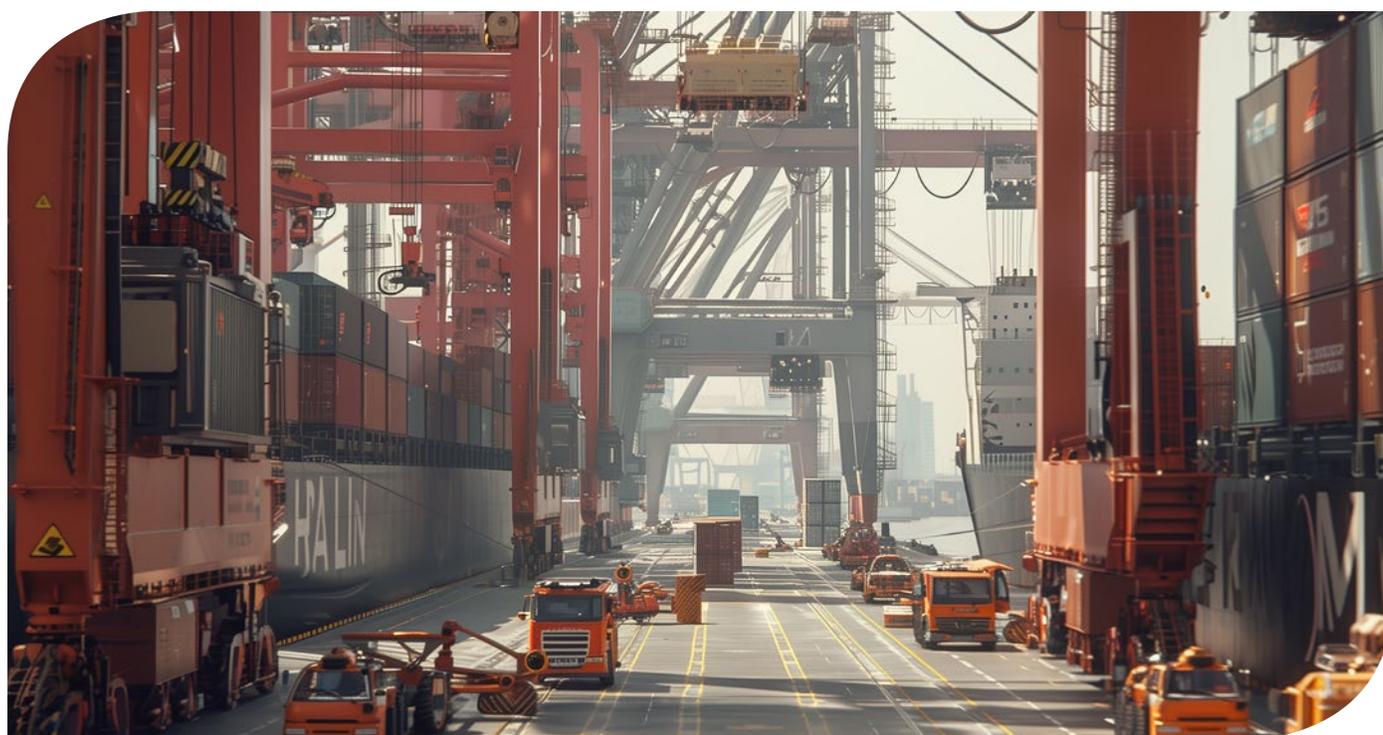


# FrachtNEWS

Logistics  
Market  
Report

 Global Market

Ocean Freight



## Potential ILA Strike Could Significantly Disrupt East Coast Port Operations

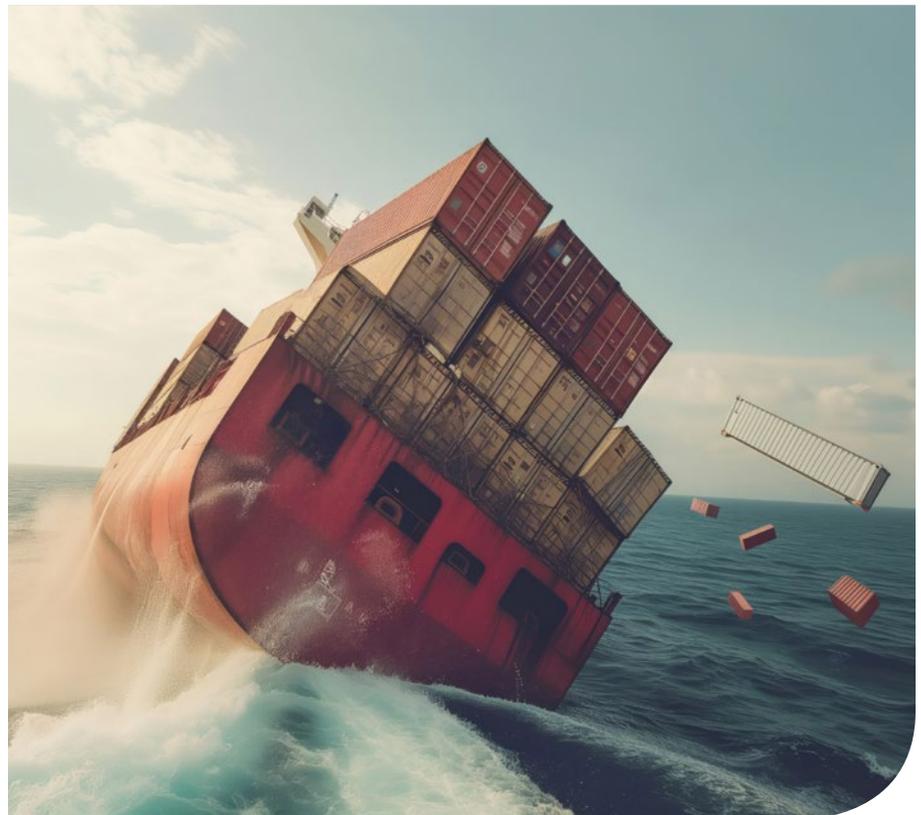
With the labor contract between the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) set to expire on September 30th, 2024, there is growing concern about the potential disturbance in port operations along the US East Coast and US Gulf. If no new agreement is reached, the ILA has indicated its intention to strike starting October 1st, 2024. This looming strike could significantly impact container volumes, creating a substantial backlog that would take time to clear once

operations resume. Alan Murphy, CEO of Sea-Intelligence, predicts "it would take 6 days to clear the backlog from 1 day of strike" (Press Room, 2024). It is essential for stakeholders across the logistics and supply chain sectors to closely monitor developments and prepare for possible disruptions.

**Source:** Press Room. (2024, August 14). *Impact of potential ILA strike.* Sea-Intelligence.  
<https://sea-intelligence.com/press-room/280-impact-of-potential-ila-strike>

# Navigating Perils Around the Cape of Good Hope

Containerships continue to face significant risks when routing via the Cape of Good Hope, a route that has witnessed recent container-loss incidents, such as the CMA CGM Benjamin Franklin losing 44 containers and the CMA CGM Belem losing 99 containers. “One of the major contributing factors to the dangers around the Cape is ‘parametric rolling’, which occurs when the wavelength of the ocean’s surface matches the rolling motion of the vessel, gradually increasing the angle of each roll with every wave impact (Bartlett, 2024). As global shipping adapts to these risks, industry experts stress the importance of enhanced safety measures.



**Source:** Bartlett, C. (2024, August 23). *The challenges for containerships braving the waters around the Cape*. The Loadstar. <https://theloadstar.com/the-challenges-for-containerships-braving-the-waters-around-the-cape/>

# Changes in Shipping Alliances to Impact Contract Negotiation



As the shipping industry anticipates a major restructuring of ocean carrier alliances, the upcoming contract negotiation season is expected to be marked by uncertainty. “This leaves shippers eyeing long-term contracts questioning where to sign and wondering if further alliance shifts are yet to be announced” (Goldstone, 2024). Key players such as Maersk and Hapag-Lloyd are forming the new Gemini Cooperation, leaving the remaining members of THE Alliance and Ocean Alliance to adjust their strategies.

**Source:** Goldstone, C. (2024, August 21). *Shipping alliance shake-up will make waves during new contract season*. The Loadstar. <https://theloadstar.com/shipping-alliance-shake-up-will-make-waves-during-new-contract-season/>

## Global Market

Ocean Freight

## Multipurpose Vessels See Uptick in Demand



Shippers are increasingly turning to multipurpose vessels (MPVs) for both containerized and breakbulk cargoes in response to high container rates, unreliable schedules, and ongoing port congestion. “Most of the recent interest from shippers is for mode-malleable cargo — freight that can be easily switched between breakbulk and container modes” (Wallis, 2024). While this shift is noticeable, it has not yet reached the levels experienced during the pandemic.

**Source:** Wallis, K. (2024, August 23). *High container rates, port congestion entice some shippers back to MPVs.* Journal of Commerce. <https://www.joc.com/article/high-container-rates-port-congestion-entice-some-shippers-back-to-mpvs-5710574>

## Global Market

Air Freight

## New Air Cargo Security Rules Throw Airlines for a Spin

“Foreign airlines are said to have reacted strongly to an emergency security change to US Customs regulations on airfreight” (Whiteman, 2024). Effective 21 August, The new mandate requires carriers to provide detailed information about shippers and consignees to U.S. Customs and Border Protection, causing confusion and potential disruptions. The changes are linked to the U.S. Air Cargo Advanced Screening System according to the Department of Homeland Security.



**Source:** Whiteman, A. (2024, August 28). *Foreign airlines react to sudden new US rule tightening air cargo security.* The Loadstar. <https://theloadstar.com/foreign-airlines-react-to-sudden-new-us-rule-tightening-air-cargo-security/#:~:text=According%20to%20sources%2C%20an%20emergency,Customs%20and%20Border%20Protection%20agency>

# Air Cargo Sector Expects a Strong End-of-Year Peak Season

As the year draws to a close, the air cargo industry is gearing up for a significant surge in demand, driven largely by e-commerce from Asia. “There is going to be an increase in volumes,” predicts Atlas Air CEO Michael Steen, with demand expected to outpace the available capacity (Kulisch, 2024). Airlines are shifting freighter aircraft to high-demand routes, particularly in the Asia-Pacific region, to capitalize on this expected growth. This strategic redeployment underscores the industry’s anticipation of a busy peak season.

**Source:** FreightWaves. (2024, August 27). *Air cargo industry anticipates big peak season to finish year.* FreightWaves. <https://www.freightwaves.com/news/air-cargo-industry-anticipates-big-peak-season-to-finish-year>



## Stable Airfreight Rates Conceal Market Volatility

Despite the steady appearance of global airfreight rates, considerable fluctuations exist on specific trade lanes, according to the TAC Index. “The overall Baltic Air Freight Index (BAI100) was down by just -0.1% in the week to August 19 – maintaining the solid pattern of recent weeks. The year-on-year gain now stands at +10.8%” (Lewis, 2024). Notably, rates from Hong Kong rose by 0.6% week-over-week, achieving a 22.9% year-over-year gain. In contrast, outbound rates from Shanghai fell by 1.2% week-over-week, though they remain up 28.1% from the previous year. These variations underscore the nuanced dynamics at play in the air cargo market.

**Source:** Lewis, C. (2024, August 21). *Steady TAC index hides turbulence beneath.* Air Cargo News. <https://www.aircargonews.net/business/airfreight-rates/steady-tac-index-hides-turbulence-beneath/>



## Canadian Market

Rail Freight



# Negotiations Continue Between the Canadian Railroads and Union

For updates regarding the labor negotiations between the Canadian railroads and Teamsters Canada Rail Conference (TCRC) union, please follow us on LinkedIn.

**Source:** Access our LinkedIn page here: <https://www.linkedin.com/company/frachtgroup/mycompany/>

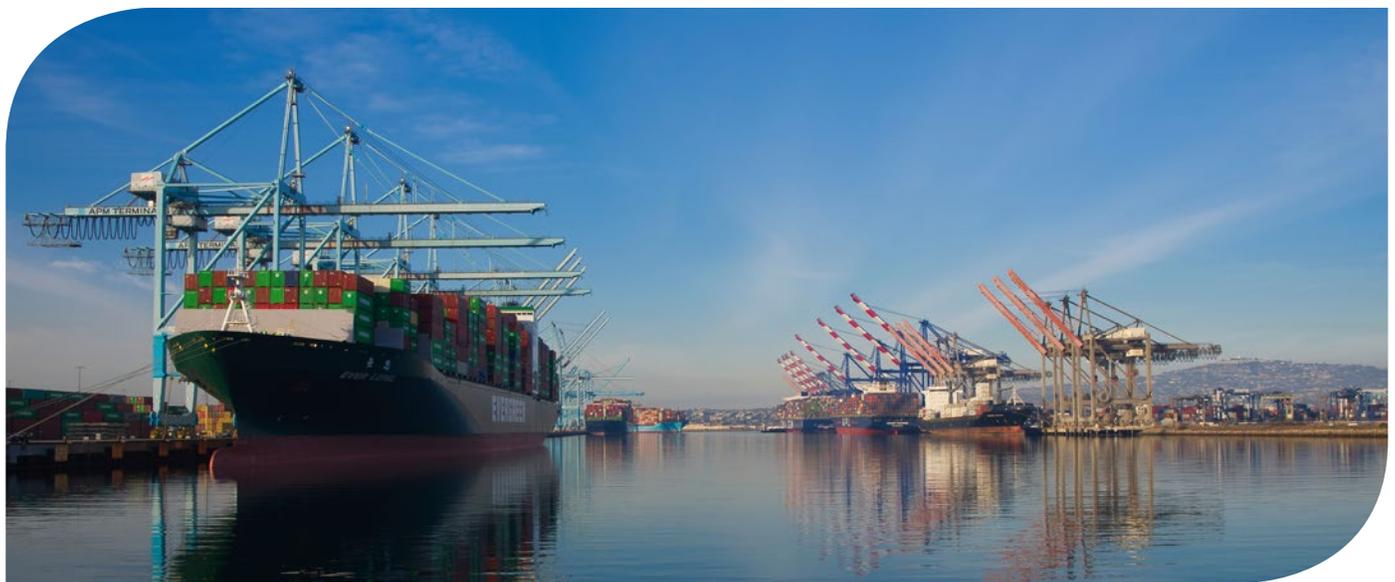


## USA Market

Ocean Freight



# Port of Los Angeles Achieves Record July Volume Amid Early Peak Season



The Port of Los Angeles experienced an unprecedented rise in container traffic in July 2024, processing a record 939,600 twenty-foot equivalent units (TEUs). Gene Seroka, the port's Executive Director, noted, "We've seen an influx of year-end holiday goods coming across our docks a bit earlier than usual to avoid any risk of delay later in the year" (Chirls, 2024).

The port's volume increase also reflects broader supply chain challenges, such as labor disputes and geopolitical disruptions, prompting shippers to route more imports and exports through Los Angeles.

**Source:** Chirls, S. (2024, August 14). *Early peak drives record LA port volume.* Freightwaves. <https://www.freightwaves.com/news/early-peak-drives-record-la-port-volume>

## US Railroads Continue to Strengthen Labor Relations with New Union Agreements

CSX recently announced the completion of tentative agreements with seven additional unions, following deals with five unions earlier in the week. These agreements highlight a strategic move to stabilize labor relations and prevent disruptions, contrasting with ongoing challenges faced by Canadian National and Canadian Pacific Kansas City. This shared success “came shortly after Norfolk Southern and BNSF said they had negotiated similar early contracts with a number of their unions” (Chirls, 2024).

**Source:** Chirls, S. (2024, August 23). *CSX adds more union agreements*. Freightwaves. <https://www.freightwaves.com/news/csx-adds-more-union-agreements>



## CPKC Capitalizes on Enhanced Cargo Routes Between Lázaro Cárdenas and Houston



Canadian Pacific Kansas City (CPKC) has capitalized on the recent shipping opportunity to enhance cargo movement between the port of Lázaro Cárdenas and Houston due to increased shipping activities and operational disruptions on the U.S. East Coast. John Brooks, CPKC’s Marketing Director, highlighted that “the trains took three and a half days to reach the city in the state of Texas, despite work stoppages at U.S. ports” (del Toro, 2024). The new intermodal services introduced by CPKC aim to boost cargo volumes at Lázaro Cárdenas and enhance the efficiency and resilience of the supply chain.

**Source:** del Toro, E. (2024, August 1). *CPKC finds opportunity in cargo movement between Lázaro Cárdenas and Houston*. T21. <https://t21.com.mx/cpkc-encuentra-oportunidad-en-movimiento-de-carga-entre-lazaro-cardenas-y-houston/>

## USA Market

Air Freight

## Atlas Air Expands Fleet with New 747-8 Freighters

Atlas Air has announced the addition of three Boeing 747-8 freighters to its fleet, set to enter service by late Q3 2024. This move aims to boost the airline's capacity for large widebody airfreight, especially to support growing cross-border e-commerce needs. CEO Michael Steen emphasized,

"Our growth in this aircraft type underscores Atlas' commitment to the 747-freighter platform and the value it provides our customers" (Jeffrey, 2024). The 747-8F offers significant payload capacity and unique nose-loading capabilities, further enhancing Atlas Air's operational flexibility and service offerings.



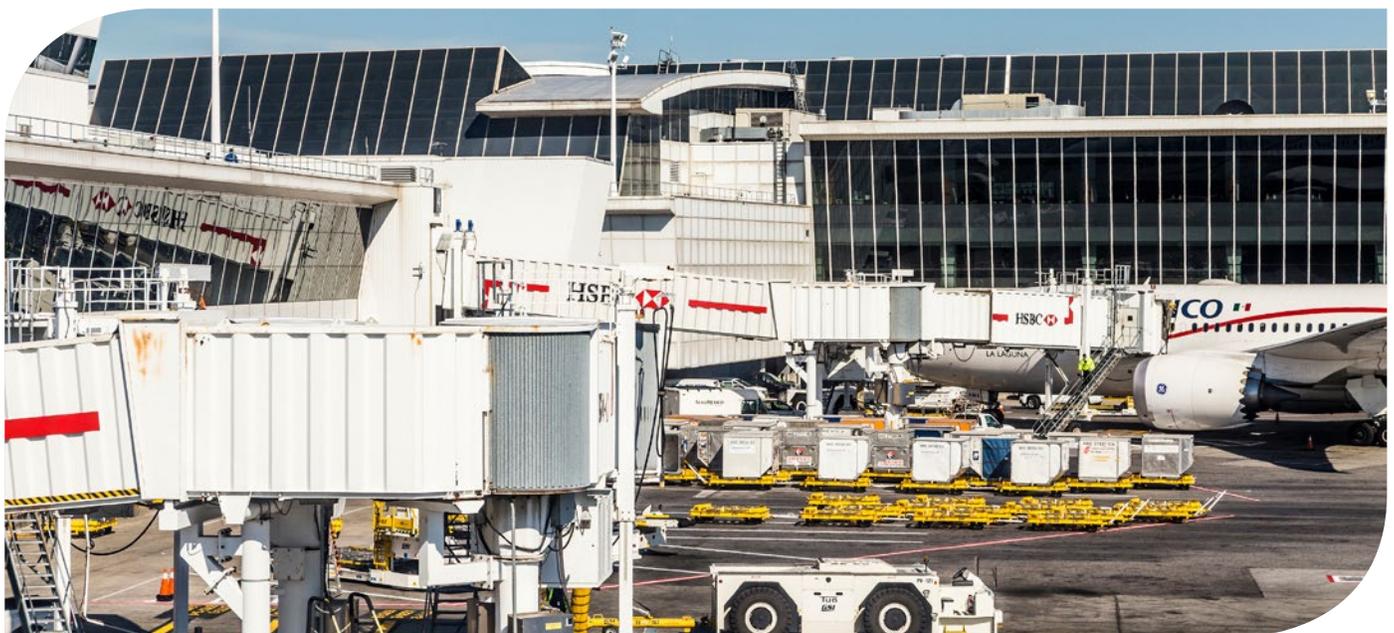
**Source:** Jeffrey, R. (2024, August 22). *Atlas Air orders three 747-8Fs*. Air Cargo News. <https://www.aircargonews.net/airlines/atlas-air-orders-three-747-8fs/>

## New Funding Aims to Address U.S. Airport Cargo Infrastructure Crisis

Recent developments signal progress in tackling congestion issues at major US airfreight hubs. Brandon Fried of the US Airforwarders Association highlights that a new provision in the FAA Authorization Act, mandating a GAO study on congestion impacts, marks a significant step forward. Fried notes that this move is crucial, as "we managed to include a provision in the act requiring the Government Accountability Office (GAO) to study the impact of congestion on US

trade" (Whiteman, 2024). With hopes for substantial federal funding, there is optimism for much-needed improvements at key airports, including Chicago, Los Angeles, Miami, New York JFK, and Seattle.

**Source:** Whiteman, A. (2024, August 16). *New hopes for funding to solve US airport 'cargo infrastructure crisis'*. The Loadstar. <https://theloadstar.com/new-hopes-for-funding-to-solve-us-airport-cargo-infrastructure-crisis/>

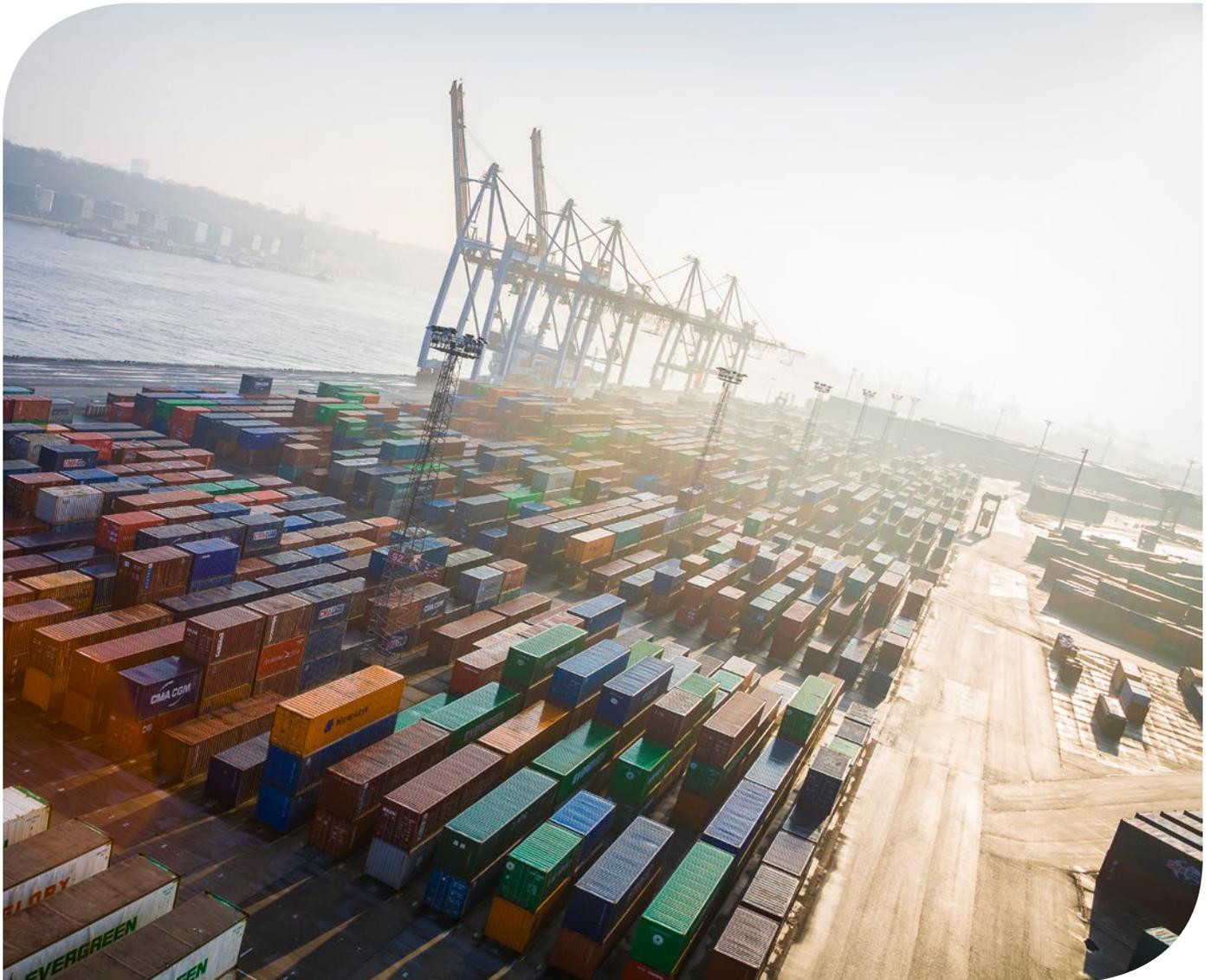




# German Port Workers Reject Contract Proposal, Raising Strike Concerns

German seaport operations face uncertainty as the trade union ver.di has dismissed the latest contract proposals from the Central Association of German Seaport Operators (ZDS). "Since the contract between ZDS and its employees expired this year, warning strikes have been taking place periodically in the ports of Hamburg, Bremen, Bremerhaven, Wilhelmshaven, Brake and Emden" (Goldstone, 2024). The rejected offer was presented during the fourth round of negotiations for a new collective agreement. The proposal included two options with differing durations, both of which were deemed insufficient by union members.

**Source:** Goldstone, C. (2024b, August 27). *Threat of more strikes at German ports as workers reject "inadequate" offer.* The Loadstar. <https://theloadstar.com/threat-of-more-strikes-at-german-ports-as-workers-reject-inadequate-offer/>



## ■ ■ ■ European Market

Ocean Freight

## US Importers Prepare for Potential Port Disruptions

US importers are increasing their inventory levels ahead of potential labor disruptions, reflecting concerns over supply chain stability. “The growing threat of delays at ports from Canada to Texas is prompting US importers to restock inventories and frontload orders, with volume rising on the trans-Atlantic westbound trade lane, according to Hapag-Lloyd CEO Rolf Habben Jansen” (Knowler, 2024).

**Source:** Knowler, G. (2024, August 20). Restocking begins on trans-Atlantic ahead of potential labor disruptions. Journal of Commerce. <https://www.joc.com/article/restocking-begins-on-trans-atlantic-ahead-of-potential-labor-disruptions-5706939>



## ■ ■ ■ European Market

Air Freight

## Lufthansa Cargo Expands 777F Fleet to 18 Aircraft

Lufthansa Cargo has announced the expansion of its Boeing 777F fleet to 18 aircraft, reflecting its commitment to enhancing air cargo capacity. This fleet growth aims to support increasing demand for global air freight services. Lufthansa Cargo’s CEO, Ashwin Bhadri, stated, “With this new addition, Lufthansa Cargo will serve North America with up to 33 freighter frequencies weekly and South America with up to four frequencies weekly in addition to the belly flights” (Air Cargo News, 2024). This expansion will enhance the airline’s efficiency and service quality in the competitive air cargo market.



**Source:** Jeffrey, R. (2024, August 27). Lufthansa Cargo grows 777F fleet to 18 aircraft. Air Cargo News. <https://www.aircargonews.net/airlines/lufthansa-cargo-grows-777f-fleet-to-18-aircraft/>

## Middle East Market

Ocean Freight

## Impending Environmental Disaster in the Red Sea

The Red Sea faces a potential environmental disaster as the Sounion suezmax tanker, owned by Delta Tankers, remains ablaze and may be leaking oil, as reported by the U.S. Department of Defense. “The EU naval force in the region warned on Monday the stricken ship is both a navigational and an “imminent” environmental hazard” (Chambers, 2024). The vessel, carrying 150,000 tons of crude oil, was attacked by the Houthis in international waters, creating concerns of a spill that could rival the Exxon Valdez incident.

**Source:** Chambers, S. (2024, August 28). *Red Sea littoral states brace for the worst tanker spill this century.* Splash247. <https://splash247.com/red-sea-littoral-states-brace-for-the-worst-tanker-spill-this-century/>



## India Market

Ocean Freight



## Indian Port Workers Resolve Dispute with New Wage Agreement and Avoid Strike



Port workers across India have avoided a strike by successfully negotiating a new five-year wage deal. “The agreement averted further issues in an already-strained global supply chain, which is struggling with higher freight costs and congestion at major Asian and European ports” (Paramasivam, 2024).

**Source:** Paramasivam, P. *Indian port workers call off strike, agree new wage deal.* Reuters. (2024, August 27). <https://www.reuters.com/world/india/thousands-indian-port-workers-go-strike-could-delay-shipments-2024-08-27/>

## India Market

Air Freight

## Rising Air Freight Demand in India Attracts Major Carriers



India's air freight sector is expanding rapidly, with major airlines increasing capacity to meet rising demand. Virgin Atlantic plans a 40% increase in its cargo operations, significantly boosting its capacity from pre-pandemic levels. Turkish Cargo and Cathay Pacific are also expanding their Indian operations, driven by growing needs for perishables, pharmaceuticals, and textiles. Bengaluru Airport plays a crucial role, handling 28% of India's perishable cargo and increasing mango

exports by 20%. "Dedicated freighter operators and airlines, both domestic and foreign, have been building their Indian cargo operations to capitalise on expected trade expansion" (Mathais, 2024).

**Source:** Mathais, A. (2024, August 27). *Growing demand for air freight in India a main attraction for major carriers.* The Loadstar. <https://theloadstar.com/growing-demand-for-air-freight-in-india-a-main-attraction-for-major-carriers/>

## Australia Market

Ocean Freight



## Preparing for Brown Marmorated Stink Bug Season

As the Brown Marmorated Stink Bug (BMSB) season approaches, businesses involved in international shipping need to be vigilant. "High-risk BMSB season, according to Agriculture Victoria, is the period from September to April each year. The invasive pest is native to China, Japan, Taiwan and the Korean

Peninsula. It has since spread to the US and Europe" (Trailer Magazine, 2024). The Australian Department of Agriculture, Fisheries and Forestry provides detailed guidelines for managing BMSB risks. Importers are advised to stay informed on the required treatment protocols and safeguarding arrangements to prevent infestations.



**Source:** *BMSB season is coming.* Trailer Magazine. (2024, August 26). <https://www.trailermag.com.au/bmsb-season-is-coming/>

 Australia Market

Ocean Freight

# Successful Negotiations Avert Planned Strike at Fremantle Ports



The planned 48-hour strike at Fremantle Ports, set for August 25, was successfully averted after negotiations between Fremantle Ports and Marine Services employees. “With the strike called off, operations at Fremantle Port continued as usual, avoiding any potential delays or disruptions” (WCN Editorial, 2024).

**Source:** WCN Editorial. (2024, August 26). *Fremantle Ports strike cancelled after agreement reached.* WorldCargo News. <https://www.worldcargonews.com/news/2024/08/fremantle-ports-strike-cancelled-after-agreement-reached/?gdpr=accept>

# New Customs Arrangement Enhances Australia-Indonesia Trade



Australia and Indonesia have signed an Authorised Economic Operator Mutual Recognition Arrangement (AEO MRA), simplifying customs procedures between the two nations. This agreement “will mean Australian Trusted Traders (ATT) gain faster, more efficient, and more secure access to one of the world’s fastest-growing economies” (Australian Border Force, 2024).

**Source:** Australia, Indonesia sign Mutual Recognition Arrangement. Australian Border Force. (2024, August 6). <https://www.abf.gov.au/newsroom-subsite/Pages/Australia-Indonesia-sign-Mutual-Recognition-Arrangement.aspx>



## Yang Ming Declares General Average Following YM

In response to a recent explosion aboard the YM Mobility at Ningbo Port, Yang Ming has declared General Average, a maritime practice where all parties involved in the voyage share the costs of the incident. "The exact cause of the incident is under investigation. Preliminary reports indicated that the explosion originated from a container loaded with dangerous goods, including lithium batteries and parabens, which had been declared as a reefer but was being used as a dry container" (Mandra, 2024).



**Source:** Mandra, J. O. (2024, August 23). *YM Mobility explosion triggers general average declaration.* WorldCargo News. <https://www.worldcargonews.com/news/2024/08/ym-mobility-explosion-triggers-general-average-declaration/>

## China Accelerates Arctic Capabilities with New Icebreaker Development



China's recent deployment of three advanced icebreakers to the Arctic this year signals a significant escalation in its strategic ambitions within the region. "The Arctic is seen as a critical area for developing new trade routes that could drastically reduce the time and costs of shipping goods between Asia and Europe" (News. AZ, 2024). As China strengthens its Arctic capabilities, the global race for influence in the region intensifies, with each nation seeking to secure its interests in this critical geopolitical frontier.

**Source:** *China enters the Arctic fight with Russia and the USA.* News.AZ International. (2024, August 22). <https://news.az/news/-china-enters-the-arctic-fight-with-russia-and-the-usa>

**Asia Market**

Air Freight

## China's Freighter Fleet Set to Triple by 2043

China's freighter fleet is set to experience substantial growth, with expectations to nearly triple by 2043. Boeing's 2024 Commercial Market Outlook forecasts 170 freighter deliveries for China over the next two decades, fueled by the country's booming e-commerce sector. Darren Hulst, Boeing's Vice President of Commercial Marketing, stated, "China's airlines will see strong demand, requiring further growth of their modern fuel-efficient fleets" (Jeffrey, 2024). Globally, the air cargo market will need 2,845 additional freighters by 2043 to meet rising demand.

**Source:** Jeffrey, R. (2024, August 27). *China's freighter fleet to triple by 2043*. Air Cargo News. <https://www.aircargonews.net/airlines/chinas-freighter-fleet-to-triple-by-2043/>


**African Market**

Ocean Freight



## Tanzania and DP World Partnership Aims to Cut Expenses at Dar es Salaam Port

Tanzania's strategic alliance with Dubai's DP World is set to bring substantial financial relief to the Dar es Salaam port. The report by Zanzibar Investment News highlights the successes of the partnership such as "reduced waiting times for ships, improved turnaround times, and significant cost reductions" (Okafor, 2024).

**Source:** Okafor, C. (2024, August 21). *Tanzania's controversial deal with Dubai is set to cut \$600 million in costs*. Business Insider Africa. <https://africa.businessinsider.com/local/markets/tanzanias-controversial-deal-with-dubai-is-set-to-cut-dollar600-million-in-costs/22r8g7v>



## Latin American Market

Ocean Freight



## Panama Canal Prepares for Future Droughts with Strategic Expansion

The Panama Canal Authority's chief, Ricaurte Vasquez, announced plans to prepare for the challenges posed by potential future droughts "by accommodating larger vessels, securing dedicated passage for some ships and expanding its water reservoirs' capacity" (Parraga, 2024). This initiative aims to enhance the canal's resilience against water shortages while maintaining efficient global trade routes.

For now, the canal authority has reinstated standard operations with 36 vessel transits per day and a maximum draft of 50 feet (15 meters).

**Source:** Parraga, M. (2024, August 26). *Panama Canal Plans Reservoir Expansion to Combat Next Drought*. gCaptian. <https://news.az/news/-china-enters-the-arctic-fight-with-russia-and-the-usa>



## CMA CGM Reignites Operations at Itajaí Port

CMA CGM Group has resumed operations at the port of Itajaí, Santa Catarina, after nearly two years of inactivity. Nathaly Freitas, CEO of Mercosul Line (a company of the CMA CGM group) noted, "The resumption of activities at the port of Itajaí should increase the volume handled in the southern region of Brazil, since the other ports are operating close to their maximum capacity. We are committed to continuing to expand our operations in the country, strengthening our presence and contributing to the growth of trade" (Guia Marítimo, 2024).

**Source:** Guia Maritimo Essay. *With a spot scale, CMA CGM works to restart the port of Itajaí*. Guia Maritimo. (2024, August 15). <https://www.guiamaritimo.com.br/noticias/maritimo/com-escala-spot-cma-cgm-atua-em-retomada-do-porto-de-itajai>





## Latin American Market

Ocean Freight

# Valparaíso Port Expansion: Advancing with Purpose and Coordination



The Port of Valparaíso is advancing its expansion plans with a strategic and collaborative approach, as highlighted by General Manager Franco Gandolfo. "The executive indicated that port systems are constantly under stress and, although they operate efficiently, they must improve and continue to develop" (MundoMaritimo, 2024). He expressed confidence that Valparaíso is moving in the right direction to meet future demands through well-planned expansion and ongoing community engagement.

**Source:** MundoMaritimo. (2024, August 26). "The expansion of the Port of Valparaíso is moving forward with a firm and frank step." <https://mundomaritimo.cl/noticias/la-ampliacion-de-puerto-valparaiso-esta-avanzando-con-paso-firme-y-de-manera-franca>

## Mexico Market

Ocean Freight



# Expansion Boosts Lázaro Cárdenas Terminal Capacity

APM Terminals has announced significant progress in its Phase 2 expansion of the Specialized Container Terminal (TEC) II at Lázaro Cárdenas port. Once finished, the terminal will accommodate up to 2.2 million TEUs (20-foot containers). "The port of Lázaro Cárdenas is ranked second in Mexico in terms of container handling on the Pacific coast" (T21 Editorial, 2024).

**Source:** T21 Editorial. APM Terminals reports progress on expansion project in Lázaro Cárdenas. T21. (2024, August 12). <https://t21.com.mx/apm-terminals-reporta-avances-en-proyecto-de-ampliacion-en-lazaro-cardenas/>

