

OCTOBER 2024

MONTHLY MONITOR



Market Update

India - The market situation will remain challenging for air shipments from India, with space available at higher rates. Disruptions in the Red Sea and unrest between Israel, Lebanon, and Gaza are expected to cause concerns in the coming months, leading to congestion at alternative routes and transshipment hubs. USA port strike will also likely affect air rates. Overall demand is expected to remain high for Q4.

Bangladesh - Transshipment movements have increased due to airspace crises and higher rates. Ocean vessel berthing is satisfactory, and containers are available. The air freight warehouse has more dispatches than inbound volumes, creating space. Equipment shortages persist at the airport, causing delays. Chittagong Port faces 2-3 day berthing delays. Ocean freight rates are steady, while air freight rates have increased but stabilized recently.

Sri Lanka - Sea freight space is normal, but schedules are irregular, with priority given to transshipment and contractual cargo. CMB port congestion causes delays, and EU & USEC vessels get priority berthing. A General Rate Increase is expected in October. The air freight market is strong, with rising demand and rates due to limited capacity, especially for Bangladesh volumes via Colombo. European carriers are increasing rates without notice, and US capacity is tight, with a preference for smaller shipments. Transit times to the US are 6-7 days for standard service and 8-10 days for deferred service, with rates likely to remain high or increase in October.

*Happy Holidays
From Around The Globe!*

Date	Holiday	Origin
October 1st	National Day	Hong Kong
October 1st-7th	National Day	Shanghai
October 1st-3rd	Pchum Ben	Cambodia
October 2nd	Gandhi's Birthday	India
October 11th	Chung Yeung	Hong Kong
October 13th	Durga Puja	Bangladesh
October 15th	Commeration Day	Cambodia
October 17th	Religious Holiday	Sri Lanka
October 29th	Coronation Day	Cambodia
October 31st	Deepawali	India, Malaysia

Wen-Parker Logistics' Chief Executive Officer was recently interviewed by Sourcing Journal

Hong Kong – We expect demand to be low due to China's holiday but to increase by mid-month. Airlines may then apply block space agreement ceiling rates. Due to strikes on the U.S. East Coast, shipping companies have introduced interruption surcharges of USD1000 to USD1500 per TEU for imports to the US Gulf and East Coast.

Shanghai – China's air freight rates may rise due to capacity constraints and the U.S. dockworkers' strike. Limited air capacity and port congestion, along with equipment shortages, are driving up rates and causing schedule disruptions.

Shenzhen – Airlines are offering special rates due to the National Day holiday. Prices are expected to decrease in the first half of the month and slightly increase thereafter. For US West Coast rates, a reduction is anticipated as cargo shipments are low. East Coast ocean rates may see a minor decrease due to strikes.

South East Asia

Cambodia – Air freight costs from Cambodia increased daily in September 2024 due to space issues and peak season demand. The volume of air shipments remains similar to August 2024, but space is very tight, making it difficult to find airlines for cargo. This trend is expected to continue into the next month, with rates increasing daily.

Malaysia - Air freight demand and capacity are expected to slightly decrease while maintaining high rates. Meanwhile, ocean freight demand and capacity are anticipated to rise with high rates by mid-October 2024.

Indonesia - No issues with capacity; rates have slightly dropped. Ocean freight rates are down, and demand for LCL and FCL has increased, with ample capacity for Asia, Europe, and the US. The market situation is stable, and air and ocean capacities are available. Predicted demand is slightly up, but rates remain flat, continuing the trend from September.

Philippines - Air cargo space will be limited due to high demand and carrier schedule adjustments, leading to increased rates as hubs focus on higher-yield routes. Ocean carriers will face space constraints for US-bound routes, so booking at least 3 weeks in advance is recommended, with higher rates expected. Air services offer options, with potential congestion at major ports causing air transit times of 7-9 days.

Thailand – Air freight demand and capacity are expected to decrease slightly while maintaining high rates. Meanwhile, ocean freight demand and capacity are anticipated to rise at high rates by mid-October 2024.

Vietnam (Ho Chi Minh) - The air market is stable but expected to tighten with rates likely increasing 5-10% due to year-end holiday demand. The ocean market rates should remain stable despite limited sailings in early October due to China's holiday. Shipping lines may cut off direct services to India and Bangladesh.

Vietnam (Hanoi) – Due to China's holiday in the first week of October, sailings will be limited, but rates will remain stable. However, we need to monitor the port strike situation in the US. Air space is expected to be tight, and rates will likely increase due to rising demand for year-end holidays.

United States – The USEC port strike is over, although it will take several weeks for the ports to recover, especially the largest ports like NY/NJ. Also, the ILA still plans potential strike action on January 15th, so this is just a temporary reprieve. LA ports currently have some congestion and longer wait times, due to increased volumes from diversions which were caused by the USEC strike.

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