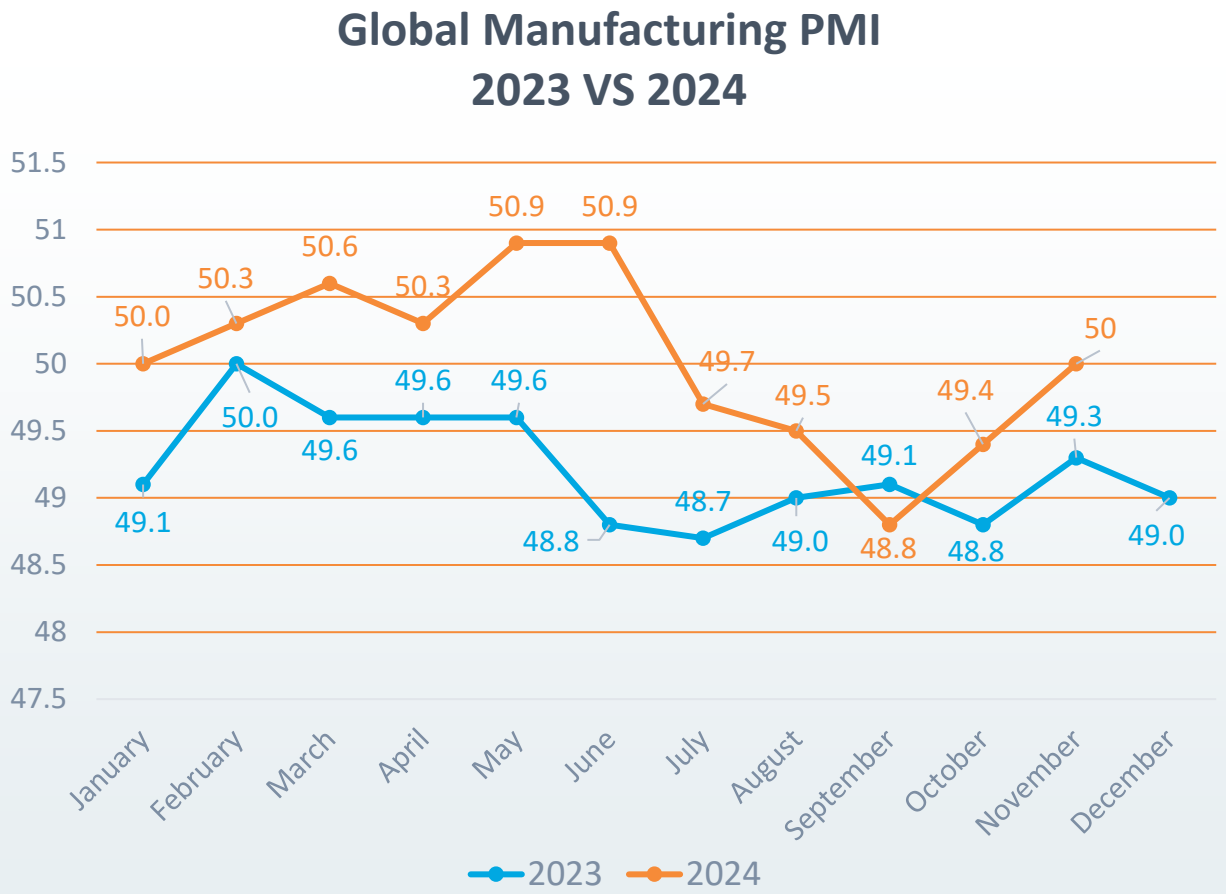
# ASIA PACIFIC FREIGHT REPORT

January 2025

DIMERCO

# ECONOMIC INDICATORS
## JANUARY

The Global Manufacturing PMI saw a modest increase, rising from 49.4 in October to 50.0 in November.




Source: S&P Global PMI

# ECONOMIC INDICATORS

## ASIA PACIFIC MANUFACTURING PMI

| Manufacturing Purchasing Managers Index (PMI) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | | | | | | | | | |
| | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov |
| Global | 49.3 | 49.0 | 50.0 | 50.3 | 50.6 | 50.3 | 50.9 | 50.9 | 49.7 | 49.5 | 48.7 | 49.4 | 50.0 |
| USA | 49.4 | 47.9 | 50.7 | 52.2 | 51.9 | 50.0 | 51.3 | 51.6 | 49.6 | 47.9 | 47.3 | 48.5 | 49.7 |
| China | 50.7 | 50.8 | 50.8 | 50.9 | 51.1 | 51.4 | 51.7 | 51.8 | 49.8 | 50.4 | 49.3 | 50.3 | 51.5 |
| Taiwan | 48.3 | 47.1 | 48.8 | 48.6 | 49.3 | 50.2 | 50.9 | 53.2 | 52.9 | 51.5 | 50.8 | 50.2 | 51.5 |
| Hong Kong | 50.1 | 51.3 | 49.9 | 49.7 | 50.9 | 50.6 | 49.2 | 48.2 | 49.5 | 49.4 | 50.0 | 52.2 | 51.2 |
| Japan | 48.3 | 47.9 | 48.0 | 47.2 | 48.2 | 49.6 | 50.4 | 50.0 | 49.1 | 49.8 | 49.7 | 49.2 | 49.0 |
| S. Korea | 50.0 | 49.9 | 51.2 | 50.7 | 49.8 | 49.4 | 51.6 | 52.0 | 51.4 | 51.9 | 48.3 | 48.3 | 50.6 |
| Singapore | 50.3 | 50.5 | 50.7 | 50.6 | 50.7 | 50.5 | 50.6 | 50.4 | 50.7 | 50.9 | 51.0 | 50.8 | 51.0 |
| Vietnam | 47.3 | 48.9 | 50.3 | 50.4 | 49.9 | 50.3 | 50.3 | 54.7 | 54.7 | 52.4 | 47.3 | 51.2 | 50.8 |
| Malaysia | 47.9 | 47.9 | 49.0 | 49.5 | 48.4 | 49.0 | 50.2 | 49.9 | 49.7 | 49.7 | 49.5 | 49.5 | 49.2 |
| Philippines | 52.7 | 51.5 | 50.9 | 51.0 | 50.9 | 52.2 | 51.9 | 51.3 | 51.2 | 51.2 | 53.7 | 52.9 | 53.8 |
| Indonesia | 51.7 | 52.2 | 52.9 | 52.7 | 54.2 | 52.9 | 52.1 | 50.7 | 49.3 | 48.9 | 49.2 | 49.2 | 49.6 |
| Thailand | 47.6 | 45.1 | 46.7 | 45.3 | 49.1 | 48.6 | 50.3 | 51.7 | 52.8 | 52.0 | 50.4 | 50.0 | 50.2 |
| India | 56.0 | 54.9 | 56.5 | 56.9 | 59.1 | 58.8 | 57.5 | 58.3 | 58.1 | 57.5 | 56.5 | 57.5 | 56.5 |
| Australia | 47.7 | 47.6 | 50.1 | 47.8 | 47.3 | 49.6 | 49.7 | 47.2 | 47.5 | 48.5 | 46.7 | 47.3 | 49.4 |

*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
## JANUARY

### Global Growth Steady with US and China Leading

Global PMI reached a 3-month high in November, aligning with the expected 2.7% growth for 2024. The US led with its strongest growth since April 2022, while the Eurozone saw a decline due to political instability. Japan and Australia experienced minimal growth, while India continued to outperform other BRIC countries with the highest growth. China also saw a boost, reaching a 5-month high in growth, driven by government support and stronger exports.

# AIRFREIGHT OUTLOOK
## JANUARY

### 2025 Airline Rate Increases and Market Uncertainty

- For 2025, airlines have announced a 10% increase in contract rates for both long-haul and Intra-Asia routes. However, market rates remain lower than in 2023. Trade between Asia and the US, particularly with China, remains uncertain due to potential tariffs and regulations under the Trump administration.

### China-Taiwan Trade Growth in 2025

- China-Taiwan trade will be a key growth area in 2025, driven by frequent cargo flights, proximity, and Taiwan's mature production lines for semiconductors and consumer electronics. More parts will be shipped from China to Taiwan for assembly, then sent to the US to avoid potential tariffs.

# AIRFREIGHT OUTLOOK

## JANUARY

*Starting mid-December, we've seen a significant uptick in cargo volumes, particularly for consumer electronics. This is unusual, as the market typically slows down after December 5. However, this year, the peak is expected to extend all the way to late January, just ahead of Chinese New Year. What's interesting is how general cargo has avoided the usual October-November eCommerce rush to better optimize capacity and costs—this could indicate a new trend going in to 2025.*

*At the same time, many shippers are rushing to move stock via air freight from China to the US, hoping to beat potential tariff increases before January 20 under the Trump administration. This has created a surge in demand, pushing capacity to critical levels.*

Kathy Liu
VP, Global Sales and Marketing
Dimerco Express Group

# OCEAN FREIGHT MARKET
## JANUARY

### Port Strike and Tariffs Push 2024 Cargo Projections Higher

- A tentative wage agreement with US East and Gulf Coast dock workers was reached on October 3rd, but talks on technology and automation stalled in November, increasing the risk of a strike after January 15th.
- New tariffs from President Trump could shift global supply chains, with shippers likely frontloading cargo to avoid high tariffs.
- Due to the factors above, Global Port Tracker raised 2024 projections to 25.6 million TEUs, a 14.8% increase from 2023 and surpassing 2022's 25.5 million TEUs.

### Drewry Reports 81 Cancellations Amid Blank Sailings

- Drewry reports 81 cancellations out of 722 scheduled voyages over the next 5 weeks (11% cancellation rate).
- Cancellations by lane: 52% on TPEB, 15% on Europe/Med WB.
- Carrier cancellations: THE (17), OA/2M (14), non-Alliance liners (37). Increased voyage blanking and early Chinese New Year (Jan 28) lead to potential GRI launches in mid-December and pre-Lunar New Year in January.

# OCEAN FREIGHT MARKET
## JANUARY

### Freight Rate Trends and Market Outlook for Asia/Europe WB

- By year-end, major BCO will review their long-term Europe WB rates with carriers.
- Carriers aim to maintain high spot rates to support long-term rates.
- Economic challenges in the Eurozone and hopes for the Suez Canal reopening may delay Asia/Europe WB rate renewals.

> *With Chinese New Year arriving earlier this year on January 28, coupled with a significant influx of cargo rushing to avoid high tariffs, we saw most carriers pulling back their special bullet rates and returning to higher spot rates last week. In the intra-Asia sectors, rates peaked in early December. The key question now is whether these elevated rates will remain stable through Chinese New Year, and it will be interesting to monitor how this plays out in the coming weeks.*

**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 | Upturn | Stable | Tight | Rising | Tight | Rising | Tight | Rising |
| Ocean | Upturn | Stable | Upturn | Stable | Upturn | Rising | Upturn | Rising |

## Airfreight

- AI chips and server shipments make up the majority of Taiwan's import/export demand.
- US tariff policies raise airfreight rates for US, EU, and SIN routes.
- Taipei to US: Space tight, rates rising with direct bookings available only after Dec. 25. Urgent shipments will require express rate.
- Taipei to India: Full bookings for MAA, DEL, BOM; early booking needed for urgent shipments.
- Fuel surcharge increase effective December 16, 2024: TC I & II at TWD 32/kg.

## Ocean Freight

- U.S. routes are tight due to route adjustments and blank sailings, with December bookings full. Europe routes at 80-90% capacity.
- Starting December 15, 2024, U.S. freight rates will rise due to increased cargo volume before new tariffs, with the U.S. West Coast increasing by USD 2000/40’ and the U.S. East Coast by USD 1000/40’.
- Rates may rise further in January 2024. Advance booking recommended.

| 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 JANUARY

# CHINA MARKET



| Air Freight | TO ASIA | | TO EUR | | TO USEC | | TO USWC | |
|---|---|---|---|---|---|---|---|---|
| | Capacity | Rate | Capacity | Rate | Capacity | Rate | Capacity | Rate |
| East China | Soft | Stable | Soft | Stable | Soft | Stable | Soft | Stable |
| North China | Tight | Stable | Tight | Stable | Tight | Stable | Tight | Stable |
| South China | Soft | Stable | Soft | Stable | Soft | Stable | Soft | Stable |
| Hong Kong | Tight | Rising | Tight | Rising | Tight | Stable | Tight | Stable |

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

| 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 & SOUTH CHINA

## North China

| | |
|---|---|
| **Air** | • Rates to Europe and the US remain high with tight capacity due to increased demand, but relief is expected after New Year's Day.<br>• Rates on S.E.A routes are stable and declining slightly, with no major fluctuations anticipated after the New Year.<br>• Korean Air reports full bookings from Tianjin to Chicago until the end of December, leaving no room for temporary cargo. Customers should plan ahead to avoid delays.<br>• Japan Airlines canceled a flight from Tianjin, resulting in unusually high space demand. |
| **Ocean** | • Intra-Asia capacity is tight, while EU and US capacity is soft. Rates remain stable across these routes.<br>• Cargo volume surge is expected leading up to the Chinese Lunar New Year. |

## East China

| | |
|---|---|
| **Air** | • China Cargo Airlines canceled all freight flights for the third week of December, with recovery time yet to be confirmed.<br>• Korean Air announced new requirements for lithium batteries starting in 2025. |
| **Ocean** | • In the US lane, shipping companies raised rates in late December to counter a possible strike at USEC ports in January.<br>• In Europe lanes, demand was stable, and rates stayed the same, with a slight increase in the Mediterranean market. |

# NORTH & SOUTH CHINA

## South China

| | |
|---|---|
| **Air** | • Rates will rise until the third week of December, then slightly drop. Capacity will ease in January due to the Chinese Lunar New Year and the end of e-commerce promotions.<br>• China Cargo Airlines canceled freighter flights from SZX to LAX/STN from Dec. 16th to 31st due to crew issues.<br>• ANA will cancel freighter flights from CAN to NRT on Dec. 28th/31st and Jan. 1st–6th. |
| **Ocean** | • Carriers plan to raise freight rates sharply after Dec. 15th, but rates may drop if demand is low.<br>• In mid-January, there's a higher risk of a strike at USEC, so some goods may be sent to USWC first and then moved to USEC by rail. |

## Hong Kong

| | |
|---|---|
| **Air** | • Cargo demand has sharply increased on Asia and EUR lanes, but flight cancellations have caused tight capacity and rising rates.<br>• In the US market, rates are expected to stay stable in January before Chinese Lunar New Year, with charters helping to manage demand and maintain tight capacity. |
| **Ocean** | • Space to Southeast Asia is tight, but port congestion in Malaysia is causing delays of about a week.<br>• For the US lanes, carriers are fully booked until the 2nd week of January 2025, and rates continue to rise. |

# CHINA – EUROPE FREIGHT TRAIN

- Starting from the second week of December, Russia expanded its inspection scope.
- Transportation demand from Central and Northern China to Europe remains weak.
- Some platforms have adjusted booking rates, and shipping space is relatively abundant.
- Bookings for late December are still available, though some trains from Xi'an have experienced delays and rescheduling.

| Origin | Destination | T/T |
|---|---|---|
| Xi’an | Duisburg | 20 |
| Yiwu | Duisburg | 25 |
| Chongqing/Chengdu | Mala | 18-19 |
| Chengdu | Milan | 24 |
| Zhengzhou | Belgrade | 28 |

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 | Upturn | Stable | Upturn | Stable |

## Airfreight

- Space to the US is tight due to increased China exports and CES-related (Centralized Examination Station) cargo, with bookings needing 2 weeks advance notice.
- Snow in Korea caused delays on Asia-ICN lanes, but conditions improved by mid-December.
- For ICN to SIN, book at least 1 week in advance due to high year-end demand.
- Fuel surcharge will rise slightly from Dec. 16 to Jan. 15 for TC1, TC2, and TC3 at ICN.

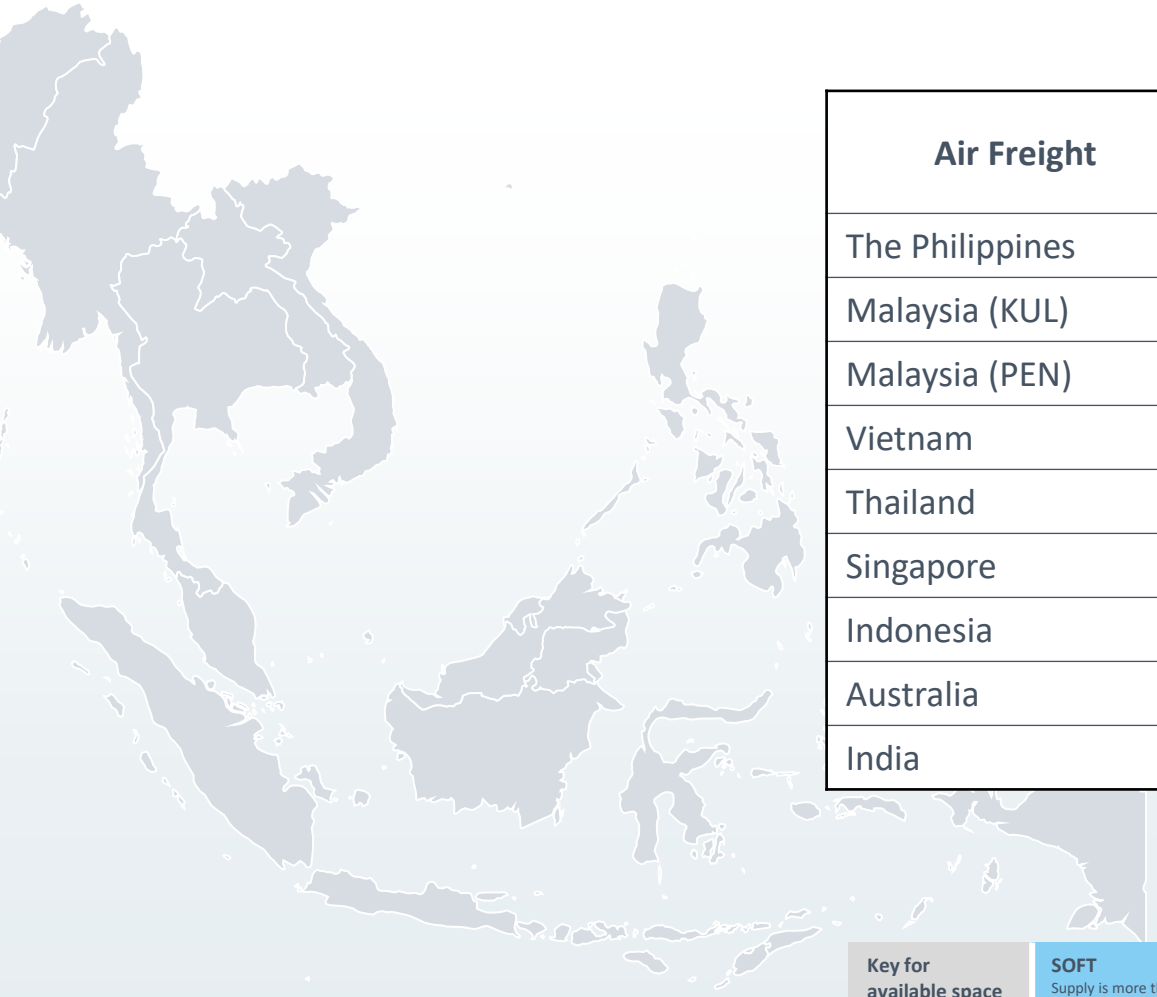
## Ocean Freight

- Rates are increasing in the Asia & EU markets, while the US market rates are fluctuating.
- Carriers are attempting GRI on the KR-US lane, but rates remain unstable due to low cargo volume.

| 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 JANUARY

# SOUTHEAST ASIA, INDIA & AUSTRALIA MARKET

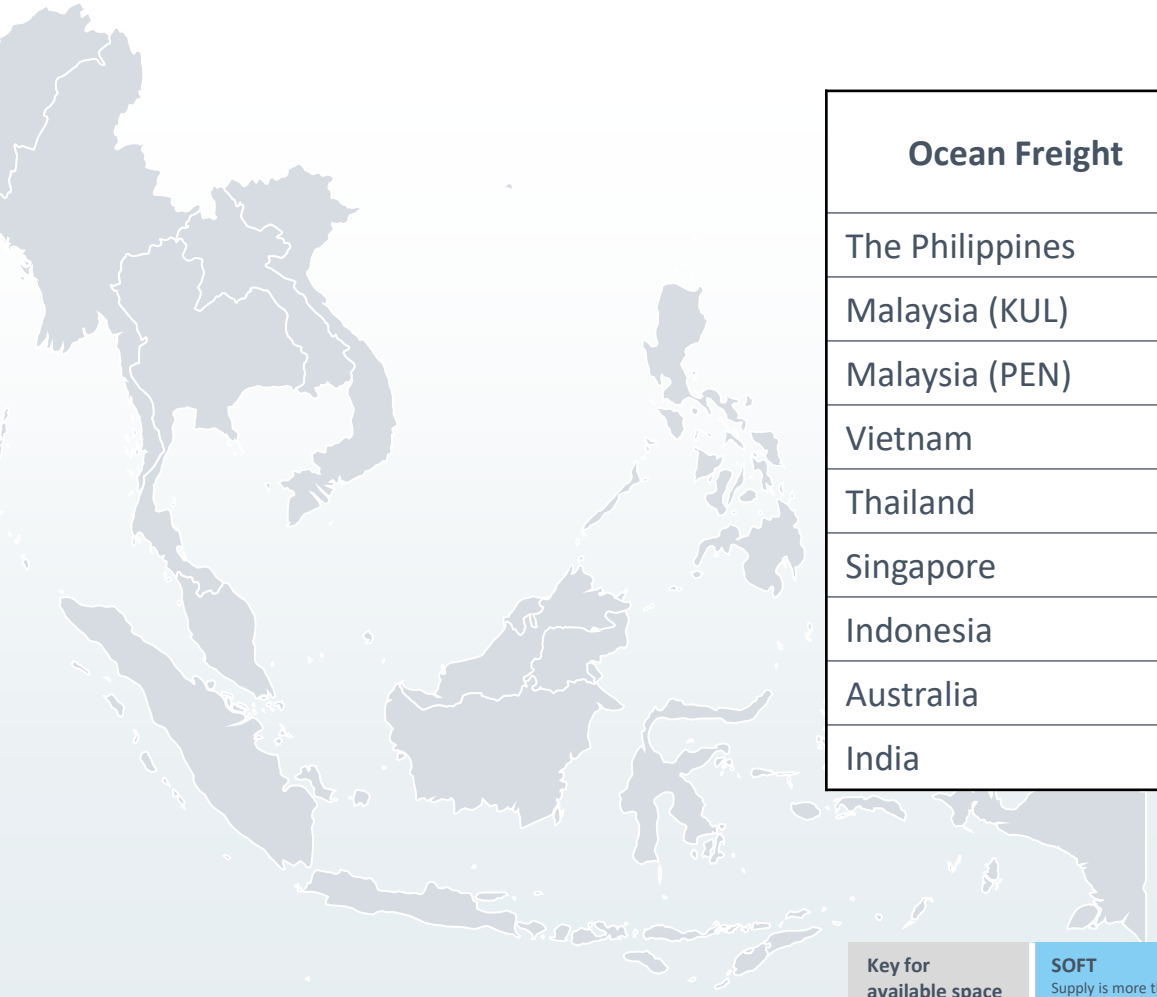


| Air Freight | TO ASIA | | TO EUR | | TO USEC | | TO USWC | |
|---|---|---|---|---|---|---|---|---|
| | Capacity | Rate | Capacity | Rate | Capacity | Rate | Capacity | Rate |
| The Philippines | Soft | Stable | Upturn | Stable | Tight | Rising | Tight | Rising |
| Malaysia (KUL) | Tight | Rising | Upturn | Stable | Upturn | Stable | Upturn | Stable |
| Malaysia (PEN) | Upturn | Stable | Tight | Rising | Tight | Rising | Tight | Rising |
| Vietnam | Upturn | 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 | Tight | Rising | Tight | Rising | Tight | Rising |
| Australia | Upturn | Rising | Upturn | Rising | Upturn | Rising | Upturn | Rising |
| 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 JANUARY

# SOUTHEAST ASIA, INDIA & AUSTRALIA MARKET

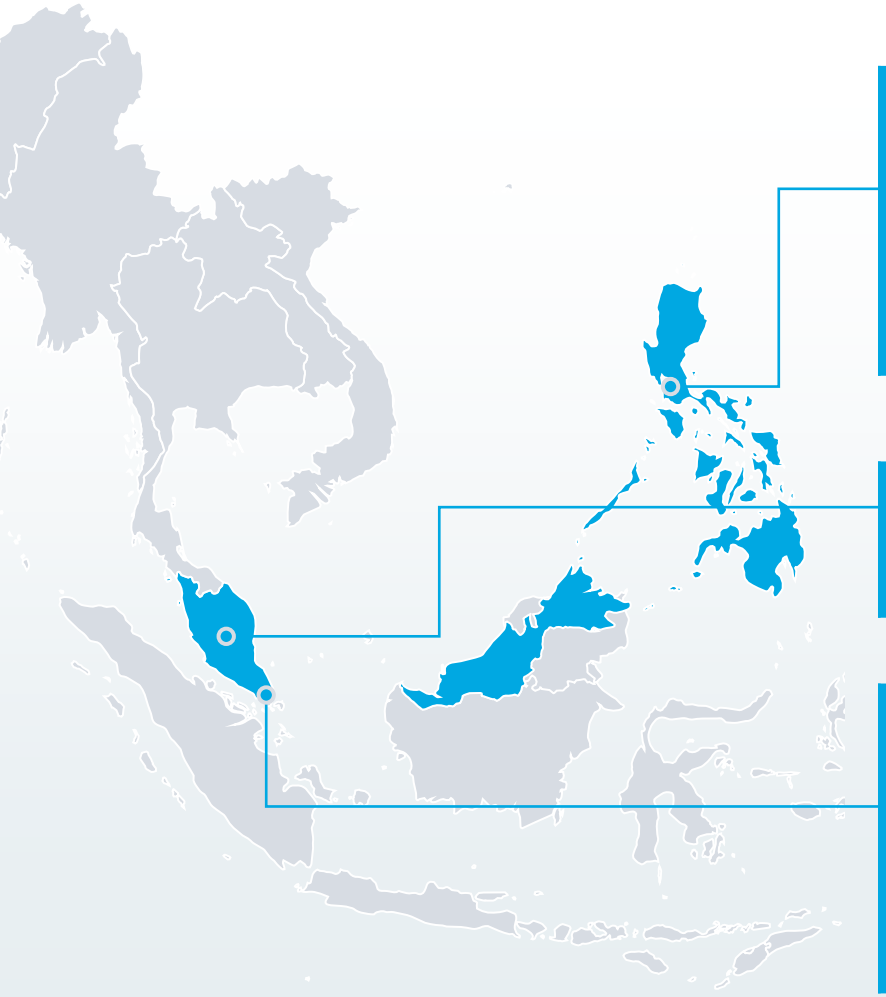


| Ocean Freight | TO ASIA | | TO EUR | | TO USEC | | TO USWC | |
|---|---|---|---|---|---|---|---|---|
| | Capacity | Rate | Capacity | Rate | Capacity | Rate | Capacity | Rate |
| The Philippines | Upturn | Stable | Upturn | Rising | Upturn | Rising | Upturn | Rising |
| Malaysia (KUL) | Tight | Rising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

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

FREIGHT MARKET SITUATION

# SOUTHEAST ASIA



**Philippines**

| | |
|---|---|
| Air | • Expected tight capacity in Jan from pre-Lunar New Year demand.<br>• Potential rate hikes with rising US demand. |
| Ocean | • Intra-Asia rates are stabilizing.<br>• Long-haul rates are still fluctuating.<br>• Container yard operations and container returns have shown improvement compared to the previous month. |

**Malaysia**

| | |
|---|---|
| Air & Ocean | • Shipments may see a slight dip in early January from Kuala Lumpur, but are expected to increase as preparations for Chinese New Year begin.<br>• Port Klang continues to be congested, with delays of up to 1 week. |

**Singapore**

| | |
|---|---|
| Air | • Tight space is expected due to the year-end backlog and festive season.<br>• Rate increases expected in early 2025. |
| Ocean | • Carriers and port calls are on schedule, with space available<br>• Rates from Singapore will remain stable in January 2025.<br>• To avoid port storage charges, arrange shipments to/from China, East Asia, and Southeast Asia before or after the holiday period. |

FREIGHT MARKET SITUATION

# SOUTHEAST ASIA

## Vietnam

| | |
|---|---|
| Air & Ocean | • Lunar New Year in Vietnam is from Jan 25 to Feb 2.<br>• Ocean rates to JKT have increased, with space overbooked.<br>• Ocean capacity to US route is stable, but it is recommended to reserve 2-3 weeks before ETD for JKT and US shipments. |

## Thailand

| | |
|---|---|
| Air | • High congestion at TG and BFS warehouses, especially TG, is causing inspection errors. Wrapping and storing small items together can prevent loss and save time.<br>• US rates have increased by up to $5. |
| Ocean | • Intra-Asia and US routes remain constrained<br>• Europe rates dropped by 10% while US rates increased by 5%.<br>• Terminal congestion is expected during the New Year. |

## Indonesia

| | |
|---|---|
| Air | • Rates are expected to rise in mid-January ahead of Chinese New Year. |
| Ocean | • Tight space to India and Europe with rate increases.<br>• US rates have risen, but space is ample. |

# AUSTRALIA AND INDIA

## Australia

| | |
|---|---|
| Air & Ocean | • Demand on Asia-Oceania routes is expected to increase due to the holiday season and upcoming Chinese New Year preparations in late January. |

## India

| | |
|---|---|
| **Air** | • Rates are currently stable but may increase due to the Christmas rush.<br>• Advance planning is needed for the Christmas season. |
| **Ocean** | • Carriers are back to regular weekly schedules, and space is available.<br>• Most Christmas and New Year orders are already shipped out.<br>• Shippers are avoiding deliveries during Christmas and New Year holidays. |

# USA MARKET SITUATION

North American air cargo demand has shown consistent growth through the end of Q4, driven by rising e-commerce and shippers moving goods ahead of potential changes under the new administration. While 2024 looks promising for air cargo, caution is needed for 2025. The incoming Trump Administration may impose significant tariffs on key trade partners like Canada, China, and Mexico, which could disrupt global supply chains and hurt consumer confidence. According to Willie Walsh, IATA's director general, the air cargo industry's adaptability will be tested by evolving geopolitical and economic challenges, including issues in the Middle East, Ukraine, and EU/NATO uncertainties, along with a possible ILWU strike in mid-January. Carriers are likely to capitalize on these developments.

FREIGHT MARKET FORECAST FOR JANUARY

# NORTH AMERICA

| Air Freight | TO ASIA | | TO EUR | |
|---|---|---|---|---|
| | Capacity | Rate | Capacity | Rate |
| USWC (LAX) | Tight | Rising | Upturn | Rising |
| USWC (SFO) | Upturn | Stable | Soft | Stable |
| US Central (ORD) | Upturn | Stable | Soft | Stable |
| 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) | Tight | Rising | Tight | Rising |
| USWC (SFO) | Upturn | Stable | Soft | Stable |
| US Central (ORD) | Upturn | Stable | Soft | Stable |
| USEC (NYC) | Soft | Stable | Soft | Stable |
| Canada (VAN) | Soft | Stable | Soft | Stable |
| Canada (TOR) | Soft | 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 |

FREIGHT MARKET SITUATION

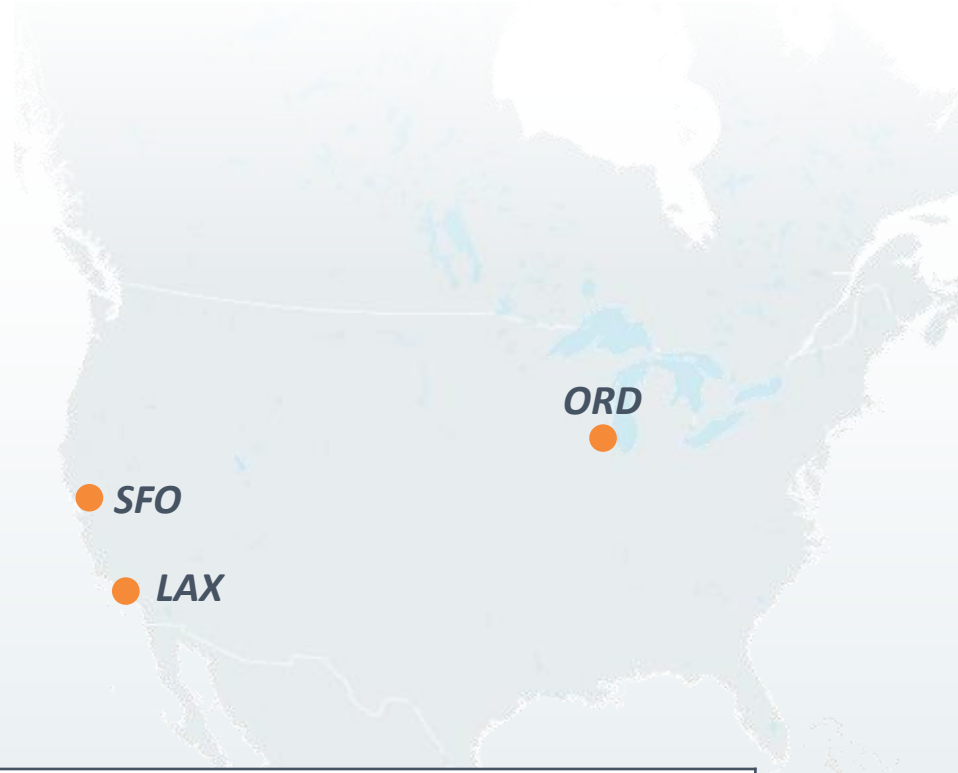
# NORTH AMERICA

## San Francisco (SFO)

| | |
|---|---|
| **Air** | • Rate to Asia is rising and soft demand for outbound to Asia Pacific except space to PEN and SIN remains tight.<br>• Import demand increased due to the possible tariff increases. Suggest to book early and in advance. |

## Los Angeles (LAX)

| | |
|---|---|
| **Air** | • Winter weather has led to reduced payload and capacity, with a greater impact expected in February after the Lunar New Year.<br>• Qatar Air has no plans to return freighters to LAX, causing rate increases from other carriers due to limited main deck capacity. |
| **Ocean** | • A potential strike on the East Coast may impact rates and capacity on the West Coast. |




## Chicago (ORD)

| | |
|---|---|
| **Air** | • Rates and capacity to China are open, with the only capacity issue being Chongqing, where delays are occurring on the second flight with CI/BR/CX.<br>• There are no capacity issues for exports from ORD, but import airline terminals are semi-congested. |
| **Ocean** | • Rates and capacity are stable, but demand is picking up. |

FREIGHT MARKET SITUATION

# NORTH AMERICA

## Dallas (DFW)

| | |
|---|---|
| **Air** | • Space is tighter as customers rush to move shipments before year-end, so it is advisable to book space earlier. |
| **Ocean** | • Upcoming strikes may lead to price hikes and port congestion, so it is recommended to pre-book early, especially for containers. |

## New York (NYC)

| | |
|---|---|
| **Air** | • New tariffs may affect the trend, and carriers could raise rates if there is not enough inbound cargo to offset the deficits.<br>• Fuel rates are expected to remain the same for January 2025. |
| **Ocean** | • Holidays (Christmas & New Year) will significantly impact capacity and rates, with congestion and labor shortages as side effects.<br>• It is recommended to review and adjust customs and compliance procedures due to upcoming duty rate changes and new regulations after January 20, 2025. |

## Toronto (YYZ)

| | |
|---|---|
| **Air** | • Rates and capacity are stable, but delays are expected due to winter conditions. |
| **Ocean** | • Ocean export is slow, with the overall market remaining stable and rates staying low. This situation is expected to continue into Q1 2025.<br>• Political changes in January may affect the trade partnership between the US and Canada.<br>• There is no need to book more than 1-2 weeks in advance, as space is soft and rates are stable. |

## FREIGHT MARKET FORECAST FOR JANUARY

# EUROPE

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

| 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 | Stable | 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



## Air Freight

- Transatlantic rates have risen due to reduced capacity and the winter season.
- Strong European imports from the Middle East are driven by sea-air volumes and Red Sea disruptions.

## Ocean Freight

- Spot rates from Asia to North Europe and the Mediterranean rose in December due to rate hikes and pre-Lunar New Year demand.
- Rates are expected to drop after January as European demand weakens.

# MEXICO



| Air Freight | TO ASIA | | TO EUR | | TO USEC | | TO USWC | |
|---|---|---|---|---|---|---|---|---|
| | Capacity | Rate | Capacity | Rate | Capacity | Rate | Capacity | Rate |
| Mexico North | Upturn | Stable | Tight | Rising | Upturn | Stable | Upturn | Stable |
| Mexico Central | Upturn | Stable | Tight | Rising | Upturn | Stable | Upturn | Stable |
| Mexico South | Upturn | Stable | Upturn | Stable | Soft | Stable | Soft | Stable |
| Mexico North: MTY/ALT \| Mexico Central: MEX/NLU/GDL/VER \| Mexico South: ZLO/LSC/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 | Backlog | Rising | Backlog | Rising | Backlog | Rising | Backlog | Rising |
| Mexico North: MTY/ALT \| Mexico Central: MEX/NLU/GDL/VER \| Mexico South: ZLO/LSC/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

## Air Freight

- Air trade between Mexico and Asia is expected to grow due to economic recovery and e-commerce.
- Mexico is upgrading airport infrastructure to support increased air cargo.
- Airlines plan to add more cargo flights between Mexico and Asia.
- New technologies and efficient practices will improve cargo handling for Asian routes.

## Ocean Freight

- MSC is expanding maritime routes between Mexico and Asia to meet growing trade demand.
- The US-Mexico corridor offers opportunities for businesses to improve supply chain efficiency through collaboration and digital tools.

# WHAT TO WATCH

## Chinese New Year 2025 Supply Chain Disruptions Loom

The upcoming Chinese New Year in 2025 falls on January 29th. Public holidays in China will span from January 28th to February 4th, during which factories typically shut down for celebrations. This extended closure can significantly disrupt global supply chains, leading to production halts and shipping delays. Shippers should proactively plan by scheduling orders well in advance, securing necessary inventory, and coordinating closely with logistics partners to mitigate potential disruptions during this period.

## ILA Strike Threatens Port Disruptions on Global Supply Chain

The International Longshoremen's Association (ILA) has warned of a potential strike starting January 15, 2025, if a contract isn't reached. This could lead to widespread port closures and significant supply chain disruptions, with estimated economic losses of up to $7.5 billion per week. Businesses should plan ahead, explore alternative ports or routes, secure additional inventory, and stay updated on developments to mitigate the strike's potentially severe economic impact.

## The Impact of Trump Inauguration on Global Supply Chains

The Trump administration's inauguration in 2025 could bring changes to tariffs and trade regulations, potentially disrupting cross-border business between the US, Mexico, and Canada. New tariffs or shifts in trade policies may impact supply chains, leading to increased costs and delays. Businesses should stay informed on policy changes and consider adjusting logistics strategies, such as exploring alternative suppliers or transportation routes, to mitigate any disruptions caused by these changes.

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marketing@dimerco.com

www.dimerco.com

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