



ASIA PACIFIC FREIGHT REPORT

March to April 2024

Review & Forecast

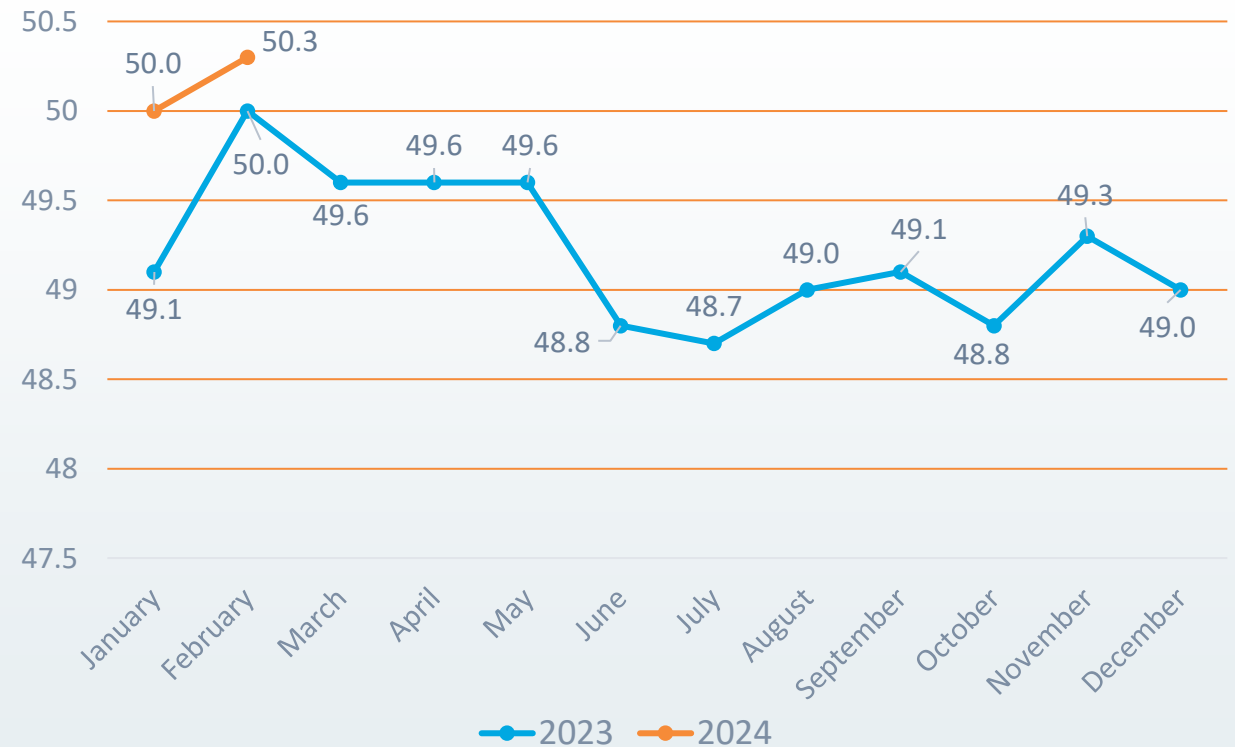


ECONOMIC INDICATORS

MARCH TO APRIL

The Global Manufacturing PMI rose from 50.0 in January 2024 to 50.3 in February 2024.

Global Manufacturing PMI 2023 VS 2024



Source: S&P Global PMI

GLOBAL OUTLOOK

MARCH TO APRIL

The upward trajectory of the global economy was reaffirmed with the Global Composite PMI Output climbing to 52.1 in February, up from 51.8 in January, marking its highest point since June 2023. This growth was mirrored in both the manufacturing and services sectors, reaching their 9th and 7th highest levels, respectively. However, the surge in the Consumer Price Index in the US, which rose by 0.4% in February and 3.2% year-over-year, prompted the US Federal Reserve to delay the anticipated rate cut from the second quarter to the summer months.

The Global Composite PMI, also known as the J.P. Morgan Global Composite PMI, is a measure of overall economic health in the manufacturing and services sectors around the world. It's a leading indicator, meaning it provides insights into future economic conditions.



ECONOMIC INDICATORS

ASIA PACIFIC MANUFACTURING PMI

Manufacturing Purchasing Managers Index (PMI)													
	2023											2024	
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Global	50.0	49.6	49.6	49.6	48.8	48.7	49	49.1	48.8	49.3	49	50.0	50.3
USA	47.3	49.2	50.2	48.4	46.3	49	47.9	49.8	50.0	49.4	47.9	50.7	52.2
China	51.6	50.0	49.5	50.9	50.5	49.2	51.0	50.6	49.5	50.7	50.8	50.8	50.9
Taiwan	49	48.6	47.1	44.3	44.8	44.1	44.3	46.4	47.6	48.3	47.1	48.8	48.6
Hong Kong	53.9	53.5	52.4	50.6	50.3	49.4	49.8	49.6	48.9	50.1	51.3	49.9	49.7
Japan	47.7	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9	48	47.2
S. Korea	48.5	47.6	48.1	48.4	47.8	49.4	48.9	49.9	49.8	50.0	49.9	51.2	50.7
Singapore	50.0	49.9	49.7	49.5	49.7	49.8	49.9	50.1	50.2	50.3	50.5	50.7	50.6
Vietnam	51.2	47.7	46.7	45.3	46.2	48.7	50.5	49.7	49.6	47.3	48.9	50.3	50.4
Malaysia	48.4	48.8	48.8	47.8	47.7	47.8	47.8	46.8	46.8	47.9	47.9	49	49.5
Philippines	52.7	52.5	51.4	52.2	50.9	51.9	49.7	50.6	52.4	52.7	51.5	50.9	51.0
Indonesia	51.2	51.9	52.7	50.3	52.5	53.3	53.9	52.3	51.5	51.7	52.2	52.9	52.7
Thailand	54.8	53.1	60.4	58.2	53.2	50.7	48.9	47.8	47.5	47.6	45.1	46.7	45.3
India	55.3	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5	56.9
Australia	50.5	49.1	48.0	48.4	48.2	49.6	49.6	48.7	48.2	47.7	47.6	50.1	47.8

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

MARCH - APRIL

Air Freight Market Soars Amid eCommerce Surge and Global Challenges

The air freight market continues to soar, driven by a surge in eCommerce shipments flooding South China's airports and expanding rapidly across other gateways in China. Meanwhile, challenges persist in the European market, with the ongoing Red Sea crisis and labor strikes at Lufthansa in Germany leading to heightened freight rates and constrained capacity.

In March, airlines finalized their Year 2024 Block Space Agreements (BSAs), with carriers reporting that all BSAs to the United States and European Union destinations for the year are already sold out.



“This surge in demand is fueled by the optimistic outlook for the eCommerce sector, which signals a promising trajectory for the air freight market in 2024.”

Ms. Kathy Liu
Senior Director, Global Sales and Marketing



AIR FREIGHT

MARKET FORECAST (MARCH 22 TO APRIL 30)

Air Freight Market Forecast

Asia -> Intra Asia

Origin (Country/District)	Air Hub	Space	Rate	
Greater China	Hong Kong	HKG	Soft	Stable
	South China	CAN/SZX	Upturn	Stable
	Southeast China	XMN/FOC	Soft	Stable
	Central & East China	PVG	Tight	Rising
	North China	BJS/CGO/TAO	Soft	Stable
Northeast Asia	Korea	ICN	Upturn	Stable
	Taiwan	TPE	Soft	Stable
Southeast Asia	India	MAA/BLR	Soft	Stable
	Indonesia	CGK	Tight	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	Tight	Rising
	South China	CAN/SZX	Tight	Rising
	Southeast China	XMN/FOC	Upturn	Stable
	Central & East China	PVG	Upturn	Rising
	North China	BJS/CGO/TAO	Upturn	Stable
Northeast Asia	Korea	ICN	Upturn	Stable
	Taiwan	TPE	Tight	Rising
Southeast Asia	India	MAA/BLR	Tight	Rising
	Indonesia	CGK	Tight	Rising
	Malaysia	KUL	Tight	Stable
	Malaysia	PEN	Tight	Rising
	Philippines	MNL	Upturn	Rising
	Singapore	SIN	Tight	Rising
	Thailand	BKK	Backlog	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 (MARCH 22 TO APRIL 30)

Air Freight Market Forecast

Asia -> Europe

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

Air Freight Market Forecast

US/CA -> Asia

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

US/CA -> Europe

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

Europe -> Asia

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

Europe -> US/CA

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

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AIR FREIGHT

MARKET FORECAST (MARCH 22 TO APRIL 30)

Air Freight Market Forecast

MX -> Asia

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

MX -> Europe & Middle East

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

MX -> North America

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

MX -> Central & South America

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

Key for available space

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OCEAN FREIGHT MARKET

MARCH - APRIL

TPM24 Conference: Key Insights and Rate Disparities

TPM24, the premier conference for international container shipping and supply chain, concluded on March 6 this year. Once again, over 4,700 attendees from diverse BCOs (Beneficial Cargo Owners), NVOCCs (Non-Vessel-Operating Common Carriers), and carriers gathered for this annual event in Long Beach from March 3 to 6. The discussions primarily revolved around the key aspects both sides are eager to include in BCO long-term fixed-rate Service Contracts, NVOCCs' Named Account fixed agreements, and FAK (Freight of All Kinds) floating-rate Service Contracts.

Reports suggest that only major retailers were able to maintain fixed-rate Service Contracts at last year's levels, while carriers are expected to raise the bar significantly when renewing fixed-rate agreements with other BCOs and sizable NVOCCs in the upcoming April cycle. The conference ended with the disparity between FAK floating rates and fixed rates continuing to widen, exceeding USD 2000/FEU or more for USWC, USEC, and Europe/Med routes, amidst ongoing disruptions in the Red Sea and low water levels in the Panama Canal. Consequently, negotiations on rates among carriers, BCOs, and NVOCCs are likely to proceed with heightened caution or potentially be prolonged.



TPM²⁴
by **S&P Global**

OCEAN FREIGHT MARKET

MARCH - APRIL



Shipping Dynamics: Blank-Sailing Strategies and Rate Adjustments

During the first half of March, immediately following the Chinese New Year (CNY) festivities, carriers ramped up their blank-sailing initiatives to reduce excess capacity in both the EU Westbound (EUWB) and Trans-Pacific Eastbound (TPEB) routes by 35% and 25% respectively. This strategic move aimed to address the lower container filling rates experienced post-CNY. However, unlike the first half of March, carriers have opted out of implementing similar blank-sailing strategies in the latter half of the month. Instead, they have fully optimized their fleet deployments to accommodate the surge in pre-festival cargo demand associated with festivals such as Ching Ming, EID, Songkran, and Thingyan in China, Indonesia, Thailand, and Myanmar respectively.

“Carriers have scaled back on the blank sailing strategies instituted after the slower post-Chinese-New-Year period. This upward adjustment in fleet deployment contributed to the gradual decrease in market rates for freight originating in Asia after the CNY. Nevertheless, as the period approaches when most Service Contracts are renewed or signed, we don’t believe carriers will significantly undercut FAK rates. Instead, they are likely to offer bullet rates on a spot basis only, reflecting the evolving dynamics of the shipping market.”

Mr. Alvin Fuh
Special Assistant to the CEO

OCEAN FREIGHT

MARKET FORECAST (MARCH 22 - APRIL 30)

Ocean Freight Market Forecast

Asia -> Asia (Intra Asia)

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

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

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

Asia -> Europe (Far East Westbound - FEWB)

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

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

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

Europe -> Asia

Europe -> Asia	Tight	Stable
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Ocean Freight Market Forecast

MX -> Asia

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

MX -> Europe & Middle East

Veracruz, VER -> Europe & Middle East	Soft	Falling
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



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

Airfreight

- The demand for transshipment cargos is increasing, causing a decrease in export space availability for Taiwan exports. Bookings for shipments from Taiwan to the US are fully booked until the end of March, driven by heightened shipments of e-commerce goods, AI chips, and servers at the end of February. Urgent shipments may require express rates. Consumer demand in Taiwan is slowly recovering. A more significant uptick is anticipated in Q3.
- Effective March 16, 2024, airlines have announced adjustments to fuel surcharge rates as follows: TC I and TC II - TWD 41/kg | TC III - TWD 14/kg. Notably, air cargo tonnage declined in February, with a 20.6% drop in air exports and a 14.5% decrease in air imports compared to the previous month.

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
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TAIWAN



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

Ocean Freight

- Despite ongoing challenges, such as the Red Sea Crisis and the Panama Canal draft issue, the demand in the Taiwan export market remains subdued. Presently, sailing schedules remain stable, and there have been no blank sailings. Consequently, space is readily available for booking, with rates subject to negotiation.
- The rates to the US and Europe have been on a downward trend for weeks due to insufficient cargo volume to support higher prices. In fact, the rates to Europe are anticipated to continue declining into April as available space exceeds demand. Looking ahead, the upcoming service contract renewals in April will prompt carriers to focus on stabilizing rates.

USWC (Pacific North West)	1 blank sailing at the beginning of Apr.
USWC (Pacific South West)	No blank sailing
USEC	No blank sailing
Europe	No blank sailing (THE Alliance/OCEAN Alliance)

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

EAST CHINA



Air Freight

- During the first week of March, both rates and space remain stable. However, beginning from the second week, there was a noticeable uptick in demand for e-commerce goods, particularly towards Europe and the USA, resulting in an increase in freight rates.
- With the surge in cargo volume, e-commerce customers are increasingly considering charter flights. Consequently, it is anticipated that rates will continue to rise at least until the end of March or early April.

Ocean Freight

- Space remains stable for both the US and Europe trade lanes. Despite this stability, rates are currently on a downward trend. In contrast, for the Southeast Asia Trade Lane, there is a decrease in rates for shipments to Indonesia. However, rates for shipments to Thailand and Vietnam have remained relatively high.

CHINA MARKET SITUATION

NORTH CHINA



Air Freight

- Due to TEMU, SHEIN, and TIKTOK's e-commerce exports, space to the US and Europe is tight since mid-March. It is recommended to book space at least one week in advance.
- For the route from Beijing to Southeast Asia, rates remain stable, but space is limited. Conversely, from Tianjin to Southeast Asia, both rates and space are stable.
- Asiana Airlines has responded to the increased demand by reinstating four freighter flights from Tianjin to Incheon per week, after canceling two flights in February. Additionally, Air China has introduced a new passenger route from Tianjin to Dalian, with a subsequent leg to Tokyo Narita.
- The strikes across Europe have resulted in intermittent flight cancellations, adding further uncertainty to flight schedules.

Ocean Freight

- **US Trade Lane:** Rates have decreased significantly, with some carriers offering discounts. Additionally, congestion at the Panama Canal has prompted some shipments to shift from RIPI to IPI routing.
- **EUR Trade Lane:** Carriers are trying to promote for rate recovery in April, anticipating market rates to fluctuate in response to shifts in space supply and demand. Many carriers continue to navigate around the Cape of Good Hope, leading to significant delays.
- **Southeast Asia Trade Lane: Rates remain stable.** EMC is planning to enhance its services by adding direct routes to India and Vietnam by April 2nd, anticipating sufficient space.

CHINA MARKET SITUATION

SOUTH CHINA



Air Freight

- E-commerce customers are opting for charter flights due to the surge in cargo volume with traditional electronic products. Despite market prices remaining at low levels during the first week of March, an increase was followed. It is anticipated that rates will continue to rise until the beginning of April.
- The increase in local cargo in Vietnam has led to heightened congestion on commercial flights, affecting the upward trend in freight rates.
- Starting from April, China Southern Airlines (CZ) has added additional flights from CAN-JFK, with the schedule changed to Mon/Wed/Thu/Fri/Sat. Meanwhile, China Airlines (CI) has resumed operation of flights from CAN-TPE with the schedule changed to Tue/Wed/Thu/Fri/Sat/Sun.

Ocean Freight

- **EUR Trade Lane:** Demand remains weak, leading to a drop in rates. The situation in the Red Sea has caused vessel delays, prompting carriers to implement blank sailings.
- **US/CA Trade Lane:** Market demand is also weak, resulting in decreased rates. Additionally, limited railway services have impacted port congestion on Canada's West Coast. The average rail connection waiting time in Prince Rupert Port exceeds a week.
- **Intra Asia Trade Lane:** Rates have declined, and space is soft

CHINA MARKET SITUATION

HONG KONG



Air Freight

- The market is currently witnessing a significant upswing, resulting in an overall increase in rates. Demand has surged by 15%, exceeding expectations. This rapid increase can be attributed to several factors, including the completion of production cycles by all shippers following the Chinese New Year, leading to increased exports to the United States.
- The rise of e-commerce cargo has contributed to heightened demand. This trend is expected to persist at least until the beginning of April, with further waves of cost increases anticipated.

Ocean Freight

- **US and EUR Trade Lanes:** Rates have decreased, with space availability.
- **Southeast Asia Trade Lane:** Rates remain stable, with space availability.

CHINA TO EUROPE CROSS BORDER RAIL

CHINA – EUROPE FREIGHT TRAIN

- Weather conditions continue to pose challenges at Alashankou and Khorgos, but reloading times have improved, with stacked containers now being efficiently handled and transported.
- Since the start of the year, there has been a notable increase in container shipments to Europe by rail in response to the Red Sea crisis, posing efficiency challenges at the Polish border. Previously, trains could be dispatched the day after arrival at Brest/Malaszewicze, but increased cargo volume has extended reloading waiting times in this section to 2-3 days.
- In the container rental market, stability prevails, with prices remaining largely unchanged except for select cities. Notably, prices from inland cities like Chengdu, Chongqing, and Xi'an to Malaszewicze have surged by 6% compared to last week.
- Additionally, space is tight from Xi'an to Duisburg and Hamburg, indicating high demand along these routes.



SOUTH KOREA



Airfreight

- The air export volume to Asia and China has largely maintained its level from the previous month, with a few noteworthy exceptions:
 - Shipments bound for Singapore are facing tight space constraints due to a notable increase in semiconductor cargo.
 - Shipments to Japan are experiencing tight space, partly due to airlines promoting routes from Korea to Japan until the first week of April.
- Air export space to the US has returned to normal without any space issues. This is attributed to a decline in both air and ocean cargo from China to Korea to the US, alongside lower airfreight rates in China compared to Korea. However, this situation is expected to change following anticipated cargo increases by the end of March.
- Additionally, throughout March, fuel surcharges will continue from March 16 to April 15 within the IATA Traffic Conference (TC) area, specifically TC1/TC2/TC3 at Incheon International Airport.

Ocean Freight

- Ocean rates in the U.S. and European markets have begun a downward trend. However, in contrast, Ocean rates for Southeast Asia routes have started to rise. This uptick is attributed to carriers implementing supply control measures and facing space shortages, particularly originating from Korea. Presently, freight rates from Korea remain relatively low, coupled with limited space availability.

MEXICO



Interoceanic Corridor

Air Freight

- Air China's freighters operating at NLU (Felipe Ángeles International Airport) facilitate shipments from Shenzhen to Mexico, with scheduled flights on Tuesdays, Thursdays, and Saturdays. These flights include a technical stop in Los Angeles, United States. However, whether Guadalajara becomes the second destination in Mexico depends on demand and freight rates.

Ocean Freight

- The Interoceanic Corridor opened on December 22, 2023, connecting the Pacific Ocean to the Atlantic Ocean through a dry railway canal in Mexico's narrowest stretch, facilitating both passenger and cargo transport. Additional lines are expected to open in March (FA line connecting Coatzacoalcos and Palenque) and July (Line K connecting Ixtepec and Ciudad Hidalgo)

Logistics & Service Notice

It's advisable to practice caution by obtaining Cargo Insurance and ensuring the container box is adequately insured when shipping to Mexico. Prior verification of paperwork for compliance is essential to prevent any potential delays at customs or additional expenses.

SOUTHEAST ASIA - PHILIPPINES



Philippines

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

Air - |1| The Intra-Asia air freight market continues to be soft, as many manufacturers still prefer ocean freight over air freight due to the cost difference. |2| Airlines now mandate forwarders to book 3 to 5 days prior to departure for both European and US routes as there’s a backlog in the connecting hubs.

Government Policy - The Bureau of Customs will be implementing an update in import charge calculations such as the import processing fee, renew rate application, advance ruling, and cargo transfer fee.

Upcoming Holidays in the Philippines

- March 28: Maundy Thursday | March 29: Good Friday | April 9: Araw ng Kagitingan

Recommendation

Air - |1| It is advisable to secure bookings at least a week in advance to ensure space availability in preparation for the long holiday at the end of March. |2| For import shipments, work with your freight forwarder to understand the new calculations on the import charges to plan your freight budget.

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
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FREIGHT MARKET SITUATION

SOUTHEAST ASIA - MALAYSIA



Malaysia

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

Air & Ocean - |1| The airfreight capacity from Penang to the US market is at an upturn as demand increases, leading to higher rates. Ocean freight capacity is also experiencing an upturn with long-haul rates continuing to climb due to the Red Sea crisis and vessel rerouting. |2| Overall, the demand has been picking up for Malaysia as the much awaited Hari Raya Festival approaches from April 6th to 14th.

Government Policy – The government has introduced a 6% tax on all domestic logistics services.

Upcoming Holidays for Malaysia

- March 28: Nuzul Al- Quran | March 29: Good Friday | April 10-11: Hari Raya | April 16: Sultan of Terengganu’s Birthday

Recommendation:

It is advisable to pre-book shipments to prevent space issues, incorporate buffer time into transit schedules, and avoid arranging shipments for pick-up or delivery during the holiday period.

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

Air - |1| The surge in export demand across Asia hubs has created a backlog in Vietnam's exports to the US and EU. This is because most airlines from Vietnam rely on intra-Asian hubs for transit, with limited direct flights available to these destinations.

Ocean – |1| There is more space capacity in the ocean freight market compared to air due to lower demand. Some carriers are promoting spot rates for large volumes to the US if booked 1-2 weeks in advance before ETD. |2| WHL and YML introduces new direct service (PAS) from Ho Chi Min to Hong Kong – Shekou – Xiamen – Moji – Hakata. The first voyage is to start March 27, 2024.

Upcoming Holidays in Vietnam

- April 18: Hung Kings Festival | April 30: Liberation Day/Reunification Day

Recommendation

Air - Due to the limited space, it is advised to reserve at least a week before departure date.

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
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SOUTHEAST ASIA - THAILAND



Thailand

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

Air - |1| As the fruit season begins in Thailand, there's a surge in space demand across all destinations. The rates currently remain stable, but it's advisable to monitor the situation closely as the season progresses. Some shipments have also transitioned from ocean to airfreight to cope with the demand.

Ocean - |1| Ocean space has remained tight for the past few months, becoming the standard. However, demand has recently experienced a slight decline. **|2|** Intra-Asia rates have seen an increase of USD 20-30 per TEU, while rates for the US/EU lanes have decreased by approximately USD 200-300 per TEU.

Hot Summer Approaches - Weather forecast suggest temperatures may exceed 52°C which may affect temperature-sensitive cargo during their transportation.

Upcoming Holidays in Thailand:

- April 8: Chakri Day (observed on April 6) | April 12 to 16: Songkran festival

Recommendation:

Air – Allow buffer time for the loading and unloading of the cargo as there is a congestion at the BFS terminal. The current lead time is now 5-7 days with some airlines requiring a premium rate to confirm booking. It is recommended to book at least 5 to 7 days for US and EUR lanes. **Ocean** - Book 2-3 weeks in advance for intra-Asia shipments and 3-5 weeks in advance for US/EU lanes.

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
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SOUTHEAST ASIA - SINGAPORE



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

Air - [1] There is a notable increase in air cargo activity bound for US/CA, Europe, and the Middle East, partially attributed to the Red Sea Crisis. Shippers are increasingly opting for airfreight or hybrid sea-air solutions in response to the situation. [2] Economists have cited an optimism on Singapore’s export market for 2024, foreseeing a resurgence in global demand, a rebound in the electronics industry, and stronger economic growth in China.

Ocean – Ocean freight rates will be stable for March and April as export demand is slow with the current economic challenges. With the current manufacturing PMI maintaining at around 50.5 for Singapore, the ocean freight capacity and rates will remain for the next two months.

Upcoming Holidays in Singapore

- March 29: Good Friday | April 10: Hari Raya Puasa

Recommendation:

Air - As the US/CA and Europe capacity is tight, plan ahead with your freight forwarder to block the spaces in advance as last minute bookings may not be accepted by the airlines. **Ocean** - Although export demands are low, carriers may impose GRI and other surcharges this coming Q2 of 2024. It is advised to take this into consideration when planning for freight expenses.

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
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C – Freight Capacity | R – Freight Rates



SOUTHEAST ASIA - INDONESIA



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

Air - |1| The upcoming Eid Al Fitr holiday in April 10-11 is expected to increase the freight demand. During the holiday, offices and factories are expected to close for at least a week so the export and import arrangements will be done before and after the holiday. |2| Currently, the connecting flights to the US and Europe are experiencing tight capacity, especially for Asian carriers.

Ocean - There is a capacity issue for Intra-Asia and the US lanes as carriers are checking the shipments one by one to ensure the cargo availability before they can confirm the booking. Although space is tight, the rates have seen a slight decrease for US/CA and Europe lanes.

Upcoming Holidays in Indonesia

March 29: Good Friday | April 10 to 11: Eid al-Fitr holiday

Recommendation

Air - Work with your freight forwarder before the holidays if you have any import shipments during this period to avoid additional storage charges.

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
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FREIGHT MARKET SITUATION INDIA



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

Air - The demand for air shipments to the US/CA and Europe is on the rise, driven by a notable shift from ocean freight to air freight among shippers and catalyzed by the ongoing Red Sea crisis. Consequently, spot rates have surged in response to this heightened demand.

Ocean - Due to limited space availability and reduced sailing schedules, carriers are currently limiting booking acceptance for routes in the US/CA, Europe, and the Mediterranean. Additionally, there have been frequent rate increases for US/CA on a monthly basis. Increases can range between USD 500 to 1000 depending on the carrier. However, they sometimes withdraw the rate increase if there is enough equipment and space. For the Europe trade lane, some carriers are unable to meet schedule integrity due to transit delays, routing via Cape of Good Hope.

Upcoming Holidays in India:

- March 29: Good Friday | April 11: Idul-ul-Fitr | April 17: Ram Navmi | April 21: Mahavir Jayanti

C – Freight Capacity | R – Freight Rates

Key for
available space

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FREIGHT MARKET SITUATION AUSTRALIA



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

The overall freight market in Australia is slow. However, the upcoming Easter holiday may impact the Australia freight market. There may be an increased freight demand leading up to the beginning of the holiday on March 29 and a decrease in activity during the period of March 29 – April 1 as operations may be closed or have shortened working hours.

Upcoming Holidays in Australia:

- March 29: Good Friday | March 30: Easter Saturday | March 31: Easter Sunday | April 1: Easter Monday | April 25: Anzac Day

Recommendation

It is recommended to plan and book ahead before the holidays.

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
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USA AIR AND OCEAN MARKET SITUATION

Air Market

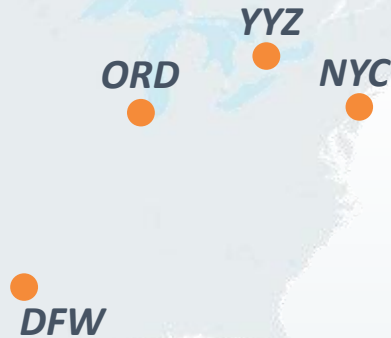
The USA's air freight market is experiencing substantial growth, with demand surging by 13% in the first two months of the year, in line with a global trend driven by strong economic recovery. The demand for March 2024 is higher than March 2023 and it's due to factors such as the Red Sea disruption and the rise of cross-border eCommerce. Additionally, declining ocean schedule reliability has further propelled the preference for air cargo, especially for time-sensitive shipments. This growth underscores the adaptability of the USA's air freight sector in meeting evolving trade demands and ensuring swift, reliable transport solutions for businesses.

Ocean Market

Effective March 25, the Panama Canal Authority is set to boost the daily transit slots to 27 within the older Panamax Locks. While this figure remains below the typical 36 slots during regular periods, it promises to mitigate congestion for smaller Panamax vessels. Notably, this adjustment comes amidst the backdrop of a worsening drought attributed to El Niño, though forecasts indicate a transition towards La Niña conditions by summer. Historically associated with above-average rainfall in the region, such a shift offers potential relief to water levels along the canal's route.

NORTH AMERICA AIR GATEWAY SITUATION

FUEL SURCHARGE SHOWS UPWARD TREND



Dallas (DFW)

- **Air Exports** - The rate and capacity to the Asia Pacific stands at a moderate level, with backlogs at terminals.
- **Air Imports** - Terminal waiting times are at 1-2 hours. Moreover, space availability is becoming increasingly critical.
- **Trucking** - Competitive pricing prevails, with a noticeable uptick in fuel surcharges, adding pressure to operational costs.

Toronto (YYZ)

- **Air Exports** - Direct options to the Asia Pacific region are limited, with primary gateways via YVR, HKG, ICN, TPE, and various USA ports. Similarly, direct routes to Europe are limited, with more extensive services offered to key hub cities such as FRA, CDG, MXP, and MAD. Despite these limitations, rates to both the Asia-Pacific and European destinations remain normal.

Chicago (ORD)

- **Air Exports** - Capacity remains normal and rates are open to negotiation for destinations to Asia Pacific and Europe. However, trucking rates are increasing due to a diesel fuel surcharge hike from 34% to 36%. China Airlines is experiencing backlogs on the ORD to KUL via TPE, while tonnage is rising for ORD to MAA route.
- **Air Import** - there are currently no signs of terminal congestion.

New York (NYC)

- **Air Exports** - Space availability to both Asia Pacific and Europe is soft, with spot rates available for 300 kg to 1,000 kg cargos. Fuel surcharge for China Airlines \$1.15/KG | Eva Air \$0.90/KG | Cathay \$0.60/KG | Air China \$0.76/KG.
- **Air Imports** - JFK airport offers a 24-hour window of free time post-cargo arrival. It is advised to avoid flights arriving at JFK on Fridays and Saturdays.
- **Trucking** - the fuel surcharge ranges between 35% to 40%

NORTH AMERICA AIR GATEWAY SITUATION

NO MAJOR ISSUES FROM MOST OF GATEWAYS

Vancouver (YVR)

- **Air Export** - Eva Air and China Airlines offer daily flights departing from YVR. Cathay Pacific has enhanced its flight frequency, with CX837 operating on Tue, Wed, and Sun, while CX865 maintains daily flights. Air China operates one flight per week on Thu or Sat, while Air Canada provides daily service to HKG and operates on Tue, Thu, Fri, and Sun to PVG.
- **Air Import** - There are currently no signs of terminal congestion, ensuring smooth operations for incoming shipments.

San Francisco (SFO)

- **Air Exports** - Capacity to Southeast Asia is experiencing a slight tightening, coinciding with an increase in fuel surcharges.

Los Angeles (LAX)

- **Air Exports** - Air France has encountered challenges during its migration to a new system, causing delays via CDG. However, there's optimism that payload outbound from LAX will improve as we transition into the spring season, benefiting from more favorable wind conditions. Additionally, ongoing strikes with Lufthansa throughout March may induce potential congestion issues with other carriers.
- **Air Import** - Terminal congestion persists, leading to an average wait time of 4 hours. Moreover, airline terminal and storage charges are increasing. Long-haul trucking carrier prices are also rising together with the terminal fee that raised to \$220.50 per HAWB. Furthermore, all outbound shipments to Singapore are experiencing delays.



NORTH AMERICA OCEAN GATEWAY SITUATION

MARKET IS SLOW

Vancouver

- There is a 2-4 day congestion period at the Port of Vancouver.
- Capacity remains normal across all ports of Vancouver.
- A fuel surcharge of 30% is currently in effect.
- The vessel discharge time has returned to normal.
- Rail terminal dwell time has reverted to normal at 5 days, with Prince Rupert Rail Terminal also showing a similar timeframe.

Los Angeles / Long Beach

- **Ocean Export** - While FCL rates remain unchanged, there are several promotions from various co-loaders for LCL shipments. Rates can be negotiated with committed volume. However, feeder vessel space to Southeast Asia remains tight.
- **Ocean Import** - Container pickup and return are based on appointment availability. Additionally, there's a possibility of yard stops, yard storage, and detention charges.

Dallas

- There's an equipment shortage in El Paso.
- Port congestion in Tacoma is causing significant delays.
- The rising fuel prices add further pressure to transportation costs.
- Railroad congestion in Santa Teresa, El Paso, and Dallas has worsened due to severe shortages of both equipment and workers.



NORTH AMERICA OCEAN GATEWAY SITUATION

MARKET IS SLOW



A map of North America with two orange dots marking the locations of Chicago and New York. The text 'Chicago' is placed to the left of its dot, and 'New York' is placed above its dot.

New York, New Jersey & Norfolk:

- The slow market resulted in the absence of port congestion with both Global Container Terminal (GCT) and New York Container Terminal (NYCT) offering a toll-free surcharge. Moreover, the ocean export rate remains stable, with space available for shipments.
- Securing pickup and empty return appointments at the APM terminal proves challenging due to high demand.

Chicago

- Ocean Export - Rates and capacity for both Asia Pacific and Europe remain stable. However, some carriers are experiencing equipment shortages, suggesting to secure bookings with alternative carriers as a backup to mitigate potential disruptions.
- Ocean Import - There are no signs of port congestion.

WHAT TO WATCH

Container Shipping Rates Soar with Carrier Hikes

Container shipping rates are set to soar next month, with major carriers imposing additional charges. Rates from Asia may increase up to \$900 per FEU (40-foot container), while carriers such as Evergreen and Yang Ming will levy a General Rate Increase (GRI) of up to \$2,000 per TEU (20-foot container). Meanwhile, logistic companies are gearing up for similar hikes on Asia-North America routes. The market situation reflects a delicate balance between oversupply and increasing demand.

Houthi Rebels Threaten Indian Ocean Routes

A merchant vessel was damaged in a missile strike in the Red Sea off Yemen, according to marine security monitors. Houthi rebels have promised to expand attacks on shipping lanes, aiming to prevent Israel-linked ships from passing through the Indian Ocean towards South Africa's Cape of Good Hope, potentially causing significant disruptions. Supply chain stakeholders are preparing for alternative solutions to maintain the flow of goods between Asia and Europe amidst the threat.

[Learn How Dimerco Mitigates this Global Challenge](#)



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