals such as SIN, SHA, PUS, HKG, and JKT. This has led to container shortages and higher rates.

Customs: In July-August, Thai Customs and related systems may observe several holidays, impacting operations. During these holidays, Thai Customs offices are likely to be closed, affecting import and export activities. It's advisable to plan logistics and customs clearances around the holidays noted below to avoid delays.

Upcoming Holidays in Thailand:

July 29: King Vajiralongkorn's Birthday | August 12: The Queen’s Birthday

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 - SINGAPORE



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

Air – The air market is expected to continue seeing high demand in e-commerce shipments, with shippers shifting from ocean to air due to increasing ocean shipping costs. Rates are expected to continue rising, along with longer transit times.

Ocean – The port congestion in Singapore has eased, with the waiting time for berthing reduced from 5 days to 2 days. If this improvement continues through August, fewer vessels will omit the Singapore port, leading to more sailings from Singapore. This increase in vessel calls should help maintain or slightly reduce freight rates for August. Despite the improvement in August, shippers should still plan their import and export shipments in advance.

Upcoming Holidays in Singapore:
August 9: National Holiday

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 - INDONESIA



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

Air – Many ocean shipments have shifted to air freight due to rising ocean freight costs, impacting air capacity and making space limited. Airfreight rates are also increasing, with no definitive end date in sight.

Ocean – Rates are still increasing, and space is limited due to congestion at the ports. Several vessels that were delayed in the previous month departed in July, causing space to be tight and fill up quickly. Shippers need to place bookings early to secure space, as last-minute bookings are likely to face shortages.

Upcoming Holidays in Indonesia
August 17: Independence 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

INDIA & AUSTRALIA



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 -	Tight	R -	Rising	C -	Backlog	R -	Rising

Air – For air shipments from India to the US/CA, space constraints in ocean freight have led to the transfer of some time-sensitive cargo from ocean to air. This shift has resulted in tighter air cargo space and rising rates.

Ocean - For ocean shipments to Europe, carriers are struggling to maintain weekly sailings due to vessel diversions via the Cape of Good Hope. Additionally, for routes to the US/CA, carriers are implementing blank sailings to northern ports in India, which is reducing overall capacity. Southern India is also facing space constraints, with carriers restricting bookings. Carriers are expected to resume weekly services to the USA starting at the end of August.

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

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

C – Freight Capacity | R – Freight Rates

USA MARKET SITUATION

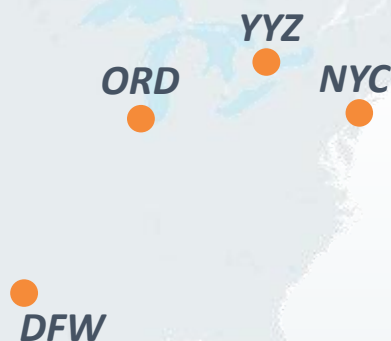
Air Market

Air freight supply has increased by 3% year over year, yet shippers are facing higher costs due to limited capacity. This capacity constraint is primarily driven by the extraordinary growth in e-commerce exports from China to the US and Europe.

Ocean Market

The Port of Charleston successfully cleared its backlog of approximately 15 to 20 container ships by temporarily reopening all three berths at the Wando Welch Terminal. However, due to ongoing construction, the terminal will operate with only two out of three berths through November, which may result in some anchoring delays for incoming ships

IT DISRUPTION TEMPORARILY AFFECTS SOME PORTS



Dallas (DFW)

- **Air Export** - Rates to the Asia-Pacific region are decreasing, and space is sufficient. However, terminal backlogs persist.
- **Air Import** - Terminal cargo release times are increasing. Space is limited, and rates are high due to the surge in e-commerce.
- Houston port terminals experienced temporary closures due to an IT disruption, causing delays in both import and export shipments.

Toronto (YYZ)

- **Air Export** - While there is available capacity to major APAC hubs like Hong Kong (HKG), Taipei (TPE), and Incheon (ICN), intra-Asia connections are facing limited space due to the peak summer travel season. Although there is increased flight frequency in the summer schedule, rates to Asia-Pacific and Europe remain stable.

Chicago (ORD)

- **Air Export** - Capacity to Australia (AU), Malaysia (MY), and India (IN) is tight, but air freight rates are stable and negotiable; trucking rates remain stable.
- **Air Import** - Terminal cargo release times are extended on most airlines, with additional waiting times expected for loading.

New York (NYC)

- **Air Export** – Capacity to Asia-Pacific and Europe remains open and unrestricted. Air freight rates to these regions are steady, showing no changes from the previous month.
- **Air Import** - Terminal cargo release time currently ranges from 4–6 hours. The truck fuel surcharge is presently between 40% and 42%.

US EXPORT CAPACITY AND RATE ARE SUFFICIENT AND STABLE

San Francisco (SFO)

- **Air Export** - Pre-booking is recommended for shipments to Southeast Asia (SIN, PEN, KUL). Perishables are in high demand in Korea, Taiwan, and Japan. Space is constrained for exports from SEA, PDX, SFO, and LAX.

Los Angeles (LAX)

- **Air Export** - Space to Asia and Europe is widely available with no reported congestion. Rates into the US are expected to continue rising, but this trend is not observed for exports from the US. US-LATAM routes are stable but face reliability issues due to aircraft maintenance, operational challenges, and high demand. Additionally, major Latin American ports are experiencing congestion.
- **Air Import** -The Fuel Surcharge Contribution (FSC) remains unchanged at 45%, while cross-state long-haul carriers outbound from LAX average 46% fuel plus a 10% California surcharge, totaling 56%. The average waiting time is 4 hours, with China Cargo Airline terminals experiencing waits of 4 to 8 hours. Singapore Airlines has notably increased their terminal fee to \$225/HAWB and reduced their free storage period from 48 hours to 24 hours.



CONGESTION AT MAJOR PORTS CAUSING RAIL DELAY

Oakland | Seattle | Tacoma

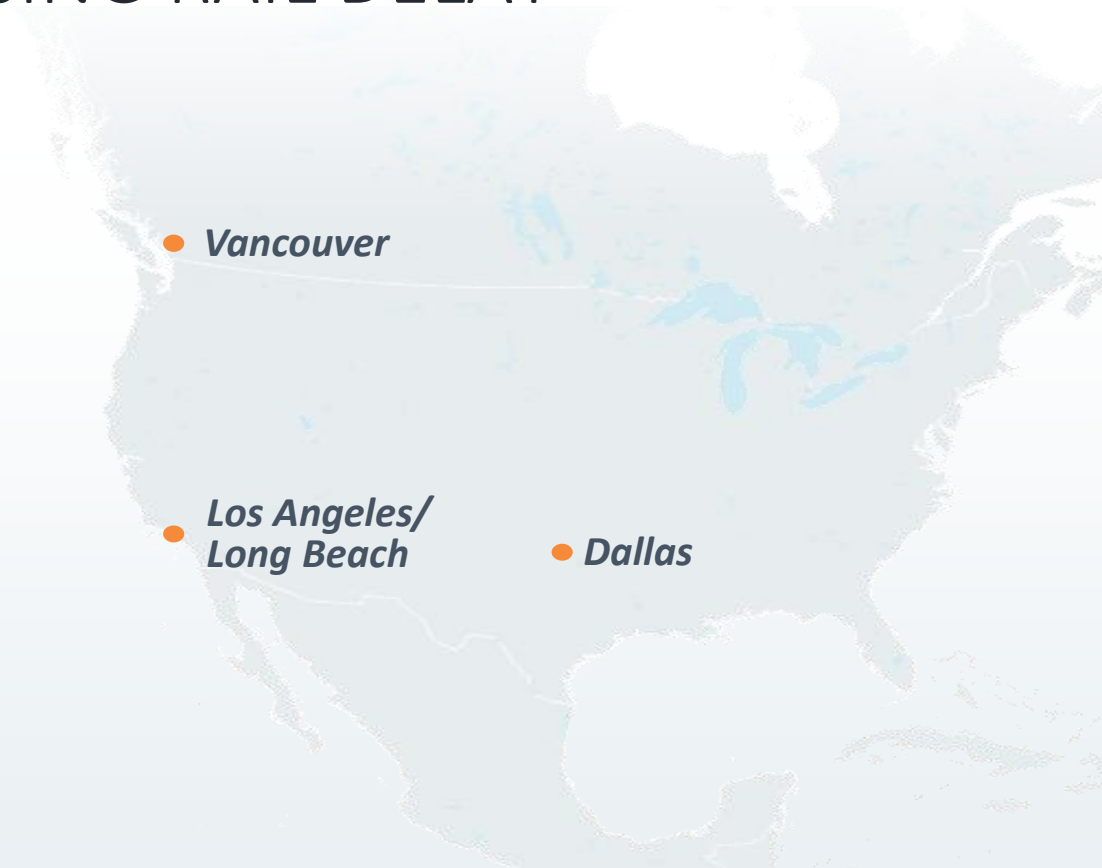
- The Seattle/Tacoma ports are experiencing congestion and rail delays of 1–2 weeks before cargo can be loaded onto trains.

Los Angeles / Long Beach

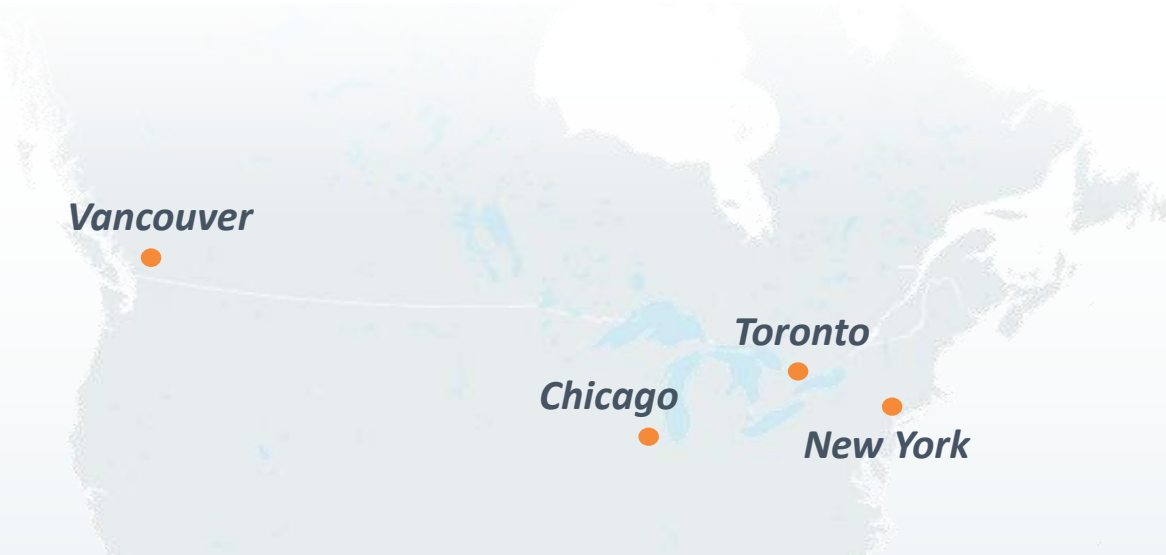
- **Ocean Export** - Rates are negotiable based on volume. Space to Southeast Asia is extremely tight, and all bookings to this region require feeder vessel approval.
- **Ocean Import** - Several terminals, including Trapac and TTI, are experiencing congestion due to IT interruptions. Securing terminal appointments for both pull-out and return remains challenging and depends on the specific terminal conditions. Potential issues include additional charges for storage, chassis rental, and stop-offs.

Dallas

- **Ocean Export** - Prices are normal, but booking 2–3 weeks in advance is recommended to avoid carrier overbooking. The Los Angeles port is experiencing congestion, leading to additional chassis days.
- **Ocean Import** - Cyber attacks affect the terminal's processes. Space and rates are tight/high due to e-commerce.



NORTH AMERICA OCEAN GATEWAY SITUATION TIGHT SPACE TO SOUTHEAST ASIA



Chicago

- **Ocean Export** - Ocean freight remains stable, though some steamship lines have implemented blank sailings. It is advisable to book with multiple carriers. Some carriers are currently not accepting bookings to Port Klang due to port congestion. Additionally, other carriers are not accepting bookings to Southeast Asia via the East Coast; the only option is to book rail transport via the West Coast.

Toronto | Vancouver

- **Ocean Export** - Rates and space for both Asia-Pac and EUR remain stable.
- **Ocean Import** - Several Vancouver ports are experiencing congestion due to a high volume of cargo and a shortage of rail carts, which is leading to extended dwell times at the rail, averaging 2 weeks. Importers are encouraged to utilize expedited rail services (ERS) to mitigate delays.

New York, New Jersey & Norfolk:

- Prices are slightly rising, but capacity remains normal. Drayage costs are increasing due to the summer shipping season.
- APM and GCT are experiencing significant congestion, with fees ranging from \$100 to \$200. In New Jersey and New York, drayage costs have increased by \$100 to \$150. Additionally, APM is currently facing a strike.

MEXICO AIR AND OCEAN MARKET SITUATION

MEXICO



Air Freight

As cargo volume between Mexico and China increases, it is recommended to consider direct flights for better rates on the following trade lanes: NLU-HKG, PVG-NLU, and HKG-GDL.

Ocean Freight

- As demand for electric vehicles (EVs) slows, freight rates are expected to decrease in Q3. In contrast, volume to and from the West Coast of Latin America has increased, leading to a downward adjustment in freight rates during July.
- To accommodate the growing capacity demand for shipments from Asia to Mexico’s West Coast, ONE has introduced the new “Asia Latin America 4 Express (ALX4)” service, operating from Shanghai via Busan to Lazaro Cardenas.
- With more ships departing from the Gulf of Mexico to West India, the ports of Nhava Sheva and Mundra are becoming preferred over the Manzanillo-India route.

Road Freight

- Demand for Mexican inland trucking services has increased, but availability is limited due to a shortage of drivers, who are migrating to Canada in search of better working conditions.

Carrier	Origin	Destination	Via
CZ	NLU	PVG	Direct
CZ	GDL/MTY	PCG	NLU
CX	NLY/GDL	HKG	Direct
CX	MTY	HKG	NLU
TK	MEX/MTY/GDL	PVG	IST

WHAT TO WATCH

Vancouver Rail Strike Negotiations Update

Negotiations for a labor contract involving Vancouver's Canadian Pacific Kansas City Limited and Canadian National Rail remain unresolved. The Canadian Industrial Relations Board is expected to make a ruling on August 9th, 2024, regarding the essential nature of rail services. If a resolution is not reached by then, and the CIRB ruling is issued, unions may vote in favor of a rail strike. Meanwhile, some Vancouver ports are experiencing congestion due to rail cart shortages, with waiting times for loadings extending to 7–10 days.

ILA Contract Deadline Approaches

The ILA contract, set to expire on September 30, has seen little progress in negotiations. The ILA has firmly stated that they will not continue to work without a new contract or under an extension of the existing agreement. As the deadline approaches, the likelihood of a strike increases, raising concerns about potential disruptions in port operations and supply chains. This situation underscores the urgency for both parties to reach a resolution to avoid significant impacts on the shipping and logistics industries.



Dimerco connects Asia with the world like no other global 3PL.

We integrate air and ocean freight, trade compliance and contract logistics services to make global supply chains more effective and efficient. The majority of our global shipping projects connect Asia's logistics and manufacturing hubs with each other and with North America and Europe.

We serve customers from 150+ offices, 80+ contract logistics operations, and 200+ strategic partner agents throughout China, India, Asia Pacific, North America, and Europe.



marketing@dimerco.com



www.dimerco.com

© Dimerco Express Group

The Information in our publication is take from a variety of sources based on the information available at the time. It is shared with the Dimerco community for informational purposes only, and we do not accept any liability or responsibility for reliance on this information.

