

OCTOBER 2021

MONTHLY MONITOR



Market Update

India - **Air** freight rates have increased by 20% since last month; **ocean** freight rates and lack of schedule reliability are causing **ocean** conversions. **Ocean** freight has increased and will remain high for the foreseeable future. There are also equipment shortages at all Indian ports.

Bangladesh - **Air** freight rates from Bangladesh have almost doubled in the past month. All **airlines** are facing delays due to shortage of equipment and issues with airport scanning. Booking confirmations are slow due to huge pressure from their gateways. Most forwarders are chartering at high cost due to this crisis market situation.

Ocean freight schedules and space are challenging to manage, and the rates are now historically high. The major shipping lines are short of containers, making the situation even more difficult. The current **ocean** and **air** market issues will last at least through October.

Sri Lanka - October is already challenging as the peak season approaches and **air** rates have already increased substantially. **Ocean** freight space continues to get worse with equipment shortages and port omissions; **ocean** rates are expected to increase with carriers announcing more GRI's and PSS.

Hong Kong - **Airlines** will increase **air** freight rates after the Golden Week holiday for demand remains strong in October and capacity issues continue. **Ocean** freight should stabilize as some major carriers announce a hold on rate increases. Space and equipment shortages at Asian ports are expected to continue in October.

Happy Holidays From Around The Globe!

Date	Holiday	Origin
October 1st	National Day	Hong Kong
October 1st-7th	National Day	Shanghai, Shenzhen
October 5th-6th	Pchum Ben Day	Cambodia
October 13th	Great Memorial Day - King Rama	Thailand
October 14th	Chung Yeung	Hong Kong
October 15th	Mourning Day	Cambodia
October 15th	Dussehra	India
October 19th	Prophet Muhammad S.A.W. Birthday	Malaysia and Indonesia
October 19th	EID-E-MILAD	India
October 19th	Public Holiday	Sri Lanka
October 20th	Public Holiday	Sri Lanka
October 22nd	Chulalongkom Day	Thailand
October 26th	Durga Puja	Bangaldesh
October 29th	Coronation Day	Camboddia
October 30th	Eid e Miladunnabi	Bangaldesh

Wen-Parker Logistics was recently named a Top 100 3PL by Inbound Logistics Magazine for the 2nd consecutive year. WPL was also just named a Great Supply Chain Partner by SCB Magazine for the 6th consecutive year!

Shanghai – **Air** demand is very strong because of huge demand and **ocean** conversions. Backlog situation at origin is getting serious for longer transit times should be expected. With the number of ships at anchor growing at Shanghai, Ningbo, and in Southern California, the delays at Chinese origins will ripple through supply chains.

Shenzhen - Many **airlines** have cancelled flights due to the Golden Week holiday; after the holiday, demand and rates will gradually increase as work resumes. Cargo conversions from **ocean** to **air** continue, and **air** transport capacity continues to be seriously affected by the pandemic in the peak season. **Air** capacity will remain tight in October and the rates will continue to increase. Strong **ocean** demand and port congestion will be issues and spot rates will likely rise, especially to USEC.

South East Asia

Cambodia - **Air** freight costs from PNH to all destinations have increased and **airline** capacity will be a major issue in October. **Ocean** demand in the next month will be strong but stable. Rates will continue to increase due to space and equipment issues of the **ocean** carriers.

Indonesia - **Air** demand and rates will increase even more due to peak season. Some **airlines** are still not flying to JKT due to COVID. For **ocean**, demand and rates in October will be high, especially to the United States and Europe.

Malaysia – **Airfreight** rates are expected to be high for the month of October due to surging demand and tight capacity. **Ocean** freight rates are also expected to be high due to demand, shortage of equipment, port skips and rollovers.

Thailand – **Air** freight rates will increase from the second week of October due to strong demand and transshipments from other nearby countries. **Ocean** freight rates will remain elevated as equipment issues in the region persist.

Philippines - **Air** space is very tight to the United States, which will continue through October as seasonal demand increases. **Ocean** carriers continue to skip ports and change rotations, often causing cargo to be delayed by 1-2 weeks. Rates will likely continue to climb as these issues persist in the region.

Vietnam (Ho Chi Minh) – In October, many **ocean** freight shipments will convert to **air** freight. Available commercial **air** space has been decreasing and charter costs are increasing due to strong demand. For **ocean**, shortages of equipment and limited capacity continue causing delays and higher rates.

Vietnam (Hanoi) – The **air** freight rates for next month are expected to continue increasing due to the shortage of commercial flights and the backlogs at some hubs. Charter activity is high due to strong demand and insufficient market capacity. **Ocean** freight rates may have peaked and will remain stable for next month, but the shortage of containers will still be an issue.

United States

US **airports** and **seaports** continue to struggle with large volumes of incoming/outgoing cargo. All large US gateway airports have extended waits to recover import **air** freight. **Ocean** port delays are occurring on both coasts, especially USWC ports with significant delays of up to 16-25 days, especially IPI shipments due to rail delays. USEC ports are less affected, but still handling large volumes and port delays are occurring more frequently.