ASIA PACIFIC FREIGHT REPORT

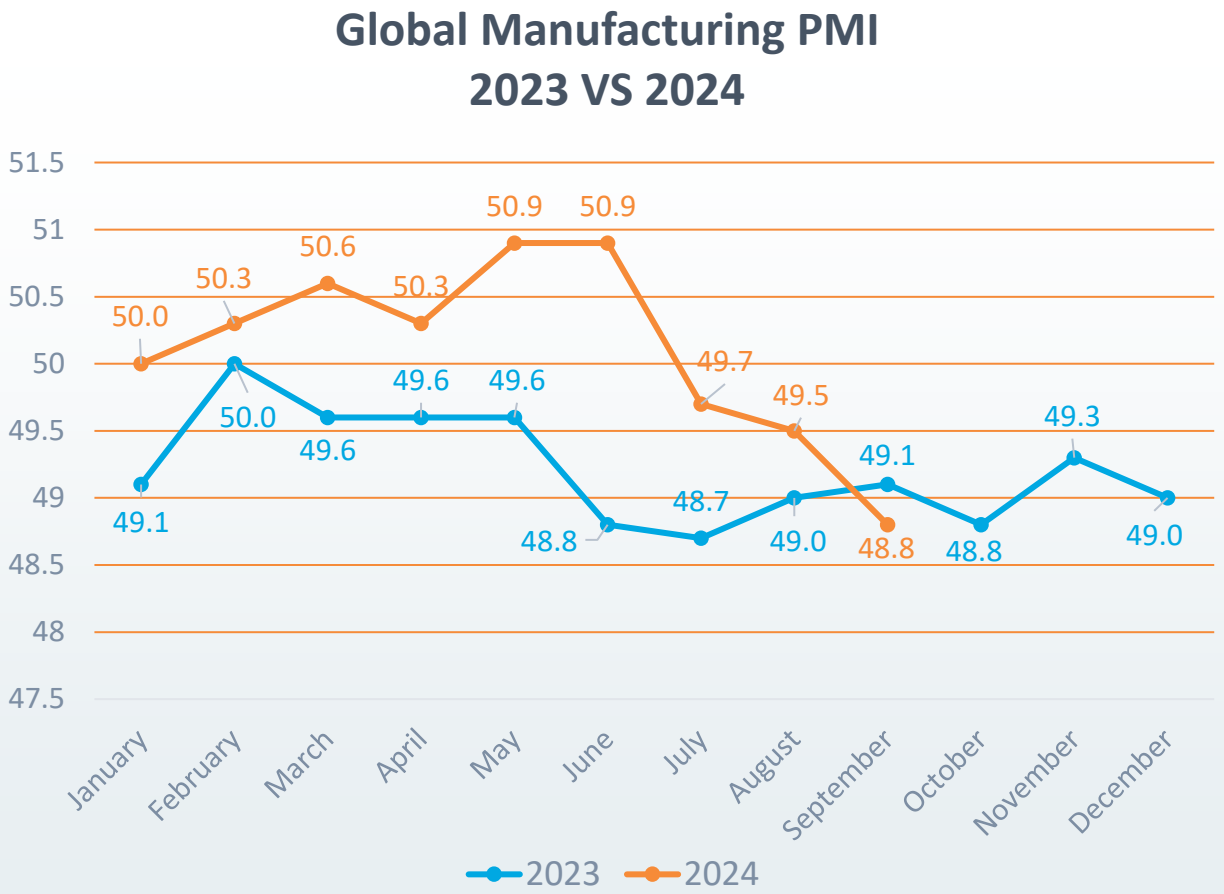
November 2024

DIMERCO

ECONOMIC INDICATORS
NOVEMBER

The Global Manufacturing PMI dropped from 49.5 to 48.8 in September.

For the first time this year, the index dipped below the same month's levels from last year, signaling a more pronounced slowdown in global manufacturing activity.



Source: S&P Global PMI

ECONOMIC INDICATORS

ASIA PACIFIC MANUFACTURING PMI

Manufacturing Purchasing Managers Index (PMI)													
	2023				2024								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Global	49.1	48.8	49.3	49.0	50.0	50.3	50.6	50.3	50.9	50.9	49.7	49.5	48.8
USA	49.8	50.0	49.4	47.9	50.7	52.2	51.9	50.0	51.3	51.6	49.6	47.9	47.3
China	50.6	49.5	50.7	50.8	50.8	50.9	51.1	51.4	51.7	51.8	49.8	50.4	49.3
Taiwan	46.4	47.6	48.3	47.1	48.8	48.6	49.3	50.2	50.9	53.2	52.9	51.5	50.8
Hong Kong	49.6	48.9	50.1	51.3	49.9	49.7	50.9	50.6	49.2	48.2	49.5	49.4	50.0
Japan	48.5	48.7	48.3	47.9	48.0	47.2	48.2	49.6	50.4	50.0	49.1	49.8	49.7
S. Korea	49.9	49.8	50.0	49.9	51.2	50.7	49.8	49.4	51.6	52.0	51.4	51.9	48.3
Singapore	50.1	50.2	50.3	50.5	50.7	50.6	50.7	50.5	50.6	50.4	50.7	50.9	48.3
Vietnam	49.7	49.6	47.3	48.9	50.3	50.4	49.9	50.3	50.3	54.7	54.7	52.4	47.3
Malaysia	46.8	46.8	47.9	47.9	49.0	49.5	48.4	49.0	50.2	49.9	49.7	49.7	49.5
Philippines	50.6	52.4	52.7	51.5	50.9	51.0	50.9	52.2	51.9	51.3	51.2	51.2	53.7
Indonesia	52.3	51.5	51.7	52.2	52.9	52.7	54.2	52.9	52.1	50.7	49.3	48.9	49.2
Thailand	47.8	47.5	47.6	45.1	46.7	45.3	49.1	48.6	50.3	51.7	52.8	52.0	50.4
India	57.5	55.5	56.0	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5
Australia	48.7	48.2	47.7	47.6	50.1	47.8	47.3	49.6	49.7	47.2	47.5	48.5	46.7

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
NOVEMBER

Global Growth Slows as Manufacturing Declines

The Global PMI Composite Output Index fell from 52.8 in August to 52 in September, reflecting weakened demand and reduced trade flows worldwide. Forward-looking indicators, such as slower growth in emerging markets, suggest a further economic slowdown may be expected in Q4. The Emerging Market PMI Output Index dropped from 52.1 in August to 51.1 in September.

Among the BRIC (Brazil, Russia, India, China) economies, three out of four continued expanding by the end of Q3, with Russia entering contraction in September. India remained the fastest-growing BRIC economy, though its growth slowed to the weakest pace since November 2023. China saw only a slight expansion, marking its smallest growth in 11 months.

Projections indicate that global economic growth for FY 2024 will likely be around 2.5%, below the pre-pandemic average GDP growth of 3.1% over the previous decade.

AIRFREIGHT OUTLOOK
NOVEMBER

The traditional peak season has begun in mid-October, immediately following China's Golden Week holiday. Alongside eCommerce growth, the launch of new electronic goods and products has driven prices upward. Capacity within intra-Asia routes is currently extremely limited, as airlines allocate a greater portion of first-leg allotments to long-haul shipments due to higher revenue potential. November is anticipated to be the peak month of 2024, particularly for shipments destined for the US and Europe.

Kathy Liu
VP, Global Sales and Marketing
Dimerco Express Group

OCEAN FREIGHT MARKET

NOVEMBER

US East Coast & Gulf Port Strike Ended Sooner Than Expected

US Core Retail Sales Dip Slightly

Carriers Reduce Blank Sailing Deployments Significantly

OCEAN FREIGHT MARKET
NOVEMBER

US East Coast & Gulf Port Strike Ends Sooner Than Expected

On October 3rd, the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) announced they reached an agreement to end the port strike by extending the current labor contract until January 15, 2025. Originally, carriers anticipated the strike would be widespread, affecting 45,000 dockworkers across 36 ports—the largest since 1977—but it surprisingly lasted only three days.

With expectations that the ports can clear the backlog from the strike in about three weeks, carriers have quickly reduced rates for the US East Coast, eliminating the usual rate gap of around $1,000 per FEU compared to the US West Coast in October.

OCEAN FREIGHT MARKET
NOVEMBER

US Core Retail Sales Dip Slightly

In September, US core retail sales experienced a slight month-over-month decline after seven consecutive months of growth. Consumer spending has become more cautious due to uncertainties stemming from geopolitical tensions, the presidential election outcome, anticipated port strikes, and ongoing inflation concerns. According to the CNBC/NRF Retail Monitor, total retail sales—excluding automobiles and gasoline—fell by 0.32% month-over-month but were up 0.55% year-over-year.

Fortunately for retailers, the operational stoppage at East Coast and Gulf ports lasted only three days. Although it may take a few weeks to clear the backlog of shipments, the National Retail Federation (NRF) continues to forecast that retail sales for FY 2024, excluding automobiles, gasoline, and restaurants, will grow between 2.5% and 3.5% compared to 2023. This would bring total sales to approximately 24.9 million TEUs, just shy of the peaks of 25.8 million TEUs in 2021 and 25.5 million TEUs in 2022.

OCEAN FREIGHT MARKET
NOVEMBER

Carriers Reduce Blank Sailing Deployments Significantly

Carriers have reduced blank sailing deployments to 70 voyages over the next five weeks (Weeks 43–47), a notable shift from the extensive blank-sailing strategies previously implemented during and after the Golden Week in China. According to Drewry's weekly analysis on October 18th, 70 sailings will be canceled out of the originally scheduled 692 voyages, resulting in a cancellation rate of 10%. Cancellation rates by lane are significant, with 61% on the Transpacific Eastbound (TPEB), 24% on Europe Westbound, and 14% on Transatlantic Westbound. In addition to these sailing reductions, carriers are also implementing General Rate Increases (GRI) effective November 1st, leading to rate hikes of more than 18% for TPEB and 40% for Europe/Med Westbound

> *We anticipate that ocean freight rates, whether for long-haul or intra-Asia, will experience significant fluctuations, swinging dramatically between highs and lows as we approach Christmas and New Year.*

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	Upturn	Rising	Upturn	Rising

Airfreight

- Demand for e-commerce goods has decreased, but the artificial intelligence and high-speed computing industries continue to drive exports.
- For shipments to the U.S., carriers are offering more room for negotiation on large-volume shipments as space improves.
- In contrast, shipments to India remain tight, with full bookings expected to continue into November. Urgent shipments to Chennai, Delhi, and Mumbai will incur higher rates.
- Additionally, there will be a fuel surcharge adjustment of TWD 32/kg for TC I and II, and TWD 11/kg for TC III.

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

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	Upturn	Rising	Upturn	Rising

Ocean freight

- Demand for shipments to the US and Europe has risen as carriers continue to implement blank sailings to keep ocean freight rates stable.
- Carriers have announced a General Rate Increase (GRI) effective November 1 for both Trans-Pacific Eastbound (TPEB) and European routes, reflecting positive booking trends for the month. Ocean freight rates may rise at the beginning of November, but could stabilize later in the month, depending on booking activity after mid-November.

USWC (Pacific North West)	No Blank Sailing	USEC	THE: 2nd week of Nov. 2024
USWC (Pacific South West)	No Blank Sailing	Europe	THE: 2nd week of Nov. 2024

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FREIGHT MARKET FORECAST FOR NOVEMBER

CHINA MARKET

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

Key for available space	SOFT	UPTURN	TIGHT	BACKLOG	SERIOUS
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CHINA MARKET SITUATION

NORTH & SOUTH CHINA

North China

Air	|1| After the golden week holiday, airfreight demand has risen, leading to increased rates for shipments to Europe and the US. |2| There is a space backlog from Tianjin to Europe and the US. It's advisable to book at least a week in advance to secure your shipment. |3| From October 13 to December, Asiana Airlines (OZ) will increase its freighter flights from Seoul to Tianjin.
Ocean	|1| Space to Southeast Asia has been tightening since mid-October, with particularly limited capacity to Indonesia due to increased shipments of reefer cargo. This trend is expected to continue through November. It's advisable to book space at least two weeks in advance. |2| For India trade lane, MSC and WHL have scheduled blank sailings at the end of October, leading to higher rates. |3| Space to the US West Coast is becoming constrained due to ongoing blank sailings.

South China

Air	|1| The volume of e-commerce shipments has increased in anticipation of holiday sales like 11.11, Black Friday, and Christmas, resulting in higher rates and limited space.
Ocean	|1| There is an increase in shipment volume on Southeast Asia lanes, accompanied by rising rates.

EAST CHINA & HONG KONG

East China

Air	|1| The overall airfreight market from East China is on an upward trend. |2| For Southeast Asia lanes, the rate has doubled compared to the previous month. |3| There is a space backlog caused by large shipments of electronics. It is recommended to book at least 1-2 weeks in advance before departure.
Ocean	|1| From East China to all destinations, carriers are announcing price increases for November due to blank sailings and businesses beginning to stockpile inventory in preparation for the holidays.

Hong Kong

Air	|1| For US lanes, airlines are cancelling their special rates for large volume cargo as the peak season approaches. |2| The space from Hong Kong to Singapore and Taipei is tight due to e-commerce shipments.
Ocean	|1| From Hong Kong to Southeast Asia, the space is stable. However, the congestion in Malaysia's Port Klang is causing delays of 1-2 days.

CHINA – EUROPE FREIGHT TRAIN

The Kazakhstan Railway Company has announced that maintenance work on the Dostyk-Moynt section will continue until the end of 2024. Additionally, factors such as slower speeds on the broad-gauge railway, weight limits, and extreme weather conditions have made it difficult to turn over locomotives and wagons at the China-Kazakhstan border. This has further reduced the efficiency of reloading operations. As a result, transshipment times have increased: Khorgos, Alashankou, and Erlianhot now take 7 to 15 days, while Manzhouli takes about 5 to 10 days. Reloading in Brest/Mala requires around 5 to 7 days.

For the European Bound Route, rates remain stable compared to last month, although space is slightly tight. It is recommended to book at least two weeks in advance.

Origin	Destination	T/T
Xi'an	Duisburg(express)	18-19
Changsha,Zhengzhou	Mala	20-22
Chongqing/Chengdu/Hefei	Duisburg	22-24
Chengdu	Milan	28
Zhengzhou	Munich	34

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	Soft	Falling	Soft	Falling	Soft	Falling	Soft	Falling

Air Freight

- Space constraints for shipments to the US remain tight, primarily driven by high demand from the semiconductor industry, with this trend expected to persist through December in the Korean market.
- For routes from ICN to SIN, bookings should be made at least one week in advance, while shipments to the US require bookings two weeks ahead due to limited availability.
- The fuel surcharge at ICN is set to decrease between October 16 and November 15 for IATA traffic conference areas TC1, TC2, and TC3.

Ocean Freight

- Shipping costs from South Korea to the EU have decreased by 14.7%, marking the first drop in five months, while rates on the South Korea-Vietnam route fell by 11.1%, the first decline in eight months.
- Despite these recent decreases, shipping expenses for both routes have more than doubled compared to the previous year, driven by ongoing tensions in the Red Sea region and an increase in global cargo volumes.

Key for available space	SOFT	UPTURN	TIGHT	BACKLOG	SERIOUS
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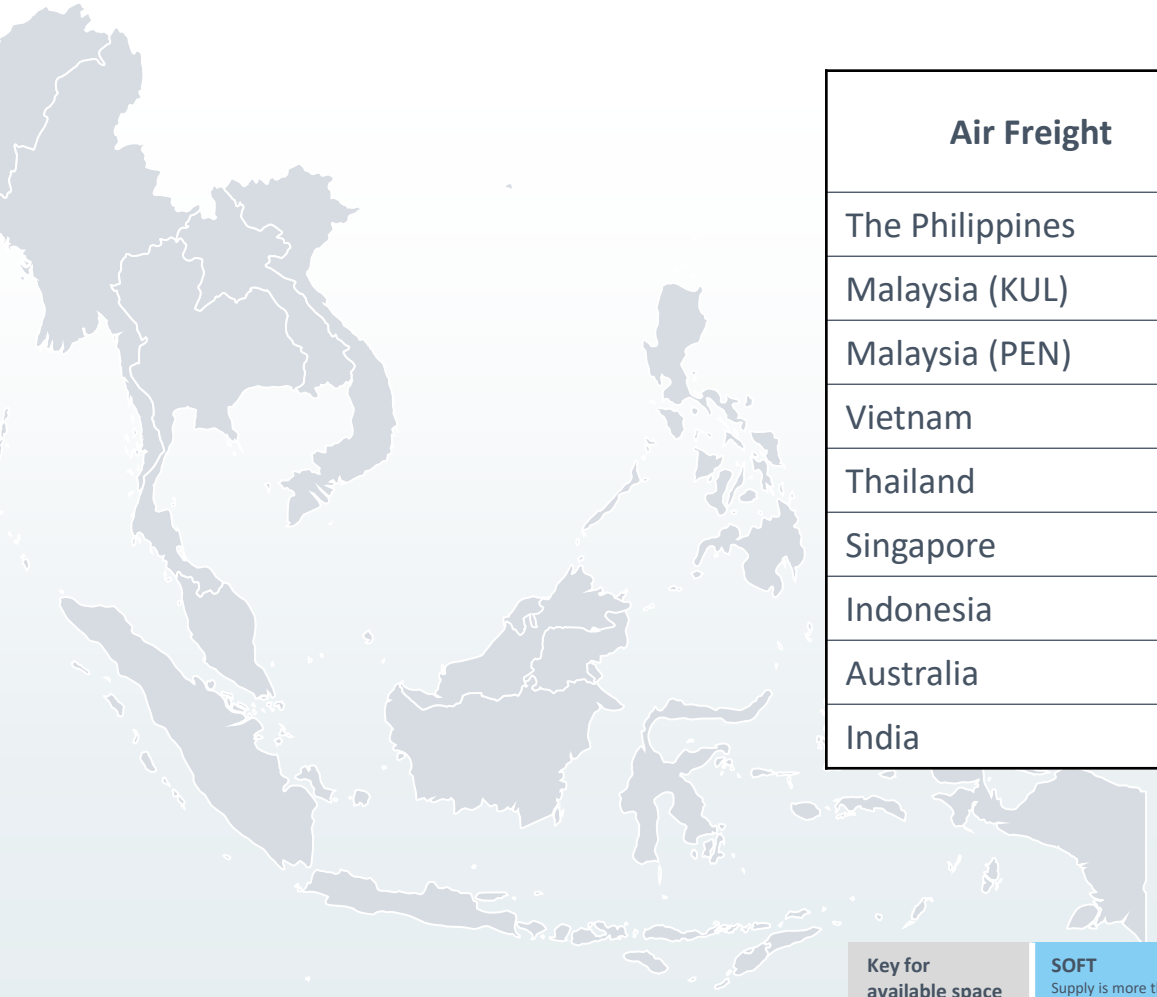
FREIGHT MARKET FORECAST FOR NOVEMBER

SOUTHEAST ASIA, INDIA & AUSTRALIA MARKET

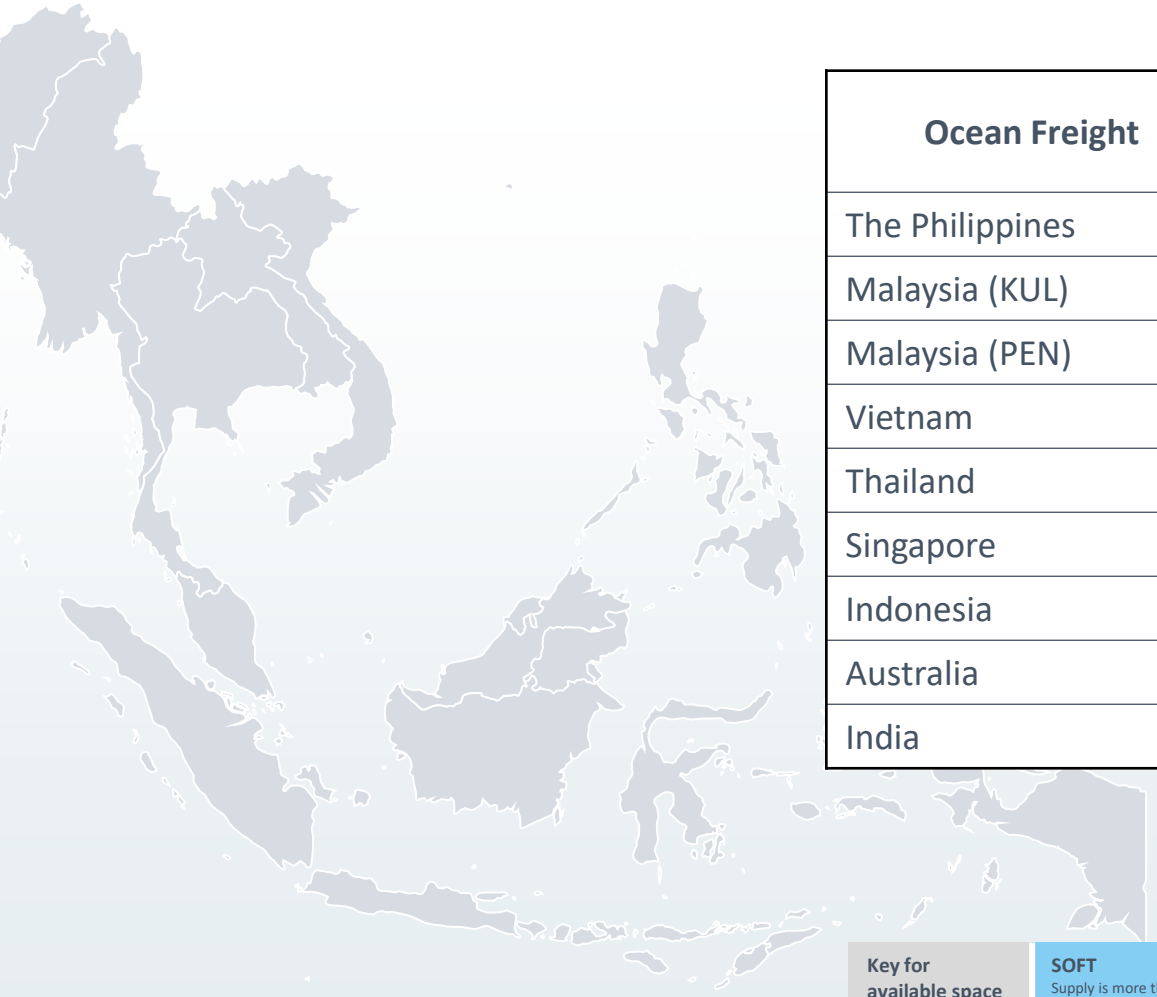


Air Freight	TO ASIA		TO EUR		TO USEC		TO USWC	
	Capacity	Rate	Capacity	Rate	Capacity	Rate	Capacity	Rate
The Philippines	Soft	Stable	Upturn	Stable	Tight	Rising	Tight	Rising
Malaysia (KUL)	Upturn	Stable	Upturn	Stable	Upturn	Stable	Upturn	Stable
Malaysia (PEN)	Upturn	Stable	Tight	Rising	Tight	Rising	Tight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

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

FREIGHT MARKET FORECAST FOR NOVEMBER

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	Rising	Upturn	Rising	Tight	Rising	Tight	Rising
Malaysia (KUL)	Tight	Stable	Tight	Stable	Tight	Stable	Tight	Stable
Malaysia (PEN)	Soft	Stable	Soft	Stable	Upturn	Stable	Upturn	Stable
Vietnam	Soft	Stable	Soft	Stable	Upturn	Rising	Upturn	Rising
Thailand	Tight	Stable	Upturn	Falling	Backlog	Rising	Tight	Rising
Singapore	Soft	Stable	Soft	Stable	Soft	Falling	Soft	Stable
Indonesia	Upturn	Stable	Upturn	Stable	Upturn	Stable	Upturn	Stable
Australia	Soft	Falling	Soft	Falling	Soft	Falling	Soft	Falling
India	Soft	Stable	Soft	Falling	Soft	Falling	Soft	Falling

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, turndown of booking found. Consider alternatives

FREIGHT MARKET SITUATION

SOUTHEAST ASIA

Philippines

Air	|1| Capacity from Manila remains generally stable, although securing space for long-haul shipments is challenging due to limited allocations. |2| Carriers are offering ad-hoc rates to the US in November, comparable to express rate levels. |3| To negotiate these ad-hoc rates and secure space, it is recommended to book at least 2-3 days in advance and provide a confirmed shipping schedule.
Ocean	|1| As the upcoming peak season approaches, rates for both imports and exports are on the rise. However, there are still some issues with container pick-up and returns at the container yard, along with vessel berthing delays caused by backlogs, leading to delays of up to 2-3 days.

Malaysia

Air	|1| For air shipments from KUL, the manufacturing sector expects a slow fourth quarter, which might lower freight demand. However, it is still recommended to plan ahead to avoid delays during the long holidays in December. |2| For long-haul shipments from PEN, an increase in cargo is expected as factories ramp up production for the fourth quarter.
Ocean	|1| For ocean freight from PEN, space and rates have returned to normal. |2| Carriers expect a surge in cargo for ocean freight from KUL at the end of the year. |3| While port congestion at Port Klang has improved compared to previous months, it's still advised to allow a week of buffer time for delays in estimated arrival times (ETA), discharge, and unstuffing for LCL shipments.

FREIGHT MARKET SITUATION

SOUTHEAST ASIA

Singapore

Air	|1| As the peak holiday season approaches, capacity pressures and higher rates are expected for shipments from Singapore, with space remaining tight throughout Q4. It is advisable to book long-haul shipments at least 6-7 days in advance of the cargo ready date.
Ocean	|1| Ocean space and rates from Singapore are expected to remain soft and stable for all destinations in November. |2| Currently, there are no congestion or delay issues at Singapore ports, and vessels are arriving and departing on time. However, it is advisable to continue proactive planning to prepare for any unforeseen events.

Vietnam

Air	|1| Peak season in Vietnam is prompting many manufacturing firms to accelerate production to meet fourth-quarter orders, leading to limited space in the coming months. |2|Additionally, with year-end holidays approaching, airlines are expected to prioritize passenger luggage due to increased travel. To secure long-haul shipments, it is advisable to book 7–10 days in advance.
Ocean	|1| Ocean freight rates to the US and Canada have gone up compared to last month. The increase is mainly due to delays at Vietnamese ports after China's Golden Week in early October. During that time, more space was given to shipments from China, which reduced space for Vietnam, causing some cargo to be rolled over to the next vessel. It's recommended to book 2-3 weeks in advance to secure space on US routes.

FREIGHT MARKET SITUATION

SOUTHEAST ASIA

Thailand

Air	|1| There is a shortage of space for US exports, resulting in higher rates. It is advisable to book shipments 1-2 days in advance to secure space. |2| Thai AirAsia X (XJ) has moved its operations from Suvarnabhumi Airport (BKK) to Don Mueang Airport (DMK). |3| Companies in Thailand are preparing for the holiday season, as a significant increase in export demand is expected in November. |4| Heavy rainfall continues in Thailand, making it essential to pack cargo properly to prevent moisture-related damage.
Ocean	|1| Space availability for intra-Asia shipments is currently stable; however, it's still advisable to book 1-2 weeks in advance of the departure date. |2| For shipments to Europe, demand for space has decreased, making the need to book 3–4 weeks in advanced shortened to 1-2 weeks. |3| For shipments to the US West Coast, space is experiencing backlogs, so it's recommended to book at least 1 month in advance to secure space. For the US East Coast, booking 3–4 weeks in advance is recommended. |4| As the peak season arrives, ports may become congested due to increase in demand. It is advised to plan carefully and take into account the busy ports, which can affect lead times.

Indonesia

Air	|1| For Asia lanes, the capacity and rate is similar to the previous month. For US and Europe lanes, the demand has slightly decreased compared to the previous month.
Ocean	|1| Rates for November are expected to remain similar to those at the end of October. |2| While space and rates are stable, it's still advisable to book shipments 1–2 weeks in advance for Asia destinations and 2–3 weeks ahead for the US and Europe to secure space.

AUSTRALIA AND INDIA

Australia

Air	|1| Air freight rates from Australia are expected to remain steady as November approaches, despite an anticipated rise in shipping volumes as businesses gear up for the holiday season.
Ocean	|1| Ocean freight rates are expected to drop in November, and with less congestion at Australian ports like Sydney and Melbourne, shipping schedules should become more predictable. |2|However, shippers should keep in mind higher fuel costs and possible delays at transshipment hubs, especially for shipments going to Europe and North America.

India

Air	|1| The overall freight market in India remains slow. Although some urgent shipments have shifted from ocean to air, the air freight market continues to stay stable.
Ocean	|1| The normalization of weekly sailing schedules by carriers has ensured sufficient space in the ocean freight market. |2| Additionally, the shift of urgent cargo from ocean to air has further contributed to the slower pace in India's ocean freight sector.

USA MARKET SITUATION

Air Market

The air freight outlook for North America in November indicates that rates coming in from Asia are likely to keep rising as we move through the fourth quarter. Various factors will continue to put pressure on both available space and pricing. Key influences expected to shape the market throughout Q4 include seasonal trends, with costs typically climbing towards the end of the year as travel shifts away from summer and vacation patterns. The steady growth in e-commerce demand is also a driving force. Additional factors such as year-end activity, labor shortages, interest rates, a strong US dollar, and elevated global oil prices will play a significant role in determining how rates and capacity evolve to close out 2024.

Ocean Market

With Chinese New Year falling on January 29, 2025, the traditional pre-CNY rush will occur earlier, potentially coinciding with the expiration of the ILA strike extension on January 15, 2025, just after the US election. If the strike negotiations remain unresolved, importers may advance their shipping schedules to avoid disruptions, which could shift the typically slow end-of-year period in 2024 into a peak season, leading to higher rates.

FREIGHT MARKET FORECAST FOR NOVEMBER

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	Stable	Soft	Stable
USEC (NYC)	Soft	Stable	Soft	Stable
Canada (YVR)	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
US Central (ORD)	Soft	Stable	Soft	Stable
USEC (NYC)	Soft	Stable	Soft	Stable
Canada (VAN)	Soft	Stable	Soft	Stable
Canada (TOR)	Soft	Stable	Soft	Stable

NORTH AMERICA AIR GATEWAY SITUATION

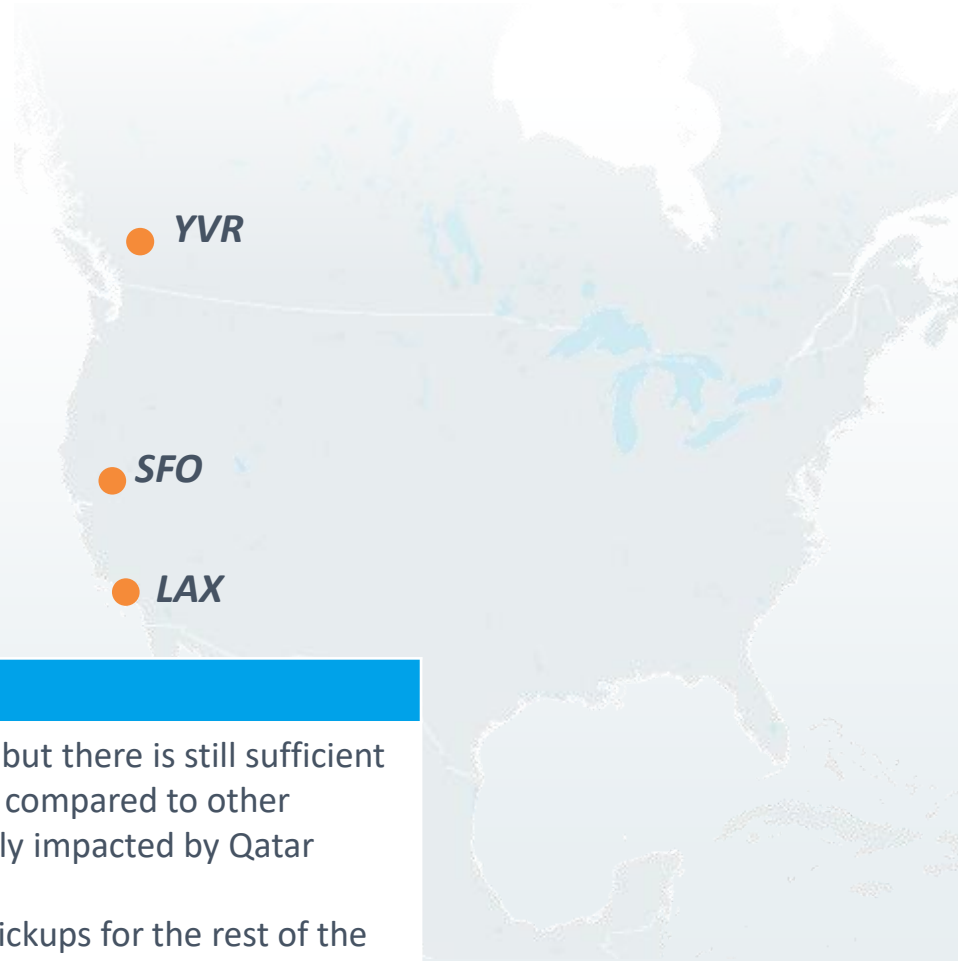
WEST COAST

Vancouver (YVR)

- **Air Export:** Capacity to the Asia Pacific region is readily available, with competitive rates, while capacity to Europe remains stable, with normal pricing and no issues.
- **Air Import:** Terminal operations are smooth, with no congestion reported.

San Francisco (SFO)

- **Air Export:** Pre-booking is essential for the Southeast Asia market due to very tight space availability.
- **Air Import:** Terminal operations remain smooth, with no congestion.
- With the arrival of the winter season, the freight market may experience slight schedule adjustments due to a reduction in passenger flights.

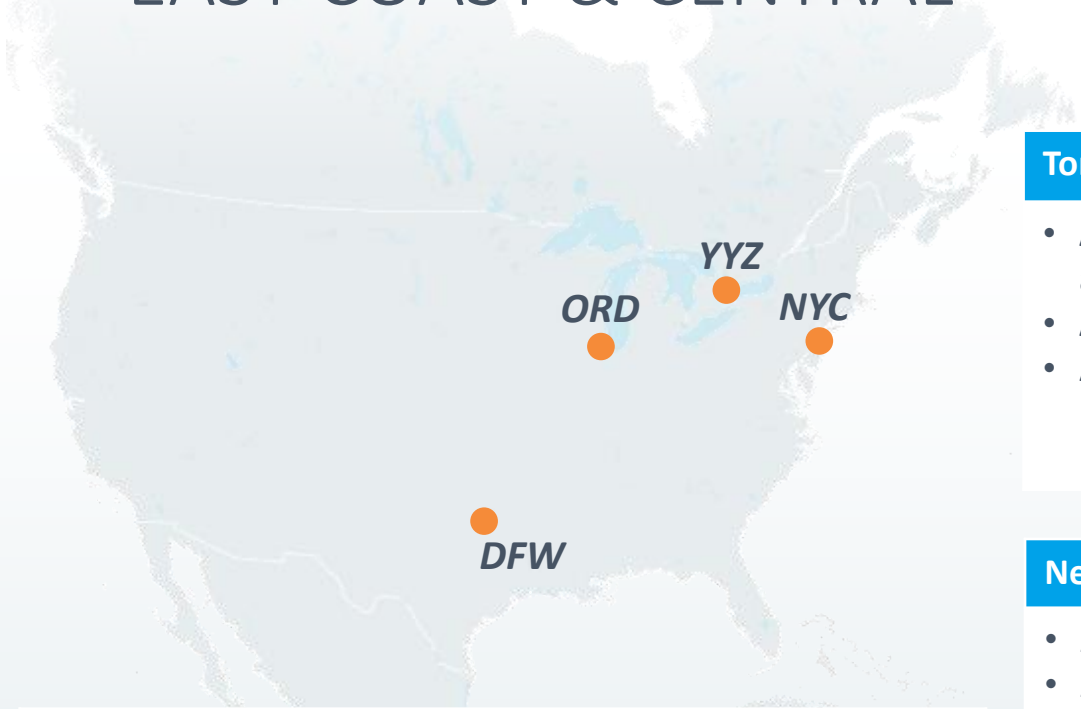


Los Angeles (LAX)

- **Air Export:** |1|Space is affected by strong westbound headwinds and the seafood season, but there is still sufficient capacity for general cargo. Singapore and Malaysia may face more congestion and backlog compared to other Southeast Asian destinations. |2| The availability of main-deck space to India is significantly impacted by Qatar Airways' discontinuation of freighter service from LAX, effective September 1, 2024.
- **Air Import:** Terminal operations experience congestion on Mondays and during morning pickups for the rest of the week.

NORTH AMERICA AIR GATEWAY SITUATION

EAST COAST & CENTRAL



Chicago (ORD)

- **Air Export:** Capacity to both the Asia Pacific and Europe is available, with competitive and negotiable rates. Tracking rates are also flexible and open to negotiation.

Toronto (YYZ)

- **Air Export:** Capacity to the Asia Pacific is open, with competitive pricing, while availability to Europe remains steady with standard rates.
- **Air Import:** Terminal operations continue smoothly, with no congestion reported.
- A potential space crunch and rate increases are expected in Q4, so it's advisable to maintain close communication with your freight forwarder to better leverage available routing options.

New York (NYC)

- **Air Export:** Capacity to both the Asia Pacific and Europe remains open and stable.
- **Air Import:** Terminal waiting times range from 4 to 6 hours, with Fuel Surcharge (FSC) rates between 40% and 42%.
- For shipments arriving to the terminal as a split, means that the cargo has been divided into multiple parts, rather than arriving as a single, consolidated shipment, airlines will still only provide 24 hours of free time. Each partial pick up will be USD $100. The storage free is at USD $1/kg per day with a min of USD $220.

WEST COAST

Seattle | Tacoma

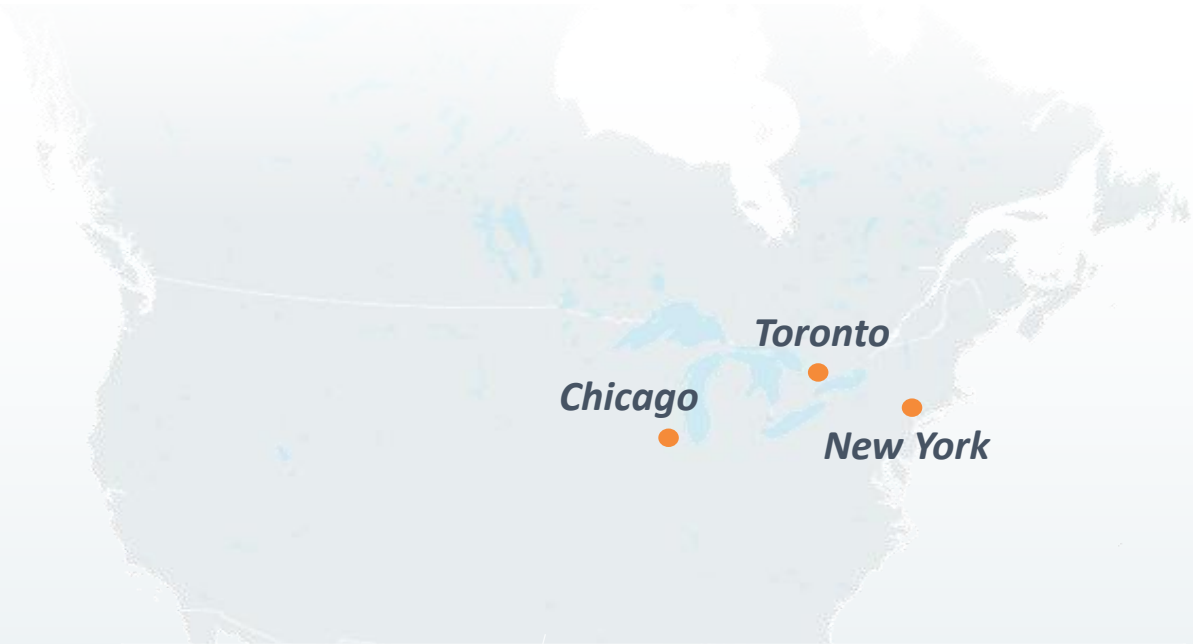
- **Ocean Export:** Pricing and capacity to both the Asia Pacific and Europe remain stable, with steady rates.
- **Ocean Import:** Port operations are smooth, with no congestion reported.

Los Angeles | Long Beach

- **Ocean Export:** Rates are negotiable depending on volume, with normal capacity available. However, significant port congestion in the Philippines is causing severe delays.
- **Ocean Import:** Several terminals are currently facing chassis shortages, requiring drivers to pick up chassis from other locations, which may incur split charges. Securing terminal appointments for both pick-up and return remains challenging, depending on terminal conditions. Additionally, there may be potential costs associated with storage, chassis rentals, and stop-offs

NORTH AMERICA OCEAN GATEWAY SITUATION

EAST COAST & CENTRAL



Chicago

- **Ocean Export:** Pricing and capacity remain normal and steady. COSCO requires bookings for pairs, as they do not release reservations for single 20-foot containers.
- **Ocean Import:** The dwelling time from the port of discharge to container loading onto the rail is currently 25 to 30 days.

Toronto

- **Ocean Import:** There is slight congestion at railyards for container pick-up and empty returns, while ports continue to experience delays due to railcar shortages and a backlog from the recent rail strike. For urgent shipments, it is recommended to use ERS.
- Negotiations with port workers in Vancouver and Montreal are ongoing, with no agreements reached yet, leading to continued labor disruptions at Montreal ports. The rail workers' agreement has been extended until the end of the year, but a pending deal could lead to potential actions in January if negotiations fail.

New York, New Jersey & Norfolk:

- **Ocean Export:** Similar to last month, rates rose slightly, but space remains normal.
- **Ocean Import:** APM and GCT are experiencing significant congestion, resulting in congestion fees of $100 to $200. Additionally, securing an empty return at the APM terminal has become challenging.

FREIGHT MARKET SITUATION

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	Falling	Soft	Falling	Soft	Falling
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	Falling	Soft	Falling	Soft	Falling
Germany	Soft	Falling	Soft	Falling	Soft	Falling
United Kingdom	Soft	Falling	Soft	Falling	Soft	Falling

EUROPE

Air Freight

- Conflicts in the Middle East and Ukraine continue to disrupt airline cargo capacity between Asia and Europe, as carriers shift resources to the affected regions, leading to shortages elsewhere.

Ocean Freight

- Asia-North Europe ocean spot rates are currently on a downward trend, expected to reach their lowest in October. However, demand is anticipated to surge in November due to limited capacity from blank sailings. This year's Chinese New Year peak will also arrive earlier, driven by longer transit times around Southern Africa.

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	Upturn	Stable	Upturn	Stable	Soft	Stable	Soft	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	Rising	Upturn	Stable	Upturn	Stable	Upturn	Stable
Mexico Central	Upturn	Rising	Upturn	Stable	Upturn	Stable	Upturn	Stable
Mexico South	Backlog	Rising	Backlog	Stable	Backlog	Stable	Backlog	Stable
Mexico North: MTY/ALT | Mexico Central: MEX/NLU/GDL/VER | Mexico South: ZLO/LSC/CUN/MID								

MEXICO

Air Freight

- The expansion of the Mexican air cargo market continues driven by Chinese e-commerce platforms and Mexico's de minimis regime, which allows duty-free imports for goods valued under $50 USD.
- In addition to regular flights connecting Hong Kong with Mexico City and Guadalajara, charter services have now extended to new routes from Shanghai, Shenzhen, and Zhengzhou, reaching Mexico's newly opened NLU airport.

Ocean Freight

- HAPAG and COSCO are experiencing space and scheduling challenges at the port but continue to provide competitive rates.
- COSCO's subsidiary, OOCL, has introduced a new direct maritime route between China and Mexico, cutting travel time to just 22 days and covering key ports such as Ensenada, Manzanillo, and Lázaro Cárdenas.
- The route will feature eight cargo ships with capacities ranging from 6,000 to 8,000 TEUs, offering weekly services to transport grains, chemicals, minerals, auto parts, and machinery.

WHAT TO WATCH

Diwali's Impact on Freight in India

The upcoming Diwali festival happening from Oct 29 to Nov 3, is likely to influence freight movement. As consumer demand surges, there will be increased shipments of goods such as electronics, apparel, and festive decorations. This heightened demand may tighten air and ocean freight capacity, especially on popular trade routes. Additionally, many manufacturing and port workers may temporarily halt operations or reduce workforce availability during the holiday, potentially causing delays

Learn more: Diwali in India: Impact on Supply Chain — Dimerco

Indonesia Welcomes its 8th President

On October 20, 2024, Prabowo Subianto was inaugurated as the 8th president of Indonesia, the world's third-largest democracy. He pledged to enhance the nation's self-sufficiency., aiming to boost economic growth from the current 5% to 8% by focusing on developing industries that capitalize on Indonesia's abundant natural resources. Prabowo will welcome foreign investment, potentially offering opportunities for investors to manage airports and seaports, as part of his strategy to drive economic development.

Effects of US Elections on Supply Chain

The US presidential elections on November 5, 2024, could have significant implications for global trade and supply chains. Political outcomes may lead to shifts in trade policies and regulations, raising concerns about a potential 200% tariff increase on Chinese goods. If these fears persist, businesses might rush to finalize shipments before the January 20, 2025 inauguration or experience delays until new tariffs are announced. Stakeholders must stay vigilant and adaptable in this uncertain climate.

Learn more: The Impending U.S. Presidential Election may affect Trade and Tariff Policies — Dimerco

Dimerco connects Asia with the world like no other global 3PL.

We integrate air and ocean freight, trade compliance and contract logistics services to make global supply chains more effective and efficient. The majority of our global shipping projects connect Asia's logistics and manufacturing hubs with each other and with North America and Europe.

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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