



ASIA PACIFIC FREIGHT REPORT

January to February 2024

Review & Forecast

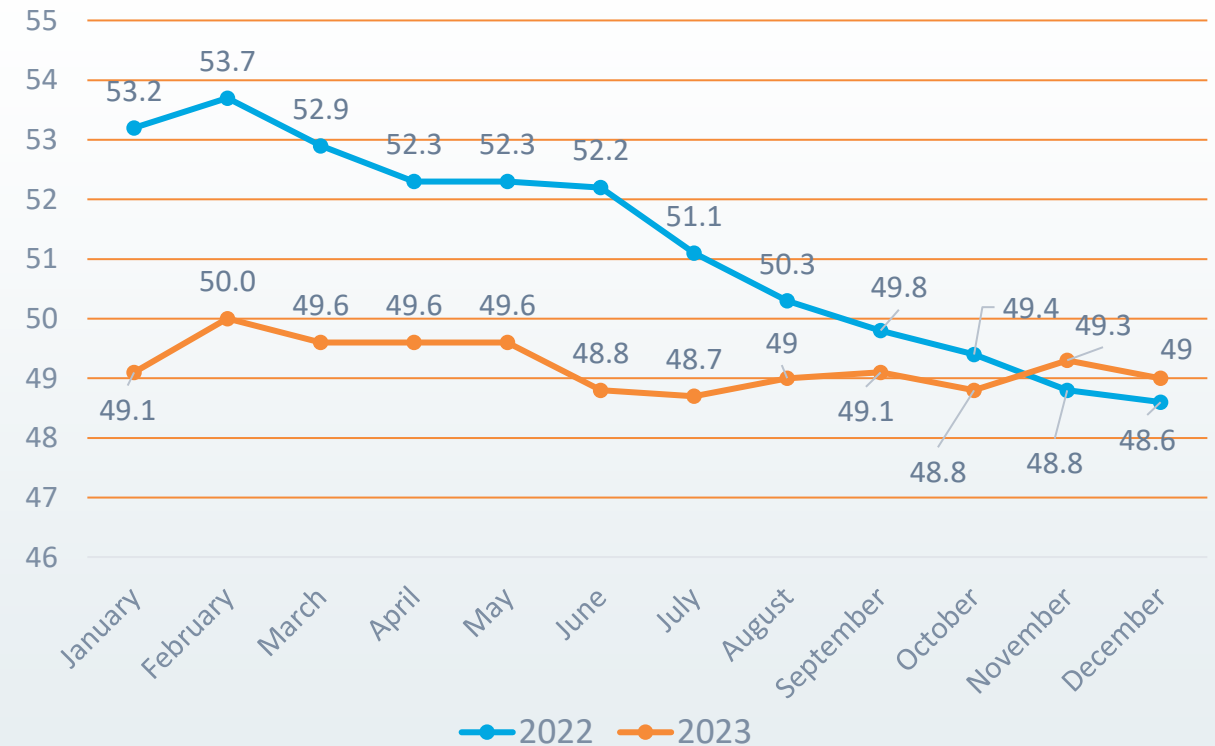


ECONOMIC INDICATORS

JANUARY TO FEBRUARY

The Global Manufacturing PMI fell from 49.3 in November to 49.0 in December

Global Manufacturing PMI 2022 VS 2023



Source: S&P Global PMI

GLOBAL OUTLOOK

JANUARY TO FEBRUARY

Global PMI Report Highlights Divergent Trade Trends

The Global PMI New Export Orders Index, registering a decline from 48.5 to 48.3 in December, reflects a swift reduction in trade flows across manufacturing and service sectors. While manufacturing export orders sustained a 22-month decline, services trade saw a fractional deterioration for the fourth consecutive month. Despite rate cut expectations, demand for goods remains suppressed due to past inflation concerns. The EU, notably France and Germany, experienced a sharp decline in incoming new orders, in contrast to the positive performance of major emerging markets—India, China, Russia, and Brazil. Notably, India stands out as the sole emerging economy recording improvements in trade conditions, with overall new orders reaching a three-month high in December.



ECONOMIC INDICATORS

ASIA PACIFIC MANUFACTURING PMI

Manufacturing Purchasing Managers Index (PMI)													
	2022	2023											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Global	48.6	49.1	50.0	49.6	49.6	49.6	48.8	48.7	49	49.1	48.8	49.3	49
USA	46.2	46.9	47.3	49.2	50.2	48.4	46.3	49	47.9	49.8	50.0	49.4	47.9
China	49	49.2	51.6	50.0	49.5	50.9	50.5	49.2	51.0	50.6	49.5	50.7	50.8
Taiwan	44.6	44.3	49	48.6	47.1	44.3	44.8	44.1	44.3	46.4	47.6	48.3	47.1
Hong Kong	49.6	51.2	53.9	53.5	52.4	50.6	50.3	49.4	49.8	49.6	48.9	50.1	51.3
Japan	48.9	48.9	47.7	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9
S. Korea	48.2	48.5	48.5	47.6	48.1	48.4	47.8	49.4	48.9	49.9	49.8	50.0	49.9
Singapore	49.7	49.8	50.0	49.9	49.7	49.5	49.7	49.8	49.9	50.1	50.2	50.3	50.5
Vietnam	46.4	47.4	51.2	47.7	46.7	45.3	46.2	48.7	50.5	49.7	49.6	47.3	48.9
Malaysia	47.8	46.5	48.4	48.8	48.8	47.8	47.7	47.8	47.8	46.8	46.8	47.9	47.9
Philippines	53.1	53.5	52.7	52.5	51.4	52.2	50.9	51.9	49.7	50.6	52.4	52.7	51.5
Indonesia	50.9	51.3	51.2	51.9	52.7	50.3	52.5	53.3	53.9	52.3	51.5	51.7	52.2
Thailand	52.5	54.5	54.8	53.1	60.4	58.2	53.2	50.7	48.9	47.8	47.5	47.6	45.1
India	57.8	55.4	55.3	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9
Australia	50.2	50.0	50.5	49.1	48.0	48.4	48.2	49.6	49.6	48.7	48.2	47.7	47.6

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

JANUARY TO FEBRUARY

Air Freight Market Quiets Ahead of Chinese New Year: The air freight market exhibits a subdued demeanor as the Chinese New Year draws near, reflecting a sluggish demand and limited shifts from ocean to air freight, compounded by the red sea crisis.

Airlines Navigate Challenges During Chinese New Year Holiday: With demand slowing down, airlines anticipate the cancellation of several flights during the Chinese New Year holiday due to reduced cargo volumes, posing additional challenges for the industry.

Manufacturers Take Early Holiday Amidst Declining Orders: Some manufacturers proactively choose an early holiday starting from February 1 due to a decline in orders in China. Operations are expected to resume on February 26, affecting the rhythm of the export market in February compared to the previous year.



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

Air Freight Market Forecast

Asia -> Europe

Origin (Country/District)	Air Hub	Space	Rate	
Greater China	Hong Kong	HKG	Soft	Stable
	South China	CAN/SZX	Upturn	Rising
	Southeast China	XMN/FOC	Upturn	Stable
	Central & East China	PVG	Tight	Stable
	North China	BJS/CGO/TAO	Tight	Rising
Northeast Asia	Korea	ICN	Tight	Rising
	Taiwan	TPE	Upturn	Stable
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	Singapore	SIN	Tight	Rising
	Thailand	BKK	Tight	Stable
	Vietnam	HAN	Tight	Rising
	Vietnam	SGN	Tight	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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OCEAN FREIGHT MARKET

JANUARY TO FEBRUARY

Maersk and Hapag-Lloyd Forge 'Gemini Cooperation' Alliance

Maersk and Hapag-Lloyd have inked a strategic agreement to establish the "Gemini Cooperation," a pioneering alliance set to debut in February 2025. The alliance will boast a fleet pool of approximately 290 vessels, collectively offering a substantial capacity of 3.4 million TEUs. In this groundbreaking partnership, Maersk and HL will command 60% and 40% of the shared capacity, respectively. Given Hapag-Lloyd's significant 20% share of THE's overall capacity, industry experts anticipate a potential scramble among remaining THE members to fill the void left by Hapag-Lloyd. The ripple effects of this alliance on other major players, including OA and 2M, remain a focal point as the maritime landscape undergoes a transformative shift.

Carriers Deploy Extra Vessels to Counter Forced Blank Sailings

In the lead-up to the Chinese New Year (CNY) cargo rush, carriers strategically deployed five additional vessels to compensate for forced blank sailings rerouted via the Cape of Good Hope. However, as the industry braces for the upcoming CNY weeks 8, 9, and 10, an estimated withdrawal of approximately 35% of capacity looms large. Carriers are poised to navigate through the challenges by persistently implementing mild General Rate Increases (GRI) throughout the first half of February.



OCEAN FREIGHT MARKET

JANUARY TO FEBRUARY

Red Sea Blockade Continues to Spark Global Shipping Crisis

Following the formation of Operation Prosperity Guardian (a coalition of multinational naval forces aimed at safeguarding merchant ships on the Bab-el-Mandeb Strait), major carriers like Maersk and CMA CGM initially resumed Suez transits at the end of December. However, heightened threats from Houthi missile attacks, exemplified by an incident targeting Maersk Hangzhou on December 30, prompted Maersk to swiftly announce a suspension of all Red Sea transits until further notice. The persisting threat has led to widespread concerns, indicating a prolonged blockage in the Red Sea.

Dimerco is working with many customers on alternate shipping solutions to overcome Red Sea disruptions:

- [Sea-Air solution via Jebel Ali in Dubai.](#)
- [China-to-Europe rail solution.](#)
- Container shipping to the US West Coast combined with trucking or a carrier's IPI service.
- Straight airfreight service which, in some cases (e.g., PVG/Shanghai to JFK) is cheaper than Sea-Air service.



OCEAN FREIGHT MARKET

JANUARY TO FEBRUARY

Red Sea Blockade Continues to Sparks Global Shipping Crisis

Marketplace Observations:

- Anticipated surge in blank sailings from late January, reducing East-West capacity due to extended Cape of Good Hope transit times.
- Rapid rerouting of vessels to counter Red Sea disruption.
- Predicted port congestion on European sides as idle containers accumulate.
- Expected equipment shortages on Asian sides, intensifying supply chain challenges.
- Carriers conducting frequent rate reviews, causing fortnightly rate fluctuations.
- Spillover effects in Trans-Pacific Eastbound routes: rates exceeding USD 4400/FEU for USWC and USD 6800/FEU for USEC, with no carrier-guaranteed space.

Ocean Carriers' Suez Canal Route Avoidance Spurs Surcharge Surge on Asia-USA Shipping Routes

In the wake of Ocean Carriers' strategic decision to steer clear of the Suez Canal route until further notice, the Asia-USA trade corridor finds itself grappling with unprecedented challenges. High surcharges, affecting shipments to the US West Coast, East Coast, and Gulf Coast, have cast a shadow over the industry. These elevated rates are anticipated to persist at least until the conclusion of the Lunar New Year rush, and possibly extend even further.



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	Stable
Southeast Asia -> Northeast Asia	Soft	Stable
Indian Subcontinent -> Northeast Asia	Soft	Stable

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

Asia -> US West Coast	Tight	Rising
Asia -> US East Coast	Tight	Rising
Asia -> US Gulf	Tight	Rising
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	Soft	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. Freight demand from the semiconductor industry softened after the surge in Q4 2023. However, it is expected to bounce back in the second half of 2024. There is still a demand for eCommerce cargo with a slight drop compared to Q4 2023.
- There is still demand for transshipment via Taiwan, so Taiwan’s export capacity is still tight, but it has improved compared to the previous months.
- Freighters will be cancelled during the Lunar New Year. This will be announced in early February.
- There has been an increase of Intra-Asia flights as tourism has bounced back.
- Effective from January 16, 2023, airlines have announced adjustments to the fuel surcharge rates as follows: TC I and TC II - TWD 43/kg | TC III - TWD 15/kg
- Air cargo tonnage in December fell by 3.1% for air exports and grew by 8.7% for air imports compared to the previous month.

TAIWAN



Ocean Freight

- The ocean freight capacity from Taiwan to Europe and Southeast Asia is tight, while it is soft to China and at an upturn for the USA.
- With the Panama draft issue and the Red Sea incident, 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 before the cut-off date.

US West Coast: There are no blank sailings for Pacific Southwest Bound. For Pacific Northwest bound, there is 1 sailing every two weeks.

US East Coast: One blank sailing during Chinese New Year

Europe: No blank sailings before Chinese New Year

CHINA MARKET SITUATION

EAST CHINA



Air Freight

- The market demand decreased compared to the previous month.
- The space is stable with a slight rate increase to all destinations

Ocean Freight

- **US Trade Lane:** The space is tight and rates continues to rise due to the Panama Canal draft issue.
- **EUR Trade Lane:** The repercussions of the Red Sea situation persist, compelling carriers to divert routes around the Cape of Good Hope. In anticipation of the approaching Chinese Lunar New Year, carriers have prioritized container stockpiling. Although rates experienced a slight increase in the first half of January, there has been a subsequent minor decline starting from the second half of the month.
- **Southeast Asia Trade Lane:** Elevated demand preceding the Chinese Lunar New Year has led to a slight increase in rates.

CHINA MARKET SITUATION

NORTH CHINA



Air Freight

- **Southeast Asia Trade Lane:** Rates and space remain relatively stable.
- **EUR/US Trade Lane:** Rates have experienced a slight increase influenced by the approaching Chinese Lunar New Year. To secure space, it is recommended to make advanced bookings approximately 3 days in advance. Anticipate a peak period of shipments in the week leading up to the Chinese Lunar New Year.
- Between January and February 2024, Asiana Airlines (OZ) has adjusted its cargo flights, reducing frequency from 4 flights per week to 2 flights per week.

Ocean Freight

- **US Trade Lane:** Rates have increased and space is limited ahead of the Chinese Lunar New Year. Carriers have implemented the full January 15 General Rate Increase (GRI). Advance booking, preferably at least 2 weeks in advance, is recommended. However, it is anticipated that rates will decrease in February.
- **EUR Trade Lane:** In an effort to catch up on schedules due to the Red Sea crisis, ports in North China are often skipped, resulting in tight space and container shortages. With an estimated decrease in market demand in February, rates are expected to decline.
- **Southeast Asia Trade Lane:** Rates and space remain stable.

SOUTH CHINA & HONG KONG



Air Freight

South China:

- **US and EUR Trade Lane: Lane:** Continuing the impact of reduced e-commerce demand of last month, rates to Europe and USA continued to decline in the first half of January. Rates are expected to rise significantly from second half of Jan due to upcoming Chinese Lunar New Year.
- **Southeast Asia Trade Lane:** Rates and space remain stable.
- Due to the upcoming Chinese Lunar New Year, ANA(NH) plans to cancel freighter flights from Feb 11-20th and 24th.
- Due to the demand of e-commerce goods shipment during the Chinese Lunar New Year, China Airlines (CI)/Korean Airline (KE) may cancel a few flights or will keep all the flights as usual (further information will announce early Feb).

Hong Kong:

- While the overall market is currently experiencing a slowdown, there is a forecast for growth anticipated before and after the Chinese Lunar New Year. Particularly notable is the expected surge in the long-haul market, driven by increased demand for e-Commerce cargo.

SOUTH CHINA & HONG KONG



Ocean Freight

South China:

- **EUR Trade Lane:** Space is constrained, leading to an increase in rates. Anticipate congestion, especially as vessels rerouting via the Cape of Good Hope approach arrival in Europe.
- **US Trade Lane:** Carriers continue Cape of Good Hope deployments, causing a sharp rate increase in late January. These increases are expected to persist into February. Tight space on the USEC lane is prompting most ships to stick with the Panama Canal route.
- **Intra-Asia Trade Lane:** Increased rates to Indonesia; tight space for India, recommend booking 2-3 weeks in advance.
- Carriers have initiated container stockpiling in preparation for upcoming events. For customers planning to load goods ahead of the Chinese New Year (CNY), it is recommended to check with carriers in advance regarding the possibility of opening Container Yards (CY) early. Currently, the maximum lead time is 1-7 days in advance, depending on the carrier.

Hong Kong:

- **US Trade Lane:** Tight space and an increase in rates due to the persistent Panama Canal challenge.
- **EUR Trade Lane:** Tight space and increased rate due to Red Sea Crisis.
- **Southeast Asia Trade Lane:** Due to Rate Restoration, rates to Bangkok increased. Space is stable.

CHINA TO EUROPE CROSS BORDER RAIL

CHINA – EUROPE FREIGHT TRAINS ARE OPERATING SMOOTHLY

For the approaching Chinese Lunar New Year, the schedule for China to Europe cross-border rail remains unchanged.

Europe-bound service

Spot freight rates continue to rise, with booking prices varying based on space suppliers. Xi'an-Duisburg offers sufficient slots, but express service spaces are sold out, and trains will be dispatched daily from the 17th to the end of the month.

Russia-bound service

Rates and space remain stable.

Central Asia-bound service

Cargo volume has notably decreased, leading to an overall supply exceeding demand. Booking prices on the platform remain largely unchanged. Trains from Xi'an to Istanbul, Poti, and Baku may experience delays, with spaces available for booking until the end of January.



SOUTH KOREA



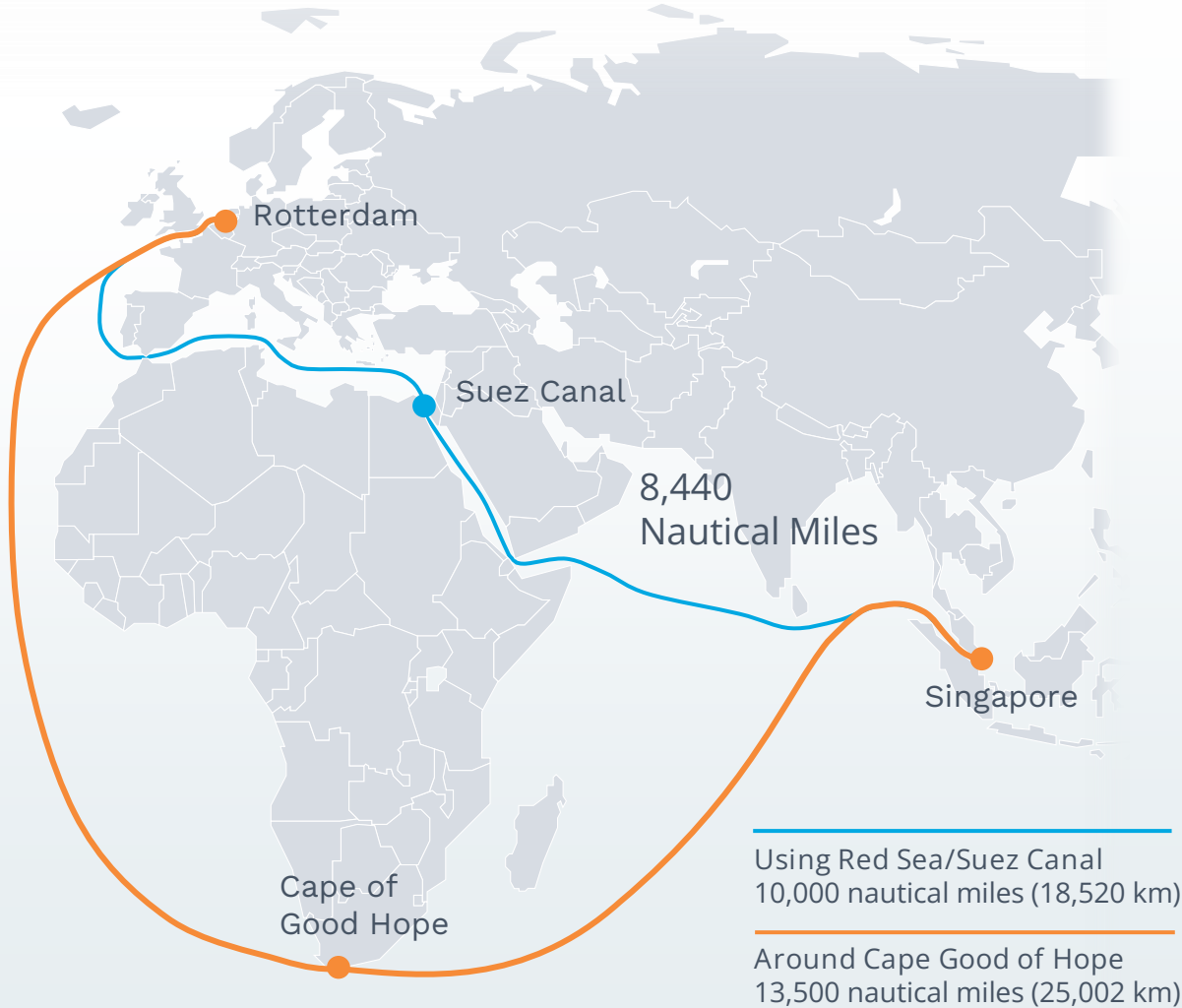
Air Freight

- Air export volumes to Southeast Asia and China remain stable, maintaining the cargo volume from the previous month. However, air export space to the US/EU remains tight due to sustained demand for eCommerce, e-cigarettes, and auto-parts from Korea to the USA, with expectations of concurrent air freight rate increases.
- Securing space for air exports to the US/EU without pre-booking at least 1-2 weeks ago is challenging, and most forwarders are unable to find space from national carriers until the Lunar New Year.
- In January, the Fuel Surcharge saw a slight decrease from January 16 to February 15 within the IATA Traffic Conference (TC) area, with a 9.0% reduction for TC1/TC2/TC3 at Incheon International Airport.

Ocean Freight

- As anticipated in December, ocean freight rates to the EU have tripled compared to the previous month, primarily attributed to the ongoing Red Sea issue. Similarly, US ocean freight rates have doubled due to challenges with the Panama Canal, and these issues appear likely to persist.
- Meanwhile, the ocean freight rates for exports from Korea to Southeast Asia, Japan, and China markets continue to weaken, influenced by sustained low volumes of goods in these regions

HOUTHJI ATTACKS DISRUPT GLOBAL FREIGHT IN THE RED SEA



Following recent significant incidents in the Red Sea, four of the leading container shipping companies—CMA CGM, Hapag-Lloyd, Maersk, and MSC—have declared a cessation of related operations.

Certain ocean carriers are compelled to reroute via the Cape of Good Hope, incurring an additional 6,000 km distance. For instance, the route from Singapore to the Netherlands experiences this considerable route extension.

In response, alternative solutions such as multimodal transport, including Cross-Border Train/Road Freight and Sea-Air, are being actively explored.

Alternative Solution: Cross-Border Train/Road Freight

- **Cross-Border Train Freight:** Expedited service in 10-15 days, connecting China or other Asian regions to Europe or the Middle East via train.
- **Cross-Border Road Freight:** Swift delivery in 10-15 days, linking China to Europe or the Middle East through Central Asia by truck.

CROSS BORDER TRUCKING SITUATION: SOUTHEAST ASIA - CHINA

BORDER SITUATION REMAINS NORMAL

Origin	Destination	Transit Time
Singapore	Malaysia	1 day
	Thailand	5 days
	Vietnam	6 days
	South China	7 days
	East China	9 days
Vietnam	Singapore	6 days
	Malaysia	5 days
	Thailand	3 days
	South China	2 days
	East China	4 days

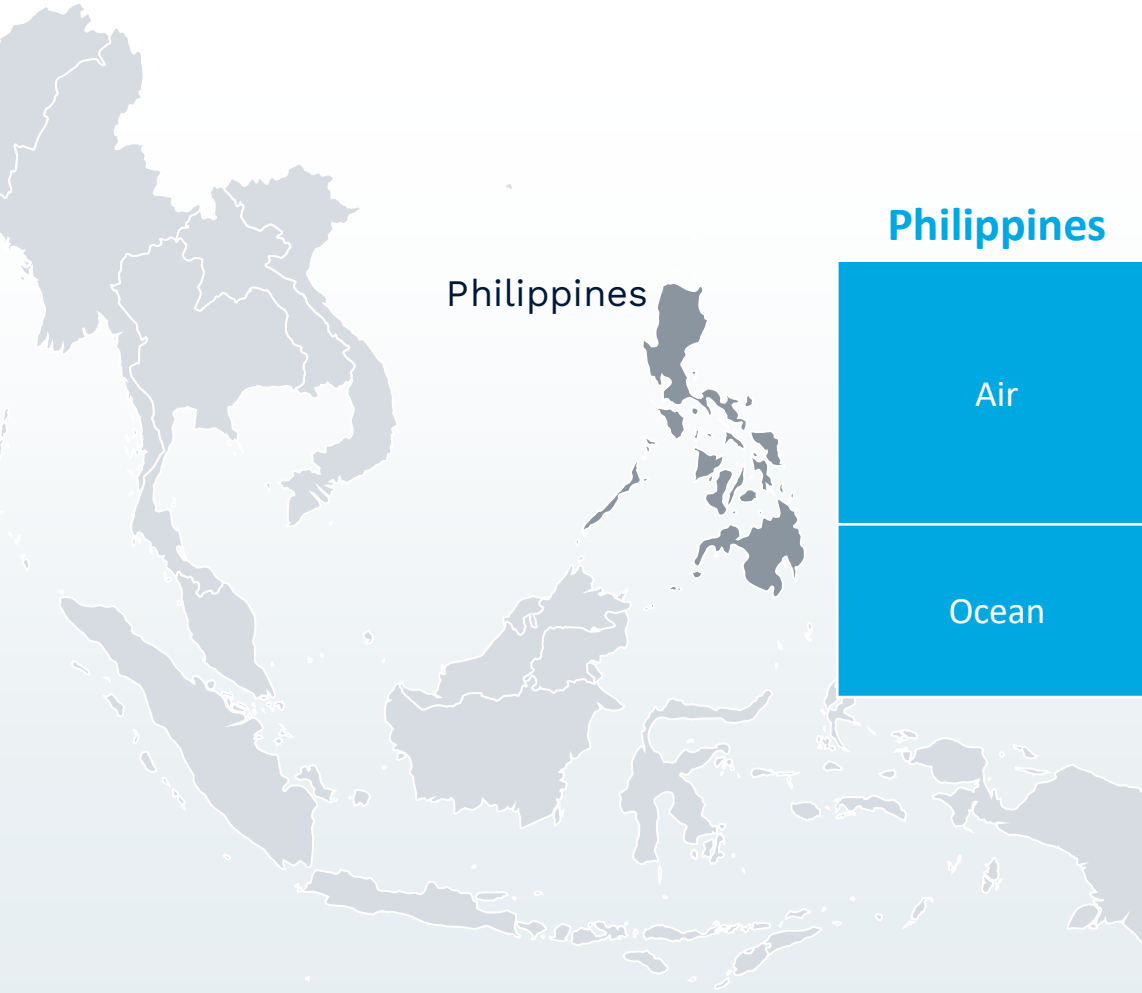
Transit time is inclusive of waiting time at the Vietnam/China border:

- Vietnam (Hanoi) to China – 1 to 2 days waiting time
- China to Vietnam (Hanoi) – 3 days waiting time



Cross-border trucking between Southeast Asia and China is available at Pingxiang and Dongxing borders. Pingxiang is recommended due to its wider range of commodity operations, but special commodities such as DG cargo or lithium-ion batteries should be checked with Customs in advance.

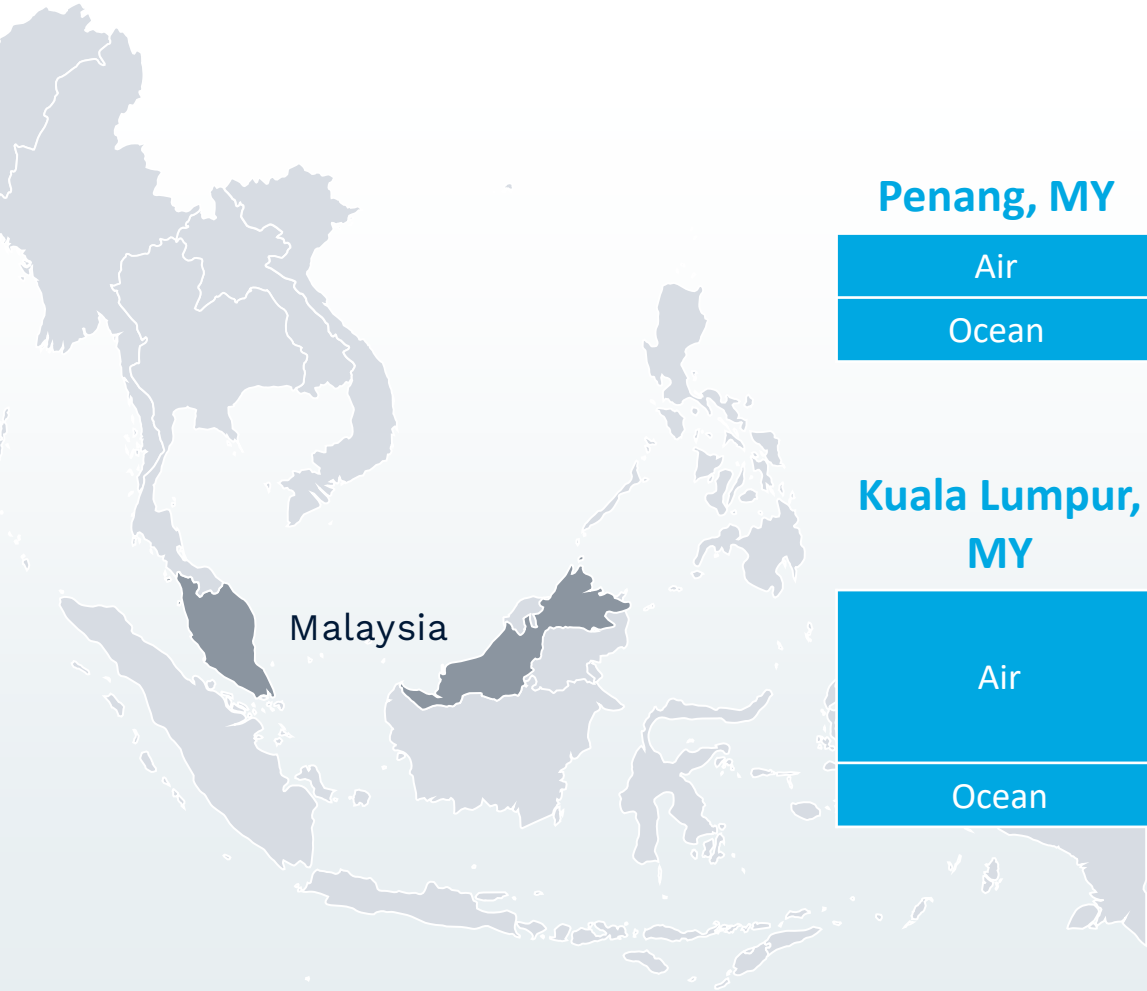
SOUTHEAST ASIA, INDIA & AUSTRALIA (1/6)



Philippines

	Asia		EUR		US/CA	
	C - soft	R - stable	C - soft	R - stable	C - soft	R - stable
Air	The low demand in the Philippine market can be attributed to manufacturing firms undergoing an adjustment period following the conclusion of the year-end season in December. It's noteworthy that the anticipated Chinese New Year festivities are not expected to significantly impact the Philippine freight market.					
	C - soft	R - stable	C - upturn	R - stable	C - upturn	R - stable
Ocean	Despite reports of port congestion, it's important to note that, at present, there are no delays for the return of containers at the container yard.					

SOUTHEAST ASIA, INDIA & AUSTRALIA (2/6)



Penang, MY		Asia		EUR		US/CA	
Air	C - upturn	R - stable	C - upturn	R - stable	C - tight	R - rising	
Ocean	C - upturn	R - stable	C - upturn	R - rising	C - upturn	R - rising	

Kuala Lumpur, MY		Asia		EUR		US/CA	
Air	C - upturn	R - stable	C - upturn	R - stable	C - upturn	R - stable	
	There is limited space available for flights to China, attributed to the upcoming extended holidays.						
Ocean	C - upturn	R - rising	C - tight	R - rising	C - tight	R - rising	

SOUTHEAST ASIA, INDIA & AUSTRALIA (3/6)



Vietnam		Asia		EUR		US/CA	
Air	C - soft	R - stable	C - upturn	R - stable	C - upturn	R - stable	
	Limited freight capacity is anticipated during the week leading up to the Lunar New Year, occurring between Feb 8 – 14.						
Ocean	C - upturn	R - stable	C - tight	R - rising	C - tight	R - rising	
	1 Schedule adjustments are anticipated around the Chinese New Year, with some carriers implementing blank sailings. For instance, Wan Hai Line will conduct blank sailings from ex Ho Chi Minh to Long Beach for Feb 11 and 18. 2 ZIM introduces its latest service, ZPX (ZIM PNW Xpress), facilitating connectivity between Asia and the Pacific Northwest with a transit time of 21 days from Cai Mep to Vancouver.						

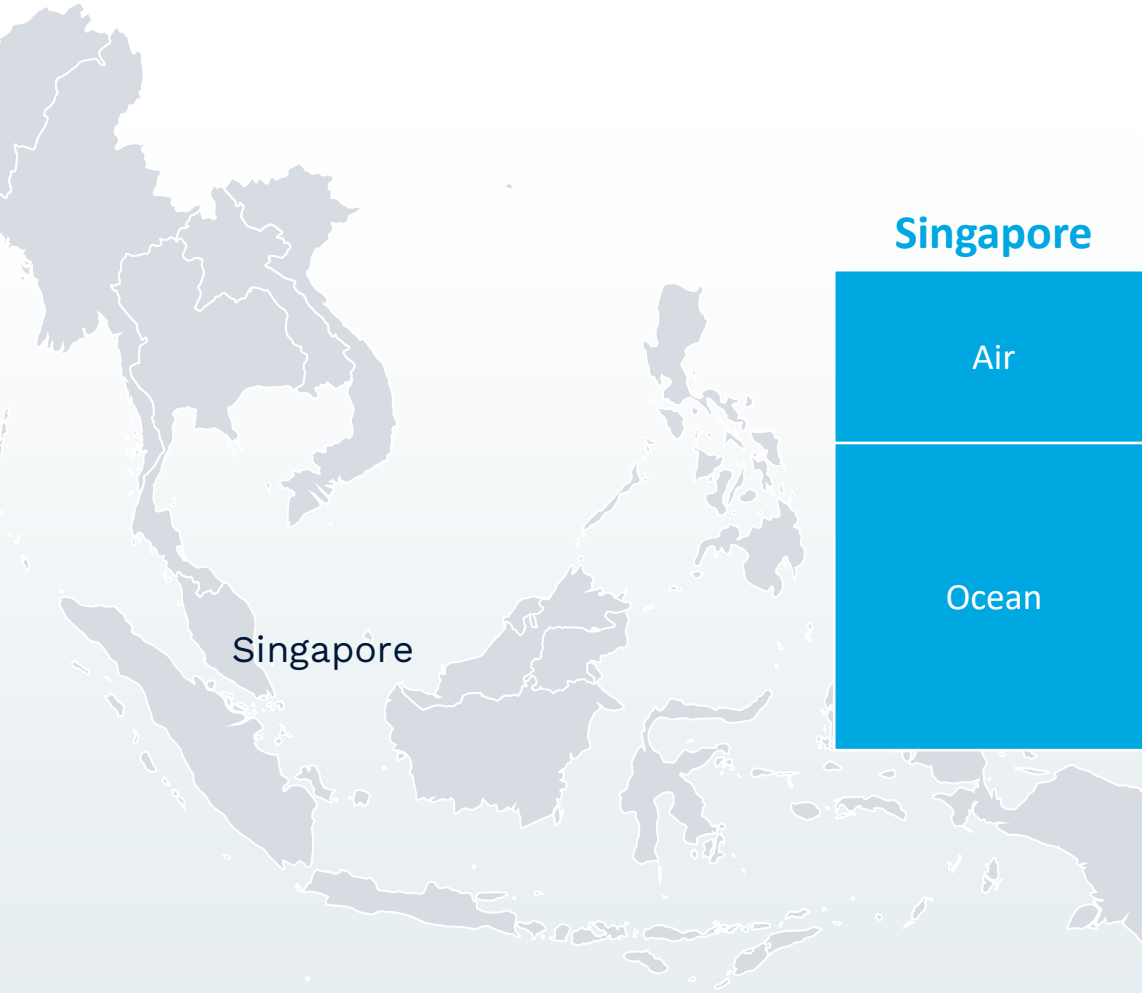
SOUTHEAST ASIA, INDIA & AUSTRALIA (4/6)



Indonesia		Asia		EUR		US/CA	
Air	C - upturn	R - stable	C - upturn	R - stable	C - upturn	R - stable	
	There may be a tightening of space by the end of January, particularly as Chinese New Year approaches.						
Ocean	C - upturn	R - stable	C - tight	R - rising	C - tight	R - rising	
	The upcoming Chinese New Year is expected to impact ocean freight capacity in Indonesia.						

Thailand		Asia		EUR		US/CA	
Air	C - upturn	R - stable	C - tight	R - stable	C - upturn	R - stable	
	It is advisable to secure bookings 3-4 days in advance, especially for Europe lanes, as the Chinese New Year holidays approach.						
Ocean	C - upturn	R - stable	C - tight	R - rising	C - tight	R - rising	
	Some shipping lines have witnessed a surge in rates, with some rates to Europe and the Mediterranean increasing two to four times.						

SOUTHEAST ASIA, INDIA & AUSTRALIA (5/6)



Singapore		Asia		EUR		US/CA	
		C – upturn	R – stable	C – tight	R – rising	C - backlog	R - rising
Air		Although the space constraint to the USA has eased compared to the month of December, there is still difficulty in securing cargo space.					
		C - upturn	R - stable	C - upturn	R - rising	C - upturn	R - rising
Ocean		1 Rates for Europe increased by 50% onwards, primarily due to additional fuel costs and extended transit days via the Cape of Good Hope. 2 The additional 10-20 days of sailing time caused by the situation in the Red Sea may result in port congestions for certain countries in the weeks to come. This is especially true for transshipment hubs like Singapore upon the ship's arrival, adding to potential logistical challenges.					
		C - upturn	R - stable	C - upturn	R - rising	C - upturn	R - rising

FREIGHT MARKET SITUATION

SOUTHEAST ASIA, INDIA & AUSTRALIA (6/6)



India

India	Asia		EUR		US/CA	
Air	C - upturn	R - stable	C - upturn	R - rising	C - upturn	R - rising
A trend is emerging as shippers are increasingly opting for air freight over ocean freight, contributing to a surge in airfreight demand.						
Ocean	C - upturn	R - stable	C - upturn	R - rising	C - upturn	R - rising

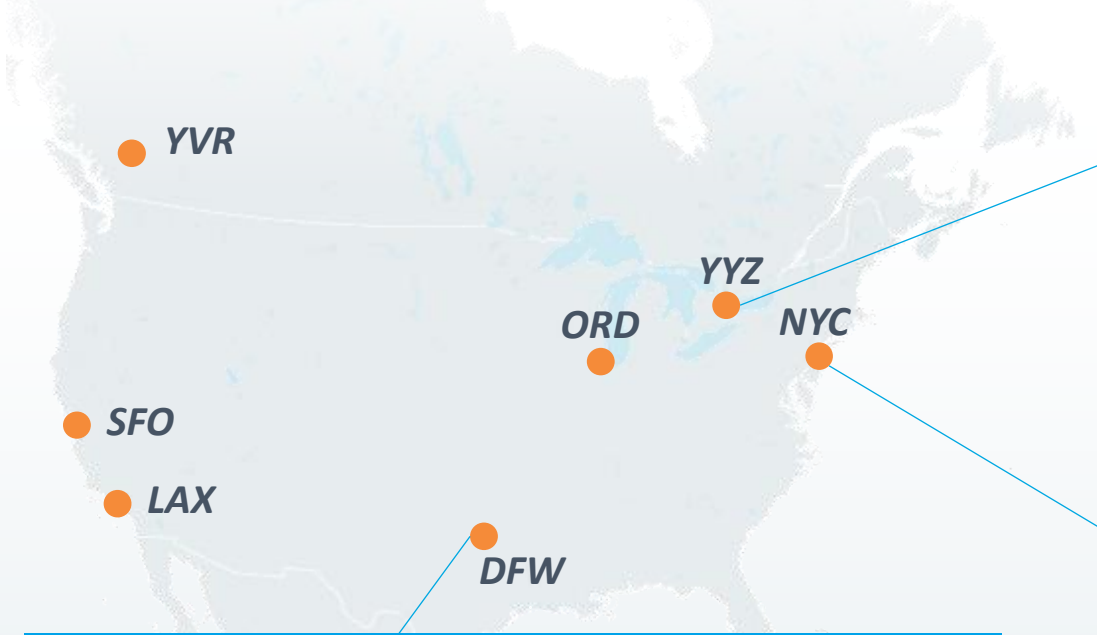


Australia

Australia	Asia		EUR		US/CA	
Air	C - upturn	R - stable	C - upturn	R - stable	C - upturn	R - stable
There is a noticeable increase in airfreight demand.						
Ocean	C - upturn	R - stable	C - upturn	R - stable	C - upturn	R - stable
DP World has urged the Australian Government to intervene as strikes have escalated from partial to full in Sydney, Brisbane, and Fremantle. Melbourne is currently operating with significantly limited operations. DP World has announced that employees engaged in work bans will not receive wages for their shifts. This has led to substantial delays in Full Container Load (FCL) imports.						

NORTH AMERICA AIR GATEWAY SITUATION

RATE AND SPACE ARE STABLE, FSC SHOWING DECREASING



Dallas (DFW):

AE	<ul style="list-style-type: none"> Rate and capacity to APAC is at a moderate level. Not yet back to pre-pandemic level. Backlog at terminals.
AI	<ul style="list-style-type: none"> Terminal waiting time is 1-2 hours and will increase before the Chinese New Year
Truck	<ul style="list-style-type: none"> Competitive pricing with increasing FSC

Toronto (YYZ):

AE	<ul style="list-style-type: none"> Flights to smaller ports in China (Ningbo and Dalian) remain suspended. 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.
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New York (NYC):

AE	<ul style="list-style-type: none"> Space to Asia Pacific and Europe is soft and spot rates are available to (HKG and PVG) FSC: China Airlines \$1.15/KG, Eva Air: \$0.90/KG, Cathay Pacific \$0.60/KG, CA 0.79/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% .

NORTH AMERICA AIR GATEWAY SITUATION

WINTER STORM CAUSED DELAYS AND CONGESTION IN TERMINAL

Vancouver (YVR):

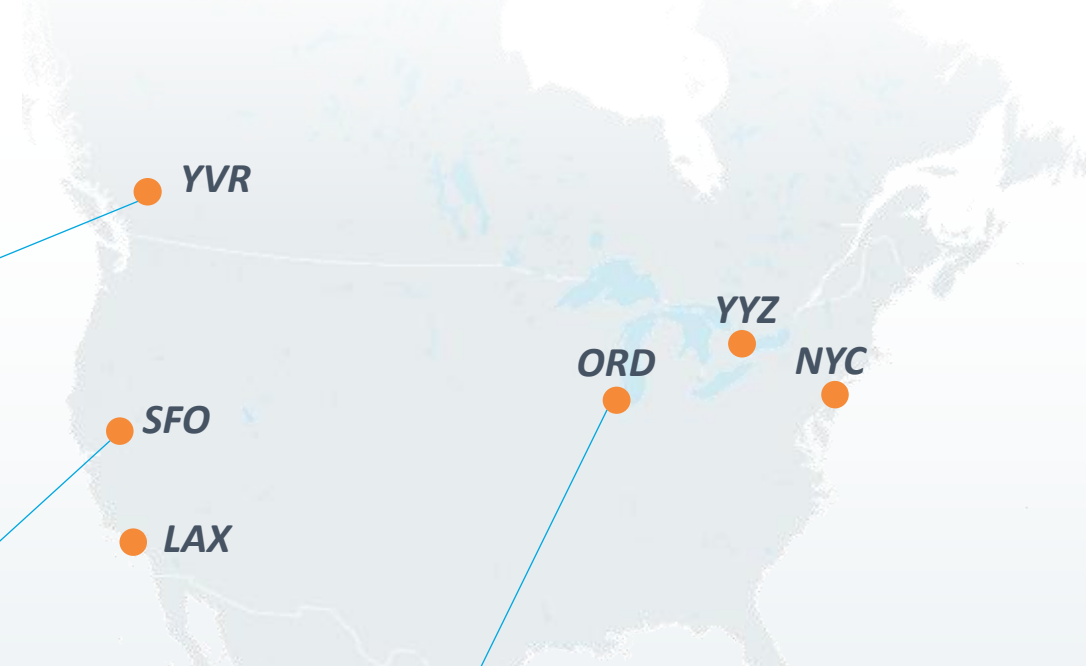
AE	<ul style="list-style-type: none"> Eva Air, China Airlines, and Cathay Pacific have a daily flight from YVR. Only China Air has one flight on Thursday-Sat. Air Canada provides daily service to HKG and Day 2,4,5,7 to PVG.
AI	<ul style="list-style-type: none"> There is no terminal congestion

San Francisco (SFO):

AE	<ul style="list-style-type: none"> The air market's rate and capacity remain normal. There's an FSC reduction by Cathay Pacific Due to severe weather and freeway closure between the states of CA, OR, and WA, expect a delay between 1-3 days.
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Chicago (ORD):

AE	<ul style="list-style-type: none"> Rate and capacity is stable to Asia Pacific and Europe.
AI	<ul style="list-style-type: none"> The terminal is currently experiencing congestion due to adverse weather conditions, and we anticipate a return to normal operations within the next few weeks. There has been an increase in terminal handling charges.



WINTER STORM CAUSED DELAYS AND CONGESTION IN TERMINAL

Los Angeles (LAX):	
AE	<ul style="list-style-type: none">• Temporary capacity constraints due to weather conditions may result in flight cancellations, particularly with impending closures for Chinese New Year in February, potentially causing congestion outbound from LAX.• Out-of-state pickups may experience extended transit times due to unsafe winter weather conditions
AI	<ul style="list-style-type: none">• Terminal K wait time stands at 4-8 hours, while for other terminals, the wait time ranges from 1-3 hours.• Fuel Surcharge (FSC): Currently at 45%, with linehaul carriers implementing additional California surcharges (10-20% extra) and introducing Electric Vehicle (EV) charges (7-10% extra).• Terminal fee has been raised to \$220.50/HAWB.• It is recommended to consider flying to the closest port to mitigate potential delays caused by adverse weather conditions.

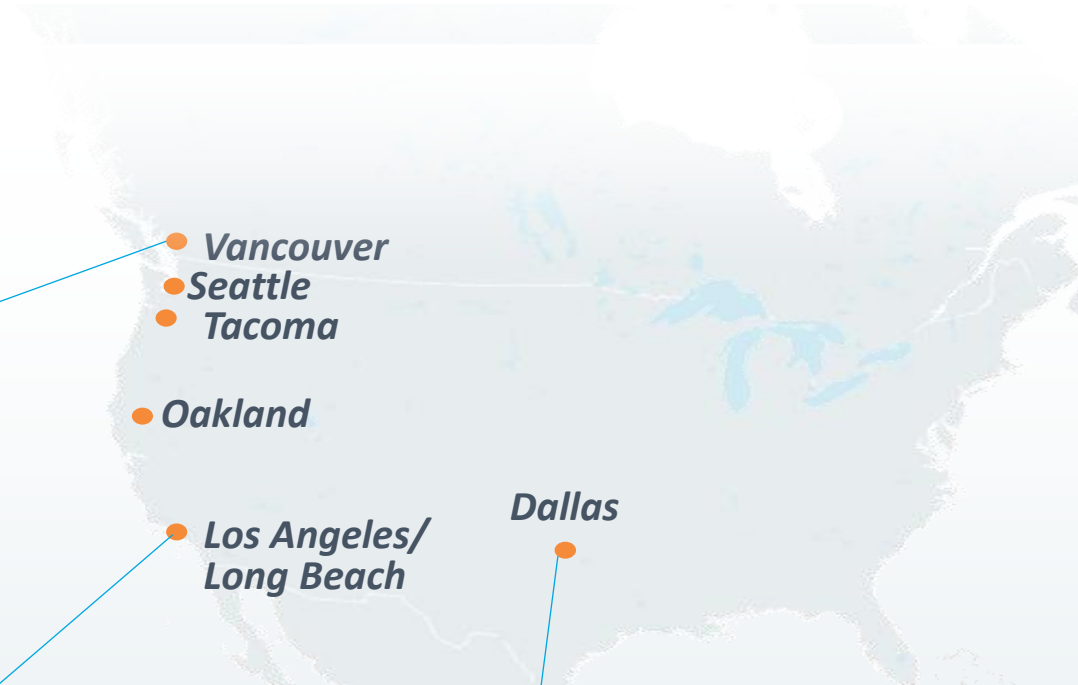


NORTH AMERICA OCEAN SITUATION

WINTER WEATHER EFFECTS

Vancouver	
OE/ OI	<ul style="list-style-type: none"> Current Port Congestion Status: DELTAPORT: 3-7 days VANTERM: 2-4 days CENTERM: 2-4 days FSD: 2-5 days Fuel Surcharge (FSC): 30% Due to severe winter weather conditions, ports were closed on 1/17 and 1/18. This has led to delayed vessel arrival times and extended vessel discharging times. As a result, rail terminal dwell times are expected to be longer than normal, averaging around 5-7 days, with Prince Rupert Rail Terminal experiencing a dwell time of 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	
OE/OI	<ul style="list-style-type: none"> 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.

NORTH AMERICA OCEAN PORT SITUATION

ROUTES THROUGH SUEZ CANAL FACE LONGER LEAD TIME DUE TO REROUTING VIA THE CAPE OF GOOD HOPE



New York, New Jersey & Norfolk:

- The current market conditions have resulted in no port congestion in New York, with both Global Container Terminal (GCT) and New York Container Terminal (NYCT) offering toll-free surcharges. Ocean export rates are stable, and ample space is available.
- LCL shipments - all New York Container Freight Stations (CFSs) are providing 3 days of free time after cargo devanning, as opposed to the previous 4 days.
- FCL shipments are experiencing quick discharge times within 1-2 days, and the Last Free Day (LFD) remains unchanged, offering 4 free days after discharge.
- The fuel and trucking rates are currently in the range of 35%-40%

Chicago

OE	<ul style="list-style-type: none">• Rate and capacity are stable for both Asia Pacific and Europe.• Due to the Red Sea issue, all shipments via the Suez Canal have longer transit time as vessels reroute through the Cape of Good Hope.
OI	<ul style="list-style-type: none">• No port congestion.

WHAT TO WATCH

India Bans Cheap Screw Imports

In a bid to bolster domestic manufacturing, the Indian government has imposed a ban on the import of certain screws priced below Rs 129 per kg. The Directorate General of Foreign Trade revised the import policy, categorizing screws like coach screws, machine screws, wood screws, and hook screws as prohibited, except when their CIF value is Rs 129 or higher per kg. This measure aims to safeguard the market from low-cost imports, fostering local production.

Chinese New Year Spurs Rate Surge for US/EUR

With the Chinese Lunar New Year approaching, rates for shipments to the US and Europe are set to rise in anticipation of the holiday season. Businesses and shippers are advised to plan ahead and account for the pre-holiday rate adjustments in their logistics strategies.

Nine New Thai Airlines Emerge

Nine new Thai airlines are set to launch operations amid Thailand's anticipated tourism recovery, aiming for 35 million foreign visitors this year. Carriers like Really Cool Airlines will begin chartered flights in March, focusing initially on Japan and planning expansion to Hong Kong, Singapore, and Shanghai in the first two years. Other airlines, including Asian Aerospace Service and Siam Seaplane, will contribute to Thailand's aviation growth, offering regional, domestic, and potentially international routes.

USWC Ports Brace for Potential Congestion

Amidst cargo returning to US West Coast ports and geopolitical issues in the Red Sea, uncertainties surround the Panama and Suez Canals. Labor contract negotiations with ILA for the US East Coast and Gulf Coast add complexity, potentially leading to congestion. Los Angeles – Long Beach ports, currently at 32% of US imports, may surge to 35% by May, increasing further during peak season if issues persist. The smooth resolution of contract talks before Sep. 30 is crucial.



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