

# Market Report

**June 2024** | Global





# Market Report

## Contents



### OVERVIEW

Executive Summary	2
Ocean Freight	3
Air Freight	8
Overland	12

### REGIONS

Americas	15
Asia	17
East Europe, Türkiye and CIS	19
Middle East	21
West Europe	23



## OUTLOOK

Three major international economic organisations - the Organization for Economic Co-operation and Development (OECD), the World Trade Organisation (WTO) and International Monetary Fund (IMF) - are predicting that global trade growth could more than double in 2024.

The OECD is forecasting global trade in goods and services to grow by 2.3% this year and 3.3% in 2025, which is more than double the 1% growth seen in 2023 and they expect falling inflation will trigger lower interest rates, which should stimulate domestic markets and consumer demand.

The IMF's latest World Economic Outlook puts world trade growth at 3% and 3.3% for 2024 and 2025, respectively, and the WTO projects world merchandise (goods) trade volumes will grow 2.6% and 3.3% in 2024 and 2025, respectively, after a significant decline last year.

The three organisations also warned about the risks to trade caused by geopolitical tensions, regional conflicts and economic uncertainty.



# Executive summary



## OCEAN FREIGHT

Spot rates continue to climb and carriers will secure rate hikes through Q2/Q3, while futures and charter rates rise to new highs, all of which is reminiscent of the post-COVID period, but this time it's the Red Sea crisis that has triggered the return to scarce vessel space, port congestion and equipment shortages.

The sustained and strong demand caught the market by surprise, but the peak season cargo surge could bring further pain to a market already stretched by a shortage of vessel capacity and box equipment.



## AIR FREIGHT

Air cargo spot rates from Middle East and South Asia (MESA) origins continued to increase through May, with rates to Europe more than twice their level in 2023, while tonnages and rates from Asia Pacific origins were also well above last year.

Import rates into Europe from Asia have been gradually increasing since the beginning of Q2, while outbound rates remain relatively stable, though about 20% up year on year (YoY).

Spot rates from China to Latin America have more than doubled YoY, with the average spot rate from China to Brazil more expensive than the spot rate from China to the US.

## OVERLAND

While spot and contracted road freight transport prices in Europe fell in the Q1, hopes are rising that economic improvements may signal the end of the downward cycle, though operating costs remain high.

The US domestic truckload market has been in oversupply since the first half of 2022, when the impacts of COVID on supply chains and demand began to wane, but the first week of the month saw outbound tender volumes surging over 7% in one of the strongest demand increases to start the summer shipping season since 2019.

# Ocean Freight



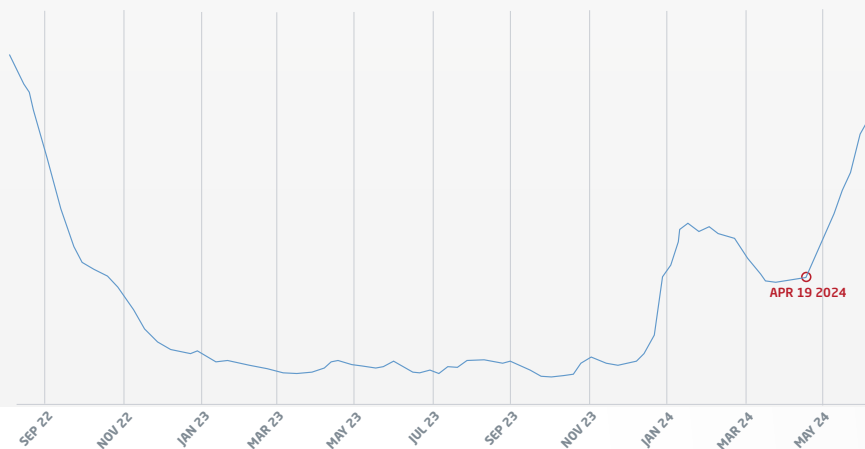
## Highlights

### Everything points to even higher rates

#### Shanghai Containerised Freight Index

3,184.87 Points 07/06/2024

Previous value  
3,044.77 Points 31/05/2024



Despite a record-breaking month for new ship and capacity deliveries (59 vessels and 342,200 TEU), it is clear that market sentiment and shipping line profits are strong enough to encourage new container shipping service launches in June, including the return of SeaLead to the US, BAL to Mexico and Ellerman to Asia, while COSCO and Hapag-Lloyd have been adding new transpacific and Asia-Europe services.

The Shanghai Containerised Freight Index (SCFI) continues to climb, up 4.6% in the last week and carriers securing rate hikes through August, with freight futures and charter rates rising to new highs.

All of this is reminiscent of the post-COVID period, but this time it's the Red Sea crisis that has triggered the return to scarce vessel space, port congestion and equipment shortages, with some carriers terminating their FAK contracts and activating premium contracts.

Sustained and strong demand has caught the market by surprise this year, but the peak season cargo surge could yet bring further pain to the market already over-stretched by a shortage of vessel capacity and box equipment.



# Market Trends

## Congestion + capacity + containers = perfect storm



The additional two weeks it takes to sail around the Cape of Good Hope has absorbed an additional 7% of the global fleet and while carriers have recalibrated their services to factor in the diversion, there is insufficient capacity to deal with any other disruptions, which is why the impact of port congestion on equipment availability has hit spot rates quickly.

Congestion at Mediterranean and Asian ports is reducing vessel schedule reliability, impacting available capacity, and as containers become delayed in transit, there is lower stock availability in the regions and at ports where they are needed.

Ship bunching and congestion has spread to ports in Asia including Port Klang, Shanghai, Qingdao, Guangzhou and Shenzhen, with vessels waiting up to four days to berth at Shanghai, two days at Qingdao and up to three days at Port Klang.

Singapore's berthing delays have improved, but there are longer dwell times as carriers discharge more containers to forgo subsequent voyages and catch up on sailing schedules.

Routing away from the Suez Canal means that cargo is now being dropped at western Mediterranean ports for transshipment to the

east of the region, with ships having to wait longer for a berth, as ports like Barcelona and Valencia are overwhelmed.

In the north of Europe, ports and terminals are performing pretty well, though Rotterdam, Hamburg, and Aarhus have experienced increases in yard densities, with customers requesting to pick up import containers as soon as possible after discharge.

Adriatic ports including Koper and Rijeka are also experiencing some waiting times and increased yard density of both full and empty containers.

+43%

FAR EAST TO  
NORTH EUROPE  
SPOT RATE  
(Since 09/20)

+7%

GLOBAL FLEET  
ABSORPTION



## Market

### Rates

**“Rates could surpass pandemic-levels on the Asia-Europe trade”**

Just as rates climbed sharply due to pre-lunar new year demand, before falling back, the current market volatility, driven by port congestion and scarcity of equipment in many regions, may also subside in a few months, if the demand increase is due to the early start of the peak season.

However, in the short-term, shippers front-loading orders and the scarcity of equipment at key export hubs, has created a price bubble, with average spot rates from the Far East in May increasing into North Europe and the US West Coast (USWC) by 30% (its highest SCFI reading for two years), Mediterranean up 25% and the US East Coast (USEC) over 20%.

Compared to 12 months ago, spot rates on the Far East to North Europe trade have increased almost 200%, while into the USWC they are up 214%, Mediterranean up 100%, and USEC up 130%.

After a series of general rate increases (GRIs) and other surcharges came into effect at the start of the month, Drewry's World Container Index (WCI) recorded week-on-week gains of 14%, 17% and 11% on its Shanghai-Rotterdam, Shanghai-Genoa and Shanghai-Los Angeles routes, respectively.

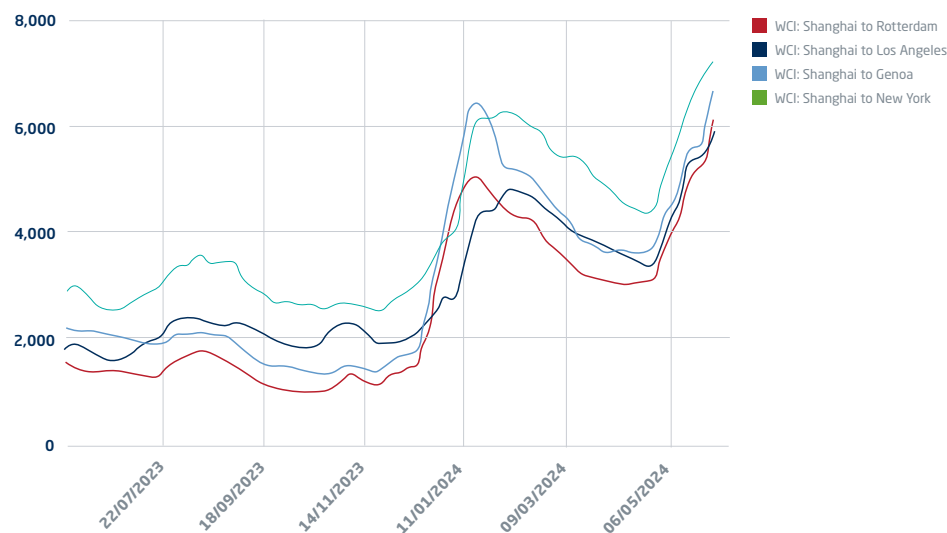
Long term contract rates have remained relatively flat in Q2, which suggests carriers may

be trying to secure volumes ahead of a large-scale return of container ships to the Red Sea.

With the Asia-Europe trade displaying the “highest bidder” characteristics of the pandemic years, the carriers are naturally eager to boost revenues from premium paying shippers, and the bigger the gap gets between the contract and spot markets, the higher the likelihood that Beneficial Cargo Owner's (BCO) contracted cargo will be rolled.



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





# News & developments



2.3 TEU  
ABSORBED  
BY PORT  
CONGESTION

50.8%  
SCHEDULE  
RELIABILITY

## Falling dependability

The Asia-Europe trade is estimated to be short by 10% of its standard capacity, so with around 36 vessels missing, it's not surprising that vessel schedule reliability is slipping again.

Declining 2.5% in Sea-Intelligence's latest monthly report to 50.8%, average global schedule reliability is over 12% down on last year, with the most reliable carrier offering 59% schedule reliability and the worst offering 44%.

## Capacity matters

Blank sailing programmes are remaining in place on the Far East westbound (FEWB) trade lane for June, with blank sailings every week, which has impacted 10% to 30% of market capacity in recent weeks.

Meanwhile, the vessels that return to Asia are much smaller, with some are just 30% of the capacity of the original departing vessel, which is making it harder to clear the backlog and makes market supply smaller than the cargo demand.

Only 57 container ships (130,984 TEU) representing 0.7% of the global cellular fleet are currently idled.

Nevertheless, it remains to be seen whether demand will continue to absorb the massive container ship new-building wave of almost 2 M TEU that is still due for delivery this year.

## Frozen out

The availability of reefer containers in origin ports is not always sufficient to meet demand and freight rates will reflect the necessity to reposition equipment to meet demand.

Also, the fruit transport season from Latin America has faced its own logistical challenges, including port congestion and delays in customs clearance.



## News & developments

### Labour latest

#### Europe

French trade union members had been threatening a month of strikes at major ports, with 24 hour stoppages at the container ports of Le Havre and Marseille-Fos, a precursor to strikes at Dunkirk, Rouen, Bordeaux and Nantes Saint-Nazaire.

However, the snap election called by president Macron means that the Fédération Nationale des Ports et Docks CGT (FNPD) has no-one with whom to negotiate and it has therefore suspended action until late September.



#### Canada

The Public Service Alliance of Canada and the Customs and Immigration Union, representing 9,500 border agents has called off threatened job action until further notice, with a potential offer, as mediated talks continue.

Because border agents are deemed essential workers, Canada's border would not have been closed completely in the event of a strike, but inbound freight and traffic between the U.S. and Canada would have faced longer processing times at border crossings.

On the rail transport side, meetings between the Teamsters union (TCRC) and Canadian National Railway (CN) have been abandoned, with the prospect of industrial action becoming more likely.

The anticipation of an upcoming rail strike in Canada has resulted in additional contingency planning, including rerouting efforts through the Pacific Southwest. Noatum is monitoring this situation very closely.

#### United States

Negotiations between the International Longshoremen's Association (ILA) and United States Maritime Alliance (USMX) have been brought to a halt following ILA concerns over the use of automated technology at APM Terminals' Port of Mobile, in Alabama, with suggestions it may be in use elsewhere.

If true, it would be a violation of the present Master Contract that runs until 30th September 2024 for 45,000 dockworkers along the US East Coast and Gulf Ports, with the ILA warning that union members would not work under the current contract past its expiry date, signalling a strike as early as October.



# Air Freight



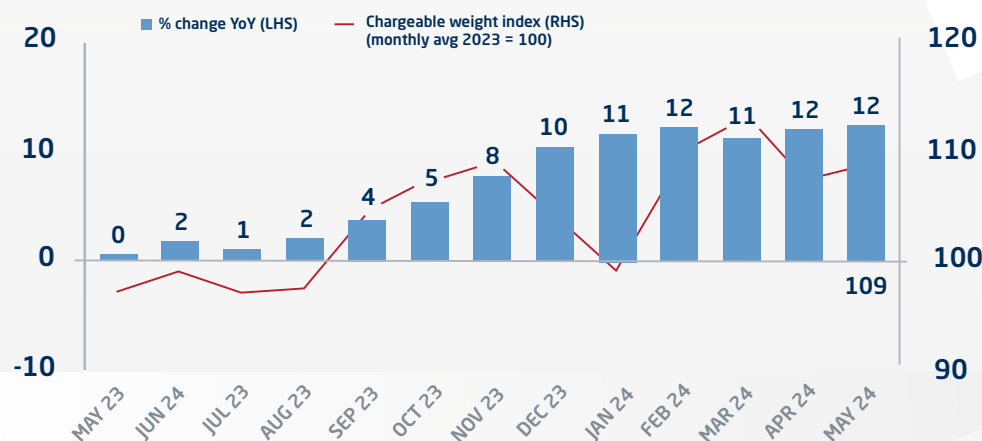
## Highlights

### Demand remains elevated

Worldwide air cargo tonnages dipped at the end of last month, chiefly due to Labour Day holidays and Japan's Golden Week, while demand and rates remain highly elevated from Middle East & South Asia (MESA) origins to Europe, and average global rates increasing slightly.

Despite the declines in tonnages, the overall demand environment is significantly stronger than the equivalent period last year which, combined with supply issues caused by disruptions to container shipping, means that rates from the Asia Pacific origin points remain significantly up (+9%) YoY, but average rates from Europe and North America are well below last year's levels.

### Air Cargo demand

















+9%  
SPOT RATES  
ASIA PACIFIC  
YOY

# Market trends

## Conditions push market up

### Origin Regions

Last 2 to 5 weeks

	Capacity <sup>1</sup>			Chargeable weight <sup>1</sup>		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		-1%	+1%		-3%	+5%
Asia Pacific		+0%	+9%		+2%	+16%
C & S America		-9%	+5%		-3%	+4%
Europe		+1%	+5%		+1%	+4%
M East & S Asia		-0%	+4%		+1%	+9%
North America		-1%	+7%		-5%	+4%
Worldwide		-1%	+6%		+0%	+9%

Source  WORLD ACD

**“Tonnes and rates from Asia Pacific origins are well above last year’s levels”**

Tighter ocean capacity from Asia into Europe and an early peak season combined with considerable eCommerce demand and the continuing situation in the Red Sea is leading to an upturn in demand for air freight from Asia Pacific and the Middle East, with Sea-Air volumes also driving rates via Dubai, Muscat and Singapore.

With massive increases in container shipping spot rates from the Far East to North Europe and the US West Coast, port congestion and wider disruption caused by the conflict in the Red Sea, the cost gap for shippers contemplating a modal shift to air cargo has gotten more tempting.

Air cargo rates from Middle East and South Asia (MESA) origins continued to increase through May, with spot rates to Europe averaging more than twice their level in 2023, while tonnages and rates from Asia Pacific origins were also well above last year's levels.

Import rates into Europe from Asia have been gradually increasing since the beginning of Q2, while outbound rates remain relatively stable, though about 20% up year on year.

Driven by demand for eCommerce and high-tech manufactured goods, air cargo spot rates from China to Latin America have more than doubled from May 2019 to May 2024, with the average spot rate from China to Brazil becoming more expensive than the spot rate from China to the US.

However, a flight from Shenzhen to Mexico City takes 16 hours, so air cargo to Latin America tends to move on multi-stop flights via North America, Europe, or the Middle East, but the Red Sea situation and slow recovery of belly capacity between China and North America will squeeze available capacity to Latin America for the time being.





# Market trends

**+128%**  
MESA SPOT RATES  
TO EUROPE YOY

## Rate surge continues from Middle East & South Asia

### Rates

With continuing strong demand and disruptions to ocean freight services encouraging modal-shift, average air cargo rates from Middle East & South Asia (MESA) to worldwide destinations were up 47% year on year (YoY) last month, with tonnages 17% higher, based on WorldACD data.

And from MESA origins to Europe, May average spot rates were more than double the level of last year, with the average spot rate in week 22 up by 128%, YoY.

Despite rates falling from other regions, this strength of demand from Asia Pacific and MESA origins kept overall average global rates steady in week 22, up around 1%, week on week (WoW) and up 7%, YoY, which is 4% above pre-Covid levels in 2019.

Spot rates from North America and Europe to China fell -32% and -23% YoY respectively in May.

The trans-Atlantic market also experienced spot rate declines in both directions, as summer passenger travel increased the availability of belly capacity.

Europe to North America spot rates declined -21% while, eastbound, the North America to Europe corridor spot rate was -16% lower.

### Capacity

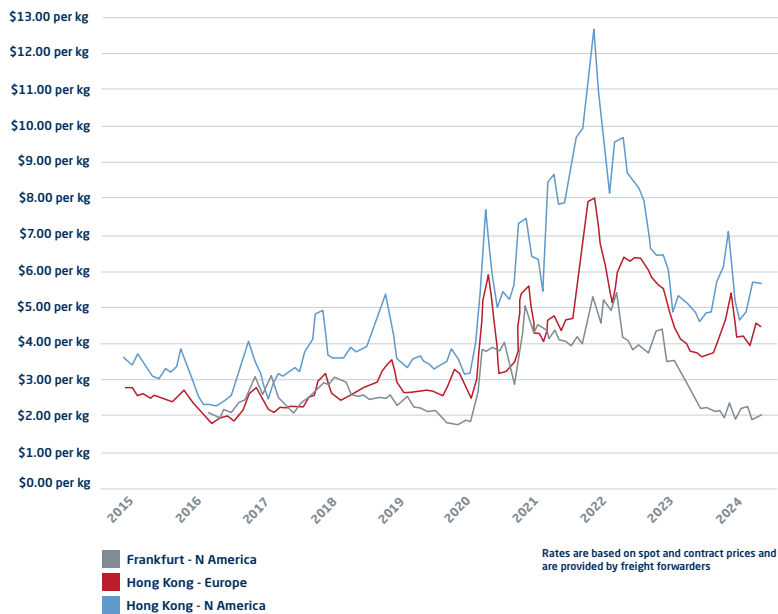
Though up 9% YoY, average air cargo tonnages in weeks 21 and 22 were flat on a global basis compared with the previous period, with increases from Asia Pacific (2%), Europe (1%) and MESA (1%), though these gains were undone by falling tonnages from North America (-5%), Africa (-3%) and Central and South America (-3%).

The amount of capacity available to the market globally remained stable last month, climbing 7% for the last two weeks, compared to the same period last year.

Far East westbound (FEWB) trade capacity has stayed relatively static, though Europe and the Middle East are up 5% and 4% respectively YoY.

Central and South America (CSA) saw a substantial decrease of -17% in capacity, as carriers withdrew the space they had added to carry Mother's Day flower shipments for the 12th May.

### Baltic Exchange Air Freight Index



# Market trends

## eCommerce demand under threat

### Demand

The global air cargo market has been heading towards double-digit growth in volumes in 2024 after a 12% YoY increase in demand in May. According to latest data released by Xeneta, however this was before the US clampdown on eCommerce, which has been a significant driving force in demand growth.

Demand expectations at the end of last year were for low single digit industry growth, but those expectations have been boosted by six consecutive months of regional demand for air cargo capacity.

### US eCommerce clampdown

US Customs and Border Protection (CBP) has confirmed that it is cracking down on 'de minimis' eCommerce shipments, to ensure they are compliant, with several high-profile freight forwarders and customs brokers suspended from access to a program to facilitate low-value import shipments.

The US exempts 'de minimis' shipments from duties and formal entry requirements and the threshold was increased from \$200 to \$800 to simplify customs procedures for low-value shipments several years ago.

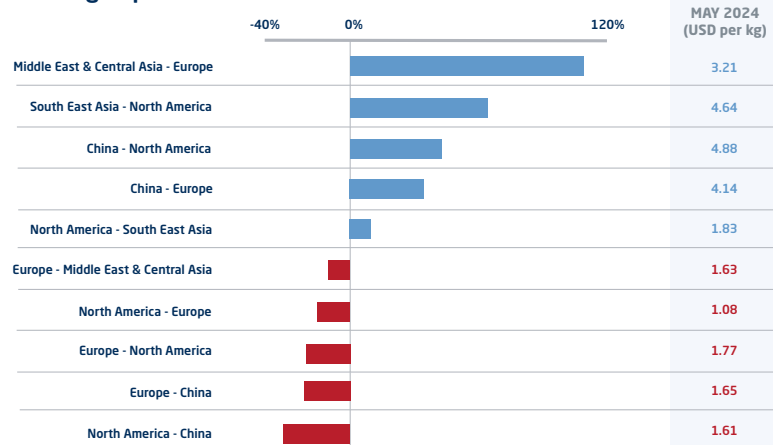
Now the US lawmakers are facing increasing pressure to reduce the 'generous' \$800 threshold, with the EU proposing to end its €150 (\$163) de minimis threshold from 2028.

With strict inspection of shipments and documents requirements by CBP, in particular from freighter flights originating in mainland China, congestion has been expected to build at Customs warehouses and unsettle the air cargo market on both sides of the Pacific, with some flights and charters possibly paused.

Despite press reports of cancelled and suspended services, we have not seen any obvious decreases in trans-Pacific freighter flights including China-originating flights.



### Air Cargo Spot Rates



**+12%**  
YOY INCREASE  
MAY 2024





## Highlights

### Faint light in the tunnel

Inflation in most developed economies is continuing to fall which, if it continues, will improve consumer confidence, with the European Commission increasing its GDP growth forecast to 1.0% in Europe.

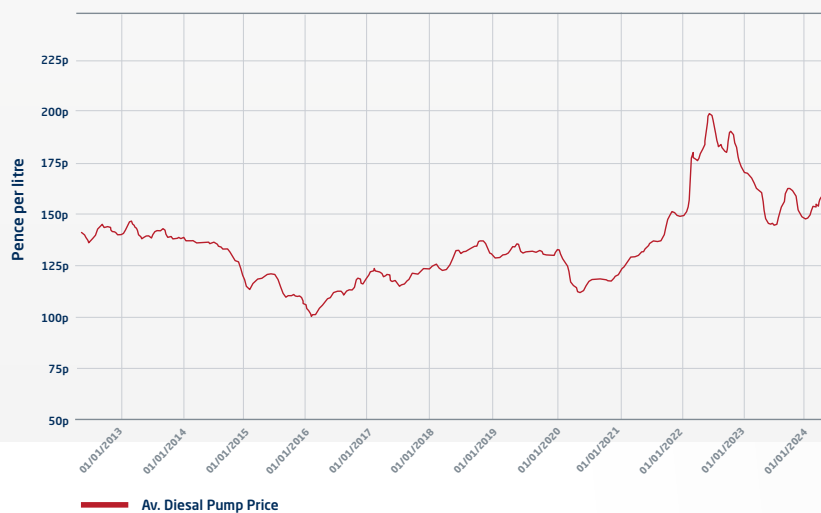
### Road

Freight rates are already rising on some routes and analysts expect the situation to improve gradually throughout the year, though fuel costs continue to increase.

Operating costs remain persistently high and indicators suggest that if volumes do begin to recover, supply chain bottlenecks, which have been masked by low volumes, will become acute.

The growth of the US economy slowed in the first quarter and has remained short of expectations, while inflation has remained higher than expected. Manufacturing activity has struggled with a decline in new orders, while average truckload rates have remained relatively stable, suggesting a potential for adjustment in either direction in the coming months.

World Diesel Averages 2013-2023

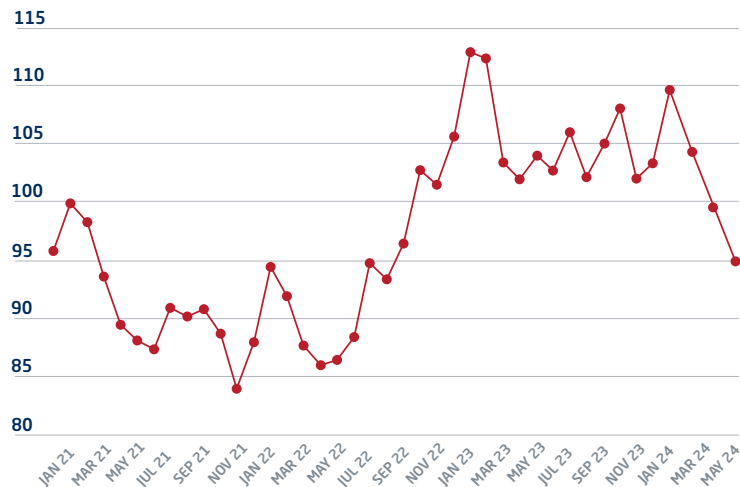




## Market

Every mode has challenges

Transporeon Capacity Index



### Rail

Westbound rail freight from China is very changeable because of floating container rentals in the market. Services may be adjusted by train operator without pre-notice due to the equipment issue, which is why we recommend allowing us to qualify availability, effectiveness and actual cost on a case by case basis.

Eastbound rail freight to China on some routings are improving, like Duisburg to Xian, which is very popular, offering shorter transit times at nearly the same cost as sea freight.



### Intermodal

US intermodal pricing pressure is still firmly in place. However, the discount intermodal presents, compared to truckload, is still extremely small by historic levels.

Though small, the discount hasn't caused a slowdown in volumes, as both international and domestic volumes have been trending higher throughout May.

The rail sector continues to see improvements in intermodal volumes and service, but that is set against a deterioration in carload volumes and overall rates.

In the background, a potential strike by rail workers for Canadian Class carriers, Canadian National (CN) and Canadian Pacific Kansas City (CPKC) is looming over the market.



## Market

### Europe and US road round-up

#### Rates

While spot and contracted road freight transport prices in Europe fell in the first quarter, hopes are rising that economic improvements may signal the end of the downward cycle, though operating costs remain high.

After rising through the second half of 2023, contract market indices have softened in the first quarter of 2024, with the Upply index of road freight rates in Europe standing at 127.6, which is down 2.6 points quarter-on-quarter and 1.0 point year-on-year.

The spot price index is performing below the contract price index, which is indicative of weak demand, however, price erosion in the spot market is starting to slow down and even reverse, which may suggest some improvement in the demand environment, which is necessary for rate normalisation.

#### Capacity

The Transporeon European road freight capacity index decreased for the fifth month, though capacity availability has not been an issue for 19 months.

However, the rate of capacity increases has been falling gradually since March 2023, suggesting a reduced capacity surplus and that the capacity situation in the European road freight is normalising.

The most recent GDP numbers for the eurozone show growth slightly above forecasts, with all major economies performing slightly better, improved by consumer and business sentiment.

Furthermore, the Paris Olympics and Euros 2024 football tournament are causing volume increases in France and Germany, Europe's two major economies, resulting in a downward shift in road freight capacity.

In May, the Spot Price Index increased by 6.8% from April, representing a 12.5% year-over-year increase and moving forward, the lack of capacity coupled with an increase in consumer demand, may drive up spot prices further.

#### United States

The US domestic truckload market has been in oversupply since the first half of 2022, when the impacts of COVID on supply chains and demand began to wane, but the first week of the month saw outbound tender volumes surging over 7% in one of the strongest demand increases to start the summer shipping season since 2019.

While the tender volume jump is the largest in several years, it has not pushed rates higher proportionally, because there is still enough capacity to handle it.

+7%  
US OVTI



The background of the top half of the page features a photograph of the Golden Gate Bridge in San Francisco, viewed from a low angle looking up at the suspension towers and cables. The bridge is silhouetted against a clear blue sky. A large, thick, curved red ribbon-like shape sweeps across the middle of the page, partially obscuring the bridge image. Below this, a smaller, blue, curved shape is visible.

# Americas

---

## Overview

### OCEAN

Booking backlogs in Asia continue to be significant, while Noatum's strategic emphasis remains on carrier diversification and safeguarding holistic service integrity.

### AIR

US Customs and Border Protection has confirmed that it is cracking down on eCommerce small packages, inspecting contents and ensuring they are compliant with US law.

### OVERLAND

The truckload market continues to experience relatively stable volumes and abundant capacity, though Mother's Day, Memorial Day and the annual Roadcheck campaign did add more pressure on capacity than in 2023.

## NEWS

**Panama Canal** - Vessel movement and draught restrictions have been eased to allow for increased ship capacity through the vital waterway.

**Baltimore** - Large container ship services can return after the reopening of the port's main shipping channel.

**LATAM** -Most container shipping lines operating in LATAM, including MSK, MERCOSUL, LOGIN, have space and equipment and ports are operating well, with a few exceptions.

Vitória's current equipment availability problems should be over by June, with Rio de Janeiro available as an alternative port. Salvador is omitting MSK departures until the end of June. Navegantes is facing delays and space problems, while Itajaí is out of operation, which will probably be until the end of 2024, so better options would be Itapoa or Imbituba.

## Outlook

### OCEAN

The anticipation of an upcoming rail strike in Canada has resulted in additional contingency planning, including rerouting efforts through the Pacific Southwest. Noatum is monitoring this situation very closely.

### AIR

Capacity on the China to Latin America trade has been coming under pressure due to soaring demand and the trend is expected to continue into the peak season.

### OVERLAND

Less than truckload (LTL) pricing is up 8.2% YoY, while truckload costs were down 4.4%, which reflects the LTL capacity tightening after the abrupt collapse of the 100-year-old trucking giant Yellow last year.

Market dynamics		Jan	Feb	Mar	Apr	May	June
AMERICAS TO	ASIA	=	=	=	=	+	=
		=	=	=	=	=	-
	EAST EUROPE	=	=	=	=	+	=
	TÜRKIYE & CIS	=	=	=	=	=	+
	MIDDLE EAST	=	=	=	=	+	=
		=	=	=	=	=	+
	WEST EUROPE	=	=	=	=	+	=
		=	=	=	=	=	-
		+ Demand>Capacity   = Balance   - Capacity>Demand					



# Asia

---

## Overview

### OCEAN

Vessels to Europe, USA and India continue to be oversubscribed into June, with many already closed off for bookings. Equipment shortages are now starting to be experienced due to the longer transit times back to Asia.

### AIR

Booming demand has led to longer wait times, with many shipments needing to standby for 2-3 flights.

### OVERLAND

The westbound rail freight market continues to experience tight capacity, equipment shortages, and delays in departures as well as reloading at borders, similar to the situation in May.



## NEWS

Encouraged by strong trans-Pacific demand, MSC has reopened its Mustang shuttle service between China and the US west coast. It follows a series of trans-Pacific service announcements by global and regional operators.

SeaLead Shipping, based in Dubai and Singapore, is restarting its trans-Pacific service to the US west coast, while BAL Container Line has relaunched its China-Mexico Express service.

## Outlook

### OCEAN

Blank sailing programmes are remaining in place on FEWB trade lane for June, with blank sailings every week, which has impacted 10% to 30% of market capacity in recent weeks.

### AIR

Major gateways such as Shanghai, Chongqing, and Beijing are facing huge backlogs, leading to the possibility of sudden rate increases, if flights get postponed to the following week.

### OVERLAND

Westbound rail freight is very changeable because of floating container rental in the market and may be adjusted by the train operator without notice due to equipment issues. We recommend allowing us to qualify availability, effectiveness and actual cost on a case by case basis.

Market dynamics		Jan	Feb	Mar	Apr	May	June
ASIA TO	AMERICAS	=	=	=	=	=	+
		+	-	+	+	+	+
	EAST EUROPE	=	=	=	=	=	+
	TÜRKIYE & CIS	+	-	+	+	+	+
	MIDDLE EAST	=	=	=	=	=	=
		+	-	+	+	+	+
WEST EUROPE		=	=	=	=	=	+
		+	-	+	+	+	+

+ Demand > Capacity    = Balance    - Capacity > Demand





# East Europe, Overview Türkiye & CIS

## OCEAN

AD Ports Group has acquired a majority share in the Tbilisi Dry Port. Construction on the dry port is still ongoing, but it is scheduled to enter into operation in late 2024.

## AIR

Baku-based Silk Way West Airlines has ordered 7 additional Boeing 777 freighters to serve 40 destinations across Europe, the CIS, the Middle East, Central and Eastern Asia, and the Americas.

## OVERLAND

The rail freight connecting Halkali, west of Istanbul, to Dunajska Streda, in Slovakia, is adding stops at Belgrade and Budapest, due to increased demand for rail freight services along this corridor.

# East Europe, Türkiye & CIS

## NEWS

Hapag-Lloyd has this month launched a new service connecting Western Türkiye with the Red Sea. The new Türkiye Red Sea Express (TRE) has the following port rotation:

Istanbul, Türkiye - Izmir | Türkiye - Aliaga  
Türkiye - Jeddah | Saudi Arabia - Aqaba  
Jordan - Istanbul Türkiye



## Outlook

### OCEAN

The volume of container traffic handled at Türkiye’s ports in Q1 2024 increased by 18% compared with the corresponding period of 2023, with ports handling more transhipment and transit traffic.

### AIR

Etihad Cargo will offer additional belly hold cargo capacity to Spain, Greece, and France and launch a new route to Türkiye serving Antalya via three weekly flights, while increasing weekly flights to Istanbul from 10 to 14 from 22nd July.

### OVERLAND

Türkiye will start building a railway from Kars to Nakhchivan, Azerbaijan’s exclave region, at the end of 2024, creating an alternative route for Asia to Europe traffic.

### Market dynamics

		Jan	Feb	Mar	Apr	May	June
EAST EUROPE, TÜRKİYE & CIS TO	AMERICAS	=	=	=	=	=	=
		=	=	=	=	=	=
	ASIA	=	=	=	=	=	=
		=	=	=	=	-	-
	MIDDLE EAST	=	=	=	=	=	=
		=	=	=	=	=	=
	WEST EUROPE	=	=	=	=	=	=
		=	=	=	=	=	=

+ Demand>Capacity    = Balance    - Capacity>Demand





# Middle East Overview

## OCEAN

Arabian Gulf ports are congested due to the Red Sea disruption, with a 7-day average waiting time for container ships and as the ports clog up, the high yard density impacts productivity and transshipment effectiveness for sea/air movements.

## AIR

Qatar Cargo has been expanding its 777-200F fleet over recent years and now operates 28, with orders placed for 34 of Boeing's new 777-8F and options on 16 more.

## OVERLAND

Dubai has launched its 'Commercial and Logistics Land Transport Strategy 2030' to boost the direct contribution of the land transport and logistics sectors to the region's economy.

## NEWS

The leaders of the global airline industry gathered in Dubai on the 2nd to 4th June for the 80th IATA Annual General Meeting (AGM) and World Air Transport Summit.

The gathering, hosted by Emirates (EK) was the first of its kind in Dubai, bringing together over 1,500 participants, including IATA's member airlines, strategic partners, original equipment manufacturers, suppliers, and media representatives.

"Dubai's world-leading connectivity places it at the crossroads of the planet. And it will soon be the center of the airline industry's leadership as it hosts the 80th IATA Annual General Meeting and World Air Transport Summit," said Willie Walsh, Director General, IATA during the opening ceremony.

The IATA chief highlighted that aviation contributed 27% last year to Dubai's gross domestic product, and supported US\$37 billion in gross value added.

## Outlook

### OCEAN

AD Ports Group has signed concession agreements for management and operation of cruise and Ro-Ro terminals at Safaga, Hurghada, Sharm El Sheikh and Sokhna ports, building on plans to develop and operate a multi-purpose terminal at Safaga Port.

### AIR

China Southern Airlines is now flying four Boeing B787-9 flights a week between Guangzhou and Hamad Doha (DOH), which complements Qatar's flights to Beijing, Shanghai, Hangzhou, Chengdu, Chongqing and Xiamen as well as Guangzhou.

### OVERLAND

The UAE is regulating the weights and dimensions of heavy vehicles traversing its roads, setting the total maximum weight for heavy vehicles, including their load, at a cap of 65 tonnes.

Market dynamics		Jan	Feb	Mar	Apr	May	June
MIDDLE EAST TO	AMERICAS	=	=	=	=	=	=
		=	=	=	=	+	+
	ASIA	=	=	=	=	=	=
		=	=	=	=	-	-
	EAST EUROPE	=	=	=	=	=	=
	TÜRKIYE & CIS	=	=	=	=	=	=
	WEST EUROPE	=	=	=	=	=	=
		=	=	=	=	+	+

+ Demand > Capacity    = Balance    - Capacity > Demand



# West Europe Overview

## OCEAN

Freight rates for refrigerated containers experienced sharp increases, which can be attributed to higher fuel costs and increased demand for reefer containers, driven by high temperatures and the advancement of the peak season from Asia to Europe.

## AIR

Swissport's air cargo centre at Frankfurt Airport (FRA) has been awarded with IATA's CEIV Pharma (Center of Excellence for Independent Validators in Pharmaceutical Logistics) certification. The 17,000 sqm cargo facility includes 1,560 sqm for temperature-controlled shipments.

## OVERLAND

The European Parliament has backed new measures to strengthen CO2 emission reduction targets for new heavy-duty vehicles (HDVs). Manufacturers will have to cut the average emissions of new trucks by 45% in 2030, 65% in 2035 and 90% in 2040.



# West Europe

## NEWS

Rate increases are expected from Portugal to USA, Bahamas, Puerto Rico, Canada and Mexico.

The growing demand for destinations on the Red Sea is generating additional pressure on routes and main ports and therefore Peak Season surcharge will be implemented in June.

Notice of strike announced at all Portuguese ports at various times in June. The strike may affect the ship docking as well as the receipt of goods.

CMA CGM is deploying an additional vessel, bringing the total to five, on their North West UK (NWUK) and Spain - Continent - UK (SCUK) services, which connect Spain via the port of Bilbao with Ireland, the UK, and the Netherlands, with fixed-day weekly departures.

## Outlook

### OCEAN

The container charter market is reaching stratospheric levels unseen since the post-Covid pandemic cargo boom, with CMA CGM reported to have fixed a 7,000 TEU new-building for a short charter of only three months at a rate of USD 105,000 per day.

### AIR

Noatum Logistics have strengthened the value of our block space agreement from Shanghai to Spain. Securing space availability for our clients offers supply chain security and rate stability.

### OVERLAND

More than half of European trucking companies are unable to expand their business due to the shortage of truck drivers, with reduced productivity for nearly 50% of companies and a decline in revenues for 39%.

Market dynamics		Jan	Feb	Mar	Apr	May	June
WEST EUROPE TO	AMERICAS	=	=	=	=	=	=
	ASIA	=	=	=	=	=	=
	EAST EUROPE	=	=	=	=	=	=
	TÜRKIYE & CIS	=	=	=	=	=	=
	MIDDLE EAST	=	=	=	=	=	=
		=	=	=	=	=	=
		=	=	=	=	=	=
		=	=	=	=	=	=
		+ Demand > Capacity   = Balance   - Capacity > Demand					

[www.noatumlogistics.com](http://www.noatumlogistics.com) | [info@noatumlogistics.com](mailto:info@noatumlogistics.com)

**Americas**

Chicago, USA

T +1 773 824 2386

[contact-am@noatumlogistics.com](mailto:contact-am@noatumlogistics.com)

**Asia**

Hong Kong

T +852 2410 6900

[contact-as@noatumlogistics.com](mailto:contact-as@noatumlogistics.com)

**Middle East**

Abu Dhabi, UAE

T +971 2 69 52 000

[contact-me@noatumlogistics.com](mailto:contact-me@noatumlogistics.com)

**West Europe**

Barcelona, Spain

T +34 93 298 77 77

[contact-we-wm@noatumlogistics.com](mailto:contact-we-wm@noatumlogistics.com)

**East Europe, Türkiye & CIS**

Istanbul, Türkiye

T +90 216 422 85 85

[contact-ee-tr-cis@noatumlogistics.com](mailto:contact-ee-tr-cis@noatumlogistics.com)

**SOURCES**

Air Cargo News | Alphaliner | Drewry | Freightos | Freightwaves | IATA | S&P Global | TAC Index | The Loadstar | Timocom | Transporeon | TEG | Ti | Uply | WorldACD | Xeneta

**DISCLAIMER**

Content in this market report is provided for general information purposes only and while reasonable effort is made to ensure that information is relevant on the date it is released, there are no warranties or guarantees that the report is accurate, complete or up to date. Noatum Logistics expressly disclaims any liability for any decision made or action taken in reliance on the information contained in this report.