noatum logistics

Market Report

Q4 2024 | Global

Market Report Contents

OVERVIEW

REGIONS

noatum logistics

Global Economic Outlook

The global economic landscape presents a mixed picture across regions. In the Americas, strong U.S. imports and record foreign investment in Mexico are positive, but labour disputes on the US East and Gulf coast pose significant challenges to global supply chains.

Asia's growth is forecast to exceed 4% in 2024, driven by private consumption and exports, although China's slowdown introduces uncertainty.

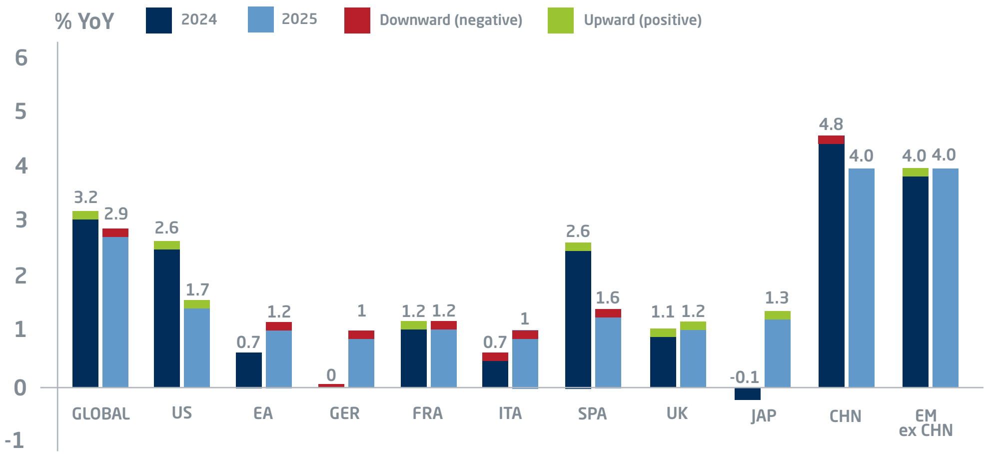
Eastern Europe, Türkiye, and CIS are stabilising after geopolitical tensions, yet weak EU demand and inflation continue to challenge growth, with Türkiye benefiting from expanded trade routes.

The Middle East sees robust energy demand and growing trade with Asia, supported by sea-air shipments. However, Western Europe struggles with weak demand from China and volatile energy prices, which affect intra-EU trade.

The U.S. stands out with strong growth, despite a slowing job market and dwindling household savings. China's economic slowdown, with falling tax revenues and deflationary pressures, is a concern. The eurozone's fragile recovery continues, and while India and Japan have been growth success stories, they are not large enough to drive global growth alone.

Global growth is forecast to slow to 2.9% in 2024, as political developments create an unpredictable environment. Economic outcomes will be shaped by evolving trade relationships and regional dynamics.

Overall, the global economy faces both opportunities for growth and significant risks, shaped by regional dynamics and political developments.



Source: Barclays

noatum logistics

Executive Summary

OCEAN FREIGHT

The ocean freight market has faced strong demand, particularly on Asia-to-Europe and Asia-to-Americas routes. However, capacity which has not kept pace with rising demand, resulting in higher rates and reduced availability, will be put under further strain by the US East Coast (USEC) port strikes. Port congestion, equipment shortages, and route diversions are further straining supply, especially in the Americas and Europe.

Trans-Pacific demand saw a pre-emptive surge in Q3 due to the anticipated U.S. East Coast port strike, but volumes are expected to soften in Q4. Rate declines are expected across key trade lanes as seasonal demand slows.

In the Asia-Pacific, demand continues to outstrip capacity, leading to rate hikes. Typhoons and equipment shortages in regions like Oceania and Latin America are exacerbating delays.

Global schedule reliability dropped to 52% and despite some stabilisation, freight rates remain significantly higher than pre-pandemic levels.

- Strong demand across Asia-to-Europe and Americas trade lanes.
- Capacity shortages and port congestion continue to push rates up.
- Schedule reliability dropped to 52%, with major disruptions in China and Europe.
- Freight rates remain much higher than pre-pandemic levels.

AIR FREIGHT

The global airfreight market continues to grow, driven by strong demand from eCommerce, high-tech components, and ocean freight disruptions. Moving into Q4 2024, capacity constraints remain, particularly on routes from Asia to Europe and North America, leading to further rate increases. Supply chain challenges, such as wide-body aircraft shortages and geopolitical tensions, are pushing rates higher.

Peak season demand is expected to surge due to holiday shipments and ongoing eCommerce growth. Spot rates from China to Europe and the USA have seen sharp increases, with global demand rising 11% year-on-year in September. Capacity remains tight in regions like Northeast Asia and the Middle East, while demand across Europe continues to grow.

- Rates increased by 6% globally in September, with Asia Pacific to the USA seeing a 64% rise.
- High demand for airfreight persists, especially for eCommerce shipments.
- Capacity constraints and geopolitical factors continue to drive rate volatility.
- Sea-air shipments from the Middle East remain a strong driver of demand.

OVERLAND

The road and rail freight sectors are both experiencing strong demand and price increases, driven by rising operational costs and high fuel prices. In August 2024, the road freight market saw significant rate increases, with the TEG Road Transport Index showing nearly 9.5% year-on-year growth. Haulage and courier sectors contributed to this rise as businesses navigated increasing demand and limited capacity.

Rail freight between China and Europe remains in high demand, especially as the Chinese National Holiday approaches. Capacity on these routes remains tight, pushing rates higher, although some relief has come from improved border congestion. Rail connections through the Middle Corridor and Central Asia are expanding, but bottlenecks remain.

- Road freight prices surged in August due to rising fuel costs and demand.
- Rail freight demand between China and Europe remains strong, with tight capacity.
- Rail connections to Central Asia and Türkiye are expanding, but bottlenecks limit growth.
- Road and rail rates are expected to continue increasing through Q4 2024.

Ocean Freight

News

MSC and Premier Alliance to collaborate on Far East-Europe route

MSC and the Premier Alliance (ONE, HMM, and Yang Ming's rebranded THE Alliance) will partner on the Far East-Europe trade from February 2025. The agreement involves slot swaps on 5 services to North Europe and 4 services to the Mediterranean. MSC will also operate 2 additional services to both regions independently, maintaining its position as the largest carrier on this route. The Premier Alliance will run a separate North Europe service, aligning its frequency with the OCEAN Alliance, leaving Gemini Cooperation with fewer weekly services.

US Port Strike: Temporary Resolution, but January Risks Loom

A tentative agreement between the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) paused the recent US East and Gulf Coast dockworker strike, but the risk of further disruption remains if no deal is reached by January 2025.

The three-day strike, which began on 1 October 2024, caused significant disruptions across 36 major ports, including New York, Savannah, and Houston, leaving over 50 vessels anchored offshore. The congestion created by the strike is expected to take weeks to clear, with the backlog potentially affecting global shipping well into Q4.

Some carriers declared force majeure, resulting in rerouting, delays, and additional costs for shippers. Carrier surcharges on US-bound cargo are likely to remain in place, further raising costs. Businesses are advised to prepare for ongoing disruption, secure marine insurance, and plan ahead to safeguard their supply chains against future strikes and congestion.

noatum logistics

Market Outlook

Demand softens ahead of peak

The ocean freight market continues to experience strong demand in many regions, but demand has recently lessened from Asia to the Americas and Europe.

However, capacity growth has not been keeping up with demand, which has resulted in pressure on rates and availability. And while this pressure has lessened of late, port congestion, equipment shortages, and route diversions continue to limit effective capacity, which means that any demand increase will quickly reapply pressure on rates. After the seasonal lull in September, volumes are expected to rise again by late October or early November, driven by the last-minute Christmas rush and an earlier-than-usual Chinese New Year in January 2025. December and January should see particularly strong activity.

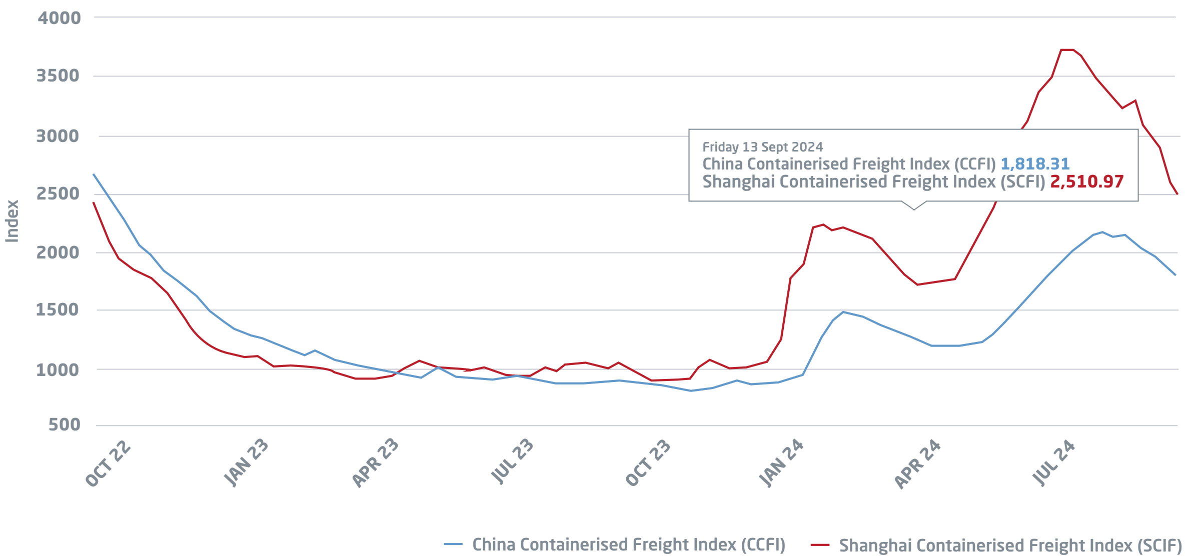
Carriers appear nervous, facing multiple alliance changes, increased capacity, and the anticipated resolution of the Red Sea disruption in 2025. They are already preparing by negotiating longer-term deals to secure revenue at stable levels.

Demand trends

Global container demand continues to be driven by growth in several key trades, including Asia-to-Europe and trans-Pacific routes, particularly as US East Coast shippers accelerated shipments ahead of a potential port strike in October. This pre-emptive surge may lead to a softening of demand moving into Q4, with trans-Pacific volumes expected to dip by 3% in September before a significant reduction in October.

The high global container trade growth observed to date in 2024 may not be sustainable through Q4, with potential slowdowns in both regions.

Containerised Freight Index



noatum logistics

Market dynamics

Shipper uncertainty and nerves are evident

In Asia, high demand has persisted on most lanes, although equipment shortages in regions like Brazil and India have hindered the flow of goods.

The East Coast market is showing signs of rate softening as shippers have front-loaded goods ahead of the potential strike by the International Longshoremen’s Association (ILA). There is a growing expectation of rate drops once the shipment deadlines pass, while volumes may shift to the West Coast, putting additional pressure on rates there.

The European market shows slight decreases in rates due to excess capacity and weakened demand.

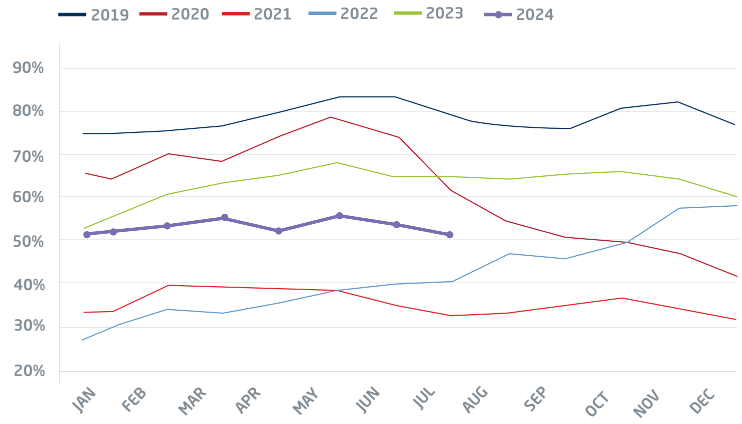
“We closely monitor our allocation agreements, to avoid equipment shortages.”

Regional outlook

The Asia-Pacific region continues to face demand exceeding capacity, especially on intra-Asia routes, causing increased rates. Disruptions caused by typhoons in Vietnam and southern China are adding to the congestion and delays in ocean logistics. Terminals in Haiphong and Hong Kong have experienced shutdowns, further tightening capacity and delaying shipments. Capacity shortages in regions like Oceania and Latin America are driving rate increases as carriers struggle to keep up with the growing demand for space.

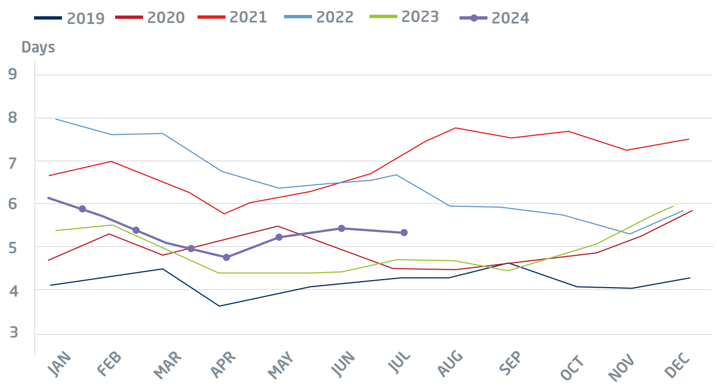
Schedule Reliability

Global Schedule Reliability



Source: Sea-Intelligence, GLP report

Global Average Delays



Source: Sea-Intelligence, GLP report

2024's trend is largely within 50%-55%

Global schedule reliability dropped by 2% month-on-month, reaching 52%, aligning with the year's trend of fluctuating between 50%-55%. Compared to 2023, reliability was down by 12%, though the average delay of 5.24 days for late vessel arrivals is a slight improvement.

Maersk had the highest reliability, above 54%, with three other carriers exceeding 50% and Wan Hai the least reliable, at 41%.

There has been improvement in some regions, though it remains persistently low globally, with particular challenges in China, Germany, and Bangladesh due to adverse weather, strikes, and political unrest.

On a broader scale, normalisation of schedules is unlikely in the near term, as factors like alliance shifts, carrier yield management, and rail disruptions in North America continue to affect timetables.

-2%
MOM GLOBAL SCHEDULE RELIABILITY

5.24
AVERAGE VESSEL DELAY

Rates

USEC strike could trigger price spike

Freight rates have largely stabilised, although they remain significantly higher than pre-pandemic levels. Asia-Europe rates have experienced slight declines, impacted by excess capacity, schedule disruptions, and port strikes.

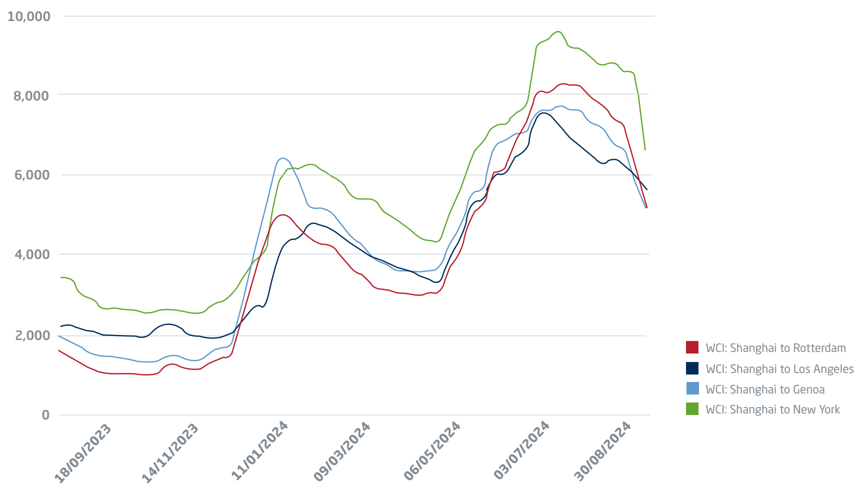
Rates on trans-Pacific and Latin American routes have seen consecutive weeks of decline, while Oceania and India struggle with equipment shortages, driving up prices. The potential East Coast port strike may buoy rates on the West Coast as volumes shift there, but further declines are expected as seasonal demand slows.

The latest Drewry World Container Index (WCI) is 60% below the pandemic peak in 2021 but remains 193% higher than pre-pandemic levels. The year-to-date average is $1,310 higher than the 10-year average.

Significant freight rate changes were observed on major routes:

- Shanghai to New York: Down 21%
- Shanghai to Rotterdam: Down 17%
- Shanghai to Genoa: Down 10%
- Rotterdam to New York: Down 9%
- Shanghai to Los Angeles: Down 7%

Drewry WCI: Trade Routes from Shanghai (US$/40ft)



Meanwhile, rates from Los Angeles to Shanghai rose by 1%. The decline in East Coast rates is due to cargo being rerouted to the West Coast in anticipation of a potential ILA strike in October.

The Shanghai Containerised Freight Index (SCFI) remains substantially higher than the previous year, with a year-on-year increase of 206%.

USEC strike

Carriers have been issuing Emergency Operations Surcharge (EOS) notices since 1st September for shipments from Europe to the US East and Gulf Coasts, as well as to the Caribbean, Mexico, and Canada, with charges ranging from $800 to $3,000. Although the strike was called off after three days, with another 100 vessels en route, the time required to clear the backlog remains uncertain. The resulting congestion could persist well into Q4, and carrier surcharges are expected to remain in place in the short term.

noatum logistics

Air Freight

News

Air cargo security protocols

Amid rising concerns about security threats in European logistics networks, the US and Canadian governments have introduced new air cargo security protocols aimed at mitigating risks posed by incendiary devices found in parcel shipments.

The US Transportation Security Administration (TSA) issued Cargo Security Directive No. 1544-24-02 and while the directive's specific details remain classified, it is known to require air carriers to provide additional information on the shippers and consignees of all cargo entering the US.

On the 4th September, Transport Canada followed suit by implementing its own set of security measures. Transport Canada's mandate requires that all air cargo from 55 European and Central Asian countries come from established shippers with known relationships to freight forwarders or air carriers.

An "established business relationship," as defined by Transport Canada, means that an active account or documented payment history has been in place for at least 90 days, with a minimum of six shipments tendered during that period.

+11%
YOY AIR GLOBAL DEMAND

Market outlook

eCommerce demand dominates

The global airfreight market continues to grow steadily, with strong demand driven by eCommerce, ocean freight disruptions, and high-tech components. As we move into Q4 2024 and toward 2025, the market remains under pressure due to constrained capacity.

Ongoing supply chain challenges, particularly with wide-body aircraft deliveries, and geopolitical factors are pushing rates higher, especially during peak seasons. Recent data shows that average global spot rates reached a new high in early September, fuelled by a surge in tonnages from Asia Pacific to Europe and North America.

Demand trends

The upcoming peak season is expected to bring significant growth, largely driven by holiday demand and a continued surge in eCommerce, which is now 10 times higher than pre-pandemic levels.

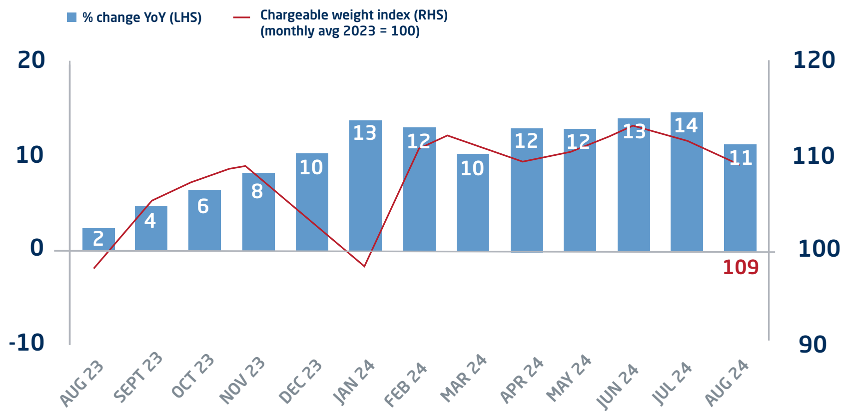
Asia-Pacific remains a key region, with rising demand for airfreight, particularly on routes to Europe and North America. Spot rates from China to Europe and the USA have seen sharp increases in recent weeks, reflecting the ongoing imbalance between supply and demand.

Meanwhile, global demand rose 11% year-on-year in September, with chargeable weight from Asia Pacific showing strong recovery following recent disruptions.

Europe has seen steady growth in shipments to North and South America, while the Middle East is maintaining strong demand, particularly for sea-air shipments out of UAE.

However, capacity constraints are still an issue, particularly on high-demand routes from Asia to Europe and North America. And while global airfreight capacity increased by 8% year-on-year, it remains tight in key regions like Northeast Asia and the Middle East.

Air cargo demand



noatum logistics

Market dynamics

Peak season pressure likely

Origin Regions

Last 2 to 5 weeks

	Capacity[1]			Chargeable weight[1]		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		+0%	+1%		+2%	+6%
Asia Pacific		+0%	+6%		+6%	+13%
C & S America		-1%	+18%		+0%	+5%
Europe		-1%	+2%		+1%	+3%
M East & S Asia		-1%	+2%		+0%	+9%
North America		-5%	+1%		-5%	+8%
Worldwide		-2%	+3%		+2%	+9%

Source WORLD ACD

Airfreight demand across Europe is expected to remain strong for the rest of 2024, particularly for imports from Asia. Asia-Pacific is gearing up for a busy peak season, with tight capacity expected to drive further rate increases. Surcharges are already being announced by carriers for Q4, reflecting the anticipated surge in demand.

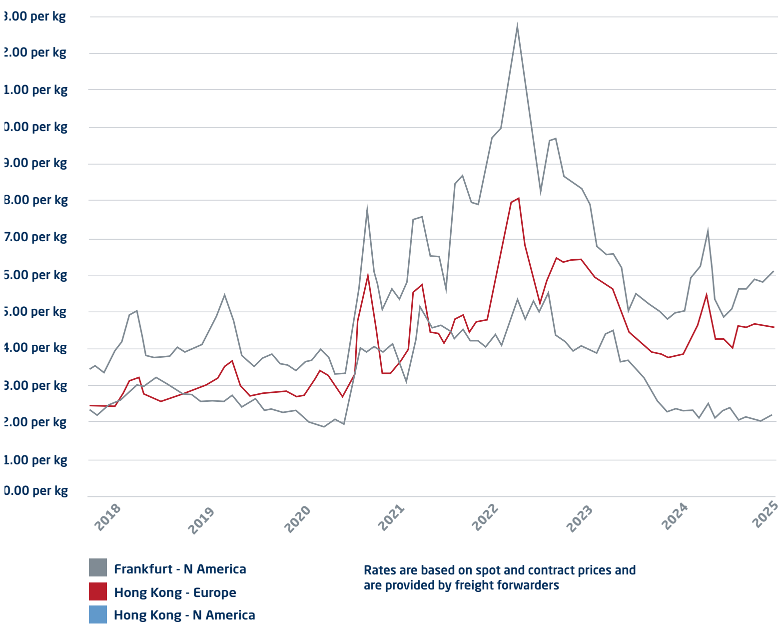
In the Middle East, sea-air shipments continue to underpin strong demand, while North America is seeing a mix of rising trans-Pacific rates and declining trans-Atlantic cargo flows.

As peak season approaches, shippers should be prepared for continued upward pressure on rates, particularly on key trade lanes from Asia Pacific. Capacity constraints and geopolitical factors, including East coast port strikes in the U.S., could further disrupt the market, leading to higher costs for airfreight across global routes.

Regional outlook

Market performance remains

Baltic Exchange Air Freight Index



Rates are based on spot and contract prices and are provided by freight forwarders

- Asia-Pacific: Persistent demand, fuelled by intra-regional eCommerce and growing shipments to Europe and North America, continues to push rates higher. Tonnages from Asia Pacific to Europe rose by 6% in early September, while spot rates from China to Europe jumped by 18% in one week, indicating strong demand ahead of peak season.
- North America: While capacity remains stable, trans-Pacific routes are under pressure, leading to rate increases. Labor Day disruptions caused a 12% drop in tonnage in early September, but overall demand remains strong.
- Europe: Rising demand for Asia-bound shipments is helping to stabilise rates. However, spot rates from Europe to the Middle East and Central Asia have increased due to capacity imbalances, while inbound rates from Asia have softened slightly.
- Middle East: Capacity imbalances continue to lead to fluctuating rates. Tonnages from the Middle East to Europe have been volatile, with spot rates rising by 7% from the region in early September. Sea-air shipments from UAE remain a key driver of demand.

+18%
CHINA TO EUROPE

+6%
ASIA PACIFIC TO EUROPE

Rates

Tight capacity and high demand

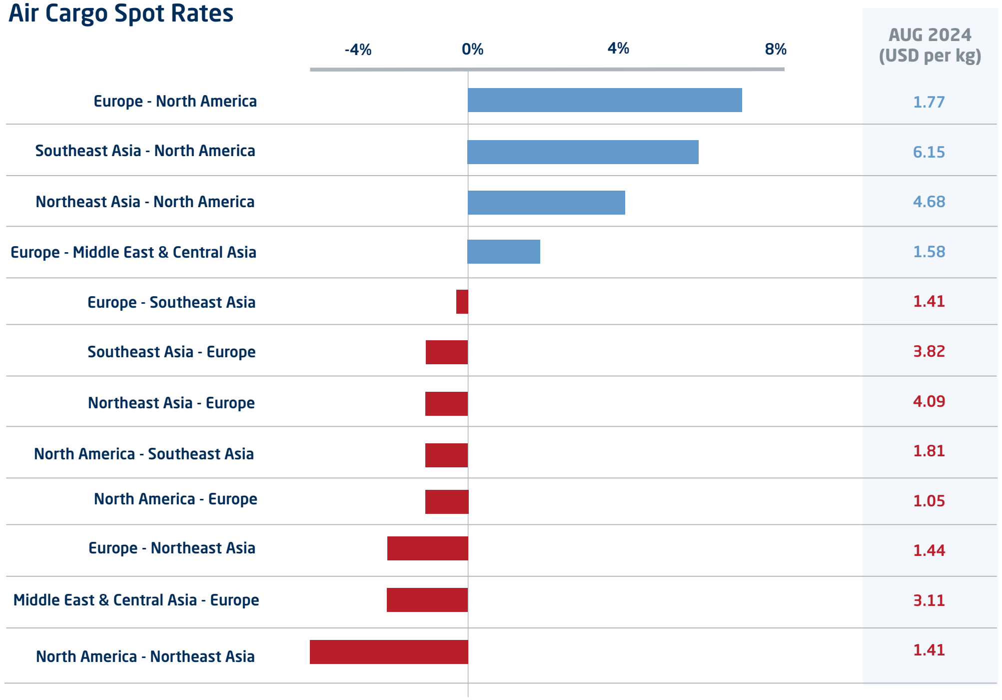
+6%
GLOBAL AVERAGE SPOT RATES

Global average spot rates increased by 6% in the first week of September, with year-on-year rates up by 30%. Spot rates from Asia Pacific to the USA saw the highest gains, rising by 64% year-on-year. In addition, trans-Atlantic westbound rates rose by 7%, while Southeast and Northeast Asia to North America increased by 6% and 4% respectively.

In Europe, spot rates to the Middle East and Central Asia grew by 2%, although inbound rates to Europe from Asia and the Middle East softened, declining by 1-2%. Rates from China to Europe increased by 46% year-on-year, reflecting the strong demand from the region, while Northeast and Southeast Asia saw inbound rates from North America and Europe drop by up to 4% due to trade imbalances.

These trends illustrate the continued volatility in the air cargo market, driven by tight capacity and high demand, particularly from Asia Pacific and the Middle East.

Air Cargo Spot Rates



noatum logistics

Road

News

Post-Brexit fruit and vegetable border checks delayed until July 2025

The UK government has delayed physical checks on “medium risk” fruit and vegetable imports from the EU for another six months. The checks, originally set for January 2025, will now begin on 1 July 2025 to allow the new government to review the potential impact on the import supply chain.

Since Brexit, the UK introduced new border regulations for animal and plant products, categorising them by risk. While some checks on products like meat and dairy began earlier this year, fruit and vegetable inspections have been repeatedly postponed.

FTL and LTL face different challenges in U.S.

The Full Truckload (FTL) spot market is seeing a slight seasonal rise in some geographies, as peak shipping season approaches, but overall demand remains flat due to weak manufacturing output. Spot rates are rising modestly, though still below 2022 levels, and truckload volumes are down 17% year-on-year.

Meanwhile, the Less than Truckload (LTL) market, which surged after Yellow’s collapse, is now stabilising. Despite softer shipment volumes, LTL rates have risen by 7% year-on-year, driven by tighter capacity rather than increased demand. Some carriers are still expanding market share, though the pace has slowed compared to the initial post-Yellow surge. Both FTL and LTL sectors face ongoing capacity fluctuations and pricing pressures, with weak demand expected to persist.

- FTL spot truckload volumes are down 17% year-on-year.
- Spot rates remain below 2022 levels but are rising slightly.
- LTL rates have risen 7% year-on-year due to tight capacity.
- Carriers continue to expand but at a slower pace.

+9.5%
YOY
HAULAGE PRICES

Market outlook

Long road back for a critical mode

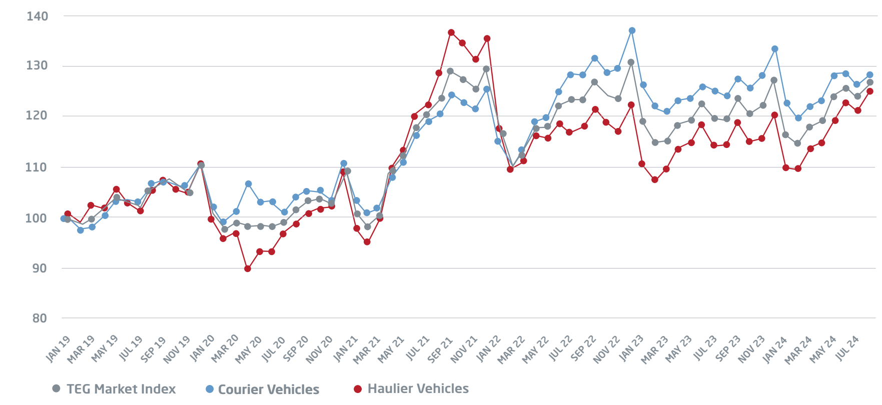
The road freight market experienced a strong upward movement in August 2024, as evidenced by the performance of the TEG Road Transport Index. This index, which tracks monthly changes in Price per Mile (PPM), showed significant increases across both the haulage and courier sectors, marking a reversal from the declining trend observed in August 2023. Rising operational costs and the sustained high cost of fuel continue to contribute to the increased prices, and further adjustments may be anticipated in the coming months.

Demand trends

The upward shift in the TEG Road Transport Index reflects growing demand for road freight services, particularly in the haulage sector. Haulage prices surged significantly, with the index rising by 3.47% in August compared to July, and by nearly 9.5% year-on-year. This demand surge coincides with increasing operational costs, highlighting the pressure on supply chains to accommodate both rising demand and limited capacity.

The courier sector also saw moderate growth, with its index increasing by 1.42% in August and by 3.22% on an annual basis. The overall rise in demand across the road freight sector, coupled with the broader inflationary environment, continues to drive these price adjustments.

TEG Road Transport index



noatum logistics

Market dynamics/Rates

Half of hauliers expect difficulties filling driver positions

"The outlook for spot rates across Europe suggests moderate increases as we've entered a more stable demand environment"

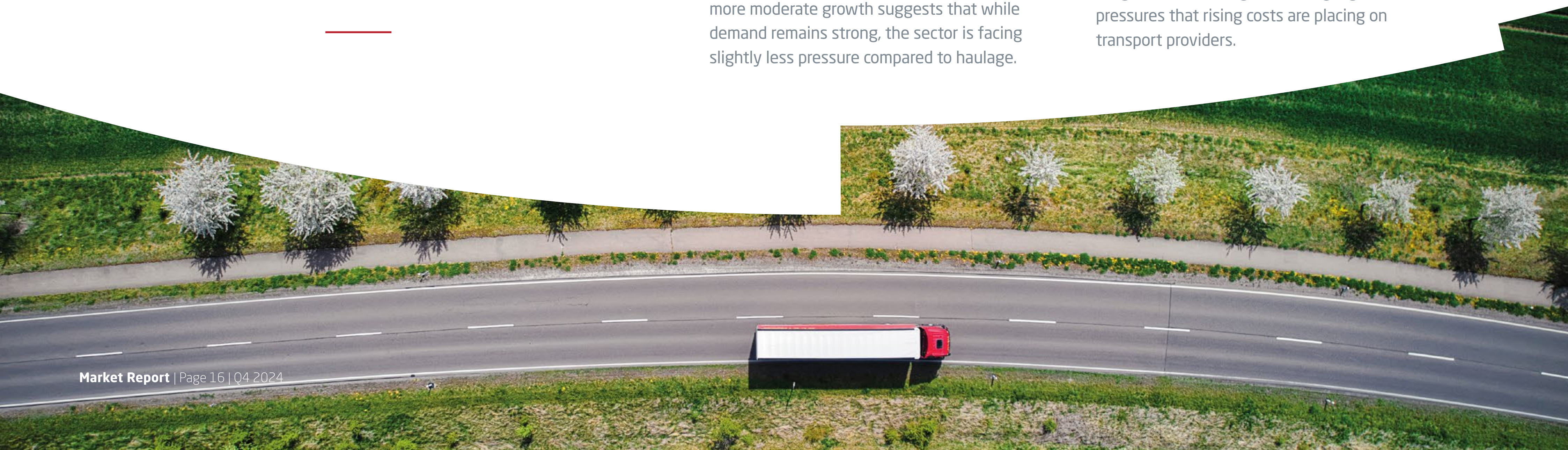
Both the haulage and courier sectors contributed to the overall rise in the TEG Road Transport Index, which increased by 2.24% in August, a notable turnaround from the previous year's decline. The haulage sector showed stronger momentum, with prices rising more sharply due to increased demand for long-haul transportation and high fuel costs. Meanwhile, the courier sector also showed consistent growth, although at a more modest pace.

The annual rise in haulage prices, up nearly 9.53%, points to broader challenges within the industry, such as fuel costs and labour shortages, which have been exacerbating pricing pressures throughout 2024. In contrast, the courier sector's more moderate growth suggests that while demand remains strong, the sector is facing slightly less pressure compared to haulage.

Rates

The TEG Road Transport Index for haulage increased by 3.47% month-on-month, while courier rates grew by 1.42% during the same period. Annually, haulage prices surged by almost 9.53%, reflecting the increasing operational costs faced by carriers. Courier rates rose by a more modest 3.22% year-on-year, indicating stable yet growing demand. These rate increases highlight the challenges faced by the road freight industry, as businesses navigate rising costs and growing demand for transport services.

This comprehensive growth across both sectors demonstrates the resilience of the road freight market, though it also highlights the pressures that rising costs are placing on transport providers.



Rail

News

Noatum Logistics Launches New Rail Service in the Middle East

Noatum Logistics, part of AD Ports Group, has introduced a new rail logistics solution in the Middle East, marking a significant enhancement to its regional freight forwarding capabilities. This service, which complements Noatum's existing land, sea, and air transport solutions, aims to provide greater capacity and efficiency for large volumes of overland freight.

The new rail shuttle service connects Khalifa Port with Fujairah Terminals using the UAE's national railway, developed and operated by Etihad Rail. The service operates weekly, with a single train capable of transporting up to 156 Twenty-Foot Equivalent Units (TEUs) or 78 Forty-Foot Equivalent Units (FEUs).

Additionally, the service can incorporate first and last-mile truck transport, ensuring seamless, end-to-end logistics connectivity. This new offering provides significant savings and efficiency compared to traditional road transport. It is particularly scalable and suited for bulk, containerised, and oversized cargo over medium to long distances. Operating on a dedicated rail network, it avoids traffic delays, road bans, and tolls, resulting in cost savings and more reliable delivery schedules.

Noatum Logistics also emphasises the environmental benefits of rail transport. The service emits fewer CO2 emissions per tonne of cargo moved compared to trucking, offering a greener solution for clients aiming to meet sustainability targets.

Looking ahead, Noatum Logistics plans to expand the service by increasing weekly departures between Khalifa Port and Fujairah Terminals and exploring new shuttle routes across the broader regional rail network, depending on demand. This initiative represents a major step forward in enhancing the UAE's logistics infrastructure and supporting regional economic development.

noatum logistics

Market outlook

Demand tightens ahead of Golden Week

"We're seeing significant improvements in transit reliability."

The rail freight market between China and Europe remains strong, with high demand for rail solutions continuing, especially as the Chinese National Holiday approaches. Rail remains the fastest option for moving containers from China to Europe, with transit times averaging between 16-24 days. While there are some improvements in congestion at some key border crossings, the market still remains tight in terms of capacity, and booking windows are recommended 10-14 days in advance.

For the China-Türkiye and Central Asia routes, rail freight services continue to expand, particularly with regular train services on the Middle Corridor and connections to Kazakhstan, Azerbaijan, and Türkiye. However, bottlenecks in some areas are still limiting capacity growth.

Train operators are actively promoting eastbound services, offering lower costs and increased departures compared to August. Bookings should be made at least one week prior to departure.

Current transit times are Poland to China: 15-18 days and Germany to China: 18-25 days

Demand trends

Demand for rail freight is high, particularly on China-Europe routes, driven by the need for faster transit times compared to ocean freight. With upcoming Chinese holidays and increasing activity from Central Asian and South Caucasus transit countries, volumes are expected to remain elevated. The market has seen improved space availability, but high demand continues to put pressure on capacity.

Demand on the China-Türkiye and Central Asia corridors is also growing, especially with regular service expansions and the introduction of new routes in Central Asia and the Middle Corridor. The increase in activity by transit countries such as Kazakhstan and Azerbaijan reflects a growing interest in stabilising this service.

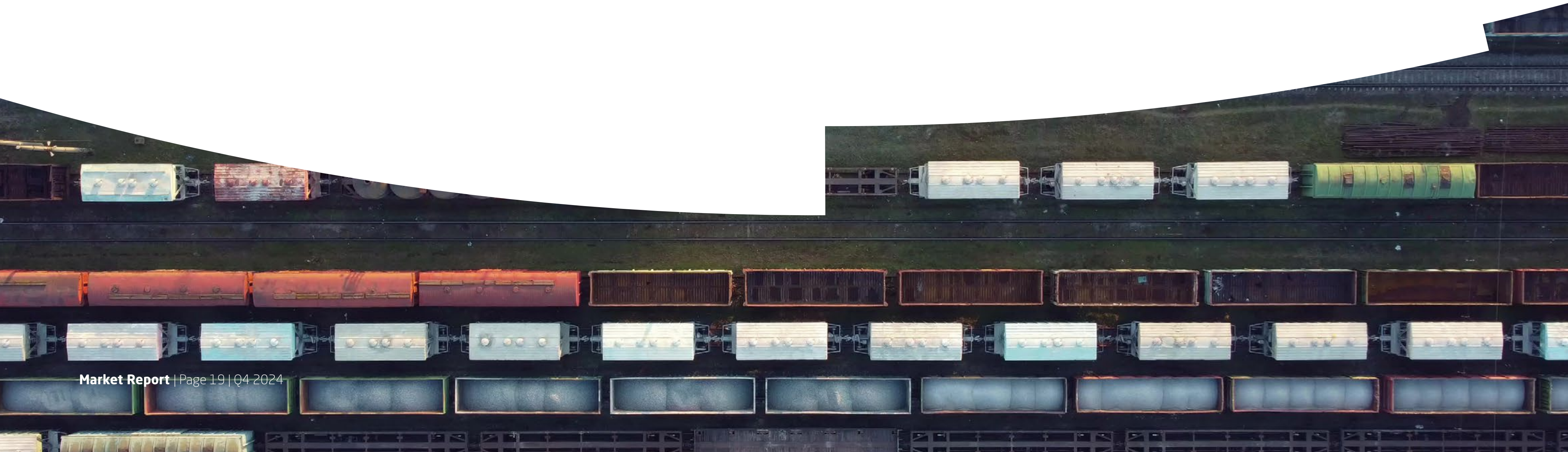
noatum logistics

Market dynamics

Steady improvement amid tight capacity

"Rail's consistent transit has proven invaluable for customers seeking fast and reliable shipping options."

- China-Europe Westbound: The demand for fast, reliable rail freight services continues, with the Xi'an speed train offering transit times of 16 days to Duisburg and priority at border crossings. While capacity is tight, improvements in border congestion have allowed smoother transit times. However, booking windows remain crucial.
- China-Europe Eastbound: Cargo movements from Europe to China have shown improvements, with faster transit times and an average lead time of 12-15 days for express trains. Documentation requirements in Poland for certain product categories are creating some delays, but overall capacity has improved.
- Türkiye & Central Asia: There has been an increase in rail connections between China, Türkiye, and Central Asia, with regular services available through the Middle Corridor. Transit countries continue to invest in stabilising the corridor, but capacity bottlenecks remain an issue.



Regional outlook/Rates

Networks continue to strengthen connectivity

"Investments in infrastructure are enhancing the reliability and efficiency of key routes from China."

- China: Rail freight capacity from China to Europe remains tight, with the speed train offering priority and faster transit times. The approaching National Holiday will further strain capacity, making advance booking essential.
- Europe: European outbound routes to China are seeing improvements in transit times, with average terminal-to-terminal times ranging from 12 to 22 days.
- Türkiye & Central Asia: Rail routes connecting China to Türkiye and Central Asia are expanding, with regular service on the Middle Corridor. Transit times remain competitive, though capacity bottlenecks continue to affect reliability.

Rates

Rail freight rates have seen moderate increases due to high demand, particularly in the lead-up to the Chinese National Holiday. On China-Europe routes, capacity remains tight, pushing rates higher, although the congestion at border crossings has eased somewhat. Rates for China-Türkiye and Central Asia services have remained stable, although some moderate increases have been noted in response to growing demand and route expansions.

noatum logistics

Americas

Overview

OCEAN

Demand continues to grow, driven by eCommerce, tech shipments, and ocean shipping disruption that will be magnified by the USEC port strikes. Rates are likely to strengthen significantly, with capacity remaining tight through H2 2024.

AIR

Ongoing rate volatility, capacity issues and port congestion continue to result from vessels rerouting around the Red Sea. Carrier alliances are shifting, and long-term agreements are increasingly common.

.

OVERLAND

Higher retail sales and eCommerce growth have increased truckload volumes, but rates remain stable. Capacity is plentiful, and although production is rising, truckload pricing will likely remain competitive in 2024.

noatum logistics

Americas

NEWS

The U.S. transportation sector is experiencing mixed results. Rail volumes are up due to strong imports, but manufacturing remains weak. Air freight demand is growing, driven by eCommerce and tech shipments, with rising rates out of Asia due to tight capacity. Meanwhile, the short-lived US East Coast and Gulf Coast port strikes have created significant congestion, with 50 vessels anchored and another 100 en route, effectively reducing available capacity, which will inevitably impact global freight rates. Truckload volumes have increased, driven by retail sales, though rates remain stable as ample capacity fuels competition. As the port strikes continue, delays and costs are expected to rise, with force majeure declarations underlining the critical need for effective insurance cover.

Outlook

OCEAN

Sea freight will likely face continued rate volatility due to global capacity issues and rerouting. Carrier alliances and long-term agreements may bring stability by 2025, though short-term challenges persist.

AIR

Strong demand for air freight, driven by eCommerce and tech products, is expected to persist through 2025. Capacity constraints from slow wide-body aircraft deliveries will keep rates elevated.

OVERLAND

While truckload volumes are rising, stable rates and ample capacity suggest a competitive market through 2024. Increased production could fuel demand, but pricing gains are unlikely without tighter capacity constraints.

Market dynamics

AMERICAS TO	May	Jun	Jul	Aug	Sep	Oct
ASIA	+	=	=	=	=	=
	=	-	=	=	=	-
EAST EUROPE TÜRKIYE & CIS	+	=	=	=	=	=
	=	+	=	=	=	=
MIDDLE EAST	+	=	=	=	=	=
	=	+	=	=	=	=
WEST EUROPE	+	=	=	=	=	=
	=	-	=	=	=	=

+ Demand>Capacity = Balance - Capacity>Demand

Americas

Situation

As the Christmas season and early Chinese New Year approach, volumes are expected to rise by the end of October. Transpacific eastbound routes are already experiencing increased demand, while U.S. transatlantic volumes are declining. Capacity constraints in Mexico and South America are pushing rates higher.

The three-day US East Coast and Gulf Coast port strikes that began on 1st October 2024 have exacerbated supply chain disruptions. With 50 ships anchored offshore and another 100 en route, the backlog may persist well into Q4.

Ocean

The recent US East and Gulf Coast dockworker strike, which began on 1 October 2024, was resolved after three days but the potential for further strikes remains. The strike impacted 36 major ports, including New York and Savannah, leaving 50 ships anchored offshore. A tentative agreement between the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) provides a 62% wage increase over six years and extends negotiations until 15 January 2025 to resolve issues like port automation.

Despite the resumption of operations, clearing the congestion caused by the strike may take weeks. Shipping rates, particularly on Asia-US routes, have already increased, with delays and Emergency Operations Surcharge expected to continue into Q4. Carriers invoked force majeure, allowing them to reroute cargo or leave it at alternative ports, adding significant costs for shippers and highlighting the importance of securing comprehensive marine insurance.

Brazil Port Situation

Ports in Rio Grande, Itapoá, and Santos are experiencing delays and congestion, with operational capacity yet to improve. Low water levels in Brazil's rivers are further delaying grain exports.

Outlook

Volumes are expected to rise by the end of October, driven by the Christmas season and early Chinese New Year. Transpacific eastbound routes are seeing increased demand, but U.S. transatlantic volumes are declining. Capacity constraints are impacting Mexico and South America, with rising rates as a result.

Air

Air freight demand continues to grow, driven by general cargo and high-tech products like semiconductors. Rates have surged, with Asia seeing increases of 40-50% year-on-year. Supply chain challenges are straining capacity, particularly for wide-body aircraft. Capacity will likely remain tight through the rest of 2024.

Overland

U.S. truckload volumes are rising, though rates remain stable. Cass Freight Shipments Index showed a 1% rise in August, while the truckload index declined by 0.6%. The U.S. LTL market is stabilizing after recent disruptions, with softer demand and flat pricing expected through 2025.

Rail

U.S. rail networks are preparing for potential East Coast port strikes, with capacity adjustments underway to absorb shifts in cargo volume from the West to East Coast. Despite recent import surges, inland congestion remains a challenge, particularly in major hubs like Los Angeles.

noatum logistics

World in numbers

Cross-border trade between the US and Mexico continues to benefit from technological advancements

The US economy is seeing mixed signals, with strong imports and reduced trucking capacity benefiting transportation, while weak manufacturing dampens domestic demand. Mexico's cross-border trade remains robust, with foreign direct investment (FDI) reaching a record $31 billion in H1 2024, a 7% year-on-year increase. Infrastructure expansions, such as the $44 million Pharr International Bridge project, aim to double capacity. At Laredo's World Trade Bridge, new technology will increase scanning capacity by over 150 containers per hour. Despite a sluggish manufacturing sector, demand in transport is up, supported by a reduction in carrier numbers. Rail volumes are rising, with steady rate increases expected into Q4. However, potential US port strikes could disrupt trade flows. Truckload dry van rates should remain steady, with slight increases through Q4, though excess capacity may soften conditions in early 2025.

Cross-border trade between the US and Mexico continues to benefit from technological advancements, such as the QR code requirements by Texas CBP, which streamline truck screening and reduce wait times.

$31BN
MEXICO FDI H1 2024

+7%
YOY MEXICO CROSS-BORDER TRADE

noatum logistics

World in numbers

World bunker price

There has a been a general downward trend in most global regions, with slight fluctuations at some key ports.

Global averages

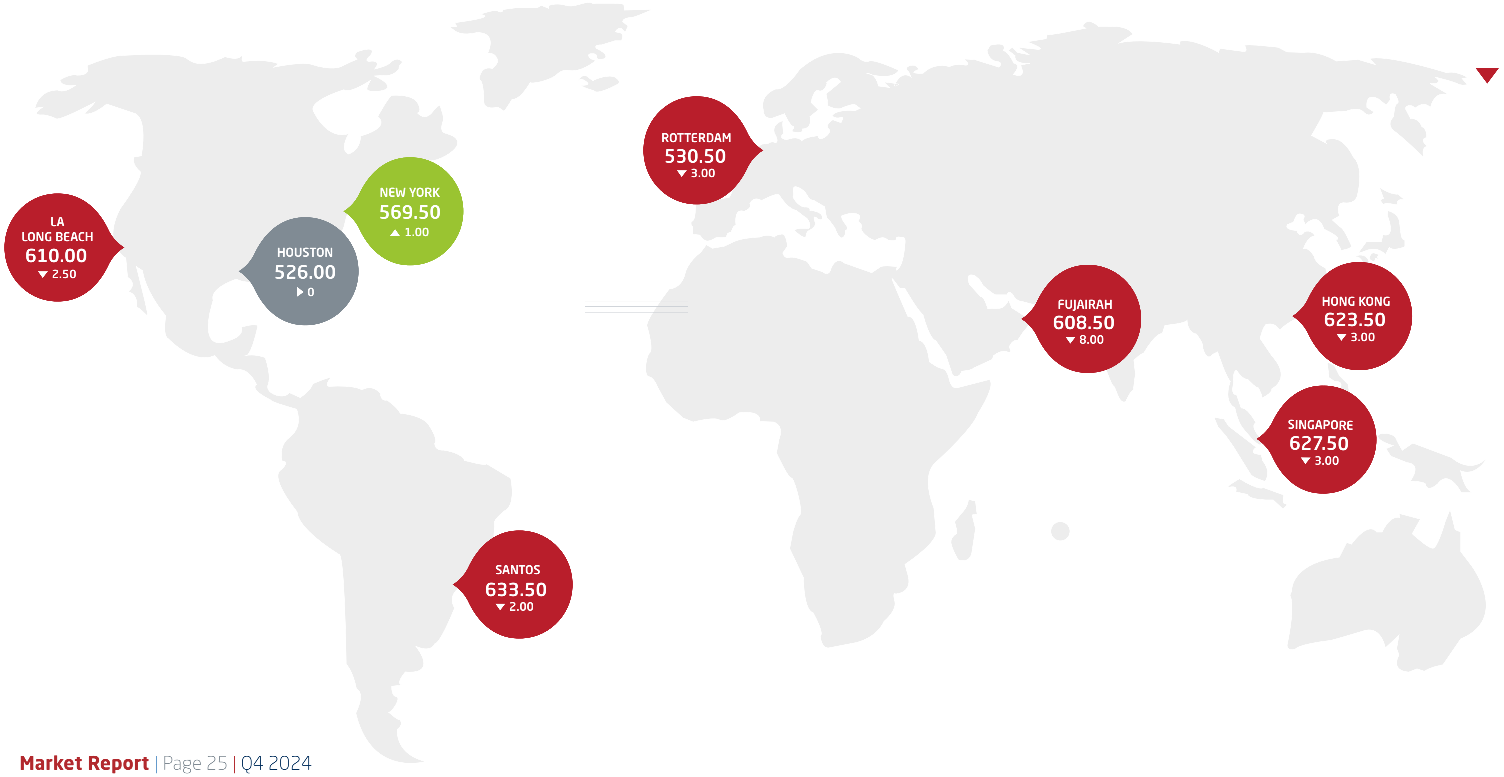
- Global 20 Ports Average: $612.50/mt, down 0.57% ($3.50)
- Global 4 Ports Average: $573.00/mt, down 0.87% ($5.00)
- Global Average Bunker Price: $657.00/mt, down 0.61% ($4.00)

Regional trends

- Americas Average: $688.50/mt, down 0.43% ($3.00)
- APAC (Asia Pacific) Average: $665.00/mt, down 0.52% ($3.50)
- EMEA (Europe, Middle East, Africa) Average: $620.50/mt, down 0.80% ($5.00)

Regional trends

- New York: $569.50/mt, increased by 0.18% ($1.00)
- Rotterdam: $530.50/mt, down 0.56% ($3.00)
- Houston: $526.00/mt, remained unchanged
- LA/Long Beach: $610.00/mt, down 0.41% ($2.50)
- Santos: $633.50/mt, down 0.31% ($2.00)



noatum logistics

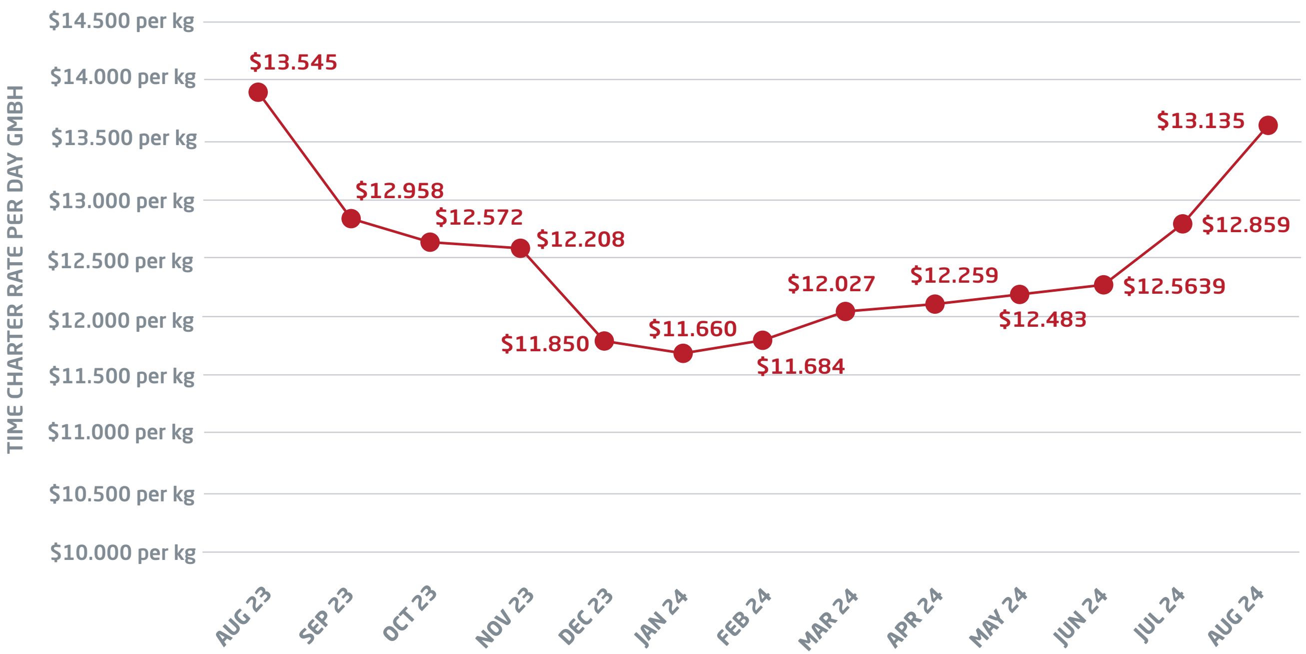
World in numbers

Toepfer's Multipurpose Index (TMI)

The TMI tracks the average time charter rates per day for a 12,500 tons deadweight multipurpose (MPP) or heavy-lift vessel. This index helps shippers assess market conditions and anticipate changes in charter rates for MPP vessels.

Charter rates experienced a decline, dropping from August 2023 to a low in February 2024, representing a decrease of approximately 14% during this period.

From March onwards, charter rates began to recover, showing a rise of nearly 13% from February 2024 to August 2024. This suggests an improvement in market conditions or demand.



Source: Toepfer Transport

noatum logistics

World in numbers

Drewry World Container Index (WCI)

The WCI tracks spot rates for key trade routes from Shanghai

All routes experienced a peak in early 2024, particularly for the Shanghai to New York route, followed by a sharp decline by late August 2024, when all the trade routes show a clear downward trend.

Shanghai to New York generally maintains higher rates than other routes, reflecting higher costs and demand for trans-Pacific shipments.

Spot freight rates by major route

Overall, rates are declining in the short term but remain elevated compared to last year.

Composite Index

The overall average spot rate decreased by 8% week-over-week, settling at $4,775. Despite this decline, the index remains 184% higher than its value from the same time last year, highlighting the sustained volatility in the market.

Shanghai to Rotterdam

Saw the largest weekly drop of 14%. However, on an annual basis, it still reflects a substantial 329% increase.

Shanghai to Genoa

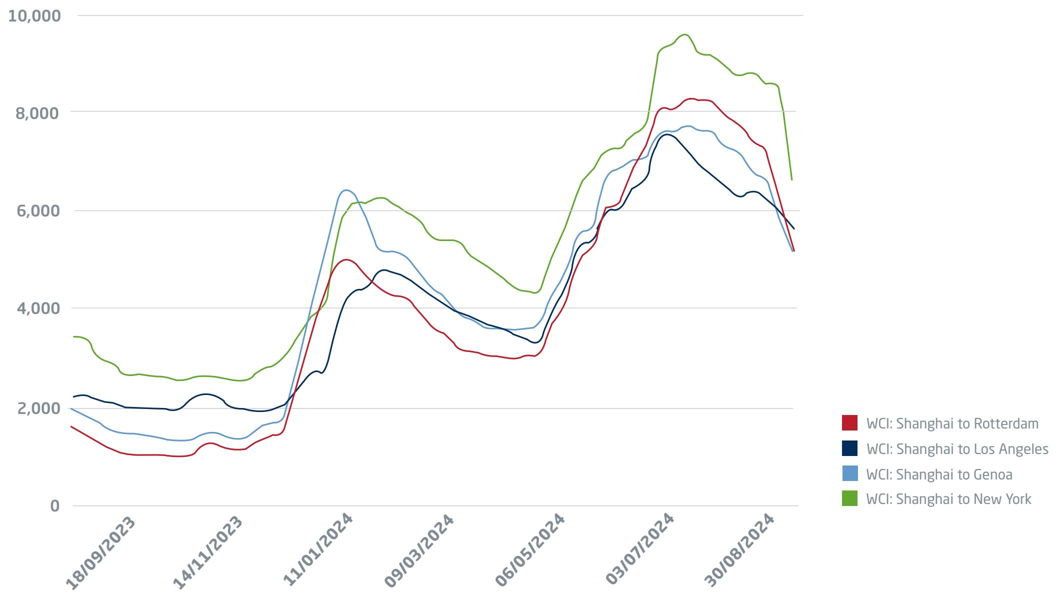
Dropped 12% week-over-week, but remains 209% higher annually.

Shanghai to Los Angeles

Moderate weekly decline of 3%, but the year-over-year increase of 168% indicates ongoing high shipping costs for trans-Pacific trade.

Shanghai to New York

Rates decreased 2, though still maintain a 149% annual rise.



noatum logistics

Americas

World in numbers

Spot freight rates by major route

Overall, rates are declining in the short term but remain elevated compared to last year

Composite Index: The overall average spot rate decreased by 8% week-over-week, settling at $4,775. Despite this decline, the index remains 184% higher than its value from the same time last year, highlighting the sustained volatility in the market.

Shanghai to Rotterdam
Saw the largest weekly drop of 14%. However, on an annual basis, it still reflects a substantial 329% increase.

Shanghai to Genoa
Dropped 12% week-over-week, but remains 209% higher annually.

Shanghai to Los Angeles
Moderate weekly decline of 3%, but the year-over-year increase of 168% indicates ongoing high shipping costs for trans-Pacific trade.

Shanghai to New York
Rates decreased 2, though still maintain a 149% annual rise.

Route	Route code	22 Aug 24	29 Aug 24	05 Sep 24	Weekly change (%)	Annual change (%)
COMPOSITE INDEX	WCI-COMPOSITE	$5,319	$5,181	$4,775	-8% ▼	184% ▲
SHANGHAI - ROTTERDAM	WCI-SHA-RTM	$7,429	$7,204	$6,219	-14% ▼	329% ▲
ROTTERDAM - SHANGHAI	WCI-RTM-SHA	$627	$622	$612	-2% ▼	22% ▲
SHANGHAI - GENOA	WCI-SHA-RTM	$6,788	$6,611	$5,842	-12% ▼	209% ▲
SHANGHAI - LOS ANGELES	WCI-SHA-LAX	$6,401	$6,248	$6,030	-3% ▼	168% ▲
LOS ANGELES - SHANGHAI	WCI-LAX-SHA	$710	$710	$714	1% ▲	-15% ▼
SHANGHAI - NEW YORK	WCI-SHA-NYC	$8,811	$8,591	$8,451	-2% ▼	149% ▲
NEW YORK - ROTTERDAM	WCI-NYC-RTM	$759	$743	$732	-1% ▼	-1% ▼
ROTTERDAM - NEW YORK	WCI-RTM-NYC	$1,934	$1,908	$2,212	16% ▲	42% ▲

noatum logistics

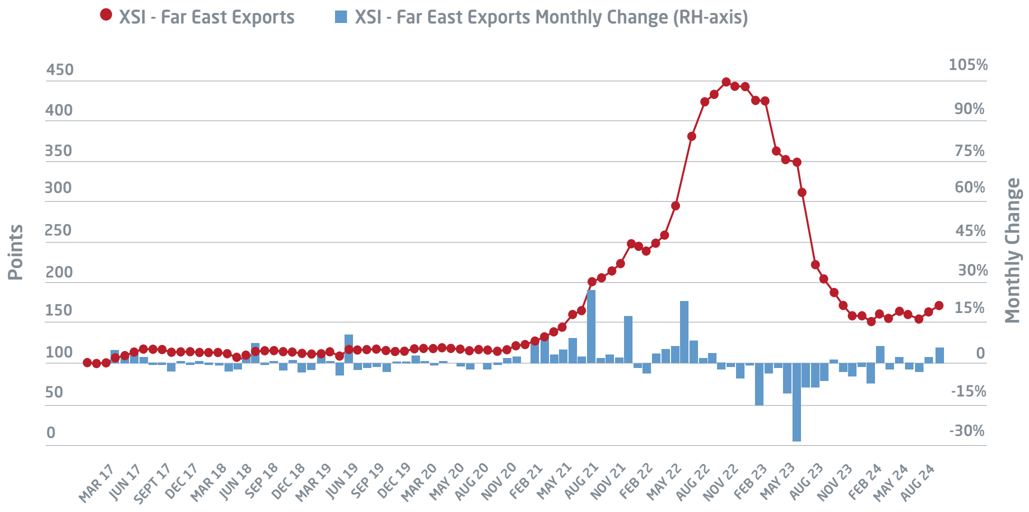
Ocean

XSI

The Global XSI rose by 5.0% in August, doubling July's growth. This marks the first back-to-back monthly increase since mid-2022, pushing the index to 159.0 points, the highest level since October 2023. Despite this recent rise, the index remains 6.0% below its level from August 2023, reflecting ongoing volatility.

The recent growth has been primarily driven by strong demand in major front-haul trade lanes, particularly from China. In contrast, backhaul routes continue to experience declining rates, creating a mixed landscape for global shipping.

In summary, while the global shipping market shows signs of recovery in certain sectors, overall demand remains inconsistent across regions and trade routes.



Source: www.xeneta.com

Ocean

Development of spot freight rates

The development of global ocean contract rates for long-term contracts within the span of three months

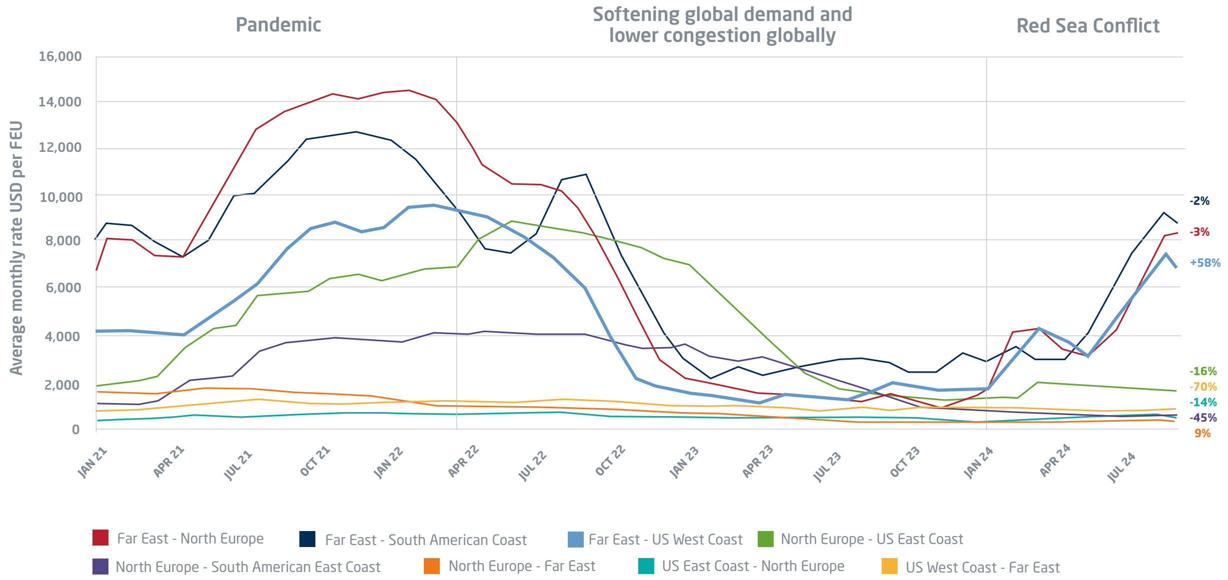
Key Insights

Pandemic peak
Freight rates surged across all routes, especially from the Far East to North Europe and Far East to US West Coast, reaching highs of $14,000-16,000 per FEU.

Post-Pandemic Decline
Rates dropped sharply throughout 2022 and 2023 as global demand softened and congestion eased.

Mid-2024 Recovery
The Far East to South America East Coast saw a notable 58% rate increase, while other routes remained stable or slightly declined.

Far East Spikes in 2024
Routes from the Far East experienced massive rate spikes as the Red Sea disruption developed at the start of the year.



Long term rates contracted within 3 months
Source www.xenata.com

Ocean

Development of contract freight rates

The development of global ocean contract rates for long-term contracts within the span of three months

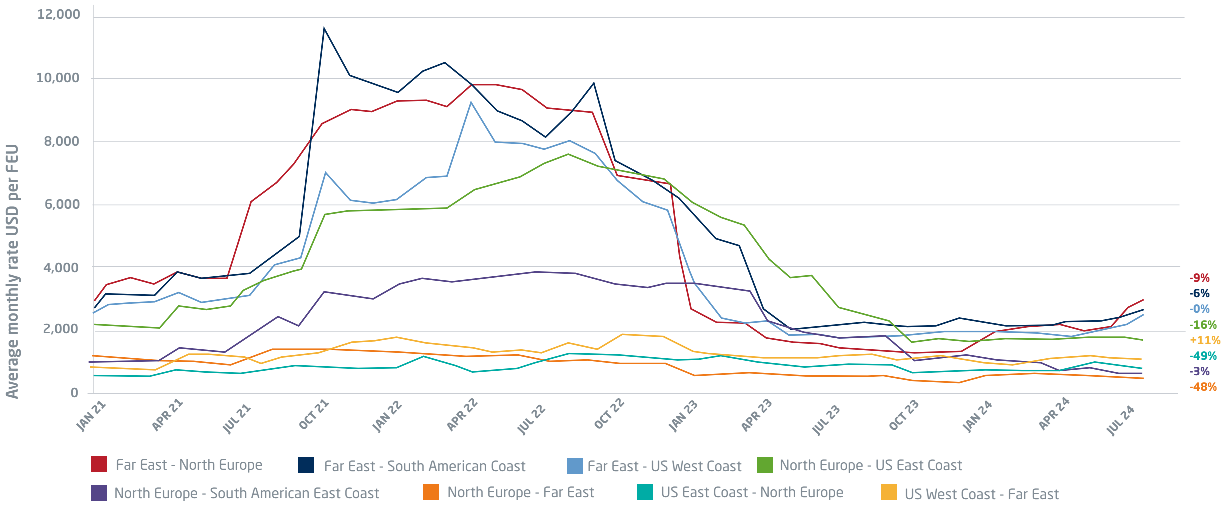
Key Insights

Peaks in 2022
Contract rates across most trade routes peaked between mid-2021 and early 2022, reflecting the aftermath of pandemic-induced supply chain disruptions and heightened demand.

Steep Declines in 2023
After the initial surge, rates dropped drastically through 2023 as global demand softened, and supply chain constraints eased.

Stabilisation
By mid-2024, rates across most routes have stabilised and they remain significantly lower than their peak levels, despite the impact of the Red Sea crisis.

Far East Dominance
Rates from the Far East consistently exhibit sharp movements, underscoring its pivotal role in global trade dynamics.



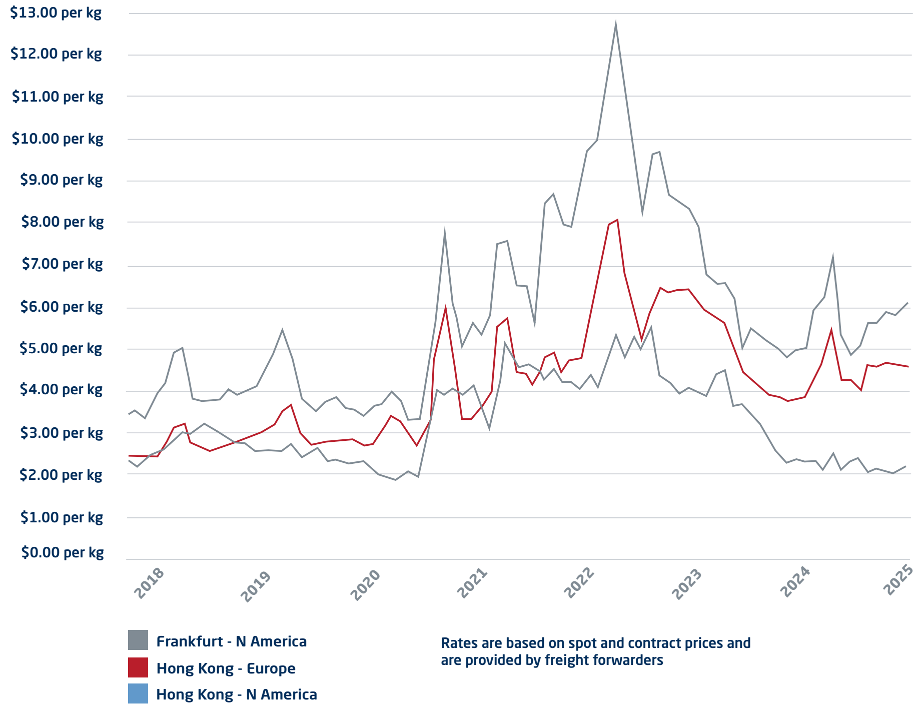
Long term rates contracted within 3 months
Source www.xenata.com

noatum logistics

Air

Baltic Exchange Air Freight Index (BAI)

Global average air cargo spot rate growth is slowing down following seven consecutive months of increases. In the week ending 18 August, the spot rates declined 2% from a month earlier to USD 2.67 per kg after peaking in mid-July. This is mainly due to a decrease in global air cargo demand, which peaked a month earlier in June. This cooling in demand is to be expected during July and August when the market follows its classical seasonality pattern.



noatum logistics

Latin America Review

Chile

Export services face significant delays due to frequent disruptions, leading to shipment backlogs. Import rates from Europe have risen with peak season surcharges, while rates from Asia declined through July and August. A rate increase from Asia is expected in September.

Colombia

Space availability from Asia has reduced due to blank sailings, with general rate increases planned for September. Exports to Europe face tight space constraints, and export rates to Brazil have risen. Space for food exports to Australia remains limited.

Peru

Export space from Brazil is extremely tight, with port congestion and delays. Rates from Asia to Callao have risen since July, with further increases expected in September.

Asia-LAT

The Asia-Latin America trade lane faces booking delays, and a potential US East Coast strike could impact Latin American rates and volumes.

noatum logistics

Market Update

Ocean

The Red Sea situation remains unchanged, with most vessels rerouting via the Cape of Good Hope, leading to inflated freight rates. This trend is likely to continue through the year, while smaller operators still use the Suez Canal under certain conditions.

Demand

Global demand is expected to grow by 5% through September, though the mid-term outlook remains uncertain. U.S. consumer spending points towards import front-loading and inventory restocking rather than strong consumer demand.

Capacity

Despite a 10.4% growth in containership supply, global capacity utilisation rose just 2% in the first half of 2024. Port congestion and rerouting via the Cape of Good Hope continue to limit capacity expansion, especially at major ports.

Global Freight Rates

Spot rate volatility is impacting long-term pricing. Asia-US West Coast rates are declining, while East Coast rates remain stable. The Asia-Europe route is weakening due to excess capacity, and Oceania rates are rapidly increasing due to limited availability. The Shanghai Containerised Freight Index (SCFI) is 206% higher year-on-year.

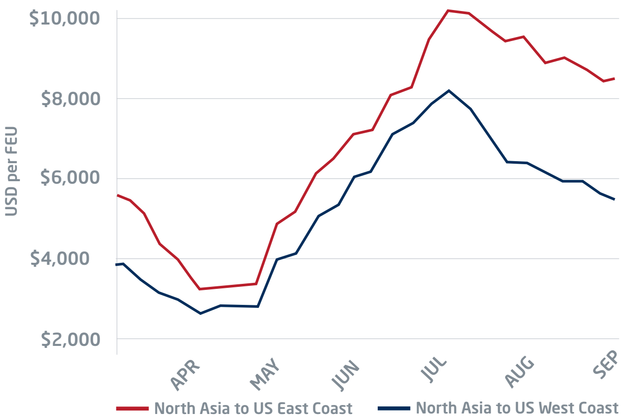
Carriers

Global carrier fleets saw record capacity injections, though Red Sea disruptions have absorbed much of this tonnage. Major alliances, including Maersk and HPL, are forming new agreements, and MSC has announced collaboration with ZIM on trans-Pacific routes. DP World Callao and ONE Peru have also raised port tariffs due to seasonal and operational challenges.

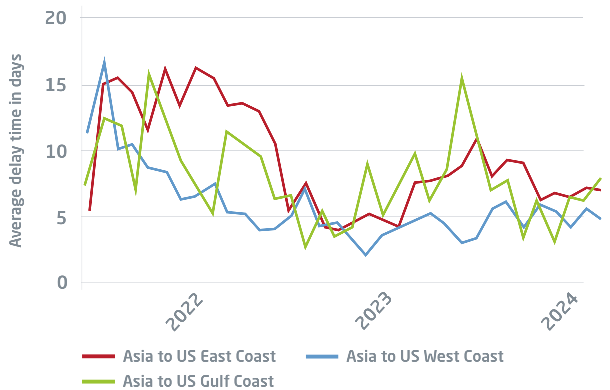
Service Disruption

A potential strike at U.S. East Coast ports in late September may cause rerouting of cargo to avoid congestion, pushing up freight rates temporarily. Some volumes may decline if the strike is averted.

North Asia to US West Coast and East Coast container spot rates (Platts)



Trans-Pacific ocean reliability, scheduled Vs actual arrival (Gnosis Freight)



noatum logistics

Market Update

Brazil Port Situation

Ports in Rio Grande, Itapoá, and Santos are experiencing delays and congestion, with operational capacity yet to improve. Low water levels in Brazil's rivers are further delaying grain exports.

Market Outlook

Volumes are expected to rise by the end of October, driven by the Christmas season and early Chinese New Year. Trans-Pacific eastbound routes are seeing increased demand, but U.S. trans-Atlantic volumes are declining. Capacity constraints are impacting Mexico and South America, with rising rates as a result.

Air

Air freight demand continues to grow, driven by general cargo and high-tech products like semiconductors. Rates have surged, with Asia seeing increases of 40-50% year-on-year. Supply chain challenges are straining capacity, particularly for wide-body aircraft. Capacity will likely remain tight through the rest of 2024.

Overland

U.S. truckload volumes are rising, though rates remain stable. Cass Freight Shipments Index showed a 1% rise in August, while the truckload index declined by 0.6%. The U.S. LTL market is stabilizing after recent disruptions, with softer demand and flat pricing expected through 2025.

Rail

U.S. rail networks are preparing for potential East Coast port strikes, with capacity adjustments underway to absorb shifts in cargo volume from the West to East Coast. Despite recent import surges, inland congestion remains a challenge, particularly in major hubs like Los Angeles.

noatum logistics

Asia

Overview

OCEAN

Ocean freight on major routes, particularly to the US East Coast, remains constrained by rail congestion and equipment shortages. Rates have declined on several routes due to softer demand and blank sailings.

AIR

Air freight is facing capacity shortages, especially on Asia-Europe and Asia-US routes, driven by eCommerce demand. Load factors are at 86%, pushing rates higher amid limited freighter availability.

RAIL FREIGHT

Rail freight between China and Europe remains strong, with congestion at border crossings. The Middle Corridor to Türkiye is gaining popularity, though rates are rising amid bottlenecks and customs regulations.

noatum logistics

Asia

NEWS

The freight industry is seeing notable shifts, with air cargo demand surging ahead of peak eCommerce seasons. Load factors on major Asia-Europe and Asia-US routes are at 86%, leading to capacity constraints and increased freight rates. Ocean freight continues to face challenges, especially on US East Coast routes, where congestion and equipment shortages are persisting. Rail freight between China and Europe remains strong, with demand for Middle Corridor routes increasing despite ongoing bottlenecks. Meanwhile, proposed US regulatory changes to the De Minimis Exemption aim to close loopholes used by Chinese eCommerce platforms like Shein and Temu to avoid import tariffs.

Outlook

OCEAN

Rates may remain volatile into Q4 due to ongoing blank sailings, congestion at key ports, and capacity constraints, particularly on East Coast and Latin American routes. Moderate rate increases are expected.

AIR

Air cargo demand will continue surging through peak season, driven by eCommerce growth and high-tech shipments, though capacity shortages and imbalanced routes will keep pushing rates higher into 2025.

RAIL FREIGHT

Rail freight demand between China and Europe will remain strong, with continued rate hikes due to congestion at border crossings and tightening customs regulations, particularly for westbound shipments. Multimodal options will gain importance.

Market dynamics

ASIA TO		May	Jun	Jul	Aug	Sep	Oct
AMERICAS	Ocean	=	+	=	=	=	=
	Air	+	+	=	=	+	+
EAST EUROPE TÜRKIYE & CIS	Ocean	=	+	=	=	=	=
	Air	+	+	=	=	+	+
MIDDLE EAST	Ocean	=	=	=	=	=	=
	Air	+	+	=	=	+	+
WEST EUROPE	Ocean	=	+	=	=	=	=
	Air	+	+	=	=	+	+

\+ Demand>Capacity = Balance - Capacity>Demand

Situation

Asia-Pacific remains a global growth driver, with 4-5% growth forecasted for 2024. Strong consumption and export growth in eCommerce and electronics fuel the region, though China's property sector slowdown poses risks. While inflation is moderating, pockets of deflation in China and Southeast Asia are affecting regional trade dynamics.

Ocean

On Trans-Pacific Eastbound (TPEB) routes, space is available for US West Coast routes but remains tight for the East Coast and Gulf routes.

The Port of Tacoma faces rail congestion, prompting some carriers to divert to Seattle. Rates for the West Coast have seen significant declines, with more modest decreases for the East Coast and Gulf.

Equipment availability is generally stable across China and Southeast Asia, but 40' high-cube containers remain tight in Ningbo.

In Europe, space remains limited for Northern Europe and the Mediterranean, largely due to blank sailings. Rates for Northern Europe and the UK are declining, with Mediterranean rates following suit. Carriers are focusing on spot deals rather than long-term contracts, with the UK being a notable exception.

Shipments to Australia and New Zealand from China face tight space, with rates rising steadily. Strict vessel weight controls further constrain capacity. For Latin America, space for West Coast South America routes is opening up, though tight capacity persists for East Coast South America. Rates are expected to rise by early September.

Air

Load factors on Asia-Europe and Asia-Middle East routes reached 86% in September, with full capacity expected to persist through the busy Black Friday and Cyber Monday periods. Airlines like Cathay Pacific and Qatar Airways are boosting freight capacity, with some redirecting freighters from South America and India to capitalise on more profitable Asian export routes.

However, while outbound flights from China remain highly profitable, the unprofitability of return flights continues to complicate trans-Pacific pricing strategies.

As the peak season approaches, air cargo demand is surging, driven by both traditional air freight and eCommerce. The industry has seen eight consecutive months of double-digit growth, with demand up 14%, while capacity has only grown by 7%. Load factors remain high at 86-87%, and aircraft utilisation is peaking at 15 hours per day.

Freight rates from Shanghai to North America have risen by 30% year-on-year, with similar increases on outbound routes from Hong Kong. The delayed arrival of new freighters is expected to keep rates elevated throughout 2024.

Meanwhile, the US administration is reassessing the De Minimis exemption, which allows eCommerce platforms to ship goods valued under $800 to American consumers without paying import tariffs. Annual shipments under this rule have surged from 140 million to over 1 billion, prompting the review.

Rail

Demand between China and Europe remains high, particularly for westbound routes, with ongoing congestion at border crossings like China-Kazakhstan. Express trains from Xi'an have improved transit times, averaging 16 days to Duisburg.

Demand for rail connections to Türkiye and Central Asia is increasing, supported by regular services along the Middle Corridor through Kazakhstan, Georgia, and Azerbaijan, though bottlenecks still hinder full optimisation.

Rail rates are seeing moderate increases, particularly westbound, while eastbound routes show improvements despite new challenges like tightened Polish customs regulations.

Multimodal connections, such as the OceanExpress route, provide alternative shipping options between China and Europe, with flexibility for faster Less-than-Container Load (LCL) shipments.

East Europe, Türkiye & CIS Overview

OCEAN

Rates for ocean freight from the Far East are stable, but space constraints and equipment shortages are widespread in CIS and Türkiye. The Middle East is experiencing longer transit times due to Red Sea disruptions.

AIR

Türkiye's air freight market is under pressure due to peak season demand, with airlines allocating significant space to high-tech shipments. Capacity remains tight, leading to increasing rates and potential surcharges.

OVERLAND

New trade routes between Türkiye and Asia, along with investments in regional rail services, are bolstering the overland freight market. Road and rail networks remain stable, but inflationary pressures and fuel costs are challenging growth.

noatum logistics

East Europe, Türkiye & CIS

NEWS

The freight market across East Europe, Türkiye, and CIS is seeing stabilisation, but challenges persist. Air freight is facing capacity constraints due to peak season and the launch of high-tech product shipments, which is pushing rates higher. Sea freight remains stable but faces equipment shortages and delays, particularly in CIS and Türkiye. Overland freight is benefiting from infrastructure investments and new trade routes between Türkiye and Asia, though inflation and logistical disruptions remain challenges. Despite ongoing inflationary pressures in the CIS, regional logistics networks are strengthening, and new routes are emerging, helping to offset weaker demand from the EU.

Outlook

OCEAN

Sea freight rates will remain stable but elevated due to ongoing equipment shortages and disruptions, particularly in Türkiye and the CIS. The market may stabilise further with improvements in regional infrastructure.

AIR

Rates are expected to continue rising as peak season demand outpaces capacity. Airlines are likely to focus on high-value shipments, making it harder for other goods to secure space.

OVERLAND

Investment in rail services and new trade routes is expected to support growth in overland freight. However, rising fuel costs and inflation will continue to place upward pressure on rates across the region.

Market dynamics

EAST EUROPE, TÜRKIYE & CIS TO		May	Jun	Jul	Aug	Sep	Oct
AMERICAS	🚢	=	=	=	=	=	=
	✈	=	=	=	=	=	=
ASIA	🚢	=	=	=	=	=	=
	✈	-	-	=	=	=	-
MIDDLE EAST	🚢	=	=	=	=	=	=
	✈	=	=	=	=	=	=
WEST EUROPE	🚢	=	=	=	=	=	=
	✈	=	=	=	=	=	=

+ Demand>Capacity = Balance - Capacity>Demand

noatum logistics

East Europe, Türkiye & CIS

Situation

Eastern Europe continues to stabilise after geopolitical tensions, but weak EU demand is slowing export growth in the region. Türkiye benefits from expanded trade routes to Asia, with continued investments in infrastructure enhancing its role as a trade hub. However, inflationary pressures and logistical disruptions remain key challenges across the CIS region.

Ocean

In the FCL market, the top performing carriers this quarter are MSC, HPL, SeaLead, and ONE.

Exports to the:
Middle East, Far East, and Spain are seeing stable volumes and rates.

USA, NWC, East and West Africa, and North Africa have consistent volumes, but rates are rising.

South America are experiencing both an increase in volume and higher rates.

Europe
Factory closures across Europe during the summer led to a volume decline, though recovery is expected by September. Prior to the closures, space, equipment, and vehicle shortages were common, particularly in Belgium, Germany, and Italy.

Container equipment shortages and allocation restrictions have caused rate increases, though competition remains high due to low demand. Market conditions are being closely monitored, with spot rates staying competitive.

For high-volume and regular business, carriers like OOCL, CMA, and HAPAG offer name account contracts (NAC). Key commodities being loaded include raw materials, granite, non-IMO chemicals, and auto spare parts. Allocation agreements with CMA, Maersk, and Hapag are monitored to avoid equipment shortages.

Middle East
Jebel Ali port handles the largest volume in this region. Transit times have increased due to Red Sea disruptions, but some carriers are offering faster routes via the Suez Canal. Regular shipments of auto spare parts have been secured, and efforts to increase volumes could lead to economies of scale.

Africa
In Egypt, limited vessel availability is causing space and equipment challenges. All carriers are checked for each booking to ensure availability. Efforts are underway to grow volume from this region, including shipments of glass from Nigeria.

North America
Relationships with regional carriers have been developed and efforts to increase both demand and volume are ongoing.

South America
Maersk currently provides the best rates, but vessels are fully booked until the end of September. Port congestion often leads to bookings being rolled over. Previous customers are being regained, and new business has been secured, especially for coffee beans and non-IMO chemicals. The region holds significant potential, especially for specific commodities.

noatum logistics

East Europe, Türkiye & CIS

China
Ocean freight rates from China are expected to soften until the end of September, facilitating volume increases. SeaLead via Suez is preferred due to its direct service, with Evergreen used for BEX services, while charter services using Jeddah as a transshipment port are avoided. Some shipments with MSC have faced rolling issues, with efforts underway to resolve this with Maersk. Most 40HC shipments are currently handled by Hapag, ONE, and OOCL, while MSC and CMA handle 20DC shipments.

Southeast Asia
Rates in the SEA market are steadily decreasing. Evergreen and OOCL offer competitive rates, though MSC's rates remain high and bookings are challenging. ONE has reduced rates for 20-foot containers, particularly for solar panel shipments, and Yang Ming has secured name account contracts through the year, indicating potential rate decreases in the coming months.

IPAK
The space issue in IPAK has been resolved with charter vessels, with more players entering the market. Services from AKKON, BSCL, SeaLead, and MLH are now being utilised. Maersk offers aggressive rates, though high free time charges remain an obstacle for some customers.

LCL
Rates for September are currently being calculated, though with FCL rates softening, similar trends may be expected. Suez service is now in use without any operational issues.

Outlook
Securing name account contracts will be essential during the slack season, and efforts are being made to push carriers to provide them.

Air, Road & Rail

Flight and road freight cancellations to Israel have created opportunities for third-party shipments. Transit shipments to Frankfurt are being handled via air, and to Greece via road.

As the high season approaches, constrained freighter capacity is driving up rates. The launch of the iPhone season has seen airlines allocate significant space to these shipments, further tightening availability. Peak season surcharges are anticipated.

eCommerce continues to show strong growth in Türkiye, significantly affecting both road and air freight demand. Oman is increasingly being used as a hub.

Turkish Airlines (TK) introduced promotional rates to Amsterdam, Cairo, and London Stansted, prompting a switch to direct TK flights over indirect services.

The interline service to Brazil via LATAM through Madrid has gained popularity among clients and agents, offering both cost efficiency and timely deliveries.

noatum logistics

Middle East

Overview

OCEAN

UAE remains central to Middle East trade, though Red Sea disruptions are affecting transit times. Equipment shortages persist regionally, but volumes and rates remain relatively stable, with carriers adjusting services and routes.

AIR

Rising demand for high-tech components and pharmaceuticals is pushing air freight rates higher. Capacity is tight, especially with additional flights allocated for urgent shipments, straining availability and increasing rates.

OVERLAND

The launch of a new UAE rail service connecting Khalifa Port and Fujairah Terminals enhances regional logistics, offering a scalable alternative to road transport, while connecting the region and helping clients fulfill their sustainability agenda.

Middle East

NEWS

The Middle East freight sector is experiencing dynamic developments across air, sea, and overland routes. Air freight rates are rising, driven by strong demand for high-tech components, medical supplies, and pharmaceuticals. This is compounded by constrained capacity and additional flights being diverted to handle urgent shipments. Sea freight volumes remain stable despite disruptions around the Red Sea and persistent equipment shortages at key ports like Jebel Ali. Overland freight sees the introduction of a new rail service linking UAE ports, promising significant cost savings and efficiency in regional logistics, while road freight continues to experience rising operational costs. Overall, rates remain high, and capacity is tight across all sectors.

Outlook

OCEAN

Sea freight rates are likely to remain stable but elevated due to ongoing Red Sea disruptions and equipment shortages. Volumes should hold, but geopolitical risks may influence capacity and routing changes.

AIR

Sea-air shipments from UAE are bolstering growth and air freight rates are likely to continue rising through Q4, fuelled by peak season demand. Space will remain tight.

OVERLAND

The UAE's new rail service will offer cost-effective alternatives to road freight, while road transport faces continued operational challenges due to rising fuel costs and fluctuating demand across the Middle East.

Market dynamics

MIDDLE EAST TO

		May	Jun	Jul	Aug	Sep	Oct
AMERICAS		=	=	=	=	=	=
		+	+	=	=	+	+
ASIA		=	=	=	=	=	=
		-	-	=	=	=	=
EAST EUROPE TÜRKIYE & CIS		=	=	=	=	=	=
		=	=	=	=	=	=
WEST EUROPE		=	=	=	=	=	=
		+	+	=	=	+	+

+ Demand>Capacity = Balance - Capacity>Demand

Situation

The Middle East is seeing strong demand for energy exports, with growing trade ties to Asia. Sea-air shipments from UAE are bolstering growth, while infrastructure investments continue to expand trade routes through the Gulf, supporting the region's positive trade outlook.

Ocean

CStar, CU Lines and UGL have expanded their cooperative efforts, forming a joint service known as the IMR, which CStar brands as MER1. This service has been enhanced to a weekly schedule, covering key ports including Nhava Sheva, Mundra, Jebel Ali, Djibouti, Jeddah, and Aden, before looping back to Nhava Sheva.

Additionally, MSC has adjusted its Upper Gulf Express service by removing UAE's Jebel Ali port from the service. The revised route now includes Mundra, Nhava Sheva, Abu Dhabi, Dammam, Umm Qasr, and Sohar, returning to Mundra, which streamlines the service's operations and might reflect strategic realignments in MSC's network.

Air

Air freight rates have been largely strong, due to demand for high-tech components and pharmaceuticals, compounded by tight capacity and flights diverted for urgent shipments. Additional capacity has been added, particularly from Asia and to the Middle East, while sea-air volumes through Dubai are further straining availability as peak season approaches.

Overland

Noatum Logistics has launched a new rail service, connecting the United Arab Emirates' Khalifa Port with Fujairah Terminals via the UAE's national rail network.

This service enhances the existing multimodal logistics infrastructure by offering additional capacity and options for moving freight overland. The weekly service can transport up to 156 TEUs or 78 FEUs per train, providing a scalable and efficient alternative to traditional road transport, which is also environmentally friendly.

The rail shuttle promises significant cost savings and logistical benefits, such as avoiding traffic congestion and reducing road tolls, making it ideal for moving bulk, containerised, and oversized cargo. It also offers flexible options by integrating first and last-mile truck transport for end-to-end connectivity.

This development aligns with AD Ports Group's broader strategy to strengthen regional connectivity and support economic growth through multimodal transport solutions.

noatum logistics

West Europe Overview

OCEAN

Sea freight faces tight space and container shortages across key regions, with fluctuating rates in many corridors. Blank sailings and congestion are affecting availability and schedules, particularly for exports from Europe.

AIR

Air freight demand is peaking, driven by the seasonal surge from the Far East. Rates are rising, especially in Shanghai, while supply remains constrained despite increased flight options.

OVERLAND

Truck availability is stable, but pricing negotiations are difficult due to rising operating costs. While domestic volumes are steady, EU-bound exports have seen significant declines, though imports are showing modest growth.

noatum logistics

West Europe

NEWS

The global freight industry is under pressure as peak season approaches. Air freight is experiencing a significant rise in demand, especially from the Far East, driving rates up in key markets like Shanghai and Hong Kong. Sea freight continues to grapple with congestion and equipment shortages, particularly in Europe and Latin America. Rates are rising due to blank sailings and space constraints, with further increases expected in September. Overland transport is steady, with adequate truck availability, but exports to the EU are down, while imports are showing slight growth. Carriers are preparing for a challenging Q4 across all freight sectors.

Outlook

OCEAN

Spot freight rates may increase amid continued space and equipment shortages. Blank sailings and congestion will impact schedules, with key trade routes, particularly Latin America, facing ongoing challenges into Q4.

AIR

Air freight will remain constrained, with rising demand and rates as peak season intensifies. Tight capacity is expected to persist, particularly on Asia-Europe and Asia-US routes into Q4 2024.

OVERLAND

Road freight demand will stabilise with a slight upward trend as factories resume operations. While truck supply remains sufficient, rising operating costs may hinder pricing negotiations, especially for cross-border EU transport.

Market dynamics

WEST EUROPE TO

		May	Jun	Jul	Aug	Sep	Oct
AMERICAS	Ocean	=	=	=	=	=	=
	Air	-	-	=	=	=	=
ASIA	Ocean	=	=	=	=	=	=
	Air	-	-	=	=	-	-
EAST EUROPE TÜRKIYE & CIS	Ocean	=	=	=	=	=	=
	Air	=	=	=	=	=	=
MIDDLE EAST	Ocean	=	=	=	=	=	=
	Air	-	-	=	=	=	=

\+ Demand>Capacity = Balance - Capacity>Demand

Situation

The economic and trade outlook continues to face challenges. Industrial production remains weak, particularly in key sectors such as Germany, leading to reduced demand from major export markets, including China. While inflation has eased, supply chain disruptions and energy price volatility persist. The EU is expected to see declining trade volumes, with consumer confidence falling and manufacturing slowing. While some recovery is possible in Europe, the broader outlook remains fragile as external demand weakens and internal issues, such as logistical disruptions, persist.

Ocean

Some carriers to the Eastern Mediterranean are rerouting through the Suez Canal to mitigate delays, while widespread equipment shortages, especially for 20-foot containers, are pushing up export rates despite lower demand.

Export volumes to the Middle East and Africa are stable, with better space allocation easing pressure. However, the Mediterranean and West African routes are facing congestion and cost increases due to additional PSS/GRI charges.

West Mediterranean carriers have adjusted their services with blank sailings, affecting upcoming imports. Container shortages are impacting exports, particularly from Portugal. Rates to Latin America and North America are stable but are expected to increase due to peak season surcharges.

Rates to the US West Coast have seen declines, while East Coast and Gulf routes remain constrained. Equipment shortages in Ningbo, especially for 40' high-cube containers, persist.

Air

The peak season from the Far East began in late August, with rates rising steadily, particularly from Shanghai and Hong Kong/South China. Air China introduced direct flights to Barcelona, though it prioritises luggage, creating potential delays for cargo. Space protection strategies remain in place for regular clients, ensuring consistent availability.

Export demand remains stable, supported by an increase in flights over the summer. New agreements for Q3/Q4 ensure continued space availability across key trade lanes. Space is expected to outpace demand, providing opportunities for cost negotiation. However, new regulations for the USA and Canada may require proof of regular shipments to board passenger flights, adding logistical complexity.

Overland

The overland freight market is currently experiencing an excess supply of trucks compared to demand, which ensures sufficient availability. However, price negotiations are becoming more difficult due to high operating costs despite softer fuel prices. Domestically, volumes remain stable, though exports to the EU have decreased significantly. In contrast, imports show a slight increase. As factories return to full operation post-summer, demand is expected to trend upwards slightly. It is advised that reservations be made well in advance to secure capacity as carriers gradually normalise operations.

noatum logistics

noatum logistics

www.noatumlogistics.com | info@noatumlogistics.com

Americas
Chicago, USA
T +1 773 824 2386
contact-am@noatumlogistics.com

Asia
Hong Kong
T +852 2410 6900
contact-as@noatumlogistics.com

East Europe, Türkiye & CIS
Istanbul, Türkiye
T +90 216 422 85 85
contact-ee-tr-cis@noatumlogistics.com

Middle East
Abu Dhabi, UAE
T +971 2 69 52 000
contact-me@noatumlogistics.com

West Europe
Barcelona, Spain
T +34 93 298 77 77
contact-we-wm@noatumlogistics.com

SOURCES
Air Cargo News | Alphaliner | Barclays | Drewry | Focus Economics | Freightos | Freightwaves | IATA | IMF | S&P Global | TAC Index| The Loadstar | Timocom | Transporeon | TEG | Ti | Upply | WorldACD | World Bank | Xeneta