



ASIA PACIFIC FREIGHT UPDATE

September - October 2023

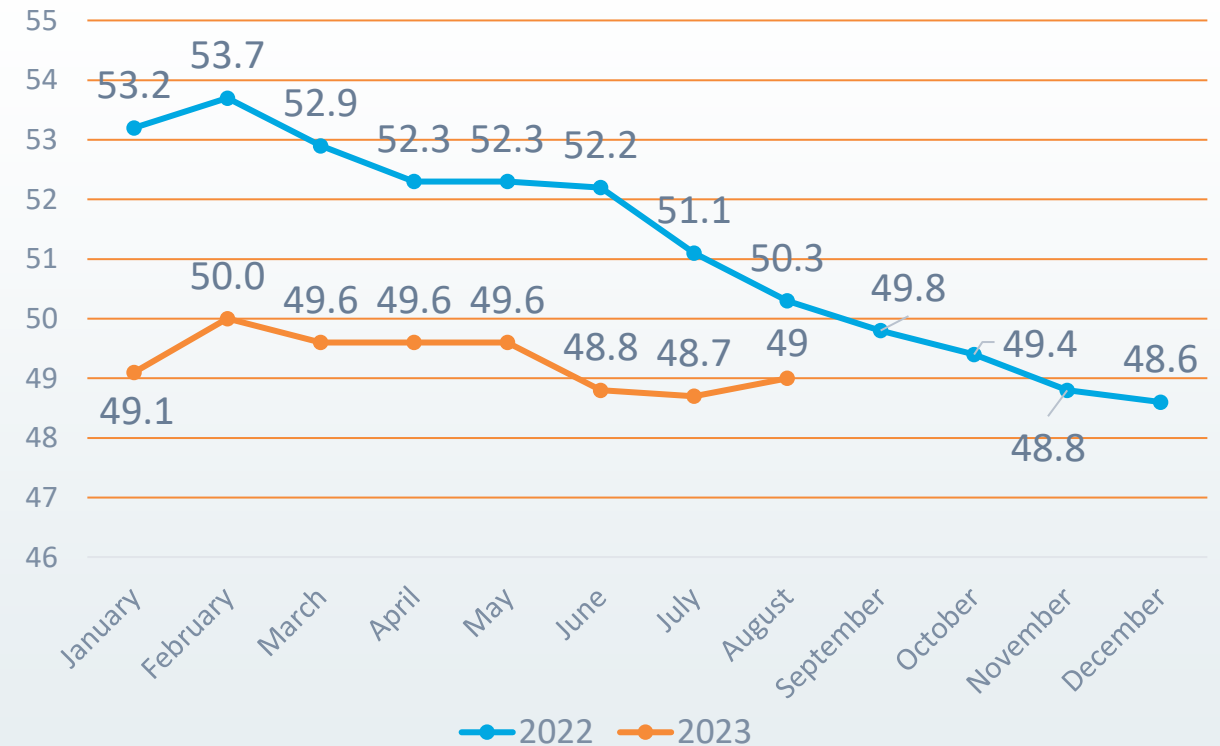


ECONOMIC INDICATORS

SEPTEMBER - OCTOBER

The Global Manufacturing PMI for August increased from 48.8 to 49

Global Manufacturing PMI 2022 VS 2023



Source: S&P Global PMI

GLOBAL OUTLOOK

SEPTEMBER - OCTOBER

The S&P Global monthly PMI index contracted for the third consecutive month, declining from 51.6 in July to 50.6 in August. This is the slowest pace of expansion since the rebound in February of this year. The bleak indicators suggest that new orders for goods in the fourth quarter will continue to suffer the longest streak of declines in demand, leading to further deterioration in production. As a result, it is not surprising that the prominent pre-Golden Week cargo rush in China is absent this year.

Source: S&P Global

ECONOMIC INDICATORS

ASIA PACIFIC MANUFACTURING PMI

	2022					2023							
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Global	50.3	49.8	49.4	48.8	48.6	49.1	50.0	49.6	49.6	49.6	48.8	48.7	49
USA	44.6	49.5	50.4	47.7	46.2	46.9	47.3	49.2	50.2	48.4	46.3	49	47.9
China	49.4	50.1	49.2	49.4	49	49.2	51.6	50.0	49.5	50.9	50.5	49.2	51.0
Taiwan	42.7	42.2	41.5	41.6	44.6	44.3	49	48.6	47.1	44.3	44.8	44.1	44.3
Hong Kong	51.2	48	49.3	48.7	49.6	51.2	53.9	53.5	52.4	50.6	50.3	49.4	49.8
Japan	51.5	50.8	50.7	49	48.9	48.9	47.7	49.2	49.5	50.6	49.8	49.6	49.6
S. Korea	47.6	47.3	48.2	49	48.2	48.5	48.5	47.6	48.1	48.4	47.8	49.4	48.9
Singapore	50.0	49.9	49.7	49.8	49.7	49.8	50.0	49.9	49.7	49.5	49.7	49.8	49.9
Vietnam	52.7	52.5	50.6	47.4	46.4	47.4	51.2	47.7	46.7	45.3	46.2	48.7	50.5
Malaysia	50.3	49.1	48.7	47.9	47.8	46.5	48.4	48.8	48.8	47.8	47.7	47.8	47.8
Philippines	51.2	52.9	52.6	52.7	53.1	53.5	52.7	52.5	51.4	52.2	50.9	51.9	49.7
Indonesia	51.7	52.9	51.8	50.3	50.9	51.3	51.2	51.9	52.7	50.3	52.5	53.3	53.9
Thailand	53.7	55.7	51.6	51.1	52.5	54.5	54.8	53.1	60.4	58.2	53.2	50.7	48.9
India	56.2	55.1	55.3	55.7	57.8	55.4	55.3	56.4	57.2	58.7	57.8	57.7	58.6
Australia	49.3	50.2	52.7	51.3	50.2	50.0	50.5	49.1	48.0	48.4	48.2	49.6	49.6

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

SEPTEMBER - OCTOBER

Cargolux suspended all flights for two days, impacting Xiamen, Shanghai, Zhengzhou, and Hong Kong. This has tightened capacity to Europe and the US, and increased rates.

Apple's launch of new products has also increased charter flights and driven up rates.

Due to the Mid-Autumn Festival and National holidays in China (September 29th to October 6th), plus quarter-end demand in September, a further rate increase and capacity shortage for Intra-Asia, Asia-to-US, and Asia-to-Europe are anticipated.

The counter-terrorism operation in the Nagorno-Karabakh region has affected European airlines on the routes between Europe and Northeast Asian countries. Chinese airline flights passing through Russian airspace on China-Europe routes are not yet affected. However, this could further tighten capacity to Europe and increase rates.



AIR FREIGHT

MARKET FORECAST (SEPTEMBER 21 – OCTOBER 31)

Air Freight Market Forecast

Asia -> Intra Asia

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

Air Freight Market Forecast

Asia -> US/CA

Origin (Country/District)	Air Hub	Space	Rate	
Greater China	Hong Kong	HKG	Upturn	Rising
	South China	CAN/SZX	Tight	Rising
	Southeast China	XMN/FOC	Soft	Stable
	Central & East China	PVG	Tight	Rising
	North China	BJS/CGO/TAO	Tight	Rising
Northeast Asia	Korea	ICN	Backlog	Rising
	Taiwan	TPE	Backlog	Rising
Southeast Asia	India	MAA/BLR	Upturn	Stable
	Indonesia	CGK	Tight	Rising
	Malaysia	KUL	Upturn	Stable
	Malaysia	PEN	Upturn	Stable
	Philippines	MNL	Soft	Stable
	Singapore	SIN	Upturn	Rising
	Thailand	BKK	Backlog	Rising
	Vietnam	HAN	Tight	Rising
Vietnam	SGN	Tight	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 (SEPTEMBER 21 – OCTOBER 31)

Air Freight Market Forecast

Asia -> Europe

Origin (Country/District)	Air Hub	Space	Rate	
Greater China	Hong Kong	HKG	Soft	Rising
	South China	CAN/SZX	Tight	Rising
	Southeast China	XMN/FOC	Soft	Stable
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	Singapore	SIN	Soft	Stable
	Thailand	BKK	Soft	Stable
	Vietnam	HAN	Upturn	Rising
	Vietnam	SGN	Upturn	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

SEPTEMBER - OCTOBER

Alphaliner released its ranking of the top 30 container ports for the first half of 2023, showing that leading European and US ports have experienced a decline in container throughput across the board, ranging from 5% to 25%. In contrast, Chinese ports performed better with a year-over-year growth of 4.8%.

Despite the China +1 policy, major Southeast Asian transshipment hubs Singapore, Port Klang, and Tanjung Pelepas Terminals have experienced mixed year-over-year growth in the first half of 2023, with growth rates of -0.7%, 2.6%, and -10.6%, respectively. In contrast, Mundra and Nhava Sheva have outperformed with growth rates of 3.5% and 6.1%, respectively.

Given China's recent decline in exports, it is advisable to closely monitor China's throughput. In July, China reported its lowest export figures in over three years, although the decline slowed in August.



OCEAN FREIGHT MARKET

SEPTEMBER - OCTOBER

Despite a 21% year-over-year decline in US imports from Asia in the first eight months of 2023, ocean carriers have successfully driven up freight rates on the Transpacific Eastbound (TPEB) trade lane since early July. This success is largely due to massive blank sailings.

Sea-Intelligence reported that ocean carriers plan to remove 14% of redundant capacity on the Transpacific Eastbound (TPEB) trade lane in October, almost double the amount removed in September. The Golden Week capacity cut for TPEB alone will jump as high as 30% during weeks 40-42.

In contrast, the outlook for European Westbound (EUWB) is less promising. The general rate increase (GRI) imposed by carriers on the European Westbound (EUWB) trade lane in early August was short-lived. Rates have plummeted by 47% from their peak in August. Given the dim market outlook in Northern Europe, we expect carriers to aggressively increase their capacity cuts to 25-30% throughout October to prevent rates from collapsing too quickly. With massive blank sailings on the horizon, we foresee that exporters and importers alike will be busy dealing with issues such as schedule delays, rotation changes, roll-over events, and, worst of all, a big surge in freight costs in the wake of GRIs.



OCEAN FREIGHT

MARKET FORECAST (SEPTEMBER 21 – OCTOBER 31)

Ocean Freight Market Forecast

Asia -> Asia (Intra Asia)

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

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

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

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	Soft	Stable
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TAIWAN



Air Freight

- From Taiwan to China, Southeast Asia, and Europe, the rate is stable, and the capacity is soft. However, cargo space to the United States is experiencing a backlog, with rates rising due to increased transshipment cargo demand.
- The Taiwan-US freight rate continues to rise in September due to strong e-commerce demand, particularly for Chinese e-commerce and AI-related supply chain products. Some companies have also been transshipping cargo to Taiwan and Hong Kong. Cargo operators report that about half of the flight space on the Taiwan-US route has been used for Chinese e-commerce re-exports in the past month. All cabin space is full for the end of September, and there will be no space available until October.
- Air cargo tonnage in August grew by 6.1% for air exports and fell by 4.5% for air imports compared to the previous month.

TAIWAN



Ocean Freight

- The rates from Taiwan to the US and Europe are falling, while to China and Southeast Asia are stable. The demand from Taiwan to all destinations is softer.
- The overall Taiwan export market continues to decline, with rates falling even after the General Rate Increase (GRI) on September 15. Despite the Panama Canal draft restrictions, there is no significant shift of cargo from US East Coast Ocean to Airfreight. This is because the transit time is not significantly longer, with only a 7-day delay.

US West Coast: Evergreen has combined its two US West Coast routings into one to keep rates high.

US East Coast: Blank sailings will be imposed in early October due to the long holiday in China.

Europe: There are not many blank sailings, but the loading factor is low.

CHINA MARKET SITUATION

EAST CHINA



Air Freight

- Mid-Autumn Festival and National holidays are combined for up to 8 days, resulting in tight space as orders are scheduled to be shipped before the holidays.
- The overall air transport market in East China is continuing to recover, but capacity is tight due to a large number of e-commerce goods from South China being transported to East China after reaching their capacity limit.
- Apple's new product launch has increased the number of charter flights, further reducing capacity.
- Cargolux suspended all flights for two days, resulting in extremely tight space and higher prices to Europe and the US.

Ocean Freight

The export container transportation market in Shanghai is generally stable, but transportation demand is stagnant. Ocean freight rates for long-haul routes have fallen. The congestion at the Panama Canal has improved, but there are still delays of about 3-5 days.

Transpacific: Demand is soft for the US route with dropped rates.

Europe: Transportation demand growth is weak, and market rates are continuing to decrease.

Intra-Asia: Market demand is good before Golden Week, and ocean freight rates are increasing, especially on Indonesian routes where some shipping lines are adjusting capacity to increase freight.

CHINA MARKET SITUATION

NORTH CHINA



Air Freight

- Due to the high volume of e-commerce shipments in South China, which reached capacity, a large number of goods were moved to North China, causing tight space and higher prices.
- Space to North America and Europe is tight, and prices have increased. Space to Southeast Asia is stable, with prices increasing slightly due to the release of new products by Apple and Huawei.
- Due to the upcoming holidays and e-commerce shipments, orders are being rushed to ship, driving up prices to Europe and the US.
- Korean Airlines and South Asia flights are fully booked through week 40, and Tiger Airways and Singapore Airlines flights are fully booked through week 41.
- There are no flight cancellations during the peak season

Ocean Freight

Carriers may announce a new round of blank sailings in October to balance space supply and demand and maintain market rates.

- **Southeast Asia:** Rates have increased slightly since mid-September.
- **Trans-Pacific:** Rates have been decreasing since mid-September, with ample space on USWC routes and balanced demand on USEC routes.
- **Europe:** Rates have been decreasing substantially and way below carriers' sustainable cost levels.



SOUTH CHINA & HONG KONG



Air Freight

South China

- Due to Apple's new product launch and the upcoming holidays, capacity is tight, and prices have increased.
- Rates to Europe have increased, while rates to Southeast Asia remain stable.
- All Nippon Airways plans to cancel flights from October 3rd to 8th.

Hong Kong

- Rates to the US have increased slightly, mainly due to the volume of e-commerce.
- Rates to Europe and Southeast Asia are stable.
- No flights are canceled during the upcoming holidays.

SOUTH CHINA & HONG KONG



Ocean Freight

South China

- US Trade Lane: Space is available, and rates have decreased. The congestion situation at the Panama Canal has improved, but there are still delays of around 4 days. Rail and trucking in Panama have not been affected.
- Intra-Asia: Space is tight before the holiday, and rates have increased slightly.
- Europe: Space is sufficient, and rates have decreased slightly due to the lack of improvement in cargo volume.

Hong Kong

- US Trade Lane: Rates have mildly fluctuated since demand has dropped. Carriers are still blanking sailings and thus rolling over bookings from time to time.
- Southeast Asia Trade Lane: Rates are stable, but demand is soft.

CHINA TO EUROPE CROSS BORDER RAIL

CHINA -EUROPE FREIGHT TRAIN OPERATES SMOOTHLY

Railway renovation at Alashankou has caused congestion, with reloading now taking about 2 weeks. This has extended the transit time for all freight trains outbound through Alashankou and Korgos to Europe and Russia. The transit time from domestic stations to Malaszewicze is now about 19-21 days, 5 days longer than usual.

China – Europe:

The supply and demand for outbound service is stable, but space in Yiwu is tight. Return service from Europe is operating normally, but space to Xian and Wuhan is fully booked until the end of September.

China – Russia:

Supply and demand to Russia is stable, with abundant space available. However, spot freight rates from Chongqing to Russia increased slightly this week due to rising container leasing prices. To address congestion at some stations in Moscow, Wuhan has opened a new line to Sverdlovsk Oblast, Russia.



SOUTH KOREA MARKET SITUATION

SOUTH KOREA



Air Freight

- Air export volume to Southeast Asia and China remains slow in September.
- Air export space to the US is getting tight due to strong demand for e-commerce cargo from Korea to the US. This trend is expected to continue, and air freight rates will likely continue to rise until the end of the year.
- From September 16 to October 15, airlines will increase the outbound fuel surcharge to the IATA Traffic Conference (TC) area by 42.2% for TC1 and TC2 and 42.1% for TC3 at Incheon International Airport.

Ocean Freight

- Similar to other countries in Asia, the rates for Transpacific Eastbound (TPEB) started to decline after GRIs (General Rate Increases) have been imposed by the carriers for four consecutive weeks since August.

LONGER WAITING TIME AT VIETNAM - CHINA BORDER

Currently there is a waiting time of 3 to 4 days at the border between Vietnam and China.

Incoming Holidays for October

Upcoming Holidays		
October 13	H.M. King Bhumibol Adulyadej Memorial Day	Thailand
October 23	Chulalongkorn Memorial Day	Thailand

Recommendation

|1| For cargo schedules that fall under holidays, discuss the best solution with your freight forwarder.

Note: Pingxiang and Dongxing Border is used for cross border trucking movement between Southeast Asia and China. However, Pingxiang border is recommended due to its wide-range commodity operations. Special commodities such as DG cargo or Lithium ION Battery shall be checked in case by case through Pingxiang and Dongxing Borders.



CROSS BORDER TRUCKING TRANSIT TIME

Origin	Destination	Transit Time
Thailand	East China (Kunshan)	5 - 7 Days
	South China (Guangzhou/Shenzhen)	4 - 5 Days
	Vietnam Malaysia Singapore	3 - 4 Days
Shenzhen	Hanoi	2 Days
Shanghai		4 Days
Hanoi	Shenzhen	2 Days
	Shanghai	4 Days
Malaysia	Singapore	1 Day

FREIGHT MARKET SITUATION

SOUTHEAST ASIA (1/3)



Thailand

Air	<p> 1 The rates to Asia destinations are stable, with airlines willing to negotiate for large volumes. 2 Due to backlogs and space congestion at transit airports, some airlines are not accepting shipments from Bangkok to the US until the end of Sept. unless the express rates are applied, which is 40-50% of the normal rate.</p>
Ocean	<p> 1 For routes to North America, the space must be booked 1-3 weeks in advance while for Latin America, Africa, Southeast Asia, and the Middle East, 3-5 weeks in advance are required. 2 Most routings are reserved for contract rates, while spot rates have been increasing due to market conditions. 3 The rate continues to increase for several routes, with many carriers announcing the increase in rates in the form of GRI (General Rate Increase) or PSS (Peak Season Surcharge) for October for routes to South America, Latin America and Africa.</p>

Recommendation

|Air| It is recommended to book at least 7 days in advanced before the ETD

Philippines

Ocean	<p> 1 Long-haul ocean rates, especially to the US, are fluctuating, while intra-Asia rates remain competitive.</p>
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FREIGHT MARKET SITUATION

SOUTHEAST ASIA (2/3)



Vietnam

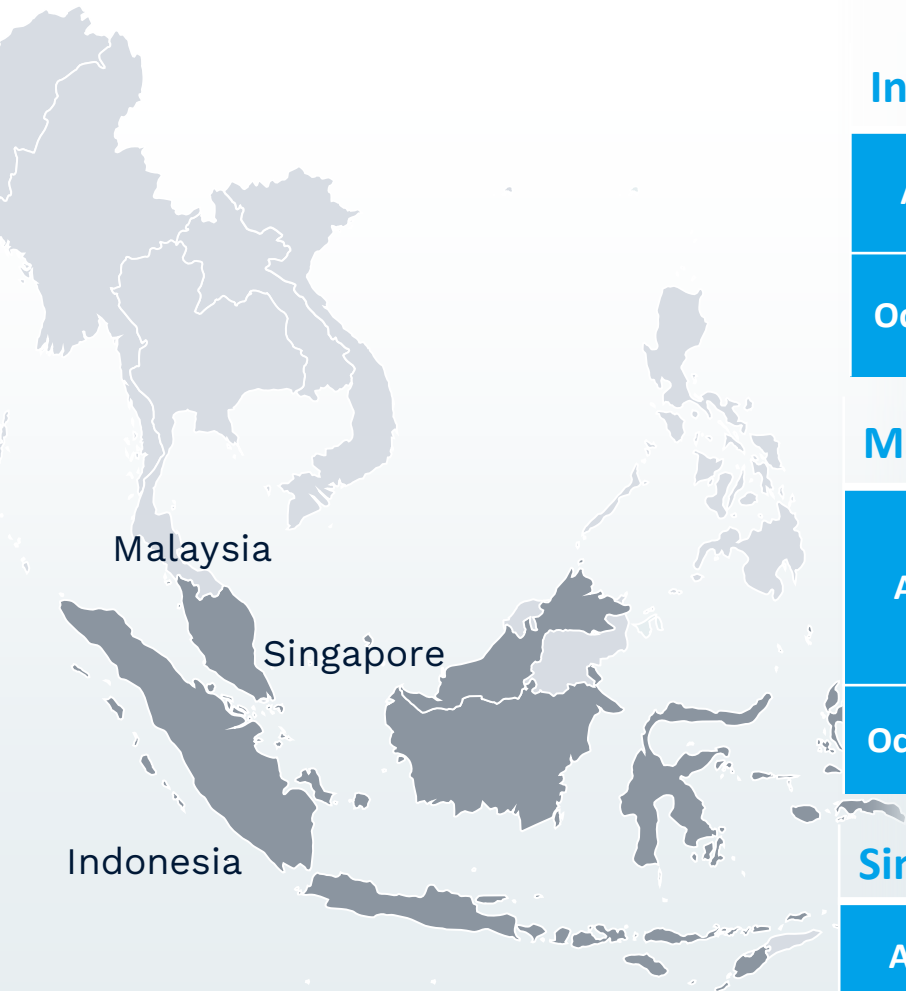
Air	 1 Apple product exports from Shanghai, Hanoi, and Hong Kong have boosted freight rates and tightened space. To secure the most direct spaces from transit gateways such as Incheon, Taipei, and Hong Kong to the US, shippers must pay premium rates with 72-hour transit times. Apple's massive volume, which would require more than 50 charter freighters, will significantly reduce commercial space. US rates are expected to continue rising until October. Prices to Europe have also increased, while rates to China and Southeast Asia remain stable.
Ocean	 1 Space and equipment issues are expected to last until the end of September. These issues are due to China's Golden Week, which is causing space shortages with some carriers on the routings from Ho Chi Minh to Ningbo, Bangkok, and Jakarta. Additionally, carriers receiving large volumes of cargo in China are leading to equipment shortages for other destinations.

Recommendation

| Air | Booking reservations must be made at least 7-10 days before departure. **| Ocean |** Discuss with your freight forwarder the need for a backup plan in case of space or equipment issues.

FREIGHT MARKET SITUATION

SOUTHEAST ASIA (3/3)



Indonesia

Air	1 The rates to the US have increased with some airlines experiencing backlogs. For Asia and Europe, the rates remain the same as the previous month.
Ocean	1 High demand for shipping to India is leading to capacity constraints, and some liners have stopped accepting bookings for two weeks to clear the existing backlog.

Malaysia

Air	1 Lufthansa Cargo will increase the Airfreight Surcharge effective 25 th Sept. 2 The rate and space from Penang to all destinations are stable. 3 Export shipments from Kuala Lumpur to North America destinations (New York, Chicago Toronto) have increased. However, airlines are still open to negotiate for high volume shipments
Ocean	1 The rate and space from Penang to all destinations are stable. 2 There is a traffic in the North Port causing some delays of 2-3 days on delivery and departure.

Singapore

Air	1 The space to the US is in high demand where express rates are required to secure space for upper deck shipments.
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FREIGHT MARKET SITUATION

INDIA AND AUSTRALIA



India

Air

| 1 | On September 11, 2023, the Indian government imposed a five-year anti-dumping duty on steel imports from China in response to a surge in imports. An anti-dumping duty is a tariff imposed on imported goods that are sold below their fair market value, to protect domestic industries from unfair competition.

Recommendation

Other than that, everything looks quite usual

It is recommended for importers to source the origin of their cargos and export from other countries to avoid the extra cost from the anti-dumping duty.

Australia

Ocean

| 1 | As Australia heads into peak season, port congestion is mounting and shipping lines are imposing port congestion charges in the fourth quarter.

AIR AND OCEAN MARKET SITUATION

NORTH AMERICA

Air Freight

The overall market has stabilized and should remain similar for the rest of 2023, except for a small peak in Q4 due to the holiday season. Transpacific US air imports declined by around 30% in August 2023 compared to August 2022, with more than half of the decline coming from China.

Ocean Freight

Total containerized US imports from Asia dropped 21% year-over-year through August 2023, according to PIERS. This is flat compared to pre-pandemic levels in 2019. The National Retail Federation (NRF) forecasts that October will see 0.1% growth, followed by 10.4% growth in November and 12% growth in December as retailers stock up for the holiday shopping season.

NORTH AMERICA AIR GATEWAY SITUATION

MARKET IS SLOW, RATE & SPACE ARE STABLE



Dallas (DFW):

- Rate & Capacity to Asia Pac is at a moderate level, not yet back to pre-pandemic levels.
- Air Import: Terminal waiting time is 1-2 hours.

Chicago (ORD):

- Capacity to Europe and Asia Pacific is sufficient, but domestic trucking is experiencing delays due to Yellow Freight's closure and performance issues at Forward Air and Estes.

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).• Space & rates to Asia-Pac and Europe are normal. |
|----|--|

New York (NYC):

- | | |
|----|---|
| AE | <ul style="list-style-type: none">• Demand is soft to Europe but normal to the Asia Pacific.• The rate to Asia Pacific and Europe is normal.• Air rates can be requested by spot rates. |
| 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% . |

FUEL SURCHARGE TO INCREASE STARTING OCTOBER

San Francisco (SFO):	
AE	<ul style="list-style-type: none"> The air market is slow, so rate & capacity remains normal.
AI	<ul style="list-style-type: none"> There is no terminal congestion. The range for Terminal Handling charge in SFO is from \$160 - \$225 per HAWB.

Los Angeles (LAX):	
AE	<ul style="list-style-type: none"> The rates are stable for both Europe and Asia Pacific, with spot rates being offered aggressively. Rates for Europe and Asia Pacific are stable, with spot rates being offered aggressively. Capacity remains high, and expectations for the Q4 peak season are low, possibly even lower than last year.
AI	<ul style="list-style-type: none"> Space from Singapore and Hong Kong to LAX is tight, with many delays.



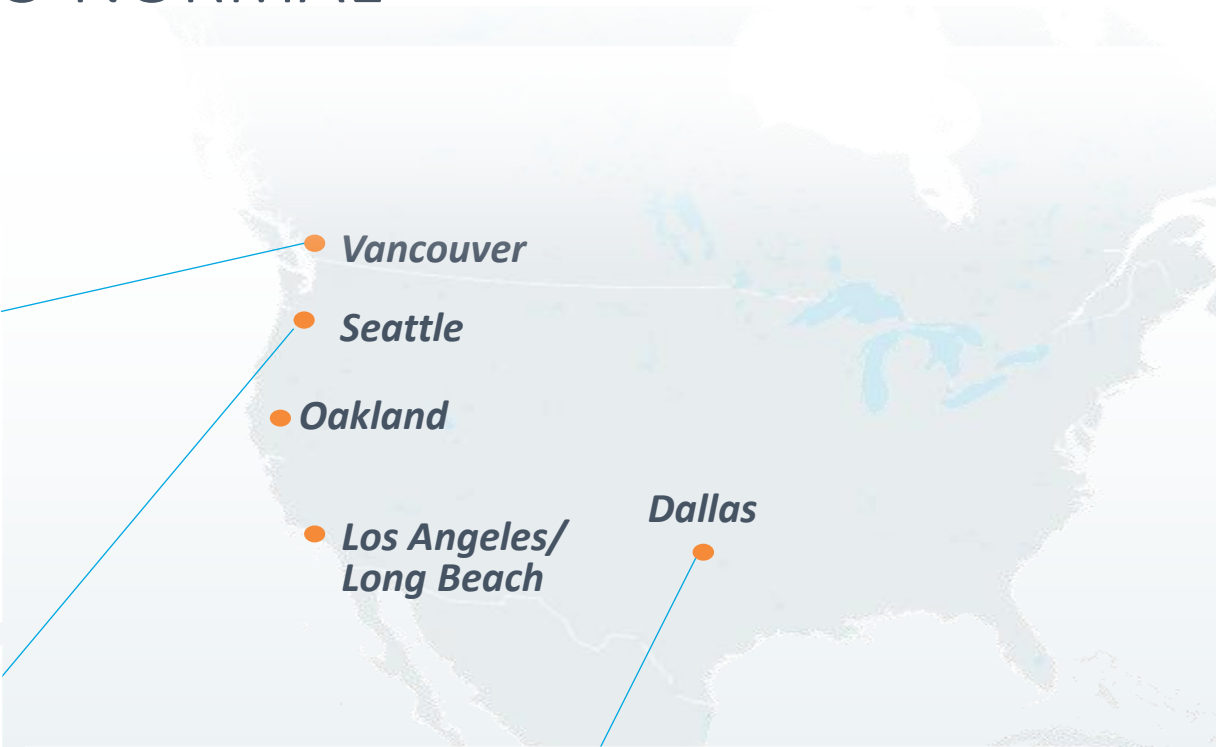
Fuel Surcharge Table		
CX	\$0.7(HK). \$0.8(CN & SEA)	Effective on Oct 1 st
BR	\$0.90 (Asia)	Effective on Oct 1 st
OZ	\$1.20 (Asia)	Effective on Oct 2 nd
KE	\$1.30 (Asia)	Effective on Oct 1 st
PO	\$0.40 (Asia)	Effective on Oct 1 st



VANCOUVER PORT RETURNING TO NORMAL

Vancouver	
OE	<ul style="list-style-type: none">• Port dwell time is 3-4 days.• Vessel arrival is returning to normal, but there are still some delays of 2-3 days in Vancouver port compared to the original schedules.• The average dwell time for containers at the Vancouver rail terminal is 7-10 days, while the average dwell time at the Prince Rupert rail terminal is 5-7 days.

Seattle / Tacoma	
OI	<ul style="list-style-type: none">• No issues on most terminals except Evergreen Terminal, where drivers wait a long time for containers (pick up & empty return)



Dallas	
OI	<ul style="list-style-type: none">• Port congestion symptoms were less severe, with capacity increasing due to the slow market. However, railroad congestion in Santa Teresa, El Paso, and Dallas worsened due to a severe shortage of equipment and workers.

US EAST COAST & CENTRAL PORTS REMAIN NORMAL



New York, New Jersey & Norfolk:

- The slow market has led to no port congestion at 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.
- For LCL, all New York CFSs can only provide 3 days of free time instead of 4 days after cargo devanning.
- FCL shipments will be discharged within 1-2 days, and the Last Free Day (LFD) remains the same at 4 free days after discharge.
- The fuel/trucking rate is between 35%-45%.

Chicago

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| OE | • Rate and capacity are stable for both Asia Pacific and Europe. |
| OI | • Dwell time is about 10-14 days to load onto rail. |

Jacksonville

- MSC has upgraded its Scan Baltic Service (which connects Jacksonville to 7 destinations in North Europe) from fortnightly to weekly.

WHAT TO WATCH

USTR Extends Tariffs Exclusions on Some Chinese Goods Until December 31

The US Trade Representative (USTR) has extended tariff exclusions on some Chinese goods until December 31, 2023. This includes 352 reinstated exclusions and 77 COVID-related exclusions, which cover a wide range of products, such as chemicals, machinery, electronics, and medical devices. The USTR granted the exclusions in response to requests from US businesses and consumers who argued that the tariffs were harming their businesses and raising costs for consumers.

Golden Week in China to Affect Supply Chain

The Golden Week holiday in China will span for 8 days, running from September 29 to October 6, thanks to the coinciding Mid-Autumn Festival. Throughout this period, the majority of businesses and factories will shut down, leading to a pause in production. While airports and seaports will remain open, they will operate with reduced staff levels. Customs offices, on the other hand, will be non-operational from October 1 to 3.



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



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