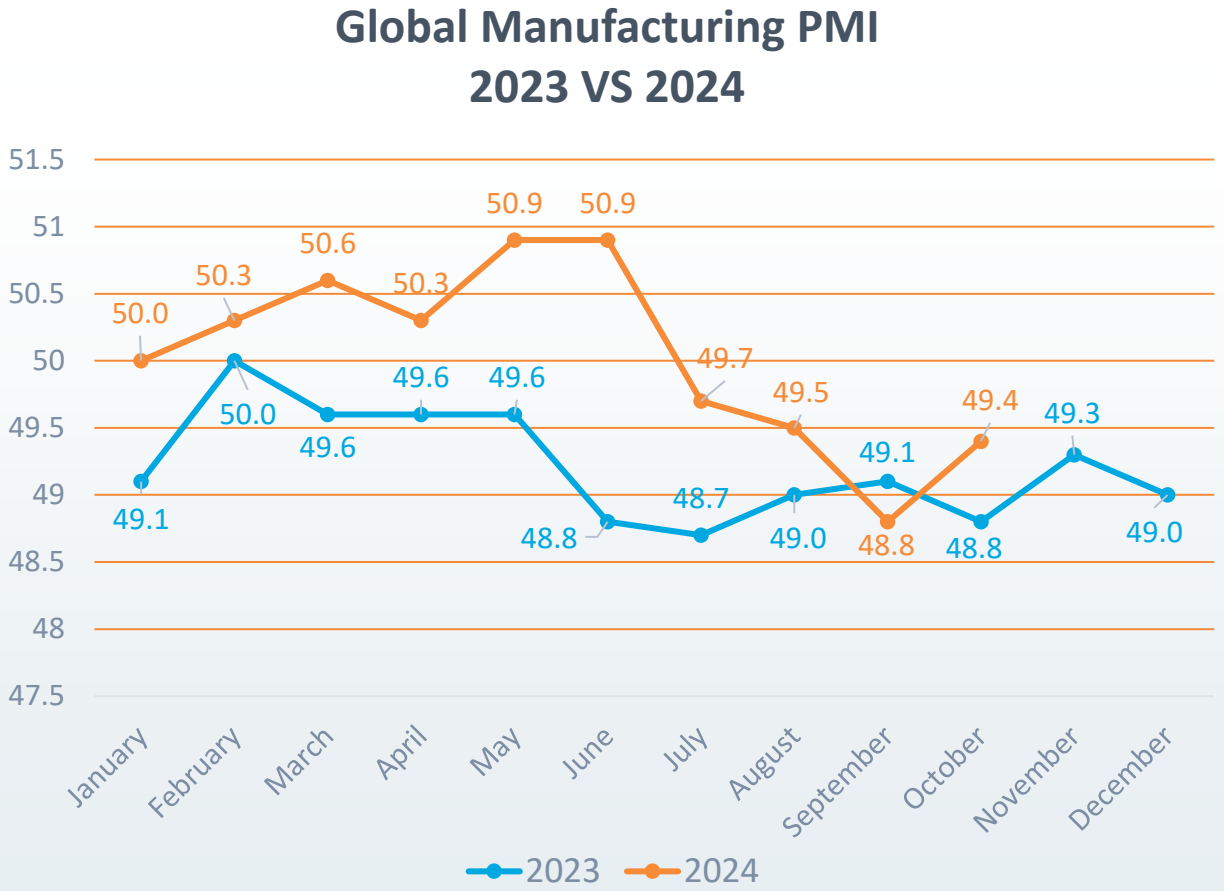
ASIA PACIFIC FREIGHT REPORT

December 2024

DIMERCO

ECONOMIC INDICATORS
DECEMBER

The Global Manufacturing PMI saw a modest increase, rising from 48.8 in September to 49.4 in October, marking an improvement compared to the same period last year. However, this still indicates a persistent decline in international trade and ongoing job losses for the third consecutive month.



Source: S&P Global PMI

ECONOMIC INDICATORS
ASIA PACIFIC MANUFACTURING PMI

Manufacturing Purchasing Managers Index (PMI)	2023			2024									
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Global	48.8	49.3	49.0	50.0	50.3	50.6	50.3	50.9	50.9	49.7	49.5	48.7	49.4
USA	50.0	49.4	47.9	50.7	52.2	51.9	50.0	51.3	51.6	49.6	47.9	47.3	48.5
China	49.5	50.7	50.8	50.8	50.9	51.1	51.4	51.7	51.8	49.8	50.4	49.3	50.3
Taiwan	47.6	48.3	47.1	48.8	48.6	49.3	50.2	50.9	53.2	52.9	51.5	50.8	50.2
Hong Kong	48.9	50.1	51.3	49.9	49.7	50.9	50.6	49.2	48.2	49.5	49.4	50.0	52.2
Japan	48.7	48.3	47.9	48.0	47.2	48.2	49.6	50.4	50.0	49.1	49.8	49.7	49.2
S. Korea	49.8	50.0	49.9	51.2	50.7	49.8	49.4	51.6	52.0	51.4	51.9	48.3	48.3
Singapore	50.2	50.3	50.5	50.7	50.6	50.7	50.5	50.6	50.4	50.7	50.9	51.0	50.8
Vietnam	49.6	47.3	48.9	50.3	50.4	49.9	50.3	50.3	54.7	54.7	52.4	47.3	51.2
Malaysia	46.8	47.9	47.9	49.0	49.5	48.4	49.0	50.2	49.9	49.7	49.7	49.5	49.5
Philippines	52.4	52.7	51.5	50.9	51.0	50.9	52.2	51.9	51.3	51.2	51.2	53.7	52.9
Indonesia	51.5	51.7	52.2	52.9	52.7	54.2	52.9	52.1	50.7	49.3	48.9	49.2	49.2
Thailand	47.5	47.6	45.1	46.7	45.3	49.1	48.6	50.3	51.7	52.8	52.0	50.4	50.0
India	55.5	56.0	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5
Australia	48.2	47.7	47.6	50.1	47.8	47.3	49.6	49.7	47.2	47.5	48.5	46.7	47.3

The manufacturing Purchasing Managers' Index™ (PMI™) is a survey-based economic indicator designed to provide a timely insight into changing business conditions in the goods-producing sector.

A PMI reading over 50 indicates growth or expansion of the manufacturing sector of the country as compared to the previous month, while a reading under 50 suggests contraction. A reading at 50 indicates that the number of manufacturers reporting better business is equal to those stating business is worse.

Source: S&P Global PMI

GLOBAL OUTLOOK
DECEMBER

Mixed Signals from PMI and GDP Data

The S&P Global PMI showed a positive rebound in October, yet global GDP growth in Q3 slowed compared to Q2. The Global PMI Composite Output Index rose to 52.3 in October, up from 51.9 in September, driven by faster service sector expansion and steady manufacturing output. However, Q3 global GDP growth slowed to 2.6%, down from 2.9% in Q2, and fell below the pre-pandemic decade average of 3.1%. A key concern to watch is whether US retailers will accelerate imports from China in response to incoming President Donald Trump's threat of new tariff hikes. Such measures could exacerbate supply chain tensions, increase production costs, and potentially reignite inflationary pressures in the months ahead.

THE IMPACT OF US ELECTIONS
ON GLOBAL FREIGHT MARKET DYNAMICS

The upcoming inauguration of US president-elect Donald Trump is expected to bring significant policy changes that could reshape global trade. Key proposals include:

Increasing Tariffs

A 10%-20% tariff on all imports and up to 60% on imports from China.

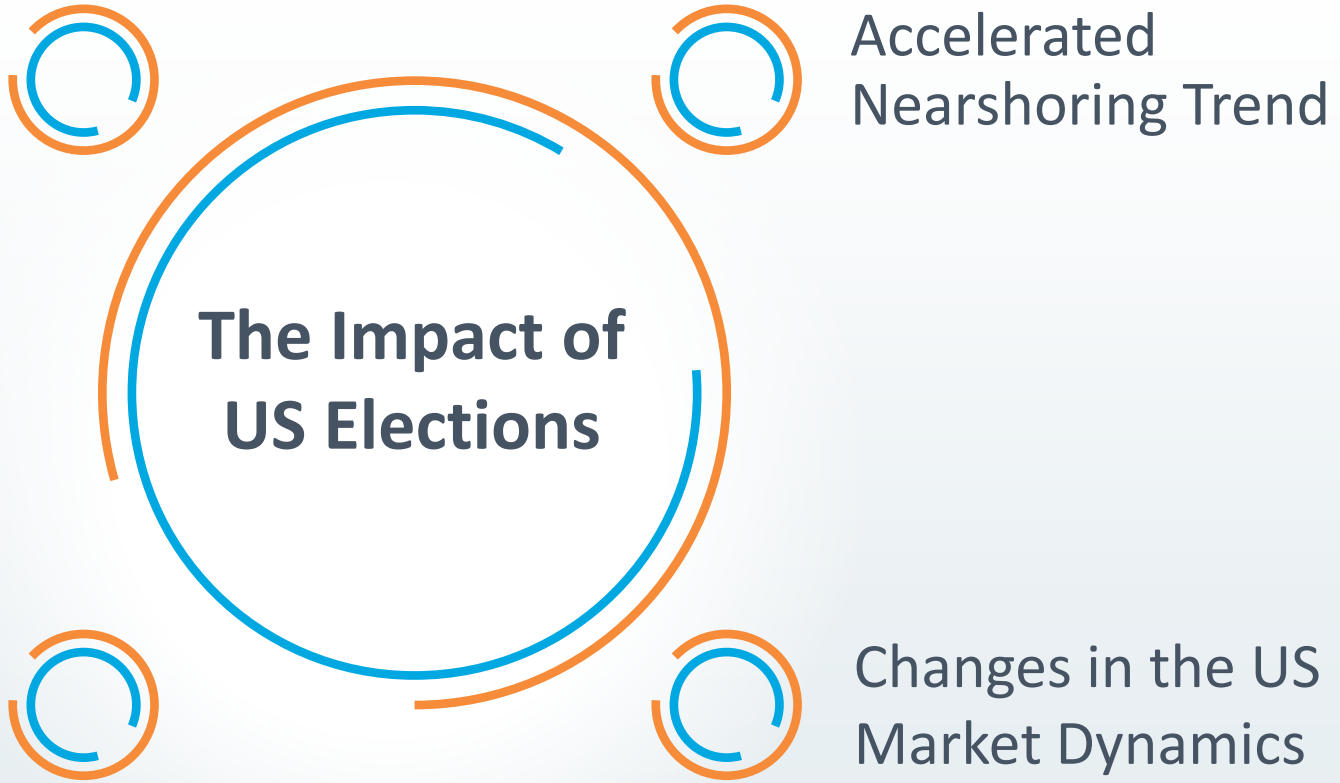
Corporate Tax Reduction

Lowering corporate income tax from 21% to 15% for US domestic production.

Immigration Control

Strict immigration measures, including deporting 11 million undocumented immigrants.

THE IMPACT OF US ELECTIONS
ON GLOBAL FREIGHT MARKET DYNAMICS



THE IMPACT OF US ELECTIONS
ON GLOBAL FREIGHT MARKET DYNAMICS

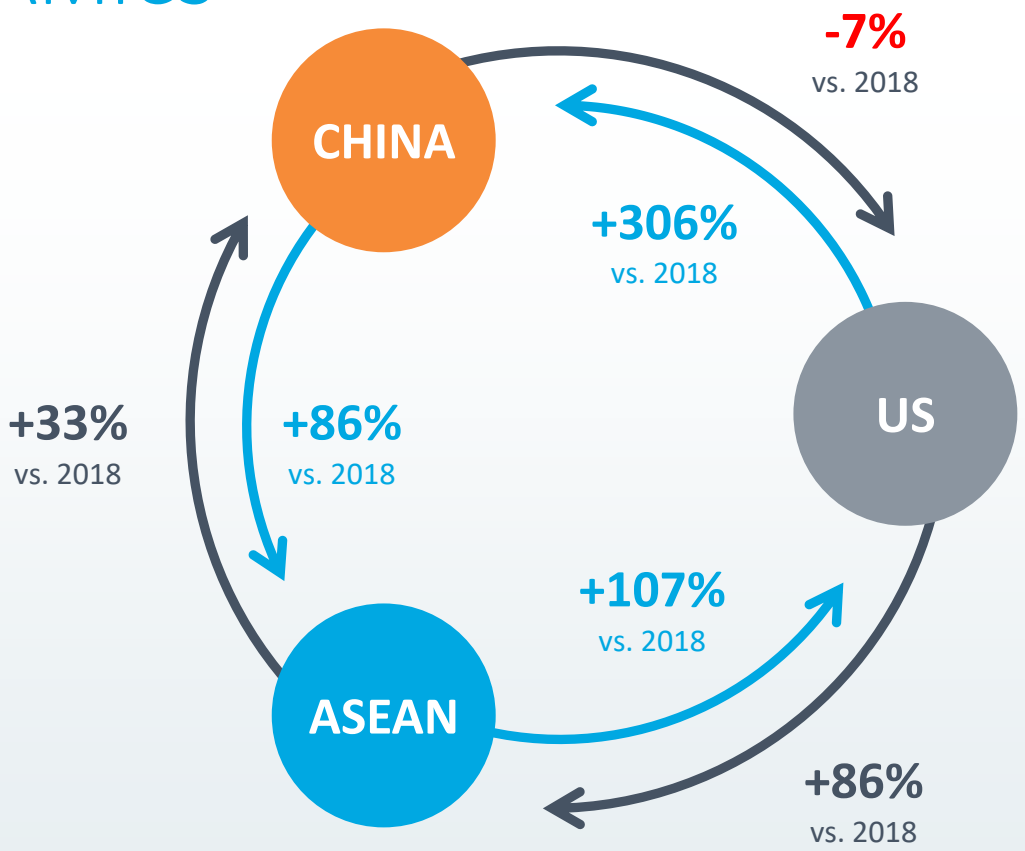
Pre-Inauguration Inventory Build Up

With Trump's inauguration scheduled for January 20, 2025, and new tariffs likely to take effect by February or March, businesses are expected to take proactive measures to avoid the financial impact of higher duties. To mitigate potential cost increases, many companies are anticipated to ramp up inventory levels over the next 2-3 months. This stockpiling will likely drive a significant increase in both air and ocean freight activity as businesses rush to import goods before the new tariffs. The rush to secure products before the tariff hikes will put pressure on logistics networks, potentially leading to tighter space and higher shipping rates. This heightened demand for freight services may also result in longer lead times as companies push for faster deliveries to fill their warehouses.

THE IMPACT OF US ELECTIONS
ON GLOBAL FREIGHT MARKET DYNAMICS

Accelerated Nearshoring Trend

The future pattern of global trade would see Southeast Asia becoming the bridge between China and the US. To circumvent high tariffs on Chinese imports, companies may accelerate their shift of manufacturing operations to Southeast Asia, particularly Vietnam, Thailand, and Malaysia. This strategy would enable businesses to obtain certificates of origin from these regions, as a portion of their production is completed there, reducing their exposure to tariffs on Chinese-made products. In addition, Southeast Asia's growing infrastructure and competitive labor costs further make it an attractive alternative for global manufacturers looking to maintain access to both the Chinese and US markets.



Source: Huatai Securities

THE IMPACT OF US ELECTIONS
ON GLOBAL FREIGHT MARKET DYNAMICS

Rising Export Volumes from Southeast Asia & India

As production shifts to Southeast Asia, raw material imports from China are expected to rise, along with exports of finished goods to the US. North Vietnam, for instance, is becoming a key electronics manufacturing hub due to its strategic location and robust trucking routes. Manufacturers in Vietnam can now apply for Vietnamese certificates of origin instead of Chinese ones, benefiting from trade advantages.

However, Southeast Asian countries will still rely on major transit hubs like Taiwan, Hong Kong, South Korea, and Japan, particularly for airfreight to the US. To adapt to these changes, carriers may adjust their pricing strategies next year in response to evolving market trends.

THE IMPACT OF US ELECTIONS ON GLOBAL FREIGHT MARKET DYNAMICS

Changes in the US Market Dynamics

Incentives for Domestic Manufacturing in the US

The proposed reduction in corporate tax rates aims to encourage companies to bring production back to the US. This shift could lead to an increase in imports of raw materials and semi-finished goods, rather than fully finished products. While domestic manufacturing in the US remains more expensive than in regions like China and Southeast Asia, the unpredictability of global shipping—such as fluctuating freight rates and unstable shipping routes—might drive companies to reconsider local production. This move could potentially give shippers more leverage in negotiations with carriers.

Economic Boost vs. Wage Pressure in the US

While lower corporate taxes are expected to boost profits, the actual benefit to the broader economy will depend on whether companies choose to reinvest in higher wages for their workforce. Given the combined pressure of tariffs and rising labor costs, maintaining consumer spending power will be crucial to prevent a widening economic gap.

AIRFREIGHT MARKET
DECEMBER

During the first three weeks of November, the air freight market remained relatively flat but started gaining momentum from November 18, with rates to the US and EU increasing significantly. E-commerce platforms had already secured capacity earlier in Q4 with direct support from airlines, leading to lower shipment volumes compared to the same period last year. December is expected to be busy during the first two weeks, driven by Black Friday sales, but starting in week 51, the market will likely slow as the traditional holiday season begins.

Kathy Liu
VP, Global Sales and Marketing
Dimerco Express Group

OCEAN FREIGHT MARKET
DECEMBER

Decline in Carrier Blank Sailings for Upcoming Weeks

US East Coast & Gulf Port Strike Impact Ripples

Spot Rates Diverge in Long-Haul and Intra-Asia Markets

Holiday Shopping Season Boosted by US Core Retail Sales

OCEAN FREIGHT MARKET
DECEMBER

Decline in Carrier Blank Sailings for Upcoming Weeks

Carrier blank sailings have decreased, with 48 cancellations planned over the next five weeks (Weeks 47-51), down from 70 last month. According to Drewry's weekly analysis on November 15, this represents a 7% cancellation rate out of 693 scheduled voyages. By trade lane, the cancellation rates are 60% on the Trans-Pacific Eastbound (TPEB), 21% on Europe Westbound, and 19% on Transatlantic Westbound. Among the cancelled sailings, THE Alliance, Ocean Alliance, and 2M are set to cancel 9, 7, and 5 sailings, respectively, while non-alliance carriers will cancel 27 voyages.

US East Coast & Gulf Port Strike Impact Ripples

The strike at US East Coast and Gulf ports in early October lasted only three days, resulting in minimal backlog issues. However, carriers continue to face challenges in recovering their schedules. The delay in returning vessels to Asia, due to extended wait times on the US side, has led to reduced capacity on key routes. As a result, all-water rates for the US East Coast and Gulf remain elevated, further widening the rate gap with the Pacific Southwest (PSW) and Pacific Northwest (PNW), which have risen from the usual USD 1,000/FEU to as much as USD 1,500/FEU or more.

OCEAN FREIGHT MARKET
DECEMBER

Spot Rates Diverge in Long-Haul and Intra-Asia Markets

Spot rates in the long-haul and intra-Asia markets have moved in opposite directions. Carriers' attempts to impose November GRI (General Rate Increase) schemes for long-haul Europe and Mediterranean Westbound (WB) routes, as well as Trans-Pacific Eastbound (TPEB), were not very successful. Some carriers are now planning additional GRIs for December, ranging from USD 1,000 to USD 1,200 per FEU, effective December 1.

In contrast, carriers in the intra-Asia market are benefiting from space constraints, which have affected nearly all intra-Asia lanes, including China-India. This follows a sharp rebound after China’s October Golden Week and disruptions caused by severe typhoons in October and November. As a result, peak season rate hikes ranging from USD 100 to USD 1,000 per TEU are expected across most intra-Asia lanes, with rates for the India-Sub Continent corridor seeing an unusually high 3 to 4 times increase over September levels. These elevated rates are expected to persist through mid-December.

OCEAN FREIGHT MARKET
DECEMBER

Holiday Shopping Season Boosted by US Core Retail Sales Uptick

An increase in US Core Retail Sales in October sets the stage for a strong kickoff to the holiday shopping season. According to the CNBC/NRF Retail Monitor, total retail sales—excluding automobiles and gasoline—rose by 0.74% month-over-month and 4.13% year-over-year in October. Additionally, as of November 13, Market Intelligence reported that US retailers plan to import 350,000 TEUs more in November and December than initially projected a month ago.

> *"The recent surge in imports is driven by two key factors: the threat of higher tariffs on Chinese goods under President Trump's administration and the potential for a second ILA strike on the East and Gulf Coasts. There is an expectation that retailers will bolster inventory ahead of the Lunar New Year on January 29, 2025. In light of this, the Global Port Tracker has raised its full-year 2024 import estimate to 25.3 million TEUs, a 13.6% increase over 2023."*

Alvin Fuh
Vice President – Ocean Freight
Dimerco Express Group

FREIGHT MARKET SITUATION

TAIWAN MARKET

Taiwan	TO ASIA		TO EUR		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate	Capacity	Rate
Air	Soft	Stable	Upturn	Stable	Upturn	Stable	Upturn	Stable
Ocean	Upturn	Stable	Upturn	Rising	Soft	Falling	Soft	Falling

Taiwan

Air	|1| Although the e-commerce boom has slowed, demand for semiconductors and servers, fueled by AI technology, continues to support air freight. Cargo volume is expected to remain stable through the end of the year. |2| Space availability on the Taipei-to-US route has improved since last month, providing more room for larger shipments and better opportunities for negotiating airfreight rates. |3| Space on the Taipei-to-India route remains tight, with bookings full through the end of November. Urgent shipments to MAA, DEL, and BOM should be booked in advance.
Ocean	|1| Demand to both USWC and USEC has decreased, with rates dropping sharply in November 2024, particularly to USWC, where rates fell by over USD 1,000 per 40'. For the EUR trade, space is tight in November due to blank sailings, leading to two rate increases during the month. |2| TPEB rates may decrease in December 2024, driven by weak demand and the upcoming Christmas holiday. Rates to major European ports are also expected to drop in December due to the availability of extra loaders. |3| For USWC, EMC will withdraw its own vessels until mid-December 2024 and utilize OOCL's services instead.

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, turndown of booking found. Consider alternatives

FREIGHT MARKET FORECAST FOR DECEMBER

CHINA MARKET

Air Freight	TO ASIA		TO EUR		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate	Capacity	Rate
East China	Upturn	Rising	Tight	Rising	Tight	Rising	Tight	Rising
North China	Upturn	Rising	Tight	Rising	Tight	Rising	Tight	Rising
South China	Upturn	Rising	Tight	Rising	Tight	Rising	Tight	Rising
Hong Kong	Upturn	Rising	Tight	Rising	Tight	Rising	Tight	Rising

Ocean Freight	TO ASIA		TO EUR		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate	Capacity	Rate
East China	Tight	Rising	Soft	Falling	Soft	Falling	Soft	Stable
North China	Tight	Rising	Soft	Stable	Soft	Stable	Soft	Stable
South China	Tight	Rising	Tight	Falling	Soft	Falling	Soft	Falling
Hong Kong	Upturn	Rising	Upturn	Stable	Upturn	Stable	Soft	Stable

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, turndown of booking found. Consider alternatives

NORTH & EAST CHINA

North China

Air	|1| Some airlines have already transitioned to winter/spring schedules, reducing flights and downsizing aircraft, leading to tighter capacity. |2| The temporary surge in e-commerce exports has further strained available capacity.
Ocean	|1| Tightening capacity to Southeast Asia, driven by surging reefer cargo demand, is expected to continue until early December. Advance booking, at least two weeks in advance, is recommended. |2| Although the US presidential election results could potentially lead to increased shipments to the US due to possible tariff changes, shippers in Northern China are cautiously monitoring the situation. As a result, the ocean market has yet to display a sense of urgency to expedite shipments.

East China

Air	|1| Boeing 747-8F aircraft from Korean Airlines has been sent for maintenance, leading to tighter space availability on the PVG to ICN route. |2| The surge in demand for the Black Friday and Christmas shopping seasons has further reduced available space and driven up freight rates.
Ocean	|1| The overall ocean freight market from East China remains sluggish. Similar to other regions in China, shippers are not showing any noticeable urgency to expedite shipments ahead of the potential tariff changes expected early next year.

SOUTH CHINA & HONG KONG

South China

Air	|1| The surge in demand during the Black Friday and Christmas shopping seasons has significantly tightened available space and driven up freight rates. Starting in November, Polar Air Cargo (PO) launched a new freighter route from Guangzhou (CAN) to New York (JFK). They have also introduced a freighter service from Shenzhen (SZX) to Cincinnati (CVG), with all flights stopping over in Los Angeles (LAX). This provides additional direct capacity to LAX.
Ocean	|1| While there are blank sailings on the USEC route, space remains available. |2| Similar to trends observed in Northern China, shippers are adopting a cautious approach, closely monitoring the situation. Consequently, the ocean freight market has yet to exhibit a sense of urgency to accelerate shipments, even in light of the presidential election results.

Hong Kong

Air	|1| Some eCommerce companies have scheduled charter flights, resulting in tighter export space from Hong Kong. The traditional peak season is expected to extend until the end of December.
Ocean	|1| Space from Hong Kong to Southeast Asia remains stable. However, congestion at Malaysia's Port Klang is causing delays of approximately three days.

CHINA – EUROPE FREIGHT TRAIN

Since late October, the most significant development impacting China-Europe cross-border rail transportation has been the Russian government's intensified inspection and control of transit goods. This has affected the operational timeliness of certain westbound trains. Following the announcement of Decrees No. 313 and No. 1374, Smolensk Customs has increased scrutiny on specific categories of goods, leading to the detention of hundreds of containers. However, goods not subject to the new regulations have cleared customs smoothly and reached their destinations without any disruptions.

Origin	Destination	T/T
Chongqing | Chengdu | Zhengzhou | Suzhou	Mala	16-19 days
Chongqing | Hefei | Chengdu	Hamburg	24-25 days
Xi'an	Duisburg	18 days

Over the past two weeks, the new Russian laws have led to a decline in shipment volumes. Among the available routes, express trains from Chengdu to Lodz and Chongqing to Hamburg, departing every Saturday, have gained popularity in the market. Additionally, the Xi'an-Duisburg express train is nearly sold out for November, with only a few remaining slots available for booking.

FREIGHT MARKET SITUATION

SOUTH KOREA MARKET

S. Korea	TO ASIA		TO EUR		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate	Capacity	Rate
Air	Upturn	Stable	Soft	Stable	Tight	Rising	Tight	Rising
Ocean	Tight	Rising	Tight	Rising	Backlog	Rising	Upturn	Stable

South Korea

Air	|1| Space to the US is currently tight, with the semiconductor industry being a major factor contributing to these constraints, expected to persist through December in the Korean market. |2| For shipments from ICN to SIN, bookings should be made at least one week in advance due to high demand and limited space. |3| For shipments from ICN to the US, bookings should be made two weeks in advance to accommodate the high demand and tight space availability.
Ocean	|1| Shipping costs on major routes have risen significantly compared to a year ago, driven by increased shipment volumes and a subsequent shortage of available vessels. The growing volume of cargo from China has further strained capacity. |2| Shipping costs for these routes have more than doubled year-on-year, primarily due to tensions in the Red Sea and the surge in global cargo demand.

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, turndown of booking found. Consider alternatives

FREIGHT MARKET FORECAST FOR DECEMBER

SOUTHEAST ASIA, INDIA & AUSTRALIA MARKET

Air Freight	TO ASIA		TO EUR		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate	Capacity	Rate
The Philippines	Soft	Stable	Upturn	Stable	Tight	Rising	Tight	Rising
Malaysia (KUL)	Upturn	Stable	Upturn	Stable	Upturn	Stable	Upturn	Stable
Malaysia (PEN)	Upturn	Stable	Tight	Rising	Tight	Rising	Tight	Rising
Vietnam	Tight	Stable	Backlog	Rising	Serious	Rising	Serious	Rising
Thailand	Upturn	Stable	Tight	Rising	Tight	Rising	Tight	Rising
Singapore	Soft	Stable	Tight	Rising	Backlog	Rising	Backlog	Rising
Indonesia	Soft	Stable	Upturn	Stable	Upturn	Stable	Upturn	Stable
Australia	Soft	Stable	Soft	Stable	Soft	Stable	Soft	Stable
India	Soft	Stable	Soft	Stable	Upturn	Stable	Upturn	Stable

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, turndown of booking found. Consider alternatives

FREIGHT MARKET FORECAST FOR DECEMBER

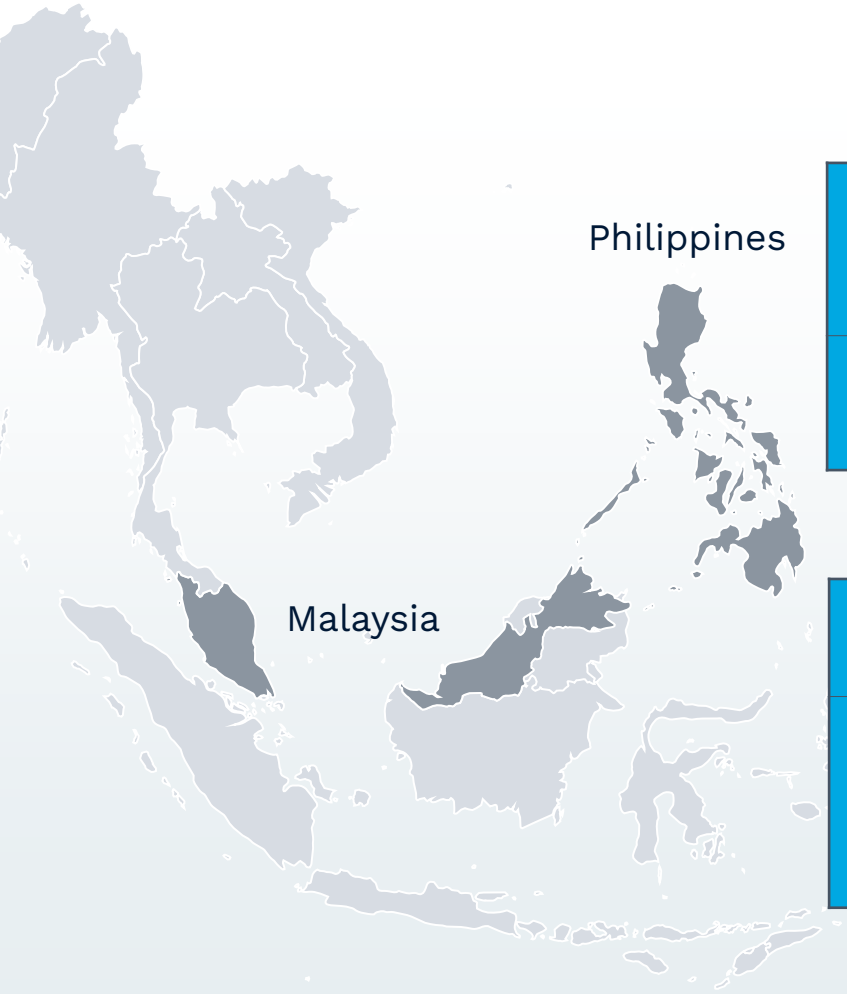
SOUTHEAST ASIA, INDIA & AUSTRALIA MARKET

Ocean Freight	TO ASIA		TO EUR		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate	Capacity	Rate
The Philippines	Soft	Stable	Tight	Rising	Tight	Rising	Tight	Rising
Malaysia (KUL)	Tight	Rising	Tight	Rising	Tight	Rising	Tight	Rising
Malaysia (PEN)	Upturn	Stable	Soft	Stable	Upturn	Stable	Upturn	Stable
Vietnam	Upturn	Stable	Tight	Rising	Soft	Falling	Upturn	Stable
Thailand	Tight	Stable	Upturn	Falling	Serious	Rising	Backlog	Rising
Singapore	Soft	Stable	Soft	Stable	Soft	Stable	Soft	Stable
Indonesia	Tight	Stable	Tight	Rising	Upturn	Rising	Upturn	Rising
Australia	Upturn	Stable	Upturn	Stable	Upturn	Stable	Upturn	Stable
India	Soft	Stable	Soft	Falling	Soft	Falling	Soft	Falling

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, turndown of booking found. Consider alternatives

FREIGHT MARKET SITUATION

SOUTHEAST ASIA



Philippines

Air	|1| Overall capacity and rates from Manila remain stable. However, securing long-haul shipments to the US is challenging due to limited space allocation. Carriers are offering ad hoc rates comparable to express rates, a trend likely to persist through December. Booking at least three days in advance with a confirmed shipping schedule is strongly recommended to secure space.
Ocean	|1| Seasonal demand in the Philippines during December is driving rate increases and creating space constraints for long-haul shipments. |2| Upcoming holidays to note include December 24–25 (Christmas) and December 30–31 (Bonifacio Day and New Year's) which may have limited staffing during the period.

Malaysia

Air	|1| Several shippers are rushing the export their last quarter orders for US and Europe before the Christmas Holidays.
Ocean	|1| Ocean export activity from Penang remains stable. |2| In Kuala Lumpur, persistent port congestion and vessel delays are tightening space availability to all destinations as exporters accelerate shipments ahead of the year-end and Christmas holidays. Shippers are encouraged to book space 2–3 weeks in advance. |3| Shippers should be aware of increasing cancellation charges being enforced by carriers for canceled bookings.

SOUTHEAST ASIA

Thailand

Air	|1| There is limited space to meet the demand for US shipments, requiring advance bookings of at least 2 days.|2| Starlux (JX) has launched new US routes this month, including SEA, SFO, LAX, and JFK, which may help accommodate the growing demand for US-bound shipments.|3| For Europe exports, space remains tight with high rates. However, the demand is lower compared to US-bound shipments.|4| Over the past months, there have been reports of cargo damage due to inadequate packaging during the rainy season. It is recommended to use more durable packaging and document the cargo with photos to support damage claims if necessary.|5| Currently, more exports are being processed through the BFS warehouse due to its superior management system compared to the TG warehouse. The TG warehouse is now focused on imports, transit items, and other cargo, leading to delays in managing new shipments.
Ocean	|1| Space and capacity levels have remained relatively stable compared to last month. |2| For Intra – Asia, pre-booking is required at least 1–2 weeks in advance, which aligns with the current standard. |3| For Europe, demand for space is decreasing. Pre-booking is now required at least 1 week in advance, down from 2–3 weeks last month with rates decreased by 10%. |4| For USWC, space remains backlogged, requiring pre-booking at least 3–4 weeks in advance to secure availability. This backlog is expected to persist till early December with rates up by 5%. |5| For USEC, space is tight, with pre-booking also required at least 3–4 weeks in advance. Ocean freight rates have similarly increased by 5%. |6| Thailand will observe public holidays on December 5th and 10th, during which terminals will be closed. It is advisable to plan shipments to avoid these dates.

FREIGHT MARKET SITUATION

SOUTHEAST ASIA

Singapore

Air	|1| The upcoming festive season is seeing an increasing demand leading to higher rates and lesser capacity for long haul shipments.
Ocean	|1| The ocean export market out from Singapore remains soft which is expected to maintain till the end of 2024 as most shippers already have their inventories replenished in advance.

Vietnam

Air	|1| As Vietnam prepares for the upcoming Lunar New Year in January, freight rates are rising, and capacity is becoming increasingly constrained. For long-haul shipments, it is advisable to book 7–10 days in advance to secure space.
Ocean	|1|Ocean freight rates to Europe saw a sharp increase in early November due to capacity shortages and multiple sailing cancellations since late October. While rates have decreased slightly, space remains tight, requiring case-by-case evaluation. This is expected to continue into December.

Indonesia

Air	|1| As the holiday season approaches, cargo space on passenger aircraft is limited to prioritize baggage. However, demand for cargo space has seen a decrease compared to last month. |2| It is advisable to avoid shipping cargo during the Christmas and New Year holidays to prevent incurring additional storage costs.
Ocean	|1| Ocean freight capacity is limited as the New Year approaches, particularly on intra-Asia and European routes. For US routes, the space is stable with only a slight increase in rates. In Indonesia, most exporters use ocean freight as mode of transport with only urgent cargo using air freight.

AUSTRALIA AND INDIA

Australia

Air	|1| The air freight rates are expected to hold steady till the end of the year, with a potential to further decrease during the holiday season. |2| Several Australian exporters are using air freight to ship last-minute high-value holiday season goods.
Ocean	|1| Port strikes in November, extending into December, have caused significant delays and congestion in Fremantle Port (Perth). Empty container management remains a major issue, with delays in container returns and surcharges being implemented by some transport companies.|2| To address the post-Christmas capacity oversupply, carriers are likely to implement additional blank sailings, which may further delay exports. |3| Exporters are strongly advised to be flexible with their scheduling to mitigate risks during this challenging period.

India

Air	|1| Current rates remain stable to all destinations, but an expected Christmas rush could lead to an increase in rates.
Ocean	|1| Most Christmas and New Year orders from India have likely already been shipped, as customers typically avoid cargo arrivals during the holiday period due to potential disruptions.

FREIGHT MARKET FORECAST FOR DECEMBER

NORTH AMERICA

Air Freight	TO ASIA		TO EUR	
	Capacity	Rate	Capacity	Rate
USWC (LAX)	Soft	Stable	Soft	Stable
USWC (SFO)	Soft	Stable	Soft	Stable
US Central (ORD)	Soft	Falling	Soft	Falling
USEC (NYC)	Soft	Stable	Soft	Stable
Canada (VAN)	Soft	Stable	Soft	Stable
Canada (TOR)	Soft	Stable	Soft	Stable

Ocean Freight	TO ASIA		TO EUR	
	Capacity	Rate	Capacity	Rate
USWC (LAX)	Soft	Stable	Soft	Stable
USWC (SFO)	Soft	Stable	Soft	Stable
US Central (ORD)	Soft	Stable	Soft	Stable
USEC (NYC)	Soft	Stable	Soft	Stable
Canada (VAN)	Soft	Falling	Soft	Falling
Canada (TOR)	Soft	Stable	Soft	Stable

NORTH AMERICA

Los Angeles (LAX)

Air	|1| For shipments to the Asia-Pacific region, carriers are not facing significant capacity constraints, aside from occasional disruptions caused by typhoons. |2| Capacity to the LATAM region is tight, with carriers sometimes only accepting priority services due to flight cancellations and resulting capacity limitations.
Ocean	|1|Port congestion is expected to persist throughout the holiday season, with potential additional costs for stop-offs, storage, and chassis rentals. |2| Terminal conditions vary across facilities, making it challenging to secure appointments for both pull-outs and returns, depending on the specific terminal's circumstances.

Chicago (ORD)

Air	The airline terminals are experiencing congestion, which may lead to possible detentions.
Ocean	Feeder vessel availability to Southeast Asia is very limited, so it’s recommended to book with multiple carriers to secure options. For imports, the dwell time from the port of discharge to container loading onto rail is expected to take approximately 2–3 weeks.

NORTH AMERICA

New York (NYC)

Ocean	|1| APM and GCT are facing significant congestion, with congestion fees ranging from $100 to $200. |2| Empty container returns are challenging due to a lack of available appointments at the terminals.

Toronto (YYZ)

Air	|1| Airlines are offering spot rates for shipments to the Asia-Pacific region for weights of 500kg and above. |2| Air Canada will resume direct flights from YYZ to PEK and increase frequency to PVG. |3| For air imports, expect terminal congestion due to the upcoming holiday season. Additionally, with Canada Post on strike, customers are seeking alternative methods to ship their goods.
Ocean	|1| Due to strikes at the Vancouver and Montreal ports, several vessels have been unable to handle export cargo. Exports will resume, but port congestion and delays are expected. |2| Both Montreal and Vancouver ports have been ordered to return to work following a CIRB ruling on binding arbitration, prompted by the Federal Government's Labor Minister. While operations have resumed, recovery is slow, and both ports and rail lines are heavily backlogged. It is expected to take weeks to clear the backlog. Delays on all incoming shipments are anticipated throughout the rest of the year. For urgent inland rail containers to Toronto or Montreal, ERS is recommended. |3| Vessel rotations are delayed due to re-routing caused by the strikes. Expect blank sailings and delays for new vessels traveling from Asia to North America as sailing schedules recover.

FREIGHT MARKET FORECAST FOR DECEMBER

EUROPE

Air Freight	TO ASIA		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate
The Netherlands	Soft	Falling	Soft	Falling	Soft	Falling
Germany	Soft	Stable	Backlog	Rising	Backlog	Rising
United Kingdom	Soft	Falling	Soft	Falling	Soft	Falling

Ocean Freight	TO ASIA		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate
The Netherlands	Soft	Rising	Soft	Rising	Soft	Rising
Germany	Soft	Stable	Backlog	Rising	Backlog	Rising
United Kingdom	Soft	Falling	Soft	Falling	Soft	Falling

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, turndown of booking found. Consider alternatives

EUROPE

Europe

Air	|1| Airlines are strategically reallocating capacity to high-demand routes, particularly from the Asia Pacific to North America and Europe, in preparation for the upcoming holiday shopping season. As a result, booking times may extend to several weeks, and anticipated uplifts are likely to be delayed.
Ocean	|1| In November, demand for Asia-North Europe shipments is expected to remain strong due to limited capacity caused by blank sailings. Additionally, the Chinese New Year peak will occur earlier this year, driven by longer transit times around Southern Africa. |2| Houthi rebels have been sending targeted, well-researched threatening emails to maritime contacts, focusing on vessels calling at Israeli ports or transiting high-risk regions such as the Red Sea, Bab al-Mandab, Gulf of Aden, Arabian Sea, and the Indian Ocean. Ships with perceived ties to Israel are marked as potential targets. In response, German shipowners are rerouting vessels around Africa, causing nearly two-week delays and increased operational costs.

MEXICO

Air Freight	TO ASIA		TO EUR		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate	Capacity	Rate
Mexico North	Upturn	Stable	Upturn	Stable	Soft	Stable	Soft	Stable
Mexico Central	Tight	Stable	Upturn	Stable	Soft	Stable	Soft	Stable
Mexico South	Upturn	Stable	Upturn	Stable	Soft	Stable	Soft	Stable
Mexico North: MTY/ATL | Mexico Central: MEX/NLU/GDL/VER | Mexico South: ZLO/LZC/CUN/MID								

Ocean Freight	TO ASIA		TO EUR		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate	Capacity	Rate
Mexico North	Upturn	Stable	Upturn	Stable	Upturn	Stable	Upturn	Stable
Mexico Central	Upturn	Stable	Upturn	Stable	Upturn	Stable	Upturn	Stable
Mexico South	Tight	Stable	Tight	Stable	Tight	Stable	Tight	Stable
Mexico North: MEX/ALT | Mexico Central: MEX/NLU/GDL/VER | Mexico South: ZLO/LZC/CUN/MID								

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, turndown of booking found. Consider alternatives

MEXICO

Mexico

Air	|1| E-commerce platforms such as AliExpress, Temu, and Shein have significantly boosted air trade between China and Mexico. From January to July 2024, air imports from China to Mexico surged by 550% compared to 2021, reaching 89,786 tons. |2| New air routes now connect Shanghai, Shenzhen, and Zhengzhou to Mexico City's Felipe Ángeles International Airport (NLU), with charter flights playing a pivotal role in meeting demand. This surge has also led to the establishment of new warehouses in key Mexican cities, improving logistics efficiency and delivery times. |3| The de minimis exemption for low-value goods has simplified direct imports, further accelerating trade growth between the two nations.
Ocean	|1| Hutchison Ports has successfully completed a $2,300 million peso expansion of its multipurpose terminal in Ensenada, which began in February 2023, without disrupting container operations. In 2023, the terminal handled 462,176 TEUs, with demand expected to grow further due to nearshoring trends. The expansion included a 300-meter dock extension, technological upgrades, and the addition of new equipment, including a Super Post Panamax gantry crane and two RTG electric cranes. These enhancements boost Hutchison Ports' competitiveness along the Northwest Pacific Coast, supporting businesses in Tijuana, Mexicali, and strengthening connections with the Southern California and Texas markets.

WHAT TO WATCH

Philippines Cuts Corporate Taxes to Boost Foreign Investments

On November 11, 2024, Philippine President Ferdinand Marcos announced a reduction in corporate taxes from 25% to 20% and introduced new fiscal incentives aimed at attracting foreign investment. The new law also permits companies to implement "work-from-home" arrangements for up to half their workforce. Despite a 2023 foreign direct investment of $6.2 billion, the Philippines lags behind regional competitors like Singapore and Indonesia. The law seeks to address hurdles such as high-power costs and infrastructure issues, while boosting the manufacturing sector's competitiveness.

Xi-Biden Talks: Navigating Tensions Ahead of Trump's Return

In a meeting on November 16, 2024, Chinese President Xi Jinping and US President Joe Biden discussed key issues, including cybercrime, trade, Taiwan, the South China Sea, and Russia. Biden emphasized the importance of continuing direct talks, despite the challenges ahead with the incoming Trump administration. Xi reaffirmed China's desire for stable relations with the US and addressed concerns over Taiwan and military tensions. The conversation also touched on global issues such as North Korea's alliance with Russia and cyberattacks linked to China

Singapore and Germany Forge Stronger Ties with Strategic Partnership

Singapore and Germany have elevated their bilateral relations to a strategic partnership, aiming to boost peace, stability, and prosperity in the Asia-Pacific region. The announcement was made at the G20 summit in November 2024. The partnership will focus on five key areas: defense, trade and the digital economy, climate action, science and innovation, and cybersecurity. Both countries emphasized their commitment to multilateralism and sustainability, with new initiatives in clean energy, digitalization, and green technologies

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