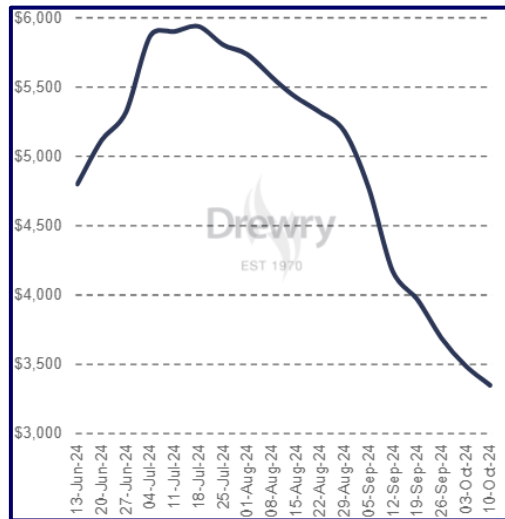


GLOBAL TRANSPORTATION MARKET REPORT OCTOBER 2024

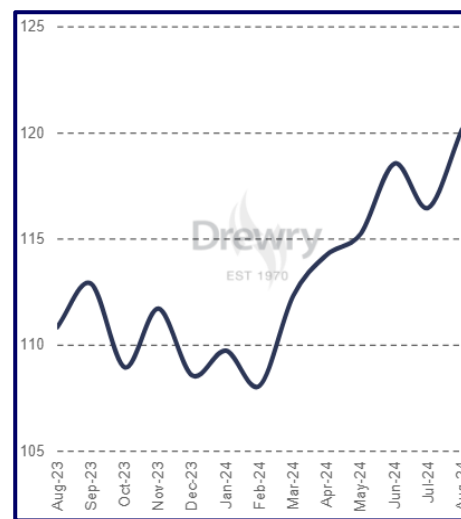


GLOBAL OCEAN TRENDS

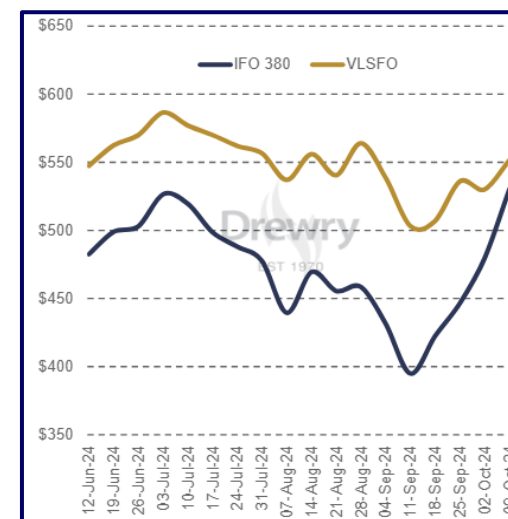
World Container Index



Global Port Throughput



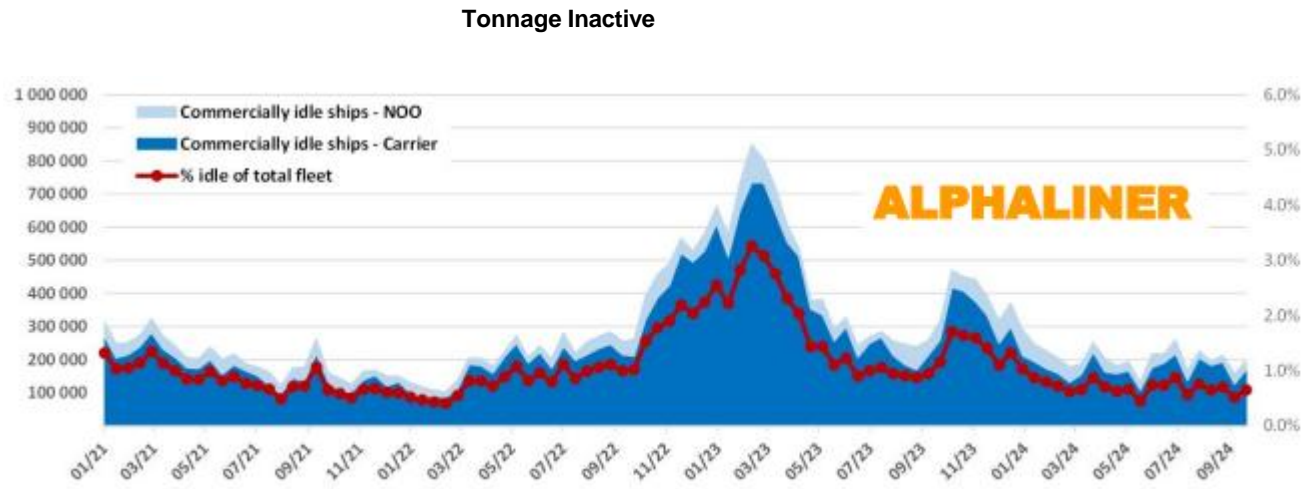
Bunker



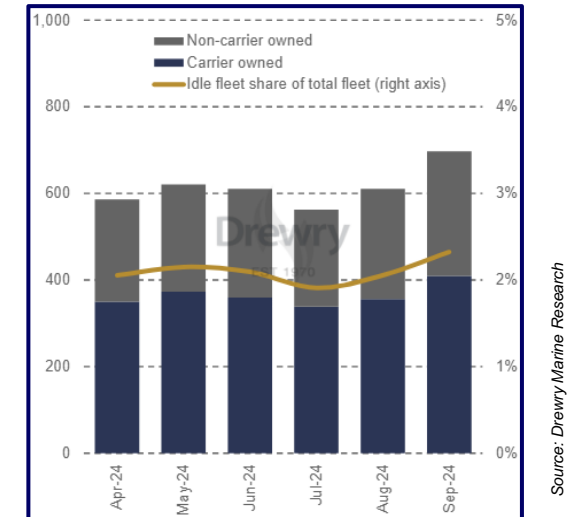
Source: Drewry Marine Research

- The U.S. East and Gulf Coast port strike has ended, following a tentative wage agreement between the International Longshoremen's Association and the United States Maritime Alliance
- The two sides have extended the existing contract through Jan. 15 to provide time to negotiate a new contract
- It will take some time to get vessel schedules fully back to their intended rotations
- Cancellations on sailings out of Asia are commonplace, as spot rates are falling. Even with the port strike lasting for several days, carriers continue to blank sailings to reduce available capacity.
- Container spot rates have continued to decline in recent weeks on the main East-West trades
- Routing via the Cape of Good Hope continues to impact both the head haul trades and the global market with disrupted arrivals and deteriorated schedule reliability

CAPACITY AND IDLE FLEET



Source: Alphaliner



Source: Drewry Maritime Research

- Through September, carriers reported 56 ships inactive, representing idle capacity of less than 200,000 TEUs (<1% of the total fleet)
- Order books remain robust, with 22 vessel deliveries in September including three 12,000+ TEU ships delivered for OOCL, CMA CGM, and Evergreen

OCEAN TRADE LANES

- Across the major East-West head haul trades (transpacific, transatlantic and Asia-North Europe and Mediterranean), carriers announced 90 cancelled sailings between week 41 (Oct. 7-13) and week 45 (Nov. 4-10), representing a 13% cancellation rate for 2024
- For the upcoming weeks extending into November, THE Alliance announced 22 cancellations. OCEAN Alliance and 2M also announced 18 and 13 cancellations, respectively. In the same period, 438 sailings have been blanked by non-Alliance carriers.
- Rates are dropping as a results of weakening cargo demand and congestion in China

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		

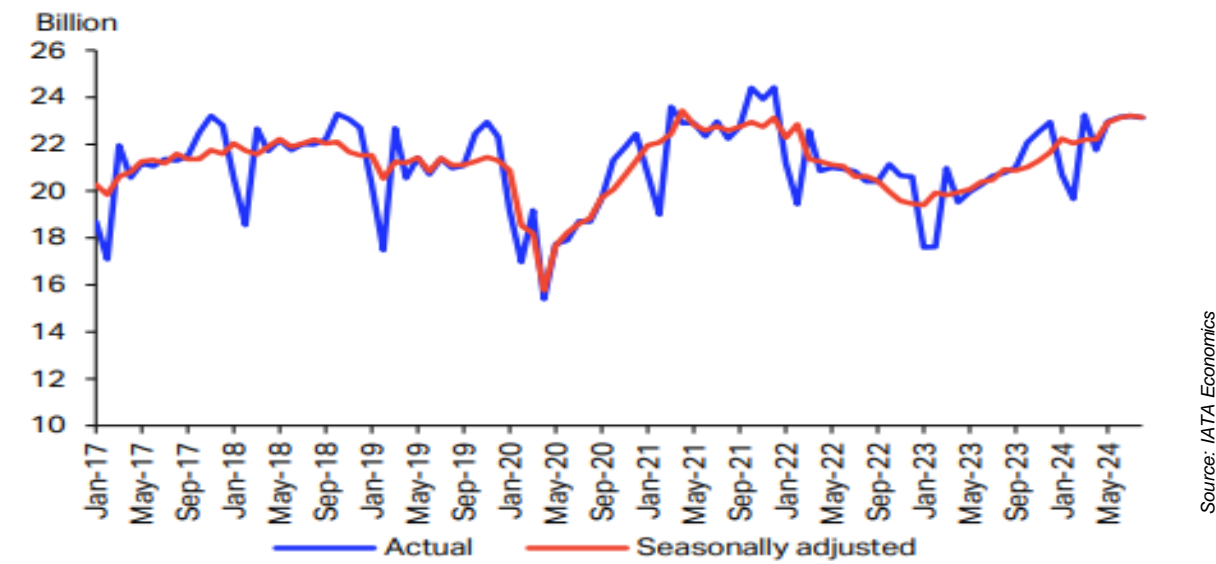
Trade Lane	Status	Comments
N Eur to AP		
MED to AP		
US to N Eur		
US to MED		
MED to US		
N Eur to US		
US to ISC		
Med to ISC		

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

OCEAN CARRIER UPDATES

- Maersk reinstated Charleston on its U.S. East Coast-Oceania loop, which will now regularly call at Philadelphia, Charleston, Balboa, Tauranga, Sydney, Melbourne, Port Chalmers, Tauranga, Manzanillo, Cartagena, and Philadelphia
- Hapag-Lloyd added Ningbo as the first Asian port of call on its Far East-West Africa-North Europe "China Germany Express" service, which it launched over the summer in response to strong cargo demand
- Maersk is shortening the rotation of its North Europe-Middle East-India "ME2" service by removing Bremerhaven from the itinerary
- COSCO launched a dedicated United Arab Emirates and Oman feeder service. COSCO's sister company OOCL is co-loading on this new service.

Global Tonnage Flown per Kilometer (CTK) (billions per month)



World share ¹		August 2024 (% year-on-year)				August 2024 (% year-to-date)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0%	11.4%	6.2%	2.0%	44.0%	13.0%	8.7%	1.7%	45.1%
Africa	2.0%	7.5%	11.4%	-1.4%	37.8%	13.8%	17.8%	-1.5%	42.7%
Asia Pacific	33.3%	14.6%	8.6%	2.4%	46.6%	16.1%	12.9%	1.3%	46.2%
Europe	21.4%	13.5%	9.4%	1.8%	50.1%	13.8%	9.6%	2.0%	53.0%
Latin America	2.8%	14.2%	8.0%	1.9%	35.9%	10.5%	8.4%	0.7%	35.9%
Middle East	13.5%	13.5%	4.0%	3.7%	44.5%	17.1%	8.1%	3.5%	46.3%
North America	26.9%	4.8%	2.4%	0.9%	38.7%	6.7%	3.4%	1.2%	39.6%
International	86.6%	12.4%	8.2%	1.9%	49.2%	13.9%	11.2%	0.2%	50.6%
Africa	2.0%	7.5%	11.7%	-1.5%	38.7%	13.8%	17.6%	1.5%	43.8%
Asia Pacific	29.8%	14.8%	11.9%	1.3%	53.6%	16.1%	16.9%	0.4%	54.0%
Europe	21.0%	13.6%	9.8%	1.8%	52.4%	14.0%	9.9%	0.2%	55.1%
Latin America	2.4%	12.5%	8.6%	1.3%	38.5%	9.6%	9.8%	0.4%	39.9%
Middle East	13.4%	13.6%	4.0%	3.8%	44.8%	17.1%	8.1%	0.2%	46.6%
North America	17.9%	7.1%	4.3%	1.2%	45.6%	8.3%	6.5%	-1.1%	46.8%

Note 1: % of industry CTKs in 2023

Note 2: 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.

AIR FREIGHT OVERVIEW

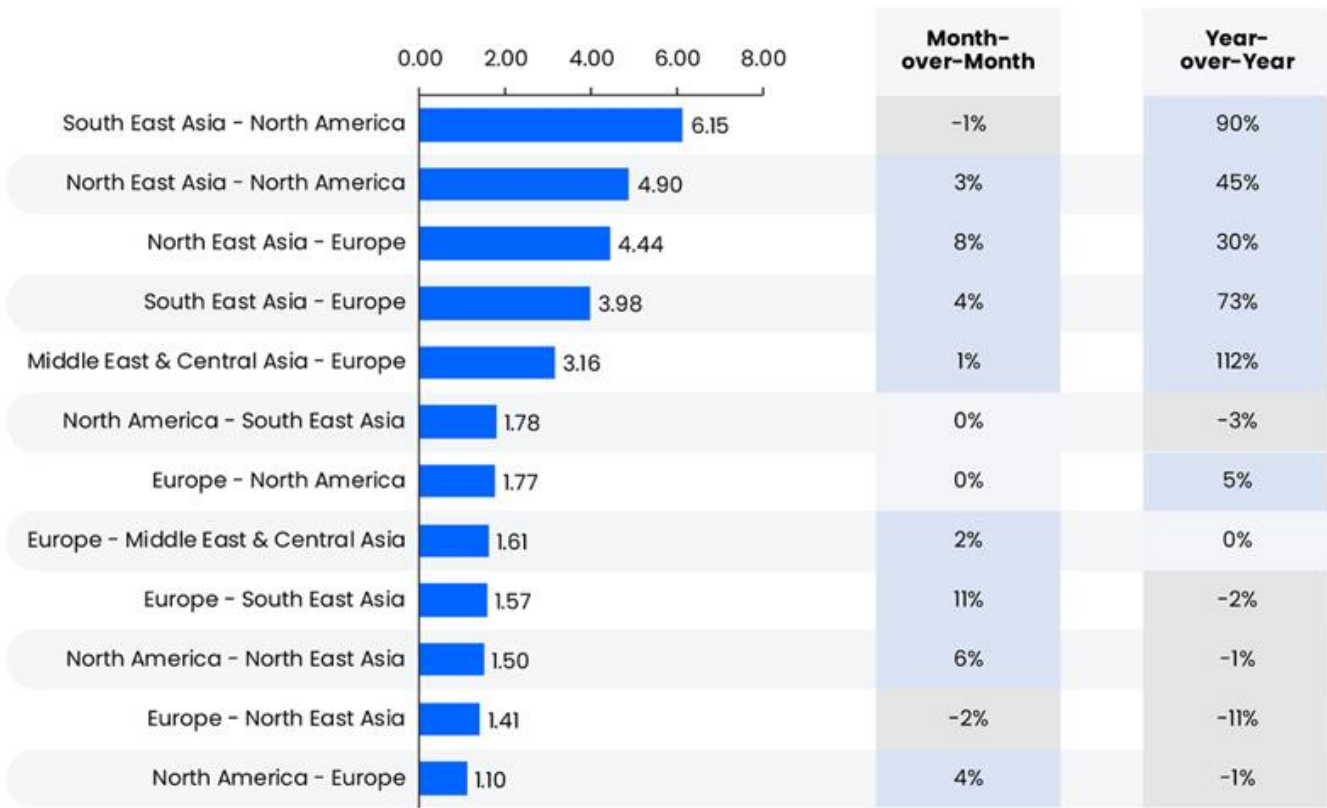
- Asia-Pacific carriers and Middle East-to-Europe carriers are currently experiencing the largest proportionate yields in the market
- Global air cargo rates and tonnages edged up further in the final days of September ahead of what is expected to be a strong peak season
- Worldwide chargeable weight increased by 1% compared to Q2 (quarter on quarter, or QoQ), and by 11%, YoY. This growth is consistent with Q1 and Q2, which were both up by 12% YoY. Average worldwide rates increased by 1% QoQ and 10% YoY.

AIRFREIGHT DEMAND, LOAD FACTOR & RATE DEVELOPMENT

- The latest figures from data provider Xeneta show that air cargo demand increased by 9% YoY in September—a strong performance, but less than the double-digit percentage increases recorded across the preceding 10 months
- Demand at this time last year was on the rise, which partially explains the YoY downtick; nevertheless, performance during the month was still strong
- Capacity additions slowed as airlines began making seasonal schedule adjustments in preparation for winter months in the northern hemisphere
- The latest monthly volumes are sustained by persistent e-commerce demand, ocean-to-air shifts due to container shipping disruptions, typhoon disruptions, and the cargo rush ahead of China’s Golden Week holidays
- Some analysts predict declining passenger demand could lead to a significant reduction – as much as 20% – in transatlantic capacity

Early signs of peak season starting in Asian air cargo markets

Air cargo spot rate developments for selected global corridors, in September 2024
(Rates in USD per kg; changes in percentage)



Source: Xeneta

AIR TRADE LANES

- Airlines are largely avoiding Iranian airspace, lengthening flight times and hiking up fuel costs as concern persists over further escalations in the continuing regional conflict
- Requests for charters related to the U.S. East and Gulf Coast port strike are now minimized, but brokers are reporting additional demand from the Middle East, where passenger aircraft have been utilized for evacuations
- Air cargo spot rates have climbed to a new high for the year, despite the recent Golden Week holiday in China
- Vietnam has experienced a recent uptick in activity, with Europe and North American destinations both recording double-digit growth percentages
- Carriers are forecasting positive booking trends through the end of the year

Trade Lane	Status	Comments
AP to US		
US to AP		
Europe to AP		
AP to Europe		
Europe to US		
US to Europe		

Trade Lane	Status	Comments
US to LATAM		
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

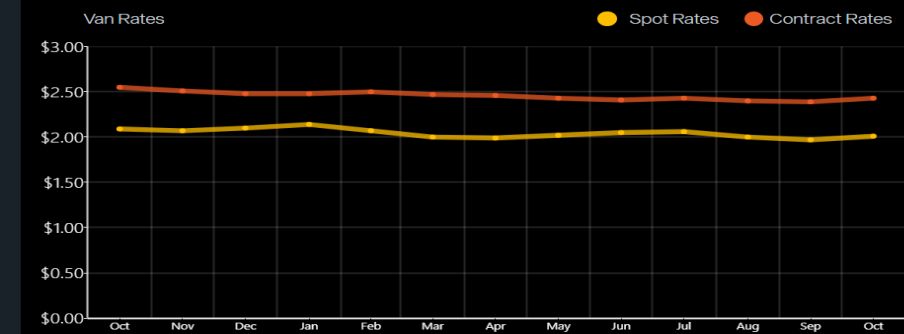
National Spot Rates

Rates rise ahead of Hurricane Helene



powered by DAT iQ

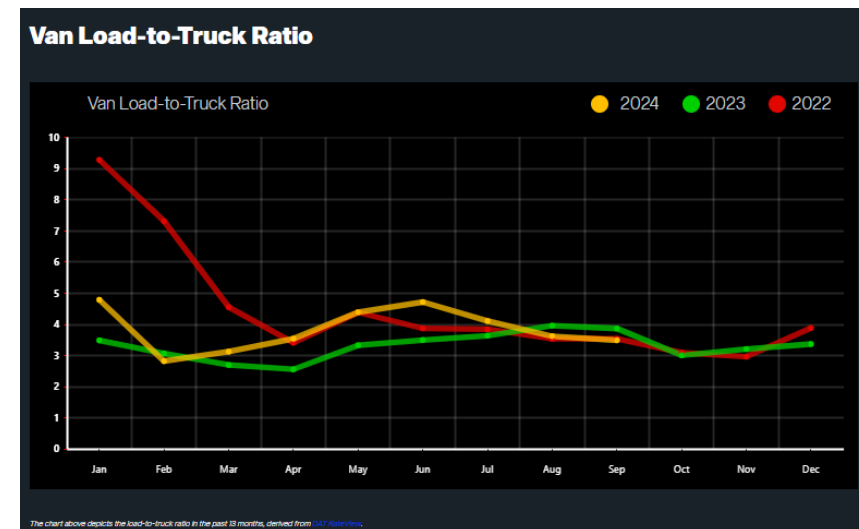
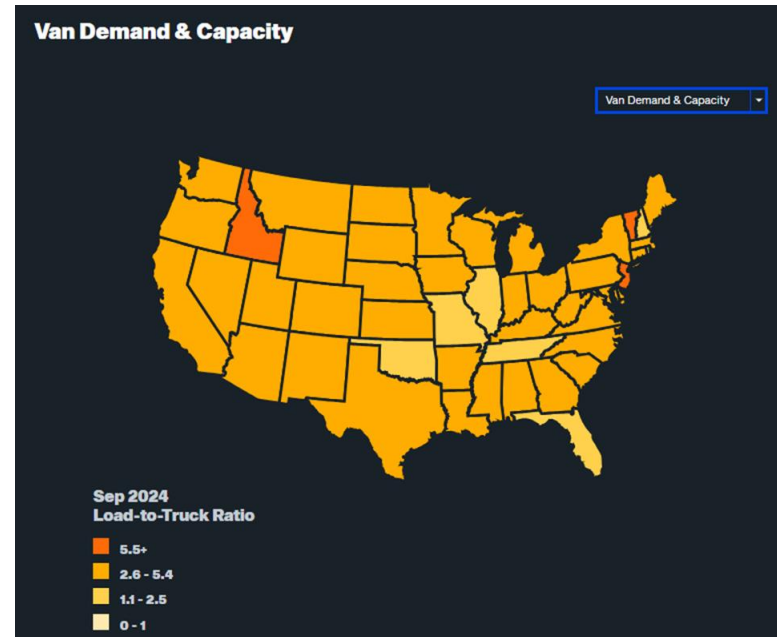
Van Rates



- Following Hurricane Milton, disruptions continue in the central Florida market; however, the state's north and south regions remain online
- Prices remain flat as volumes are in line with weak demand
- Spot rates have increased slightly in the past month; however, no imminent growth in freight volume is expected

NORTH AMERICAN TRANSPORTATION

- Load-to-driver capacity remains flat
- Carriers are preparing for contract season to set 2025 agreements
- Tonnages have increased monthly, suggesting a potential upward trend in the market
- Rates increased nationally by \$0.03/mile to \$1.65/mile due to diminished capacity in the U.S. Southeast



powered by DAT iQ

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.

International Air

Kent Thompson

kthompson@aitworldwide.com

Ocean

Nathalie Pals

npals@aitworldwide.com

North American Domestic Product

Dale Grosso

dgrosso@aitworldwide.com

