



ASIA PACIFIC FREIGHT REPORT

February to March 2024

Review & Forecast

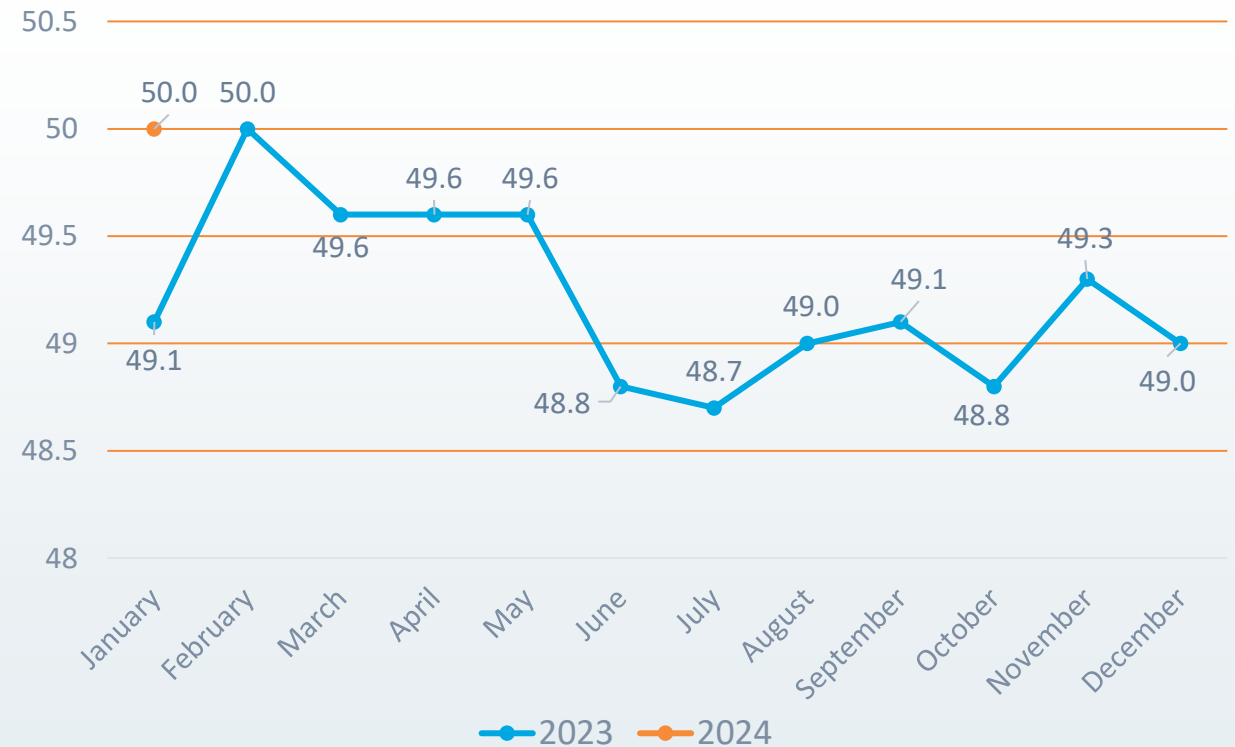


ECONOMIC INDICATORS

FEBRUARY TO MARCH

The Global Manufacturing PMI rose from 49.0 in December 2023 to 50.0 in January 2024.

Global Manufacturing PMI 2022 VS 2023



Source: S&P Global PMI

GLOBAL OUTLOOK

FEBRUARY TO MARCH

The global Purchasing Managers' Index (PMI), a measure of economic health, has been consistently getting better for the past three months, hitting its highest point in seven months at 51.8 in January, according to data from S&P Global.

Even though there was a slight increase in the global Consumer Price Index (CPI) due to shipping issues in the Red Sea, there's a possibility of inflation slowing down globally. The Core Goods CPI was at a low 1.3% in December, and the CPI for services also dropped a bit to 4.6% in the same month.

The financial markets expects that the US Federal Reserve and the European Central Bank might lower interest rates in 2024.

The interest rate on 10-year Treasury bonds went up to 4.3% in mid-February, making the US dollar stronger. However, many still expect the dollar to decrease in value throughout the year.



ECONOMIC INDICATORS

ASIA PACIFIC MANUFACTURING PMI

Manufacturing Purchasing Managers Index (PMI)													
	2023												2024
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Global	49.1	50.0	49.6	49.6	49.6	48.8	48.7	49	49.1	48.8	49.3	49	50.0
USA	46.9	47.3	49.2	50.2	48.4	46.3	49	47.9	49.8	50.0	49.4	47.9	50.7
China	49.2	51.6	50.0	49.5	50.9	50.5	49.2	51.0	50.6	49.5	50.7	50.8	50.8
Taiwan	44.3	49	48.6	47.1	44.3	44.8	44.1	44.3	46.4	47.6	48.3	47.1	48.8
Hong Kong	51.2	53.9	53.5	52.4	50.6	50.3	49.4	49.8	49.6	48.9	50.1	51.3	49.9
Japan	48.9	47.7	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9	48
S. Korea	48.5	48.5	47.6	48.1	48.4	47.8	49.4	48.9	49.9	49.8	50.0	49.9	51.2
Singapore	49.8	50.0	49.9	49.7	49.5	49.7	49.8	49.9	50.1	50.2	50.3	50.5	50.7
Vietnam	47.4	51.2	47.7	46.7	45.3	46.2	48.7	50.5	49.7	49.6	47.3	48.9	50.3
Malaysia	46.5	48.4	48.8	48.8	47.8	47.7	47.8	47.8	46.8	46.8	47.9	47.9	49
Philippines	53.5	52.7	52.5	51.4	52.2	50.9	51.9	49.7	50.6	52.4	52.7	51.5	50.9
Indonesia	51.3	51.2	51.9	52.7	50.3	52.5	53.3	53.9	52.3	51.5	51.7	52.2	52.9
Thailand	54.5	54.8	53.1	60.4	58.2	53.2	50.7	48.9	47.8	47.5	47.6	45.1	46.7
India	55.4	55.3	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5
Australia	50.0	50.5	49.1	48.0	48.4	48.2	49.6	49.6	48.7	48.2	47.7	47.6	50.1

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

FEBRUARY TO MARCH

Navigating Airfreight Dynamics in 2024

Projections for airfreight growth in 2024 vary between 2% to 5%. However, the persistent increase in passenger widebody capacity, particularly in the Asia-Pacific region as airlines readjust post-pandemic, is expected to exert pressure on load factors and rates. The macroeconomic outlook is characterized by a mix of factors, leading analysts to suggest that 2024 is likely to serve as a transitional period from the freight recession, with the true recovery expected in 2025.

E-commerce Resilience

Due to the Chinese New Year, overall demand has slowed, except for e-commerce, which remains a strong driver of air freight volumes, especially from South China and HKG.



AIR FREIGHT MARKET

FEBRUARY TO MARCH

India's Air Freight Landscape Responds to Global Urgency

Outbound rates from India to Europe and the US started rising in the second week of February, now doubling compared to January 2024. This increase is due to the Red Sea crisis, leading to more urgent shipments via air freight. However, the supply from India to the US and Europe is still lower than other Asian countries.

Factory Resumption and Outlook

Most factories are expected to resume operations by February 26 or March 1. If orders return to normal in March, we anticipate a slight increase in demand for outbound shipments from Asia as the first quarter concludes.



AIR FREIGHT MARKET FORECAST

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	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	Upturn	Stable
	Malaysia	KUL	Upturn	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	Upturn	Stable
	Southeast China	XMN/FOC	Upturn	Stable
	Central & East China	PVG	Upturn	Falling
	North China	BJS/CGO/TAO	Upturn	Stable
Northeast Asia	Korea	ICN	Tight	Rising
	Taiwan	TPE	Soft	Stable
Southeast Asia	India	MAA/BLR	Tight	Rising
	Indonesia	CGK	Tight	Rising
	Malaysia	KUL	Soft	Stable
	Malaysia	PEN	Upturn	Stable
	Philippines	MNL	Soft	Stable
	Singapore	SIN	Tight	Rising
	Thailand	BKK	Upturn	Stable
Vietnam	HAN	Upturn	Stable	
Vietnam	SGN	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.

AIR FREIGHT MARKET FORECAST

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	Stable
	Southeast China	XMN/FOC	Upturn	Stable
	Central & East China	PVG	Upturn	Stable
	North China	BJS/CGO/TAO	Upturn	Stable
Northeast Asia	Korea	ICN	Upturn	Rising
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	Singapore	SIN	Tight	Stable
	Thailand	BKK	Upturn	Stable
	Vietnam	HAN	Upturn	Stable
	Vietnam	SGN	Upturn	Stable

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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OCEAN FREIGHT MARKET

FEBRUARY - MARCH

ONE and WHL Forge Independent Partnership

Following the joint announcement by Maersk and HL regarding their upcoming alliance, Gemini Cooperation (set to launch in February 2025), ONE has entered into a separate collaboration with WHL. This independent partnership involves the signing of a Vessel Sharing Agreement (VSA) for a new TP AP1 loop of services, expected to commence either by the end of April or in early May. Despite operating outside the existing THE Alliance, this move has triggered speculation about WHL potentially joining THE Alliance at the end of January 2025, coinciding with HL's departure from THE Alliance to join forces with Maersk in the Gemini Cooperation. The maritime industry is witnessing dynamic shifts as companies explore novel alliances and partnerships, reshaping the landscape of global shipping.

Navigating Post-Chinese New Year Challenges

In response to sluggish post-Chinese New Year (CNY) cargo movements, an estimated withdrawal of no less than 35% and 25% of capacity for Europe/Med Westbound (WB) and Trans-Pacific Eastbound (TPEB), respectively, is anticipated during weeks 8, 9, and 10. The substantial rollover pool in Asian ports is seen as a strategic move by carriers to offset lower loading factors on post-CNY sailings, preventing a significant slide in freight rates. Despite these adjustments, post-CNY rates in February have remained stable at USD 4300/FEU for Europe WB and USD 5000/FEU for US West Coast, with USD 6300/FEU for US East Coast, showcasing the industry's ability to adapt to challenges while maintaining rate stability.



OCEAN FREIGHT MARKET

FEBRUARY - MARCH

Carriers Respond Swiftly to Red Sea Crisis Impact

In response to the Red Sea Crisis and the rerouting of ships from Suez to the Cape of Good Hope, carriers swiftly deployed 17 additional neo-panamax and megamax vessels in the first seven weeks of the year to maintain weekly intervals. Despite industry-wide efforts, 2M emerged as the leader with the best average sailings, achieving 7.4 to Northern Europe and 7.3 to the Mediterranean. This surpassed THE Alliance and Ocean Alliance's performance. The injection of extra capacity significantly reduced overall rollover of laden boxes in Asian ports during the Chinese New Year to less than 20%. In the Western Bound market, rates for Northern Europe in the first half of February slightly decreased from previous highs, settling at USD 5000/FEU. The maritime industry demonstrates adaptability in navigating challenges and influencing market dynamics.



OCEAN FREIGHT MARKET FORECAST

Ocean Freight Market Forecast

Asia -> Asia (Intra Asia)

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

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

Asia -> US West Coast	Tight	Stable
Asia -> US East Coast	Tight	Stable
Asia -> US Gulf	Tight	Stable
Asia -> Canada	Tight	Stable

Asia -> Europe (Far East Westbound - FEWB)

Asia -> European Base Ports	Upturn	Stable
Asia -> Mediterranean	Tight	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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TAIWAN



Air Freight

- The airfreight capacity from Taiwan to US/CA and Europe is at an upturn, while to Southeast Asia and China it is soft. The rates to all destinations are stable. There is a decline in the e-commerce re-export market compared to Q4 of 2023, removing the backlog issue for the Taipei-to-US lane.
- Effective from February 16, 2024, airlines have announced adjustments to the fuel surcharge rates as follows: TC I and TC II - TWD 39/kg | TC III - TWD 13/kg
- Air cargo tonnage in January fell by 9.0% for air exports and 10.8% for air imports compared to the previous month.

Ocean Freight

- The ocean freight capacity from Taiwan to Europe and Southeast Asia is at an upturn, while it is soft to China and the USA. Demand is weak after the Chinese New Year celebrations with slow bookings and falling rates, especially to Europe and Transpacific Eastbound.
- With the Panama draft issue and the Red Sea issues, carriers are routing through the Cape of Good Hope causing longer transit time to USEC and EUR/MED and, therefore, constraining the space. It is advisable to book two weeks in advance of the cut-off date.
- Rates have increased drastically since the beginning of the Red Sea Crisis. However, the price still fell after Chinese New Years as there is not enough cargo volume to support the high rate.

CHINA MARKET SITUATION

EAST CHINA



Air Freight

During the Chinese New Year celebration, shipment volume of both e-commerce and general goods fell below anticipated levels. While factories have begun to gradually resume operations since February 19, a return to normal market demand is not anticipated until March.

- **US and EUR Trade Lane:** rate continued to decrease
- **Southeast Asia Trade Lane:** rate dropped slightly

Ocean Freight

Shanghai transportation market remains stable while the ocean freight for long haul has dropped prior to the Chinese New Year Celebration.

- **US Trade Lane:** Following a continuous rise in rates in early February, there was a drop before the Chinese New Year holiday. The first week post-holiday witnessed blank sailings, and rates have since stabilized.
- **EUR Trade Lane:** Given the ongoing tension in the Red Sea region, most carriers continue to opt for the Cape of Good Hope route, resulting in a decrease in spot rates.
- **Southeast Asia Trade Lane:** Space is full before the holiday with increased spot rates.

CHINA MARKET SITUATION

NORTH CHINA



Air Freight

- After Chinese New Years, anticipation for a bustling logistics market was met with unexpected quietness at cargo stations, signaling a slow start phase. The Southeast Asia Trade Lane has seen a slight drop in rates, with ample space available. Similarly, on the EUR/US Trade Lane, rates have decreased and there is sufficient space.
- Korean Airlines has made a shift, changing its four weekly wide-body aircraft to narrow-body, reflecting adjustments in response to market dynamics.

Ocean Freight

- **US Trade Lane:** Despite a Feb. 1 GRI, rates have declined. Panama Canal congestion persists, prompting carriers to strategically adjust capacity through blank sailings for the upcoming contract season.
- **EUR Trade Lane:** Rates, which peaked in January, have decreased due to the Red Sea crisis causing delays. Advance booking is recommended based on cargo readiness date and ETD.
- **Southeast Asia Trade Lane:** Rates and space remain stable, ensuring a consistent shipping environment in the region.

SOUTH CHINA & HONG KONG



Air Freight

South China:

- **EUR/US Trade Lane:** In early February, the market price held steady initially but experienced a decline as the holiday season commenced. The decrease in demand was attributed to factory shutdowns for the holiday period. Rates to the US and EU continued to decrease, with anticipation of market demand returning to normal levels from March onwards.
- **Southeast Asia:** Rates experienced a slight decrease during the same period. The volume of e-commerce goods during the Chinese New Year (CNY) was notably lower than anticipated, reflecting a temporary slowdown in activity.

Hong Kong:

- The current air freight costs are experiencing a downturn due to reduced factory production levels following the Chinese New Year holiday. However, it is anticipated that the market will stabilize and show growth in March once factory production reaches 100% capacity. As a result, the demand for freight services is expected to increase, causing a rise in freight costs.

SOUTH CHINA & HONG KONG



Ocean Freight

South China:

- **EUR Trade Lane:** Post-Chinese New Year, market volume slowed, leading to a decrease in rates in February. Anticipate further rate reductions in March.
- **US Trade Lane:** Expect lower Ocean Freight (O/F) during the post-Chinese New Year off-season, with projections for continued reduction in March. Canal traffic remains stable, with THE Alliance opting for the Cape of Good Hope and other alliances queuing for the Panama Canal. The Red Sea situation perpetuates equipment shortages.
- **Intra-Asia Trade Lane:** Rates to Indonesia are on the rise. For India, space is tight; it's recommended to book 2-3 weeks in advance. Spaces are already booked for weeks 9 & 10.

Hong Kong:

Issues in the Red Sea and drought in the Panama Canal have increased rates and tightened space for UK and USEC routing. Although Deputy Panama Canal Administrator Ilya Espino doesn't foresee additional transit limitations until at least April, reports by Reuters indicate that assessments will occur at the dry season's end to decide on any further restrictions.

- **US Trade Lane:** Rates increased, with an upturn in space to the W. Coast and soft space to the E. Coast
- **EUR Trade Lane:** Tight capacity and increased rates.
- **Southeast Asia Trade Lane:** Stable rates and space.

CHINA TO EUROPE CROSS BORDER RAIL

CHINA – EUROPE FREIGHT TRAIN ARE OPERATING SMOOTHLY

Snowstorms at Kazakhstan ports have resulted in delays, impacting other ports, too. Overall transit time for freight trains traveling via Alashankou is currently 3-5 days longer than trains taking the Khorgos route.

Europe-bound service:

Spaces are available for booking until the end of February. Following the holiday, a limited number of scheduled services are available in Xi'an and Chengdu.

Russia-bound service:

Limited spaces are available for booking in February, with most already booked until early March. Changsha and Shijiazhuang have secured reservations until mid-March. The rate remains stable with slight fluctuations.

Central Asia-bound service:

In the latter half of February, there is a dense schedule of trips to Central Asia, ensuring sufficient available spaces. Trains to destinations such as Almaty, Tashkent, Baku, Poti, and Tbilisi are operating normally. However, it's worth noting that the overall volume of goods in Central Asia remains relatively low.



SOUTH KOREA AIR AND OCEAN MARKET SITUATION

SOUTH KOREA



Air Freight

- Air export volume to Southeast Asia and China remains steady, with expectations of an increase post-Lunar New Year. However, air export space to the US continues to be tight. This is attributed to sustained demand for eCommerce shipments from Korea to the US and delays in flight schedules due to adverse weather conditions, including heavy snow on the East Coast and heavy rain in the West.
- Furthermore, air export space to the EU is facing constraints due to the Red Sea blockade. This situation has prompted a shift from ocean to air shipping as an alternative, impacting airfreight space availability until March.
- Throughout February, the Fuel Surcharge will persist within the IATA Traffic Conference (TC) area, specifically for TC1/TC2/TC3 at Incheon International Airport, covering the period from February 16 to March 15. Stay informed for any updates on these dynamic airfreight conditions.

Ocean Freight

- Rates in the US and European markets have stabilized with no notable fluctuations. Ocean carriers are not only allocating empty containers to China for profit but are also experiencing increased transit times due to canal issues. This strain on container supply suggests that ocean freight rates are likely to rise once more.

MEXICO



Air Freight

- The transit service from NLU to MEX is currently experiencing delays attributed to CZ (China Southern) airline. Therefore, for time-sensitive air cargo destined for Mexico City, it is advisable to consider clearance at NLU airport.

Ocean Freight

- Port congestion continues with overloaded carriers and container cranes, mirroring past years' challenges. Despite Sea Freight's Asia–Mexico closing 2023 with a 3.81% decrease, averaging \$1,994 per FEU throughout the year, we anticipate a stable pricing environment in the first quarter of 2024.

Road Freight

- The lack of security issues led to road strikes on February 5, resulting in limited availability of land transportation. Some carriers opted to avoid or cancel customer tenders, leading to decreased availability and higher prices. It is strongly advised to adopt good practices such as obtaining Cargo Insurance and insuring the container box when shipping to Mexico. Additionally, a thorough check of paperwork for compliance is recommended to prevent any delays at customs or unexpected expense impacts.

SOUTHEAST ASIA, INDIA & AUSTRALIA (1/5)



Philippines

Philippines	Asia		EUR		US/CA	
Air	C - SOFT	R - STABLE	C - SOFT	R - STABLE	C - SOFT	R - STABLE
Ocean	C - UPTURN	R - STABLE	C - UPTURN	R - STABLE	C - UPTURN	R - RISING

|1| Manufacturers in the Philippines continue to opt for ocean freight over air freight for transporting their goods, aiming to lower overall expenses. **Air** - |2| There is an anticipation of increased airfares next month, as the Civil Aeronautics Board (CAB) has elevated the permissible levels of passenger and cargo fuel surcharges that airlines can apply starting March 2024. **Ocean** - |3| Ocean freight space booking in February is smooth since there are no holidays. However, in March, the Philippines will observe Holy Week, potentially causing interruptions in the country and impacting the movement of freight.

SOUTHEAST ASIA, INDIA & AUSTRALIA (2/5)



Kuala Lumpur	Asia		EUR		US/CA	
Air	C - UPTURN	R - STABLE	C - SOFT	R - STABLE	C - SOFT	R - STABLE
Ocean	C - TIGHT	R - STABLE	C - UPTURN	R - STABLE	C - TIGHT	R - STABLE

Air - |1| Space is expected to be back to normal after the lunar new year. **Ocean** -|2| There are more and more blank sailings within Intra Asia. |3| There may be a disruption in freight movements with the upcoming Ramadan and Hari Raya holidays.

Penang	Asia		EUR		US/CA	
Air	C - SOFT	R - STABLE	C - UPTURN	R - STABLE	C - TIGHT	R - RISING
Ocean	C - SOFT	R - STABLE	C - TIGHT	R - STABLE	C - TIGHT	R - STABLE

Air - |1| Lufthansa Cargo will increase the Fuel Surcharges effective 4th March 2024.
Ocean - |2| EMC implemented GRI for shipments to Canada & USA, effective 1st FEB 2024,; FAF for Intra Asia Trade, effective 1st MAR 2024 to 31st MAR 2024; and Data Service Expenses (EDI Fee), effective 1st FEB 2024.

SOUTHEAST ASIA, INDIA & AUSTRALIA (3/5)



Vietnam	Asia		EUR		US/CA	
Air	C - SOFT	R - STABLE	C - UPTURN	R - STABLE	C - UPTURN	R - STABLE
Ocean	C - SOFT	R - STABLE	C - SOFT	R - FALLING	C - SOFT	R - RISING

Air - |1| For airfreight from Vietnam to the United States and Europe, it is anticipated that space tightness and rates may experience a slight increase following the reopening of all factories post-Lunar New Year.

Ocean - |1| Rates to the EU have experienced a slight decrease, while rates to the US West Coast have seen a slight increase, and rates to the US East Coast remain stable. |2| Post-Lunar New Year, demand has slowed down owing to the closure of Vietnamese factories for the customary two-week holiday. Spaces and equipment are now readily available after the Lunar New Year. |3| Yang Ming is introducing a new direct service, the Danang to Shekou - CVT service (China - Thailand Express Service), featuring a transit time of 2 days. The inaugural vessel is scheduled to depart on March 13, 2024.

Singapore	Asia		EUR		US/CA	
Air	C - UPTURN	R - STABLE	C - TIGHT	R - FALLING	C - TIGHT	R - STABLE

|1| The space capacity for USA/Europe has shown a slight improvement compared to the previous month. |2| Anticipated delays in ocean freight may prompt a shift of more time-sensitive volumes towards sea-air services or air cargo alternatives.

SOUTHEAST ASIA, INDIA & AUSTRALIA (4/5)



Thailand	Asia		EUR		US/CA	
Air	C - TIGHT	R - STABLE	C - UPTURN	R - STABLE	C - UPTURN	R - RISING
Ocean	C - UPTURN	R - STABLE	C - TIGHT	R - RISING	C - TIGHT	R - RISING

Air – |1| As Chinese manufacturing firms resume their work after Chinese New Year, the space to China and Asia is tight, while the space is normal for US/EU. **Ocean** - |2| Due to increasing rates and constrained space for ocean freight from Thailand to the US and UK, it is advisable to make reservations 2-3 weeks in advance.

Indonesia	Asia		EUR		US/CA	
Air	C - UPTURN	R - RISING	C - TIGHT	R - RISING	C - TIGHT	R - RISING
Ocean	C - SOFT	R - STABLE	C - TIGHT	R - FALLING	C - TIGHT	R - RISING

Air - |1| Air shipments have experienced a decline in February due to numerous national holidays, such as Isra Mi'raj Prophet, Chinese New Year, and Election Day. The upcoming holidays in March may similarly impact the freight market, including Hindu New Year Saka and Balinese Day of Silence on March 11, and Good Friday on March 29. |2| Securing space for shipments to Europe and America has become challenging due to the prevalence of Houthi attacks, leading to an increased reliance on air transport for many sea shipments. **Ocean** - |2| Ocean freight rates to the USA are experiencing an upward trend, driven by heightened demand as businesses strive to transport their goods before the Idul Fitri holiday in April.

SOUTHEAST ASIA, INDIA & AUSTRALIA (5/5)



India

India	Asia		EUR		US/CA	
Air	C - SOFT	R - STABLE	C - TIGHT	R - RISING	C - TIGHT	R - RISING
Ocean	C - SOFT	R - STABLE	C - TIGHT	R - RISING	C - TIGHT	R - RISING

Air - |1| Customers who are concerned with transit times for routes to the US, Europe and Mediterranean countries are opting to use airfreight as the Red Sea crisis persists. **Ocean** - |1| Carriers are encountering transit delays as ships are being diverted via the Cape of Good Hope. In response to the additional costs incurred from this diversion, carriers are implementing rate increases for shipments to Europe and the US



Australia

Australia	Asia		EUR		US/CA	
Air	C - SOFT	R - STABLE	C - SOFT	R - STABLE	C - SOFT	R - STABLE
Ocean	C - UPTURN	R - STABLE	C - UPTURN	R - STABLE	C - UPTURN	R - STABLE

Ocean - |1| There is only a slight increase in ocean freight rates, while the DP World industrial action is continuing and still causing delays at the terminals.

USA AIR AND OCEAN MARKET SITUATION

Air Freight

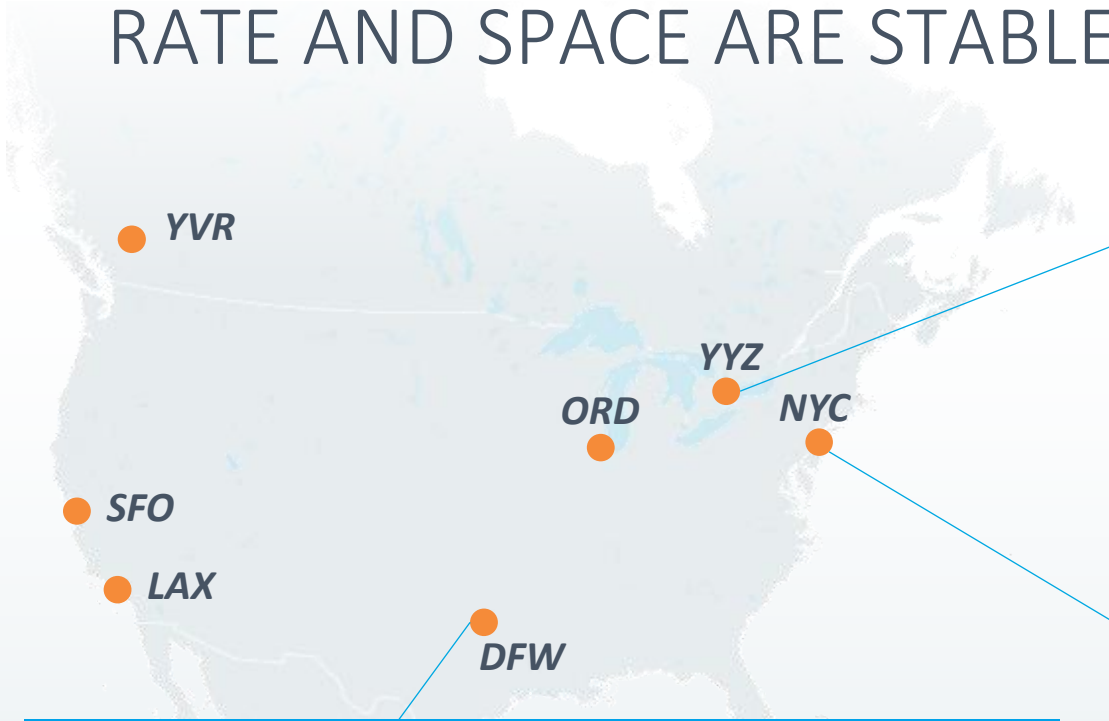
Markets continue to stabilize with the jump in January cargo volumes. Air cargo volume growth at the end of 2023 has carried over into a normally quiet shipping period for reasons that include retailers finally rebuilding inventories, an early Chinese New Year, flower demand for Valentine's Day, and longer ocean transits as vessels avoid the Red Sea.

Ocean Freight

The Panama Canal disruption caused by low water level are easing up, as water levels are improving and Ocean Carriers have increased vessels to transit through Panama Canal on their East-West services. The alternative routings, such as via rail/truck, are still in play as progress does not signal the end of the low-water level situation.

NORTH AMERICA AIR GATEWAY SITUATION

RATE AND SPACE ARE STABLE | FSC SHOWING DECREASE



Toronto (YYZ):	
AE	<ul style="list-style-type: none"> Limited direct options to Asia Pacific, gateway includes YVR/HKG/ICN/TPE/USA ports from YYZ There are limited direct options to Europe with more service to hub cities (FRA, CDG, MXP, and MAD). Rate to Asia-Pac and Europe are normal.

New York (NYC):	
AE	<ul style="list-style-type: none"> Space to Asia Pacific and Europe is soft and spot rates are available from 300K to 1,000K FSC: China Airlines \$1.15/KG, Eva Air: \$0.85/KG, Cathay \$0.79/KG, Air China 0.70/KG.
AI	<ul style="list-style-type: none"> JFK allows only 24 hours of free time after cargo arrival. Avoid flights arriving in JFK on Fridays and Saturdays. The current truck fuel surcharge is at 35%–40% .

Dallas (DFW):	
AE	Rate and capacity to APAC is at a moderate level with backlog at terminals.
AI	Terminal waiting time is 1-2 hours. It is the peak season for imports, so space may be more critical.
Truck	Competitive pricing with increasing FSC

NORTH AMERICA AIR GATEWAY SITUATION

MARKET IS STABLE WITH NO MAJOR CONGESTION

Vancouver (YVR):

AE	Eva Air and China Airlines have daily flights from YVR; Cathay increases flight frequency (CX837 on TUE, WED and SUN. CX865 has daily flights). CA has one flight on Thursday-Sat. Air Canada provides daily service to HKG and Day 2, 4, 5, 7 to PVG.
AI	There is no terminal congestion

San Francisco (SFO):

AE	<ul style="list-style-type: none"> Air market rates and capacity remain normal. Fuel Surcharge reduction by Cathay.
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Los Angeles (LAX):

AE	<ul style="list-style-type: none"> Market is slow, while rates & capacity are normal.
AI	<ul style="list-style-type: none"> Fuel Surcharge: 45%. Linehaul carriers are increasing their CA surcharges (10-20% additional), adding EV charges (7-10% additional) Terminal fee raised to \$220.50/HAWB Suggest to fly to the closest port to avoid further delays due to weather.

Chicago (ORD):

AE	Rates and capacity are stable to Asia Pacific and Europe.
AI	The terminal was contested due to weather conditions and will be back to normal within a few weeks. Terminal handling charges have increased.



MARKET IS STABLE WITH NO MAJOR CONGESTION

Vancouver

- Port Congestion Status (2-4 days in port of Vancouver)
- Fuel Surcharge: 30%
- The vessel discharge time is back to normal.
- Rail terminal dwelling time is back to normal. It is about 5 days. Prince Rupert Rail Terminal dwell time is 5 days.

Los Angeles / Long Beach

OE	GRI applies on the US East Coast starting Feb 2024.
OI	Container pickup & and return are still based on the appointment's availability. Potential yard stop, yard storage and detention may occur.

Dallas

- Equipment shortage in El Paso.
- Port congestion: Delay in Tacoma
- Fuel price is rising.
- Railroad congestion in Santa Teresa, El Paso, and Dallas has worsened due to a severe shortage of equipment and workers.



MARKET IS STABLE WITH NO MAJOR CONGESTION



New York, New Jersey & Norfolk:

- The slow market has led to no port congestion in New York, and both Global Container Terminal (GCT) and New York Container Terminal (NYCT) are offering a toll-free surcharge. The ocean export rate is also stable. Space is open.
- Hard to secure pickup and empty return appointments at APM terminal.
- The fuel/trucking rate is between 40%-45%.

Chicago

OE	<ul style="list-style-type: none">• Rate and Capacity are stable for both Asia Pacific and Europe.• Some carriers have a shortage of equipment, so it is recommended to book alternative carriers as backup.
OI	<ul style="list-style-type: none">• No port congestion.

WHAT TO WATCH

ILA Sets Deadline to Propel Contract Negotiations

The International Longshoremen's Association (ILA) is taking proactive measures to initiate labor contract negotiations, setting a deadline of May 17 for its local unions to conclude port-level bargaining talks. This strategic move allows the ILA and the United States Maritime Alliance (USMX) just under five months to reach a consensus on a master contract covering the East and Gulf coasts before the current agreement expires at the end of September.

Thailand greenlights EV subsidies for 2024-2027.

Thailand targets 30% of total vehicle production as Zero Emission Vehicles (ZEVs) by 2030. The EV Board approves EV 3.5 package (2024-2027) for industry growth and investment facilitation. Subsidies under EV 3.5 support electric car, pickup truck, and motorcycle purchases based on vehicle type and battery capacity. The goal is to drive adoption and production in the EV sector.



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