



# FrachtNEWS

Logistics  
Market  
Report

Global Market

Ocean Freight



## Navigating Red Sea Challenges: New Ships to Ease Supply Chain Disruptions

Amidst uncertainties surrounding Red Sea vessel diversions, industry experts emphasize the positive impact of upcoming ship deliveries in 2024. According to carrier executives and analysts, these new vessels will play a crucial role in alleviating disruptions to ocean supply chains caused by extended voyages via the Cape of Good Hope.

"While the duration of Red Sea vessel diversions remains uncertain, what is clear is that a lot of new ships will be delivered in 2024 that will help mitigate the disruption to ocean supply chains from the longer Cape of Good Hope voyage," says Michael Angell, Associate Editor (Angell, 2024).

**Source:** Angell, M. (2024, February 9). Container ship supply meeting red sea challenge, but market much tighter. Journal of Commerce. [https://www.joc.com/article/container-ship-supply-meeting-red-sea-challenge-market-much-tighter\\_20240209.html](https://www.joc.com/article/container-ship-supply-meeting-red-sea-challenge-market-much-tighter_20240209.html)

# Air Freight Market Cools Down Following Initial Surge in 2024

According to recent data, the air cargo sector is experiencing a gradual slowdown after a robust beginning fueled by the Red Sea crisis and the pre-Lunar New Year rush. WorldACD's analysis indicates a 2% decline in tonnages out of China in week six, accompanied by a 15% decrease in imports. This deceleration mirrors a recent surge driven by shippers rushing to dispatch goods before the LNY holiday. WorldACD anticipates further decreases in both inbound and outbound tonnages in the current week.

Highlighting the recent trend, "WorldACD reports a 3% global decline in demand over the last two weeks compared to the preceding period.

Notably, the Asia Pacific region saw a significant 7% drop, primarily due to a 17% decrease in intra-Asia Pacific traffic, indicating a rapid response to the LNY holiday period" (Brett, 2024).

WorldACD acknowledges the challenge of assessing the air cargo market's true strength in the first months of the year due to the influence of the LNY holiday, which started on February 10 this year, differing from last year's timing. However, despite this complexity, preliminary analysis suggests similarities to last year's patterns, with global tonnages surpassing last year's levels. A clearer understanding is expected by the end of the month.

**Source:** Brett, D. (2024, February 16). Air cargo market shows signs of cooling after busy start to 2024. Air Cargo News. <https://www.aircargonews.net/business/supply-chains/air-cargo-market-shows-signs-of-cooling-after-busy-start-to-2024/>





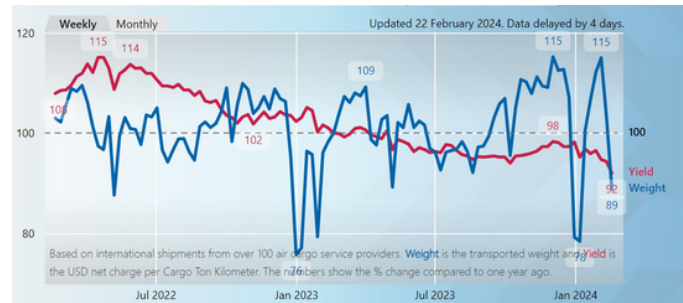
Global Market

Air Freight

# Champ Cargosystems – Air Cargo Market Tracker



The Champ Market Analytics Air Cargo Market Tracker is a useful tool that provides insight into the monthly trends in demand and yield in the air freight industry. You can access the chart using the link below.



Access the chart here:  
<https://www.aircargonews.net/data-hub/champ-cargo-systems-air-cargo-market-tracker/>

# Rethinking Cargo Aircraft Configurations: The Case for Flexibility



Source: Goldstone, C. (2024, February 12). To nose-load or not to nose-load, that's the question for cargo carriers. The Loadstar. <https://theloadstar.com/to-nose-load-or-not-to-nose-load-thats-the-question-for-cargo-carriers/>

In the dynamic landscape of freighter operations, a noticeable divide is emerging among carriers: those opting for 747s, and those pursuing alternative strategies. Qatar Airways Cargo recently made headlines by decommissioning one of its 747Fs, a move in stark contrast to the expansion efforts of the Challenge Group.

Elodie Berthonneau, representing Qatar Airways, emphasized at the ACE air cargo conference in Abu Dhabi, "Nose-loading only

represents 1% to 2% of the cargo we carry. We don't really need it – the cost is not justified, so we are not asking Boeing or Airbus to develop new nose-loaders" (Goldstone, 2024).

Despite this stance, Qatar Airways continues to utilize its remaining 747 for daily operations across various routes. Similarly, Lufthansa Cargo echoed a similar sentiment at the conference, noting that nose-loading accounts for a negligible portion of their cargo demands, rendering the necessity for 747s obsolete.





**North American Market**

Ocean Freight



# Port of Virginia Broadens Access to Latin American Markets



In a strategic move to bolster international connections, the Port of Virginia has unveiled two new services directly catering to the Latin American market. According to Michele Labrut's report, "the collaboration between ocean carriers CMA CGM and Ocean Network Express (ONE) has birthed the CMA Americas XL and ONE FLX services, now facilitating seamless trade between "the Port of Virginia and key ports in Colombia, Peru, Chile, Ecuador, and Panama" (Labrut, 2024).

Additionally, MSC has augmented its Ecuador NWC service by incorporating south and central American port calls into its Scan Baltic service, resulting in the newly established Ecuador – NWC & Scan Baltic – USA route. This expansion signifies the Port of Virginia's pivotal role as a gateway to Latin America, opening up avenues for enhanced trade and economic growth.

**Source:** Labrut, M. (2024, February 15). New services connecting Port of Virginia and Latin American market. Seatrade Maritime. <https://www.seatrade-maritime.com/ports/new-services-connecting-port-virginia-and-latin-american-market>

Air Freight

# Alaska Airlines Ventures into New Territory with Freighter Expansion to Los Angeles

Alaska Airlines is poised to embark on a significant expansion of its cargo services with the introduction of two Boeing 737-800 converted freighters, marking the airline's inaugural dedicated cargo route extending beyond Seattle. Adam Drouhard, the managing director for cargo, confirmed the strategic move, slated to commence in April.

Los Angeles emerges as the latest addition to the airline's freighter network, a territory previously uncharted by Alaska Airlines' cargo operations within the contiguous United States.

The deployment of these newly retrofitted aircraft signifies a pivotal step for Alaska Air Cargo, enhancing market accessibility in Alaska,

streamlining delivery timelines, and alleviating operational strain on the existing fleet of three Boeing 737-700 converted freighters serving the state.

Drouhard elaborated on the significance of the expansion, stating, "By bringing on the new 737-800 cargo jets, we're ensuring reliability in our schedule and achieving greater fleet balance. This initiative is poised to inject substantial capacity and foster growth, with an anticipated 70% increase in overall network capacity for the state" (Kulisch, 2024).



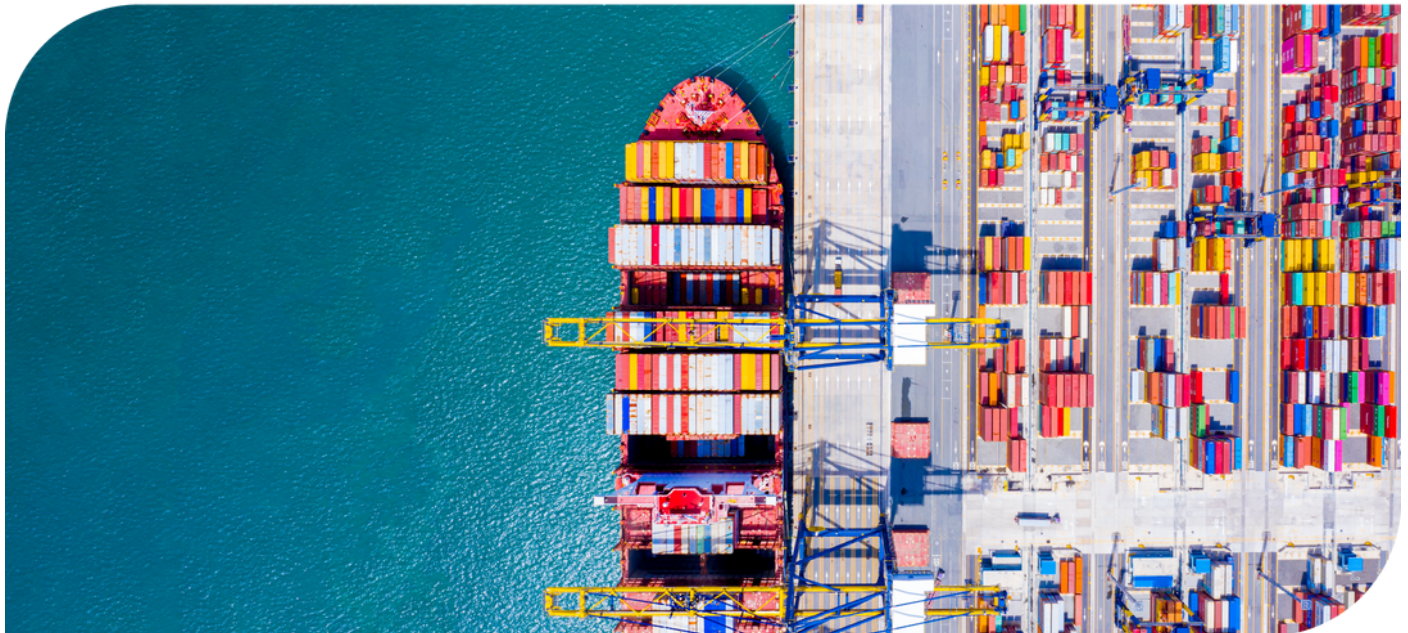
**Source:** Kulisch, E. (2024, February 14). Alaska Airlines to expand freighter service to Los Angeles. FreightWaves. <https://www.freightwaves.com/news/alaska-airlines-to-expand-freighter-service-to-los-angeles>





# Mexico Market

Ocean Freight



## Shift in US Import Trends: Mexico Overtakes China as Top Exporter

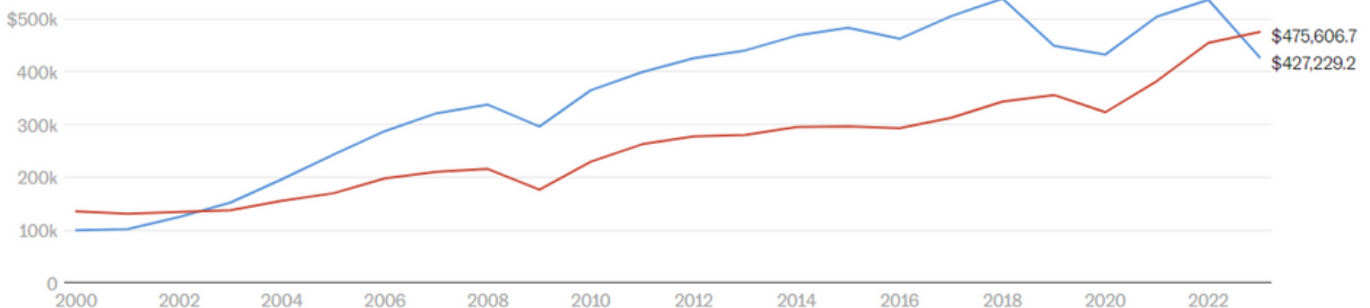
In a significant development, the United States has emerged as the leading importer of goods and services from Mexico in 2023, marking the first time in 21 years that China has been displaced from this position. Data released by the US Census Bureau underscores this notable shift in trade dynamics, highlighting Mexico's growing significance as a trade partner for the US. As stated by Isabella Cota and Macarena Vidal Liy, authors of the report, "This shift reflects evolving trade patterns and underscores the deepening economic ties between the US and Mexico" (Cota; Liy,2024).

**Source:** Cota, Isabella; Liy, Macarena. (2024, February 7). México supera por primera vez a China como principal exportador de EE. UU. desde 2002 [Mexico surpasses China as the US's main exporter for the first time since 2002]. <https://elpais.com/mexico/economia/2024-02-07/mexico-supera-por-primera-vez-a-china-como-principal-exportador-de-ee-uu-desde-2002.html>

### Annual exports to the USA

in millions of dollars

— of Mexico — of China



Source: US Census Bureau

**Mexico Market**

Ocean Freight

## Nationwide Strike: Mexican Truck Drivers Demand Improved Security Measures

The Mexican Alliance of Carrier Organizations (AMOTAC) initiated a nationwide strike on Thursday to raise concerns about the lack of security for truck drivers on major highways across Mexico. As reported by William B. Cassidy, the protest has impacted traffic on multiple highways, highlighting the urgent need for enhanced safety measures in the transportation sector. AMOTAC's efforts underscore the critical importance of prioritizing the safety and security of truck drivers to



ensure smooth cross-border operations and protect the livelihoods of industry professionals. As stated by Cassidy, "Improving safety and security for truck drivers on Mexico's highways is at the heart of the protest" (Cassidy, 2023).

**Source:** Cassidy, W. B. (2024, February, 15). Mexican truck drivers protest lack of security in latest cross-border disruption. [https://www.joc.com/article/mexican-truck-drivers-protest-lack-security-latest-cross-border-disruption\\_20240215.html](https://www.joc.com/article/mexican-truck-drivers-protest-lack-security-latest-cross-border-disruption_20240215.html)

## Revival of Mexicana de Aviacion: Challenges and Opportunities Ahead

Mexicana de Aviacion resumes operations with zeal but encounters financial hurdles. The airline, under the ownership of the Secretariat of National Defense (SEDENA), commenced flights on December 26, 2023, from Felipe Angeles International Airport (AIFA). However, significant investment of 7 billion pesos is required, and profitability isn't anticipated until 2029.

**Source:** Cluster Industrial. (2024, February 1). Mexicana de Aviacion inicia operaciones después de 13 años de ausencia [Mexicana de Aviacion begins operations after 13 years of absence]. <https://www.clusterindustrial.com.mx/noticia/7140/mexicana-de-aviacion-inicia-operaciones-despues-de-13-anos-de-ausencia>





## Latin American Market

Ocean Freight



# The Panama Canal's Journey to Recovery

The Panama Canal continues to grapple with transit limitations, extending possibly until February of next year, as highlighted by road administrator Ricaurte Vasque in a recent statement to The Associated Press. The current cap of 24 daily transits, down from the usual 36-38, is expected to persist until at least April. Vasque emphasizes the pivotal role of rainfall in replenishing the essential canal lakes, suggesting a full recovery may not materialize until around 2025.

According to Vasque, "a weather forecast slated between March 15 and 20, with a reliability level of 75%, aims to provide insight into the next 45 days, aiding in adapting to evolving conditions" (2024).

Looking ahead, a comprehensive analysis over the next six months will offer clarity on traffic projections and potential fluctuations, crucial for operational management and long-term planning.



However, beyond climate challenges, political hurdles loom large. While long-term measures have been proposed, including defining the Canal Watershed and adjusting reservoir construction restrictions, the current government defers action until its term ends on June 30. Meanwhile, discussions with presidential candidates for the upcoming elections seek enduring solutions to structural issues.

**Source:** El Canal de Panamá enfrentaría Dificultades de Tránsito, Al Menos, hasta 2025. MundoMarítimo. (2024, February 14). <https://www.mundomaritimo.cl/noticias/el-canal-de-panama-enfrentaria-dificultades-de-transito-al-menos-hasta-2025>

# Essential Renovation Initiatives Launched at Port of Navegantes in 2024

In a notable development within the maritime sector, urgent measures are underway at the Port of Navegantes, prompted by a crucial matter identified at Berth 1. According to a statement from AP Moller-Maersk, construction efforts commenced on January 5, 2024, marking a pivotal step towards revitalizing port operations.

"The email sent by A.P. Moller-Maersk to customers highlights that the works will be carried out in two phases, with one side of the port (450 meters) being renovated while the other continues to operate normally.

The process will start from the east side, progressing to the west side after the first stage is completed. However, operational challenges and longer wait times are expected to occur for services docking at Navegantes during this time (2024)."



**Source:** Reforma Urgente no Porto de Navegantes em 2024. Yaholog. <https://yaholog.com.br/reforma-urgente-no-porto-de-navegantes-em-2024/>



## Latin American Market

Air Freight

# LATAM's Valentine's Triumph: Exporting 25,000 Tonnes of Flowers

“LATAM's air cargo subsidiaries concluded a 'historic Valentine's season' by spearheading regional flower transportation, exporting nearly 25,000 tonnes in just 21 days from Colombia and Ecuador," announced an official release (Hardy, 2024). This remarkable achievement represents a 36 percent increase from the previous year.

In total, the exported volume encompasses a stunning 575 million flower stems, showcasing LATAM's significant contribution to the global floral trade.

**Source:** Hardy, E. (2024, February 9). Love is in the Air. AIR CARGO WEEK. <https://www.aircargoweek.com/love-is-in-the-air/#:~:text=The%20LATAM%20group%2C%20through%20its,the%20ame%20season%20in%202023.>





European Market

Ocean Freight



# Navigating Change: The Shifting Tides of the Transatlantic Trade

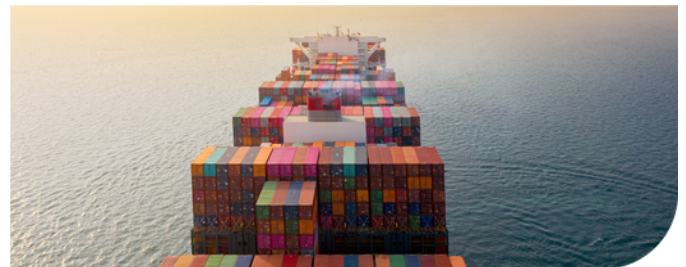
The Transatlantic container trade, once characterized by robust demand and tight capacity, has undergone a significant transformation. From being one of the strongest trade lanes in 2021 and 2022 due to a surge in Covid-related cargo growth and vessel redeployment, it has now shifted to a landscape of surplus capacity and sharply declining rates. Rebecca Moore observes, "Beginning in November 2022, the trade did an about-turn, moving from a buoyant position to plunging rates and excess capacity" (Moore, 2023).



**Source:** Moore, R. (2024, February 15). The Transatlantic performs a volte-face. Riviera Maritime Media. <https://www.rivieramm.com/news-content-hub/news-content-hub/the-transatlantic-performs-a-volte-face-79581>

# Deciphering the Rise in Transatlantic Spot Rates: Unveiling Potential Factors

Xeneta sheds light on the recent surge in spot rates above the long-term market trend on the Transatlantic trade. According to Container Trades Statistics, demand has been on a declining trend since its peak in October 2021. Xeneta identifies two primary suspects behind this trend: first, carriers flooded the trade with excess capacity in the initial eight months of 2023, causing spot market freight rates to react accordingly. Second, the Red Sea crisis has had ripple effects beyond the Suez Canal, impacting trades across the region. Additionally, the full implementation of EU ETS regulations in 2024 is expected to further impact carriers and shippers through surcharges, especially on trades with lower load factors. As Xeneta aptly puts it, "The Red Sea crisis is impacting trades beyond those that transit the Suez Canal most regularly." (Xeneta, 2024)



**Source:** Xeneta. (2024, February 15). Spot rates rise above long-term market on the Transatlantic trade – but what could be the cause? Hellenic Shipping News Worldwide. [https://www.hellenicshippingnews.com/xeneta-spot-rates-rise-above-long-term-market-on-the-transatlantic-trade-but-what-could-be-cause/#google\\_vignette](https://www.hellenicshippingnews.com/xeneta-spot-rates-rise-above-long-term-market-on-the-transatlantic-trade-but-what-could-be-cause/#google_vignette)



## Oceania Market

Ocean Freight



## MUA and DP World Reach Agreement

After months of negotiations and industrial action, DP WORLD and the Maritime Union of Australia have reached an agreement at the Fair Work Commission. This resolves the recent disruptions at DP World terminals. The agreement is pending endorsement by MUA members, but the union has confirmed that DP World wharves are ready to return to work with full commitment.



According to MUA assistant national secretary Adrian Evans, the new four-year agreement focuses on fair pay, safety measures, and job security for Australian wharfies.

DP World has expressed relief at the resolution and is committed to providing uninterrupted service to customers. Nicolaj Noes, DP World Oceania executive vice president, emphasized the company's focus on restoring supply chain operations and rebuilding customer confidence.

"Containership schedules are returning to normal faster than expected following the settlement of the prolonged DP World/Maritime Union of Australia dispute" (Williams, 2024).

**Source:** Williams, A. (2024, February 2). MUA WITHDRAWS ALL INDUSTRIAL ACTION AT DP WORLD TERMINALS. [https://www.thedcn.com.au/region/international/breaking-news-mua-withdraws-all-industrial-action-at-dp-world-terminals/?utm\\_source=DCN%20Daily%20News](https://www.thedcn.com.au/region/international/breaking-news-mua-withdraws-all-industrial-action-at-dp-world-terminals/?utm_source=DCN%20Daily%20News)

## Tackling Biosecurity Risks in Vehicle Imports: Combatting Stink Bug Infestations

Biosecurity issues persist in vehicle imports, exemplified by a recent incident involving a shipment of electric vehicles from South Korea and China. The discovery of stink bug infestation led to the vessel's departure from Australian waters, highlighting the ongoing challenges.

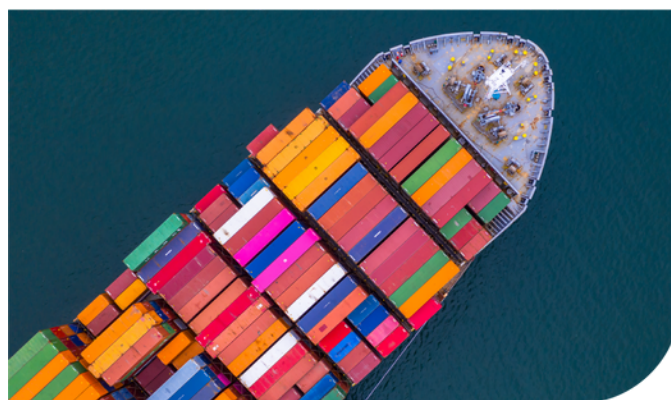
"Since 2021, Australia's ports have seen an 88% increase in new vehicles arriving with biosecurity risk material contamination," reports the CSIRO. This underscores the urgency to address the issue, especially during peak seasons for invasive species (Crisp, 2024).

Recognizing the complexity of bug identification, the CSIRO is collaborating on an AI-powered app to assist biosecurity officers.

Dr. Alexander Schmidt-Lebuhn's prototype aims to streamline bug identification, with plans to expand its capabilities to identify priority weed seeds.

As agencies continue to innovate, Australia's defense against invasive species in vehicle imports is set to strengthen.

**Source:** Crisp, D. (2024, February 9). Stinky beetles bug evs but app on the way - daily cargo news. The DCN. [https://www.thedcn.com.au/news/stinky-beetles-bug-evs-but-app-on-the-way/?utm\\_source=DCN%2BDaily%2BNewswire&utm\\_campaign=3136902ac9-EMAIL\\_CAMPAIGN\\_10\\_06\\_2021\\_COPY\\_01&utm\\_medium=email&utm\\_source=DCN%2BDaily%20News](https://www.thedcn.com.au/news/stinky-beetles-bug-evs-but-app-on-the-way/?utm_source=DCN%2BDaily%2BNewswire&utm_campaign=3136902ac9-EMAIL_CAMPAIGN_10_06_2021_COPY_01&utm_medium=email&utm_source=DCN%2BDaily%20News)





## Middle East &amp; African Market

Air Freight



## Insights into Airfreight Rate Dynamics Beyond Red Sea

According to recent speculation, disruptions in the Red Sea may herald a surge in airfreight rates, with a notable increase witnessed in late January. "January, however, was dominated by speculation about an immediate surge in air cargo rates that – contrary to predictions – took some time to start arriving," as highlighted in a report by The Loadstar (Lennane, 2024). Looking ahead, various factors such as the US elections, global freight challenges linked to the Red Sea and Panama Canal, conflicts in the Middle East and Black Sea, and potential adjustments in US and EU interest rates are poised to drive volatility over the next 12 months.

Contrary to initial forecasts, January saw a delay in the anticipated spike in air cargo rates. The speculation stemmed largely from attacks on commercial vessels in the Red Sea by Yemen's Houthis, prompting significant diversions of ships away from the Suez Canal. This diversion, coupled with the impending Chinese New Year, fueled expectations of heightened air cargo rates as shippers sought alternative routes to meet delivery deadlines.

Some forwarders noted a growing interest in sea-air solutions, with shippers exploring options like transporting goods from Asia to Europe via sea routes to ports such as Dubai or even through Los Angeles before air transport.

**Source:** Lennane, A. (2024, February 2). There's more to the future of airfreight rates than Red Sea Disruption. The Loadstar. <https://theloadstar.com/theres-more-to-the-future-of-airfreight-rates-than-red-sea-disruption/>



## Asian Market

## Ocean Freight



# Collaborative Ventures: Wan Hai and ONE Forge New Asia Pacific Service



In a strategic move that hints at potential shifts within THE Alliance, Wan Hai Lines and ONE, have joined forces to launch a revamped Asia-Pacific service. Dubbed as Asia Pacific 1 by ONE, this collaboration involves the restructuring of Wan Hai's AA3 service. With calls at key ports including Cai Mep, Shekou, Xiamen, Taipei, Shanghai, Ningbo, Long Beach, Oakland, Shekou, and Cai Mep, the service will now extend its reach to include Hai Phong and Los Angeles.

This partnership signifies a significant step in enhancing connectivity and service offerings across the Asia-Pacific region. As Martina Li notes, "Wan Hai Lines could be a substitute for Hapag-Lloyd in THE Alliance." (Li, 2023)

**Source:** Li, M. (2024, February 15). Wan Hai partners with ONE for revamped Asia Pacific service. The Loadstar. <https://theloadstar.com/wan-hai-partners-with-one-for-revamped-asia-pacific-service/>

## Air Freight

# Korean Air's Acquisition of Asiana Airlines Cleared by EU After Cargo Unit Sale



Korean Air is poised to finalize its acquisition of Asiana Airlines following the agreement to European Commission merger conditions, mandating Asiana's divestment of its freighter business.

The final obstacle lies with the U.S. government, expressing concerns about potential monopolization of routes to the United States. The Biden administration fears reduced competition and over-reliance on a single carrier in crucial supply chains.

According to the European Commission, the merger would have significantly diminished competition, potentially resulting in higher prices or diminished service quality for passengers and cargo customers. As per FreightWaves, Korean Air operates 23 freighters, positioning itself as the fifth-largest cargo carrier globally. Asiana, on the other hand, boasts a fleet of 10 Boeing 747-400 freighters and one 767 aircraft.

Quoting the European Commission, "Together, they

would have been by far the largest carrier on these routes removing an important alternative for customers. Other competitors face regulatory and other barriers to expand their services and would have been unlikely to exert sufficient competitive pressure on the merged company. This would likely have led to increased prices or decreased quality for passengers and cargo customers" (Kulisch, 2024).

**Source:** Kulisch, E. (2024a, February 13). Cargo unit sale seals EU approval for Korean Air Buy of Asiana. FreightWaves. <https://www.freightwaves.com/news/cargo-unit-sale-seals-eu-approval-for-korean-air-buy-of-asiana>