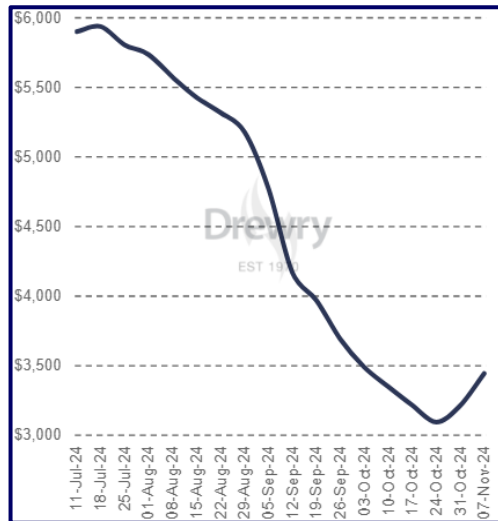


GLOBAL TRANSPORTATION MARKET REPORT NOVEMBER 2024

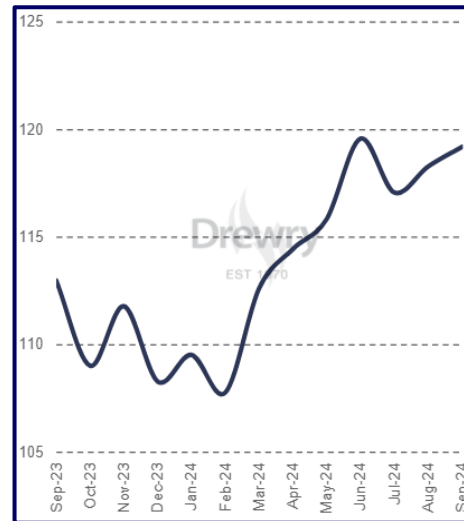


GLOBAL OCEAN TRENDS

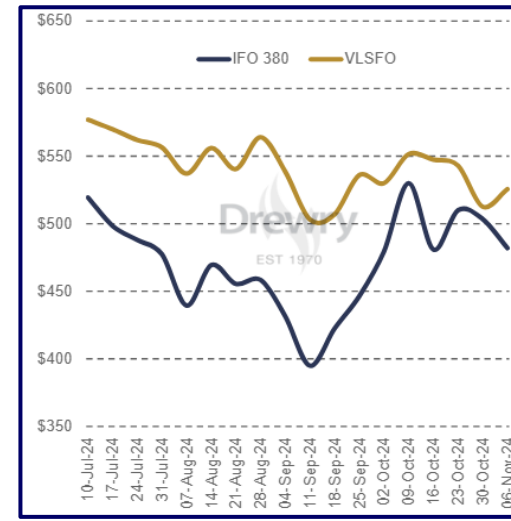
World Container Index



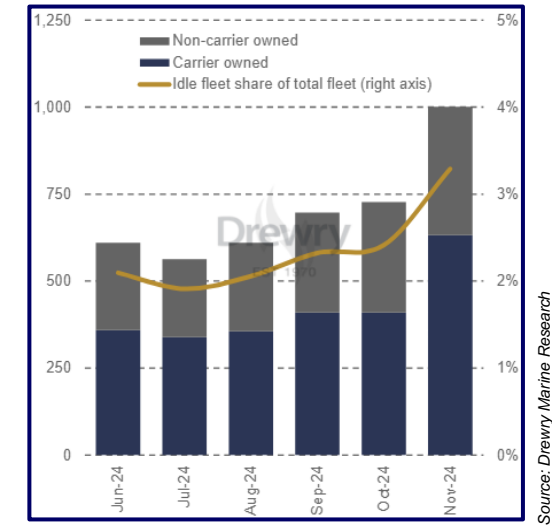
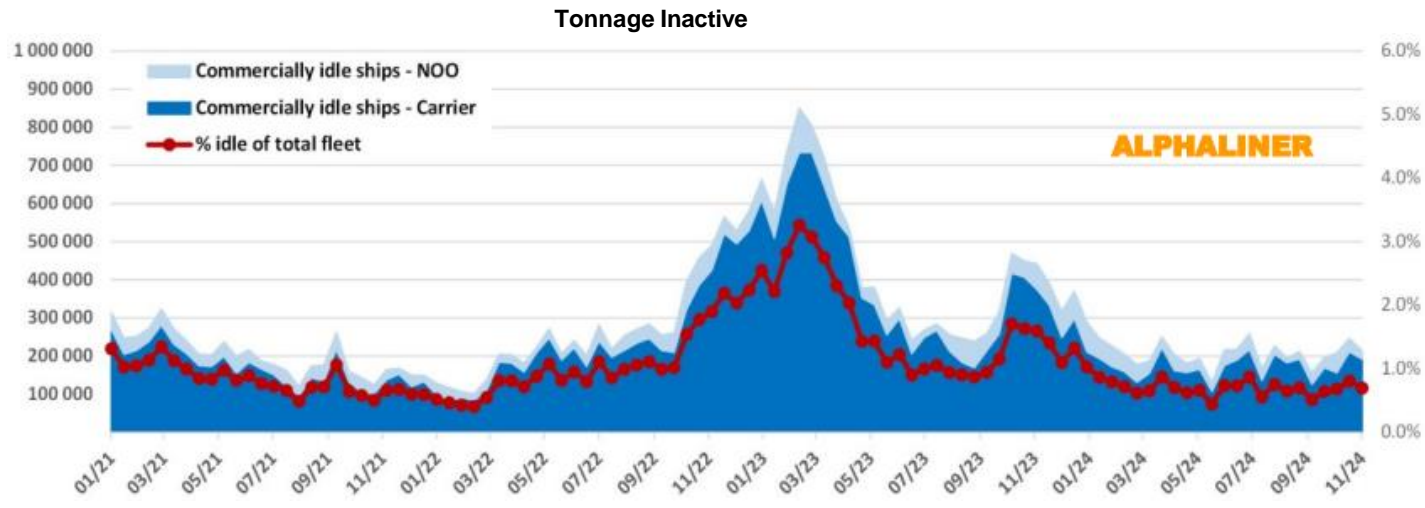
Global Port Throughput



Bunker



CAPACITY AND IDLE FLEET



- Carriers reported 66 ships inactive through November, representing an idle capacity of nearly 214,000 TEUs (<1% of the total fleet)
- Orderbooks remain robust with seven vessel deliveries in November (so far) including three 15,000+ TEU ships delivered for HLAG, Maersk and Evergreen. HLAG also took delivery of the Gdansk Express, a 23,664 TEU vessel.

OCEAN TRADE LANES

- To counter additional capacity injected into the global market, carriers are attempting to raise rates in the final weeks of the year. These efforts have resulted in cancellations across the transatlantic, TPEB and Far East-West Bound trades.
- Congestion and disruption due to conflict in the Red Sea region continues to plague the ocean market—lasting much longer than anticipated
- Ocean carriers have not resorted to previously-used tactics including capacity reshuffling. Analysts predict the new alliances coming online in 2025 will battle for new and expanded market share.
- The effects of the recent U.S. election on general industry and demand are yet to be determined, with new tariffs and/or potential labor actions at U.S. East and Gulf Coast ports among the top potential disruptions to the global market

Trade Lane	Status	Comments
TPEB to USEC	Available space; quick booking turn time.	
TPEB to USWC		
CBP to N Eur	Capacity well utilized; some space available.	
CBP to MED		
SE Asia to N Eur	Demand higher than supply; space agreements challenged.	
SE Asia to MED		
ISC to US		
N Eur to ISC		

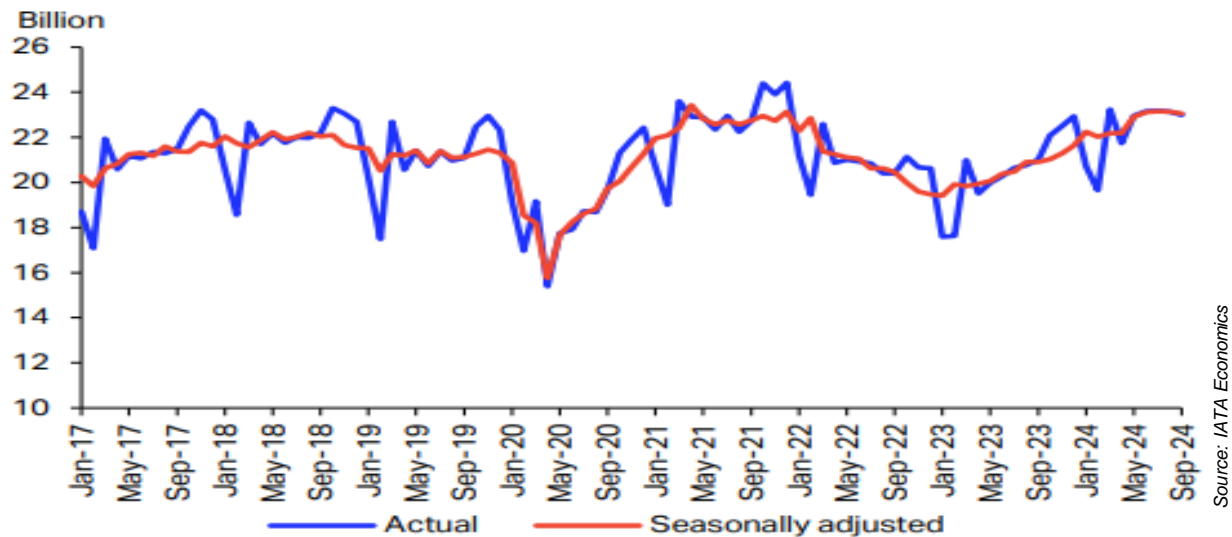
Trade Lane	Status	Comments
N Eur to AP	Available space; quick booking turn time.	
MED to AP		
US to N Eur		
US to MED		
MED to US		
N Eur to US		
US to ISC		
Med to ISC		

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

OCEAN CARRIER UPDATES

- OCEAN's "FAL1" service will add the Port of Busan to its rotation in January 2025, providing a direct connection between the South Korea and the Port of Gdansk in Poland
- CMA CGM's India-U.S. East Coast "INDAMEX" service will not return to the Red Sea route yet. Initial announcements suggested a return to the Suez route by mid-November with extra calls at Jeddah, Damietta and Tanger Med. However, this has been postponed until at least February 2025.
- COSCO has partnered with CNC on a loop that visits China, Thailand, and Northern Vietnam. The loop will turn in three weeks, calling on Shanghai, Ningbo, Laem Chabang, Haiphong, Yangpu, and Shanghai.
- ONE reorganized its Eastern Mediterranean-Adriatic connections to include a new Egypt-Adriatic loop, a Greece-Adriatic rotation and an intra-Eastern Mediterranean rotation
- Norwegian Arctic Container Line increased sailings of its service linking Germany with the Norwegian west coast. The addition of a second vessel from Hamburg means there are now sailings every five days rather than every ten.

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



World share ¹		September 2024 (% year-on-year)				September 2024 (% year-to-date)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0%	9.4%	6.4%	1.3%	45.6%	12.6%	8.4%	1.7%	45.2%
Africa	2.0%	1.7%	13.9%	-4.7%	39.2%	11.9%	17.3%	-2.0%	42.1%
Asia Pacific	33.3%	11.7%	8.5%	1.4%	48.5%	15.6%	12.4%	1.3%	46.4%
Europe	21.4%	11.7%	7.5%	1.9%	52.5%	13.6%	9.3%	2.0%	52.9%
Latin America	2.8%	20.9%	7.9%	3.9%	36.8%	11.9%	8.1%	1.2%	36.1%
Middle East	13.5%	10.1%	2.9%	3.1%	47.4%	16.4%	7.5%	3.5%	46.4%
North America	26.9%	3.8%	4.2%	-0.1%	38.9%	6.3%	3.5%	1.0%	39.5%
International	86.6%	10.5%	8.1%	1.1%	50.8%	13.5%	10.8%	0.2%	50.6%
Africa	2.0%	1.8%	13.5%	-4.6%	40.1%	11.9%	17.1%	2.2%	43.2%
Asia Pacific	29.8%	12.0%	12.4%	-0.2%	54.9%	15.6%	16.4%	0.4%	54.1%
Europe	21.0%	11.7%	7.9%	1.8%	54.3%	13.8%	9.7%	0.2%	55.0%
Latin America	2.4%	19.8%	8.9%	3.7%	40.7%	10.7%	9.7%	0.2%	40.0%
Middle East	13.4%	10.1%	2.9%	3.1%	47.7%	16.4%	7.5%	0.2%	46.8%
North America	17.9%	6.5%	5.4%	0.5%	46.4%	8.1%	6.3%	-1.1%	46.7%

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

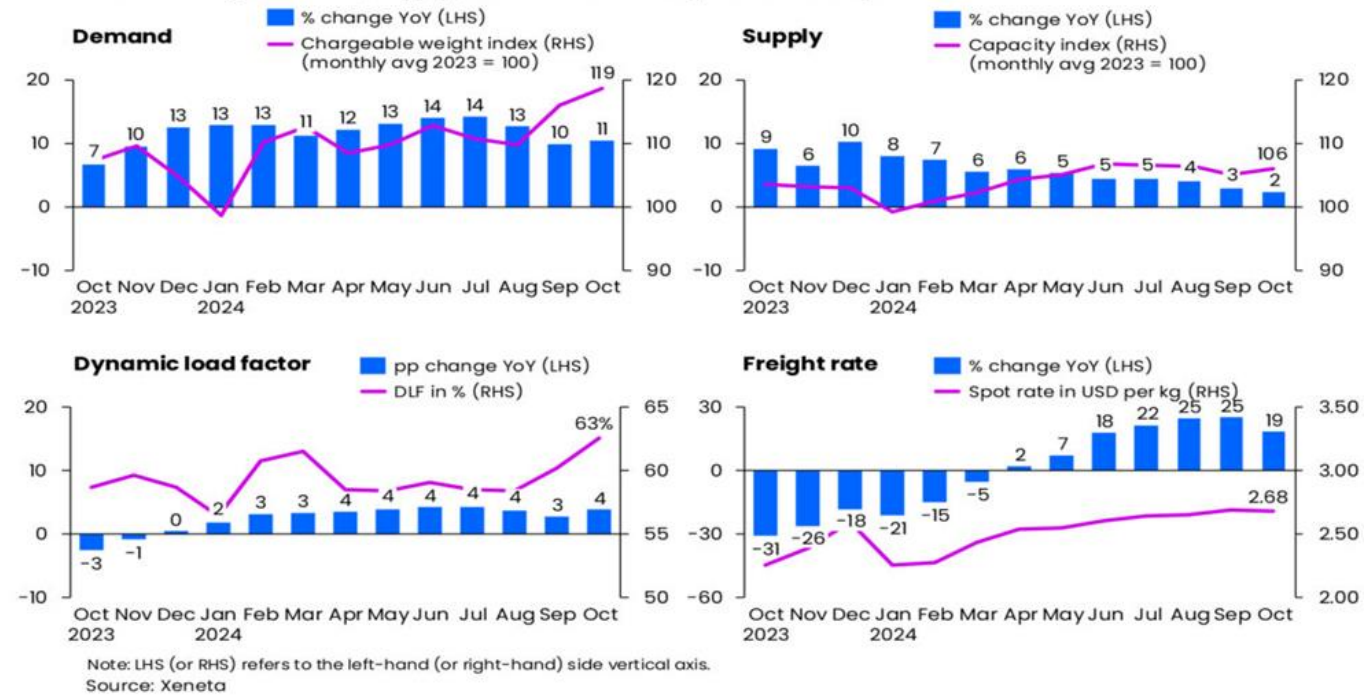
- Air cargo yields and tonnage flown have maintained an upward trajectory over the past several months. These figures remain elevated compared to the same time last year.
- Capacity also increased year-over-year, especially belly capacity, which has continued to grow by nearly double digits
- While upward growth in tonnage, yields, and capacity has continued, reports and analysis hint at signs of a slowdown

AIRFREIGHT DEMAND GROWTH AND RATES

- While October's global air cargo spot rate remained elevated – averaging \$2.68 per kilogram and just a few cents below 2023's peak season high – the growth momentum cooled down from a peak of 25% in September and October
- Volumes were up 11% in October and spot rates increased 19% year over year, reflecting a growing maturity and balance among buyers and sellers of air cargo capacity. In comparison, average spot rates in August and September were up 25% year over year.
- Capacity traditionally shifts to lanes generating higher revenues, which improves balance between supply and demand. Spot rates from Northeast Asia to North America, a top head haul lane, is trending towards being flat month over month.
- The Northeast Asia to Europe market remained flat compared to a month ago. Despite several cancellations out of China (due to lack of competitiveness), the lane's cargo capacity grew because freighter space increased. The influx of capacity contributed to a decline in back haul spot rates, both month over month and year over year.
- Shifting capacity to Asia from the Americas also triggered rate increases in secondary lanes. Spot rates from South America to Europe and its return leg climbed by the high single digits, or double-digits, month over month.

Double-digit global air cargo demand growth keeps spot rates at high levels

Global air cargo demand, supply, load factor and freight rate developments



AIRFREIGHT DEMAND FREIGHTERS

- IATA reports that air cargo now accounts for approximately 35% of global trade by value, a critical role in the economy. Cargo revenues are expected to reach \$120 billion in 2024, following \$138 billion in 2023. While less than the extraordinary peak of \$210 billion in 2021, the total remains above 2019's figure of \$101 billion and surpasses the December 2023 forecast of \$111 billion.
- The growth of e-commerce has spurred demand in certain regions, especially on routes from China to Europe and the United States, increasing the need for aircraft like the Boeing 777F, Airbus A350F and Boeing 747F. These large freighters – ideal for carrying high volumes of intercontinental cargo – are becoming more important for supporting the ongoing growth of global e-commerce shipping.
- Manufacturers have launched new freighter programs to meet evolving demand. Notable examples include the Airbus A350F, which has garnered significant interest since its launch in 2021, Boeing's 777-8F, the freighter variant of the 777X family, and Embraer's initiative to develop freighter versions of its E-Jet family. These new programs are complemented by a surge in passenger-to-freighter conversion orders, with many passenger aircraft grounded during the pandemic finding new life as cargo carriers.



AIR TRADE LANES

- Forwarders and data providers are reporting increasingly high airfreight rates out of Asia; however, the market is not anticipating a startling peak
- Air cargo tonnage from China to Europe has broadly recovered to pre-Golden Week levels, while tonnage from Hong Kong to Europe has increased in the last six weeks to its highest level of the year, indicating a possible boost in e-commerce volume and broader demand in the final months of the year
- Overall tonnage from Asia to the United States is muted compared to past years, with the heaviest demand from APAC to Europe and other East-West major trades
- Operations at Latin America's largest air cargo gateway, Guarulhos Airport in São Paulo, are on the verge of collapse amid a massive processing backlog. Airlines are appealing to the federal government to impose emergency measures, including a five-day embargo for dry cargo.
- Shippers are closely watching for potential new tariffs and other post-U.S. election impacts that could trigger a global airfreight rush

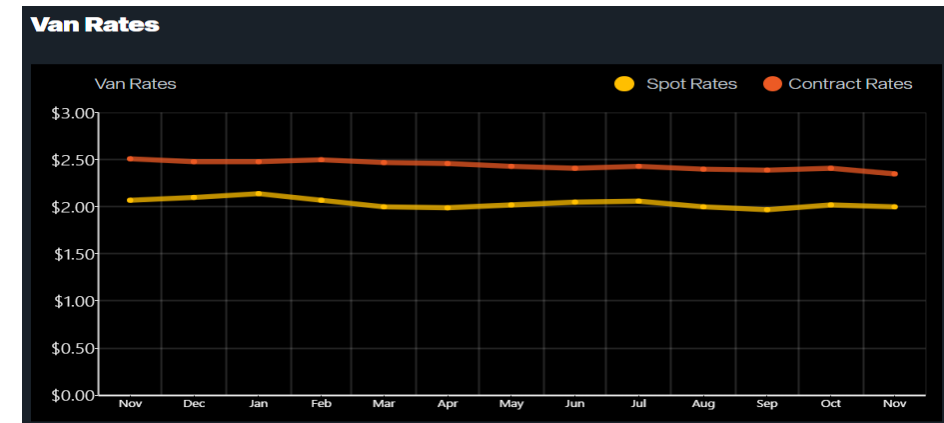
Trade Lane	Status	Comments
AP to US		
US to AP		
Europe to AP		
AP to Europe		
Europe to US		
US to Europe		

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

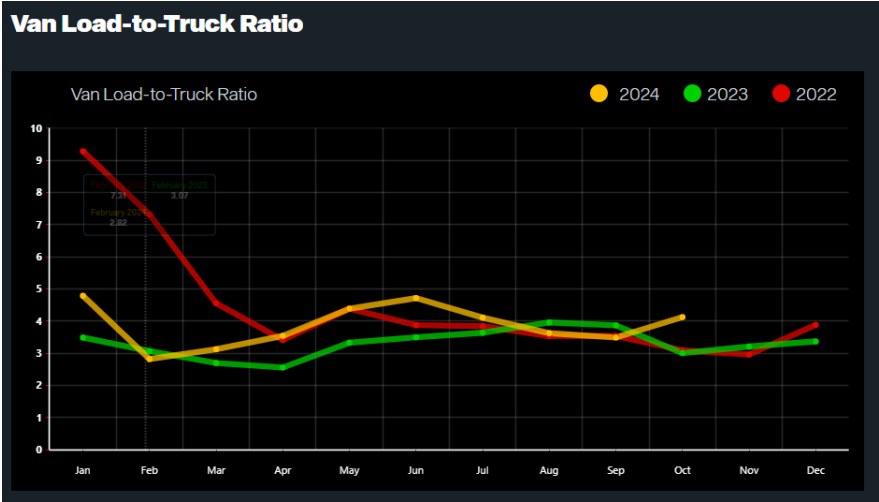
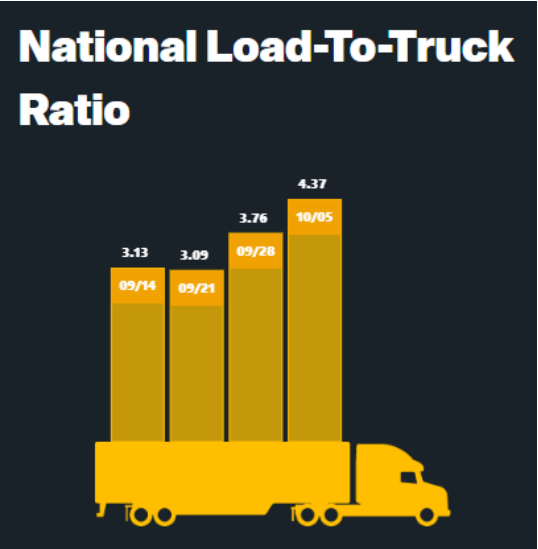
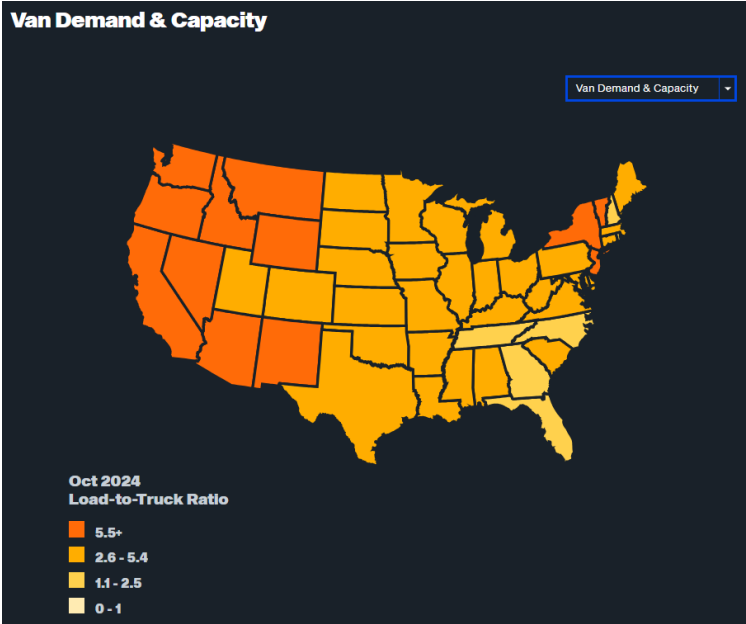
powered by DAT iQ



- The combination of subdued demand and balanced capacity is holding rates at a stable level
- While events like natural disasters and labor issues have resulted in pricing anomalies, rate fluctuations have been short-lived and relegated to the spot market. The flat pricing trend is expected to persist.
- Freight volume is also anticipated to remain somewhat flat over the coming weeks

NORTH AMERICAN TRANSPORTATION

- A large surge in Q4 volume compared to previous years is unlikely
- Shippers are continuing to operate on tendered, or fixed-pricing structures, with less emphasis on the spot market, due to consistent rates and capacity
- Capacity tonnage is estimated to increase into the coming year, with analysts suggesting it may outpace demand
- Spot rates in the dry van market experienced a slight, isolated uptick (~2%) in October, likely attributable to hurricane and port disruption, as overall pricing remains down



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

