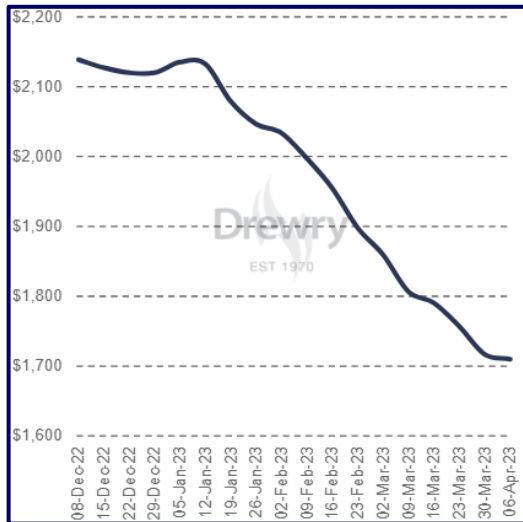


GLOBAL TRANSPORTATION MARKET REPORT APRIL 2023

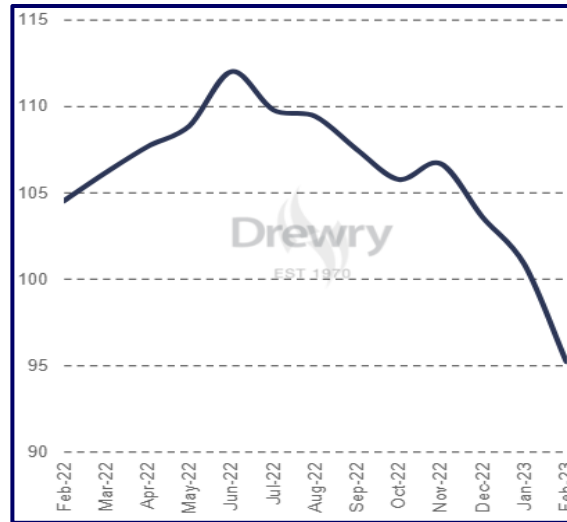


GLOBAL OCEAN TRENDS

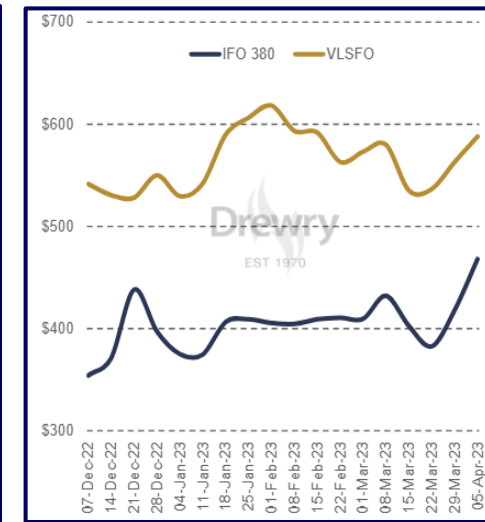
World Container Index



Global Port Throughput



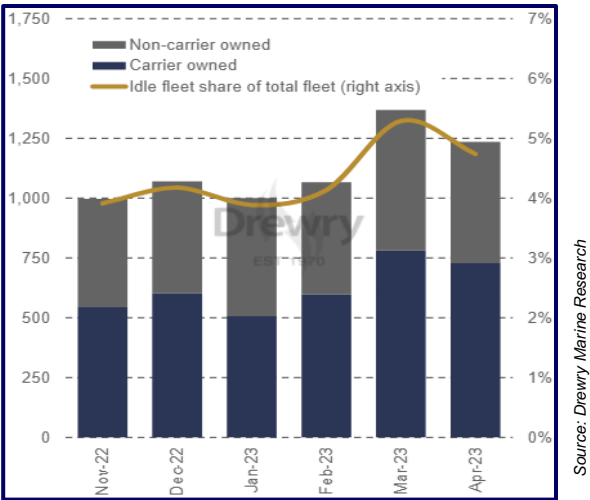
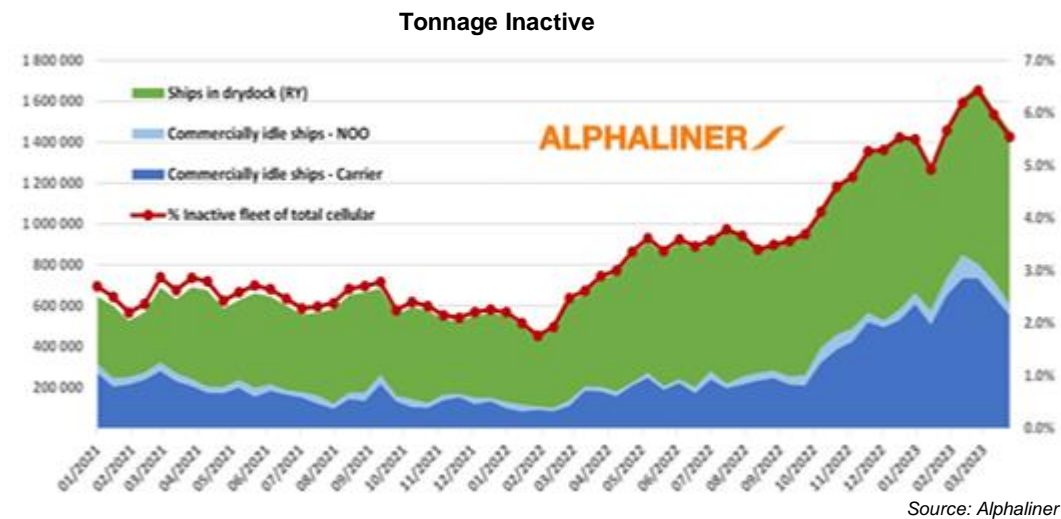
Bunker



Source: Drewry Marine Research

- Expect to see general rate increases across trade lanes as peak season approaches. With global fuel costs on the rise, we also expect increases in bunker adjustment factors.
- Analysts also anticipate aggressive blanking programs on the head haul trades. Shippers, however, are not convinced that this will exert a significant impact on rates.
- Carriers continue to make new capacity deliveries (expected over the summer months). This will not accelerate rate increases unless demand ticks up over the summer and into the traditional peak season.
- SCFI showed a mild positive uptick for the first time since September 2022. It is too early, however, to predict the persistence of this trend.
- Contract start days are approaching (typically around May 1), but a great deal of uncertainty remains as carriers act to maintain current rate levels and push volumes into the spot market.

CAPACITY AND IDLE FLEET



- Inactive capacity is at 299 ships representing 1,459,107 TEU. This is a slight decrease from the previous month, accounting for 5.5% of the global fleet.
- Early April deliveries are still pending; however, the prior total for last month is more than 25 vessels. Five vessels exceeded 24,000 TEU capacity; four of which were delivered to MSC. The fifth was delivered to OOCL.

OCEAN TRADE LANES

- Capacity is expected to continue being delivered over the coming months as the largest carriers battle to claim an even bigger stake of market share.
- Blanking programs coupled with general rate increases are expected to continue into the peak months as carriers work to keep rates stable or drive increases on head haul trades.
- Asia ports continue to show growth (though less than previous years), keeping their respective positions in the world's top 10. European and international service center ports softened YoY.
- Large carriers continue to take delivery of new capacity, while also buying up available vessels on the global market.

Trade Lane	Status	Comments
TPEB to USEC		
TPEB to USWC		
CBP to N Eur		
CBP to MED		
SE Asia to N Eur		
SE Asia to MED		
ISC to US		
N Eur to ISC		

Trade Lane	Status	Comments
N Eur to AP		Stable rates expected
MED to AP		Rates expected to stabilize
US to N Eur		
US to MED		
MED to US		
N Eur to US		
US to ISC		
Med to ISC		

	Available space; quick booking turn time.
	Capacity well utilized; some space available.
	Demand higher than supply; space agreements challenged.

OCEAN CARRIER UPDATES

2M



Ocean Alliance



THE Alliance



- CMA CGM added a Cai Mep call to the rotation of its Far East-North Europe service, FAL3.
- Beginning April 27, Maersk, ANL (CMA CGM Group) and Hapag-Lloyd are planning to revise their joint PANZ/PCX/WSN service, which connects the West Coast of North America, Australia, New Zealand and the Pacific Islands.
- Hapag-Lloyd merged two transatlantic loops and added a Canada call to its Europe-Centram service, CES. This includes Hamburg and St. John, New Brunswick, and removes Kingston, Jamaica.
- Wan Hai and IAL removed South Korea from their CV1 route, as well as Fuzhou and Shekou.
- MSC added a call at Jacksonville to its standalone Baltic-North Europe-U.S. East Coast service.

MEXICO AND TRANSBORDER

- Ground transportation

Colombia Bridge to Laredo offers fast border-crossing option

With the expansion of the number of export lanes from three to five, and export booths from seven to 12, the port of Colombia is ready for an increase in the flow of exports due to nearshoring and Tesla's installation in Nuevo Leon.

With these enhancements, the Colombia Bridge is a fast option that is only 38 kilometers away from the current border crossing cargo bridge.

Carrier thefts increased in January, February

In the first two months of 2023, carriers reported 2,209 thefts across four states, an increase of 10.84% compared to 2022.

- State of Mexico: 753
- Puebla: 390
- Jalisco: 174
- San Luis Potosi: 143

MEXICO AND TRANSBORDER

- Ocean

First increase in six months for Asia-Mexico ocean rates

- After six consecutive months of decline, rates on the Asia-Mexico trade route increased 29.39% from January to February.

PROMEDIO ACUMULADO DEL AÑO:		1,464.00 USD
PERIODO	EAX MENSUAL	M/M CHG%
ENERO 2023	1,276.00	-22.59%
FEBRERO 2023	1,651.00	29.39%

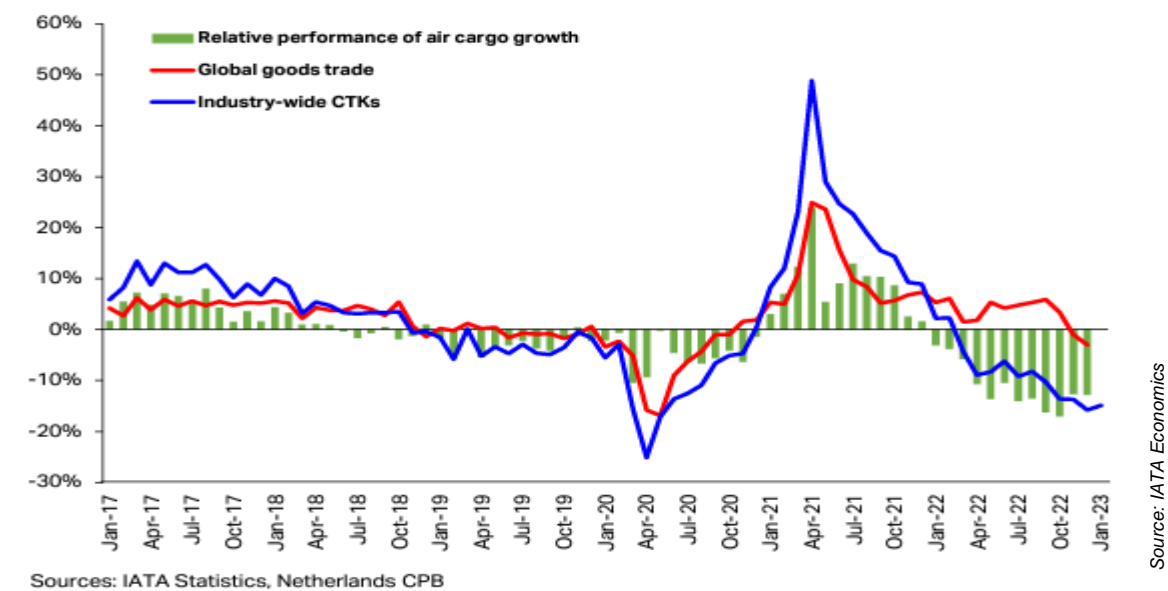
- The rate change is due to capacity adjustments ranging from -38% to -65%, following a general drop in demand.
- To understand shipping lines' capacity optimization strategies, we must know what additional capacity they will receive during the year and its impact on the different routes. After updating the level of additional capacity globally, we can determine that in February, for example, the market received deliveries of new ships for approximately 90,000 TEUs.
- We expect to see a "technical floor" of \$1,400 per FEU, in relation to medium and long-term maritime rates, until December.
- The fidelity in cargo volume of these levels will depend on the strength of the demand during the following months.

MEXICO AND TRANSBORDER

- Air

- Lufthansa reiterated that it will not operate at the new Felipe Angeles International Airport, since the connectivity it requires is in Mexico City.
- The airline also reported that its reservations to Mexico for March and April increased 50% due to the demand registered for Easter week.
- The deadline for cargo carriers to switch operations to the new Felipe Angeles International Airport, July 7, will not change.

Growth in Global Goods Trade



AIR FREIGHT OVERVIEW

- Slight demand improvements in the air cargo market have slowed rate declines.
- Global capacity has increased year over year, attributed to belly capacity growth on international passenger aircraft.
- As recovery continues, capacity is currently at about 75-76% of pre-pandemic levels.
- The global load factor decreased 6% compared to the previous year.

	World share ¹	January 2023 (% year-on-year)				January 2023 (% ch vs the same month in 2019)			
		CTK	ACTK	CLF (%-pt) ²	CLF (level) ³	CTK	ACTK	CLF (%-pt) ²	CLF (level) ³
TOTAL MARKET	100.0%	-14.9%	3.9%	-9.9%	44.8%	-11.0%	-6.7%	-2.2%	44.8%
Africa	2.0%	-9.5%	-1.8%	-3.8%	43.9%	8.6%	-12.5%	8.5%	43.9%
Asia Pacific	32.4%	-19.0%	8.8%	-15.5%	45.2%	-18.9%	-9.6%	-5.2%	45.2%
Europe	21.8%	-20.4%	-9.3%	-7.5%	54.1%	-16.0%	-21.6%	3.6%	54.1%
Latin America	2.7%	4.6%	34.4%	-9.3%	32.5%	-1.5%	-4.7%	1.0%	32.5%
Middle East	13.0%	-11.8%	9.6%	-10.0%	41.1%	-10.7%	-3.5%	-3.3%	41.1%
North America	28.1%	-8.7%	2.3%	-5.1%	42.3%	2.4%	7.6%	-2.2%	42.3%
International	86.8%	-16.2%	1.4%	-10.4%	49.4%	-11.4%	-10.1%	-0.7%	49.4%
Africa	2.0%	-9.5%	-2.7%	-3.4%	45.3%	9.7%	-11.9%	8.9%	45.3%
Asia Pacific	29.7%	-20.0%	2.0%	-14.8%	53.9%	-16.3%	-13.4%	-1.9%	53.9%
Europe	21.4%	-21.1%	-10.6%	-7.5%	56.1%	-16.8%	-22.8%	4.0%	56.1%
Latin America	2.3%	4.2%	42.3%	-13.7%	37.3%	4.2%	2.8%	-1.9%	37.3%
Middle East	13.0%	-11.7%	9.8%	-10.1%	41.3%	-10.6%	-3.4%	-3.3%	41.3%
North America	18.4%	-9.6%	2.5%	-6.2%	46.2%	1.2%	3.5%	-1.0%	46.2%

¹% of industry CTGs in 2022

²Change in load factor

³Load factor level

Note: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

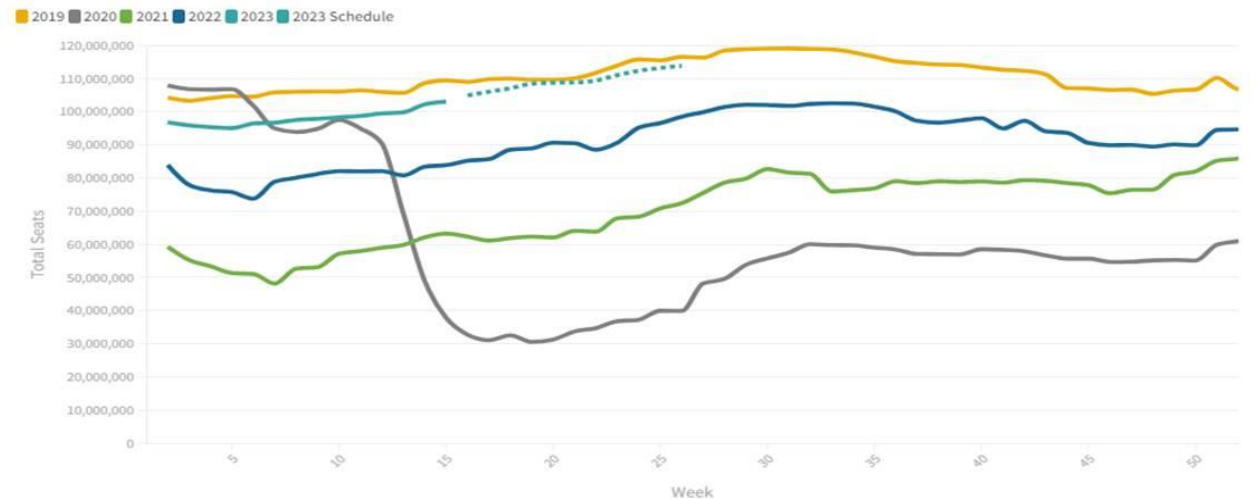
CAPACITY DEVELOPMENT

- With almost 800,000 additional airline seats in the schedule for the week of April 6, global airline capacity increased by 0.8% compared to the previous week.
- Global airline capacity is 5.9% below where it was in the same week in 2019, but 23% above 2022 and 63% above 2021 levels.
- This indicates the market may be stabilizing as volume drop offs have minimized. Likewise, rates did not drop as significantly as in past months.
- An increase in longer-term contracts between shippers and forwarders are also indications of market normalization.

GLOBAL TOTAL SEATS (DOMESTIC + INTERNATIONAL)

The air travel data is plotted by week from the beginning of 2019 to w/c 3 April 2023.

The data is shown weekly, for the last 4 years, with 2019 as a baseline for global capacity. Each week this chart will be updated with the latest capacity for the current week, and for filed scheduled capacity for the 11 weeks ahead, showing the overall 3 months forward-looking position.



Source: [OAG](#)

OAG

AIR TRADE LANES

- Combined with expected labor shortages, ongoing strikes and job actions across major European gateways could impact recovery in the region, as well as transit and loading times.
- Consensus is building around the need to increase and/or restock inventory in the second half of 2023. Carriers indicate this would likely spark a peak season as in past years.
- Fuel surcharge increases could offset any reduction in rates that new capacity brings to the market.
- Slight volume increases in the latter half of the first quarter were very limited and not significant enough to impact rates and capacity.

Trade Lane	Status	Comments
AP to US	Available space; quick booking turn time.	
US to AP		
Europe to AP		
AP to Europe		
Europe to US		
US to Europe		

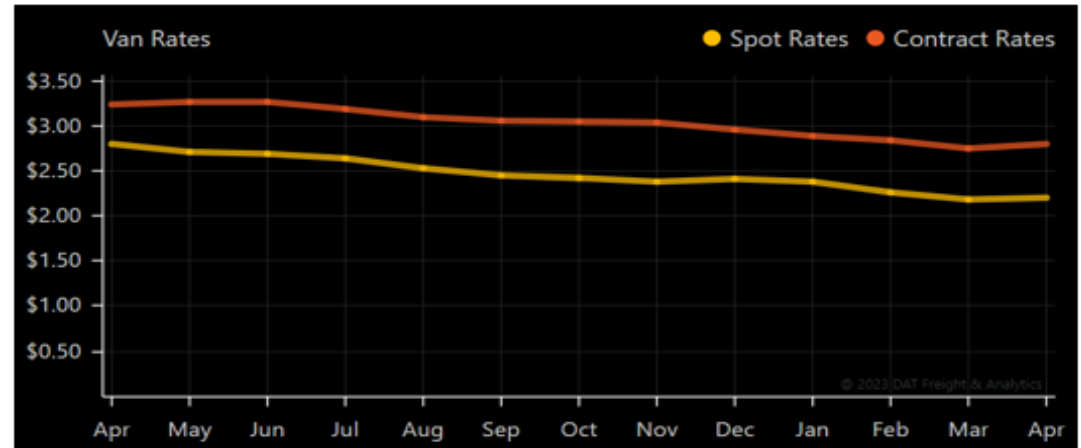
Trade Lane	Status	Comments
US to LATAM	Available space; quick booking turn time.	
LATAM to US		
Europe to LATAM		
LATAM to Europe		
India to US		
US to India		

Available space; quick booking turn time.
Capacity well utilized; some space available
Demand higher than supply; space agreements challenged.

NORTH AMERICAN TRANSPORTATION



powered by DAT iQ

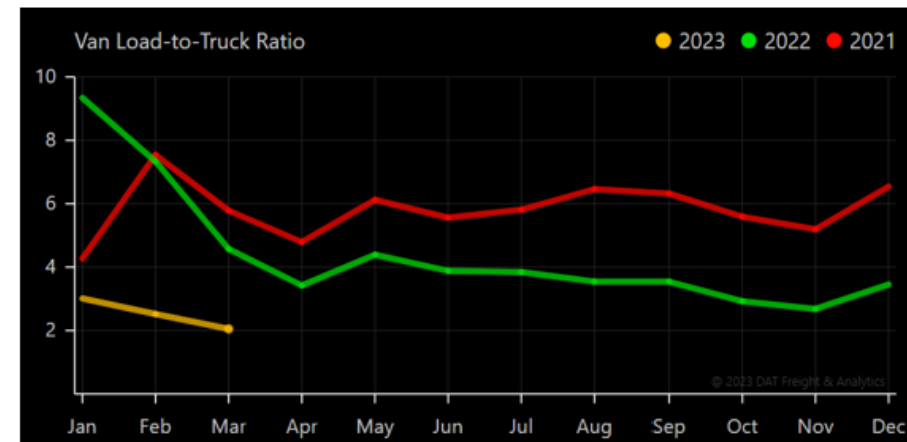
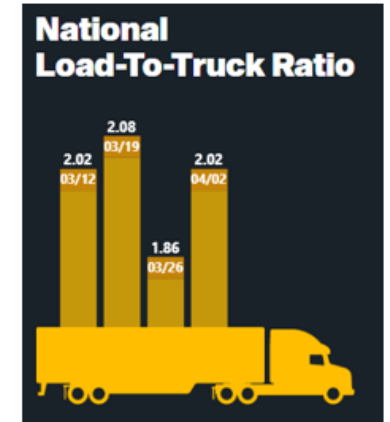
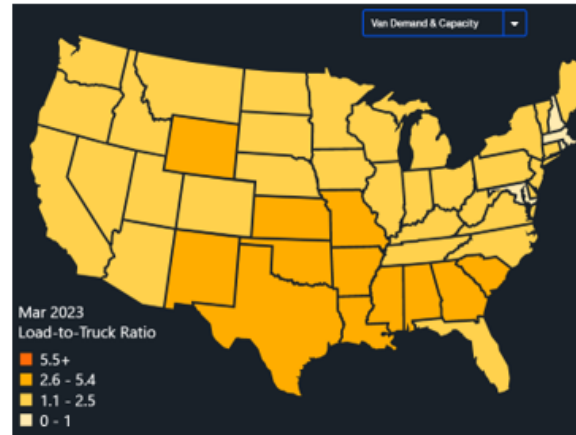


- Spot quoting ticked up slightly at the end of March as is generally expected at the end of a quarter.
- Large retailers are seemingly less optimistic about the traditional peak season, as the speed at which the economy recovers affects their ability to dig out from a glut of inventory.
- Tensions are building regarding the long-running labor negotiations at the ports of Los Angeles and Long Beach. Currently, volumes at these ports are declining, but any further publicized tension about cargo delays could push business to other gateways, which would shift trucking demand to other regions.

NORTH AMERICAN TRANSPORTATION

- Load-to-driver capacity remains favorable in most U.S. markets.
- While the trend indicates a continuous decline in load-to-truck ratio, a few metro markets including Los Angeles, Dallas, and Atlanta, are experiencing very tight capacity.

Dry Van Capacity Data



powered by DAT iQ

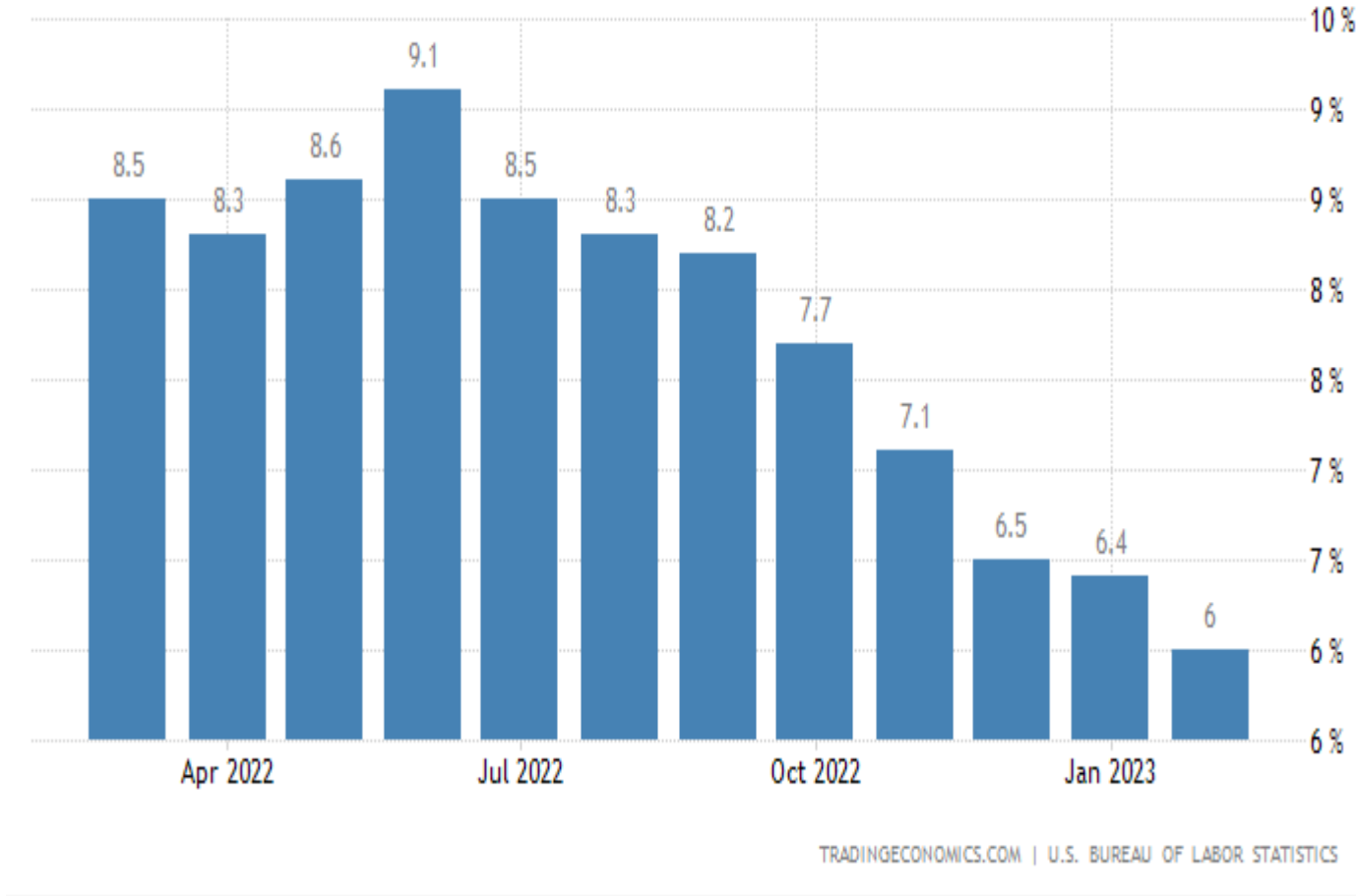
ECONOMIC INDICATORS

Inflation slows

The annual inflation rate in the United States slowed to 6% in February, the lowest since September 2021, in line with market forecasts, and compared to 6.4% in January. Food prices grew at a slower rate (9.5% vs 10.1%), while the cost of used cars and trucks continued to decline (-13.6% vs -11.6%). Also, costs slowed sharply for energy (5.2% vs 8.7%) and fuel oil (9.2% vs 27.7%), with gasoline prices falling 2% after a 1.5% rise in January. On the other hand, prices rose faster for electricity (12.9% vs 11.9%) and shelter (8.1% vs 7.9%).

Core inflation, which strips out the cost of food and energy, also edged lower to 5.5% from 5.6%. Compared to the previous month, the CPI rose 0.4%, following a prior 0.5% gain and matching forecasts. The core rate, however, edged higher to 0.5% from 0.4%, compared to forecasts of 0.4%. U.S. inflation remains three times above the Fed's target of 2%.

Source: [U.S. Bureau of Labor Statistics](#)



TURN INSIGHTS INTO ACTION WITH AIT

Partner with a global network of experts on logistics plans tailored to you

Now that you know what's on the horizon for the coming month, it's time to strategize. But you don't have to do it alone. Let us put our 40+ years of experience across every industry, mode and region to work for your organization.

North American Domestic Product

Dale Grosso

dgrosso@aitworldwide.com

Customs Brokerage

Emily Faulkner

efaulkner@aitworldwide.com

International Air and Ocean

Kent Thompson

kthompson@aitworldwide.com

