

SEPTEMBER 2024

MONTHLY MONITOR



Market Update

India - Indian air shipment volume is increasing, but capacity remains limited and costly. Transshipments from Dhaka to Delhi put additional pressure on the market. Current transit times are approximately 7-8 days to the US and 5-6 days to the EU. Expect high freight rates and limited capacity until the end of September. India's outbound demand has surged, causing rate increases and equipment shortages. Ocean service remains stable, with transit times of 28 days to the EU, 30 days to the US East Coast, and around 35 days to the US West Coast (accounting for potential weather delays).

Bangladesh - Airlines have raised rates for EU and US destinations, increasing continuously. However, onward connection issues persist. Additionally, insufficient air market capacity drives rate hikes, while container shortages impact ocean rates. Predictions point to further rate increases, with little or no improvement in available capacity.

Sri Lanka - In late August, space improved somewhat, but irregular vessel schedules persist. Transshipment cargo takes priority alongside contractual cargo. CMB port congestion causes berthing delays, impacting arrivals and departures. EU and USEC sector vessels receive priority berthing. Air freight remains strong in September, but capacity constraints raise rates. US-bound cargo is prioritized. Expect ad-hoc freighters and sea/air volumes. Onward US connections pose challenges. Rates will continue to rise.

*Happy Holidays
From Around The Globe!*

Date	Holiday	Origin
September 7th	Ganesh Chaturthi	India
September 16th-17th	Mid-Autumn Festival	Shanghai, Shenzhen
September 16th	Eid e Miladunnabi	Bangladesh
September 16th	Holy Prophet's Birthday	Indonesia, Sri Lanka
September 16th	Maulidur Rasul	Malaysia
September 17th	Full Moon Poya Day	Sri Lanka
September 18th	Mid-Autumn Festival	Hong Kong
September 24th	Constitution Day	Cambodia

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Hong Kong –We anticipate that commercial carriers will have an approx. \$0.70 rate increase next month. Ocean exports to the US are expected to begin declining in September. Expect ocean freight rates to decline.

Shanghai – Air cargo demand remains robust due to pre-peak season rush and frontloading ahead of US tariffs on Chinese imports. For September, the ocean freight market will maintain high demand and elevated rates, with a trend toward stability or slight decreases as the peak season unfolds.

Shenzhen – Expect rising air rates and tight space for shipments in September. Ocean freight rates may decrease for USWC but remain stable or slightly reduced for USEC.

South East Asia

Cambodia – Air space remains tight; there are no issues currently affecting cargo movement, but rates will continue to be elevated. Ocean freight costs have steadily risen due to space constraints, equipment challenges, and the global peak season.

Malaysia - As we approach the end of the third quarter, air freight capacity and demand are expected to increase, with slightly higher rates. Meanwhile, ocean demand and capacity will remain consistently high throughout September keeping rates elevated.

Indonesia - Ocean freight rates have decreased, but securing space remains challenging. Ocean bookings should be made promptly—rates are valid for two weeks. Some vessels face delays due to prior port congestion. Be aware of cancellation fees, and 40GP equipment is limited in stock at container depots. Currently, air rates are still on a spot basis. Airlines approve the rate once space is secured. Air capacity remains tight.

Philippines - Both air and ocean freight face capacity challenges. Air cargo space remains tight due to high demand, leading to rate increases. Ocean carriers are encountering space constraints, and booking well in advance is crucial. Expect strong logistics demand, potential typhoon-related delays, and rising shipping costs.

Thailand – For September we anticipate continued high demand, particularly for electronics; e-commerce via BKK (from China) will also remain robust. This mirrors the situation earlier this year when shippers hurriedly dispatched goods for holiday sales.

Vietnam (Ho Chi Minh) - For air we expect stable rates, and capacity should improve after addressing the backlog. Ocean market remains stable, with no space or equipment issues. However, ocean freight rates may decrease compared to August.

Vietnam (Hanoi) – Air freight rates may slightly increase due to tight space at hubs. However, overall rates are expected to remain stable compared to August. Additionally, the rise in shipping of solar cell products could lead to gradual rate increases. Despite this, space availability is closely monitored, considering the current low market demand.

United States - Most US ports and airports are stable; LA ports currently have some congestion and longer wait times, and there are some rail delays for shipments leaving West Coast Ports. There remains a continued threat of a Canadian rail strike, which would also impact some U.S. and Mexico rail movements if it occurs. Also, the threat of a U.S. East Coast port strike in October remains a concern, with the ILA contract expiring at the end of September.

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