

e-Newsletter from



e-CARGO NEWSLETTER

for Private Circulation

April 2024

Volume-9 · Issue 04 · www.rightlogistics.com



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MAY 1



Air Cargo Posts Fourth Month of Double-Digit Growth

The International Air Transport Association (IATA) released data for March 2024 global air cargo markets showing continuing strong annual growth in demand.

Total demand, measured in cargo tonne-kilometers (CTKs*), rose by 10.3% compared to March 2023 levels (11.4% for international operations). This is the fourth consecutive month of double-digit year-on-year growth.

Capacity, measured in available cargo tonne-kilometers (ACTKs), increased by 7.3% compared to March 2023 (10.5% for international operations).

“Air cargo demand grew by 10.3% over the previous March. This contributed to a strong first quarter performance which slightly exceeded even the exceptionally strong 2021 first quarter performance during the COVID crisis. With global cross-border trade and industrial production continuing to show a moderate upward trend, 2024 is shaping up to be a solid year for air cargo,” said Willie Walsh, IATA’s Director General.

Several factors in the operating environment should be noted:

Air Cargo Market in Detail

MARCH 2024 (%YEAR-ON-YEAR)	WORLD SHARE *1	CTK	ACTK	CLF (%-PT) *2	CLF (LEVEL) *3
Total Market	100%	10.3%	7.3%	1.3%	47.3%
Africa	2.0%	14.2%	17.3%	-1.3%	47.3%
Asia Pacific	33.3%	14.3%	14.3%	0.0%	47.5%
Europe	21.4%	10.0%	8.0%	1.0%	58.1%
Latin America	2.8%	9.2%	7.0%	0.8%	40.2%
Middle East	13.5%	19.9%	10.2%	3.9%	49.6%
North America	26.9%	0.9%	-1.9%	1.1%	40.4%

(*1) % of industry CTKs in 2023 (*2) Year-on-year change in load factor (*3) Load factor level



Global cross-border trade and industrial production increased by 1.2% and 1.6% respectively in February.

In March, the manufacturing output Purchasing Managers’ Index (PMI) climbed to 51.9, indicating expansion. The new export orders PMI also rose to 49.5, remaining slightly below the 50 threshold that would indicate growth expectations.

Inflation saw a mixed picture in March. In the EU and Japan, inflation rates fell to 2.6% and 2.7% respectively, while rising in the US to 3.5%. In contrast, China experienced a slight deflation of -0.01%. This latest figure marks a return to deflation after February’s brief period of inflation.





INDIA-TO-EUROPE AIR CARGO RATES LIKELY TO STAY ELEVATED

The India-to-Europe air cargo market has experienced a surge in volumes since the beginning of this year and the launch of summer schedules by airlines around the Easter holidays in Europe is unlikely to reduce pressure on the India market unlike other major air corridors, according to Xeneta.

Therefore, India-to-Europe air cargo rates are likely to remain elevated in the near term, the ocean and air freight rate benchmarking and market analytics platform said.

The volume surge this year has been largely due to demand in apparel exports from India and Sri Lanka coinciding with disruptions to ocean freight services in the Red Sea region, which saw shippers switch transportation mode to air for some of their cargo.

With cargo capacity remaining relatively stable, the dynamic load factor from India to Europe climbed to 87 per cent in the week ending March 24, which is its highest level since April 2022.


This increasing load factor has also distorted the usual relationship between weight breaks. Traditionally, larger cargo volumes (more weight) is charged at a cheaper per kg price than smaller volumes (less weight).

However, in the week ending March 24, the general cargo spot rate for more than 1,000 kg reached \$3.50 per kg, above the spot rate for more than 500 kg, which stood at \$3.46 per kg.

The last time Xeneta observed this market condition was during the onset of the COVID-19 pandemic when the air cargo market encountered a capacity squeeze.

India to Europe air freight is a seller's market at present, which can be seen in the rates sold by airlines (airline-sell).






Welcome Onboard!

Fidha

(Pricing Analyst)



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TASMAN CARGO AIRLINES STARTS HONG KONG FLIGHTS

Tasman Cargo Airlines has begun operating a wet-leased B777-200F between Sydney and Hong Kong International on behalf of DHL Express. The logistics company flagged the start of the service in an April 12 media statement.

In September 2023, ch-aviation reported that Tasman Cargo Airlines had secured approval from Australia's International Air Services Commission to operate five weekly roundtrips on the city pair.

The statement said Tasman had procured the aircraft from Kalitta Air on an ACMI basis. ADS-B flight tracking data indicates the service started on April 16 with 14-year-old N772CK initially tasked with servicing the contract.

EMIRATES SKYCARGO ESTABLISHES API CONNECTION WITH DB SCHENKER

Emirates SkyCargo has established an Application Programming Interface (API) integration with DB Schenker, a prominent player in logistics services worldwide. Through the adoption of digital tools, Emirates SkyCargo is striving to enhance its top-tier customer experience and streamline the international trade process for increased efficiency. The direct host-to-host connection with DB Schenker's internal booking system streamlines the air freight booking procedure, granting agents immediate access to Emirates SkyCargo's schedules, standard, and contract tariff rates, available capacity.



HONG KONG REMAIN THE WORLD'S BUSIEST CARGO AIRPORTS

Airports Council International



(ACI) World has unveiled the preliminary top 10 busiest airports worldwide for 2023 with Hong Kong International Airport (HKIA) remaining in top rank followed by Memphis International Airport and Shanghai Pudong International Airport. Anchorage Airport ranks 4th and is followed by Incheon International Airport in 5th.

HKIA handled 4,331,976 (4.3 million) tonnes of cargo in 2023, an increase of 3.2 percent YoY while down by 9.9 percent compared to 2019.

"Air cargo volumes are estimated to have decreased by 3.1 percent year-over-year (-4.6 percent versus 2019), to close to 113 million metric tonnes in 2023. Air cargo volumes in the top 10—representing around 26 percent (29.6 million metric tonnes) of the global volumes in 2023—lost 3.5 percent in 2023 year-over-year. The decline can be attributed to the ongoing geopolitical tensions and disruptions to global trade and supply chains," it reads.



Welcome Onboard!

Shilju Xavier
(Customer Service Associate)



"Congratulations for being part of Right Logistics Family. We welcome you and wish you success with our company"



SNIPPETS

ETIHAD CARGO BEGINS COOL DOLLIES TO ENHANCE COOL CHAIN CAPABILITIES

Etihad Cargo added temperature-controlled cool dollies to EASC’s Abu Dhabi fleet to offer additional protection against environmental factors, enhancing the carrier’s cool chain capabilities and ensuring the seamless transportation of pharmaceuticals and temperature sensitive commodities.

With the launch of these new cool dollies, Etihad Cargo is bridging the last gap in its global cool chain offering by providing continuity and stability with advanced temperature-controlled solutions during the most critical step of air cargo transportation.



CMA CGM AIR CARGO ADDS THREE NEW B777F CARRIERS



CMA CGM AIR CARGO will begin operating a transpacific route connecting Asia to North America in summer 2024. The launch on a strategic airfreight route marks the acceleration of CMA CGM AIR CARGO’s development. To ensure service to new destinations, CMA CGM AIR CARGO will take possession of two Boeing B777-200F aircraft this year.

The first aircraft, scheduled for delivery in June, will enable operations to begin on the transpacific route during the summer in anticipation of peak season. The second aircraft will be delivered in the fourth quarter of 2024 and will also be deployed on the transpacific route.

The first B777-200F will serve airports in Hong Kong, Chicago, and Seoul. The second will connect mainland China to North America. Flights will be operated by Atlas Air.

NAVIGATING LOGISTICS WITH PRECISION AND CARE



Bengaluru Airport cargo handled up 7% at 439,524 tonnes in FY2024

Kempegowda International Airport Bengaluru handled 439,524 tonnes of cargo in the financial year 2023-24, an increase of 7.1 percent compared with FY2023.

“International tonnage reached 266,186 tonnes, a four percent growth over the previous year while domestic tonnage experienced a strong 13 percent rise, totaling 173,338 tonnes in comparison to the previous year,” says an official release.





Maersk Air Cargo applies for UK operating license

Maersk Air Cargo has applied for an operating license from the UK Civil Aviation Authority. The application, made on April 12, was revealed in a document published by the authority on April 23.

“Maersk Air Cargo Limited has applied to operate charter and scheduled flights between any combination of points, within the terms of the holder’s Air Operator’s Certificate,” said the document, available on the authority’s website.

Qatar Cargo opens world’s largest air cargo animal facility at Doha

Qatar Airways Cargo has opened the world’s largest air cargo animal facility at its Doha hub to meet the rising volumes of animals being transported through the airport.

The new facility measures 5,260 sq m compared with 4,000 sq m at the previous animal operation.

It differs from most airport animal facilities in that it mainly caters for transit shipments and therefore has dedicated rooms for transit and import/export shipments, which have different customs formalities to complete.

Serve Air expands its 737 freighter fleet


Serve Air has taken delivery of its second Boeing 737-800SF converted freighter from Aeronautical Engineers, Inc (AEI) as it continues to expand its cargo fleet.

All conversion related touch labour and maintenance on the aircraft (MSN 30517) was performed by authorised AEI conversion centre, Commercial Jet in Dothan, Alabama.


Serve Air is the first operator of the AEI B737-800SF freighter in the Democratic Republic of Congo and is planning to add another four of the aircraft in the coming years.





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MAERSK ENHANCES SERVICE BETWEEN INDIA AND NORTH EUROPE

Maersk announced an upgrade to its ME2 ocean service to include port calls in North Europe, namely Rotterdam, Felixstowe and Bremerhaven. The future port rotation of the ME2 service will be Port Tangier – Algeciras – Rotterdam – Felixstowe – Bremerhaven – Port Tangier – Salalah – Jebel Ali – Mundra – Nhava Sheva – Port Tangier, says an official release.

“This extension of the ME2 service to key destinations in North Europe will benefit North India’s exporters, particularly those in the lifestyle and retail sectors. With upgraded service, manufacturers and exporters will get expedited access to important consumer markets in North Europe. The transit times for ocean transports between Mumbai ports and North Europe will be shortened by five to seven days. In the same way, on the backhaul from North Europe to India, the importers for the automotive sector will benefit from quicker transit times for automotive components coming into India.”



Los Angeles, Long Beach ports finish Q1 2024 with volume gains

The Port of Los Angeles handled 743,417 container units in March, a 19 percent increase over the previous year.

It was the eighth consecutive month of year-over-year growth at the port, says an official release. “For the first quarter ending March 31, local dockworkers moved 2,380,503 TEUs across Los Angeles marine terminals - nearly 30 percent more than 2023. It was among the port’s best first quarter starts, behind only the pandemic import surge in 2021 and 2022.”



Liners add capacity to Asia-ECSA as ocean rates hit 18-month high

With Asia-South America ocean freight rates at an 18-month high of around \$4,350 per 40ft, mainline operators have been adding ships and calls to their services.

HMM told The Loadstar that from 26 May, it would add another Brazilian port of call, Rio Grande, to its Far East-India-Latin America (FIL) service, while omitting Buenos Aires in Argentina and Montevideo in Uruguay. In Rio Grande, the ships will call at the Tecon terminal. Thereafter, FIL will call Busan, Shanghai, Ningbo, Shekou, Singapore, Kattupalli, Rio Grande, Santos, Paranagua, Navegantes, Singapore, Hong Kong, and Busan with 11 ships of 4,700-6,300 teu, turning around in 11 weeks, instead of 12.

HMM’s spokesperson explained: “Due to the severe port congestion on the east coast of South America, HMM has added a call at Rio Grande to improve schedule reliability.”

Reportedly shallow draughts around Argentina and Uruguay limit the loading capacity of the ships on the FIL service. Feeder to the two ports will be provided by Singapore-based Bengal Tiger Line from Rio Grande.

HMM’s move coincides with expanded capacity on two Asia-South America east coast (ECSA) services operated jointly by CMA CGM, Cosco, OOCL, Evergreen, PIL and Yang Ming.





ONE, Cosco join with CMA CGM on north-south service to US East Coast

CMA CGM has signed a deal with Cosco Shipping and Ocean Network Express (ONE) that will bring their ships into CMA CGM's north-south service between the West Coast of South America and the US East Coast. The three carriers filed the vessel-sharing agreement with the US Federal Maritime Commission last week that will "improve the liner services" that each offers in the trade between Colombia, Ecuador, Peru and Chile and ports on the East Coast.



First cargo ship passes through newly opened channel in Baltimore since bridge collapse

The first cargo ship passed through a newly opened deep-water channel in Baltimore on Thursday after being stuck in the harbor since the Francis Scott Key Bridge collapsed four weeks ago. The Balsa 94, a bulk carrier sailing under a Panama flag, passed through the new 35-foot (12-meter) channel headed for St. John, Canada.

The ship is one of five stranded vessels expected to pass through the new, temporary channel. On Thursday morning, the vessel moved through the channel guided by two tug boats, one in front and one behind. It passed slowly by the wreckage of the bridge and the Dali, the massive container ship that caused the collapse when it slammed into one of the bridge's support columns.



Hapag-Lloyd Wins Landmark Tender For Zero-Emission Maritime Shipping

Hapag-Lloyd, a global leader in container shipping, was chosen as the winner of this groundbreaking bid. Through this partnership, over a dozen ZEMBA members, have committed to the purchase of the "environmental attributes associated with over 1 billion twenty-foot shipping container-miles" associated with zero-emission shipping on a route from Singapore to Rotterdam over the next two years.

The deal with Hapag-Lloyd involves the provision of a unique service that uses independently certified and exclusively waste-based biomethane, which is expected to help ZEMBA members avoid at least 82,000 metric tonnes of CO2e over two years. ZEMBA and Hapag-Lloyd will also develop a book & claim system to ensure the credible allocation of environmental attributes of the biomethane shipping service.



South Korea plans \$4 bn program to double container ship capacity

The South Korean government is aiming to spend \$4 billion to double the capacity of the national container shipping fleet to 2 million TEUs by 2030, President Yoon Suk Yeol said. The move would bolster carriers including HMM, Korea Marine Transport Company (KMTCC) and Sinokor Merchant Marine.





VIZHINJAM PORT GETS MINISTRY NOD TO RUN INDIA'S FIRST TRANSSHIPMENT OPERATIONS

Current regulations require the shipping ministry's nod to prevent competing projects from being permitted before capacity at operational ports is saturated. "This approval paves the way for customs to set up an office at Vizhinjam port. It will be India's first full-fledged deepwater transshipment port. A final nod from the Central Board of Indirect Taxes and Customs (CBIC) is expected in the coming three months," a senior government official told ET on condition of anonymity.

Adani Ports and Special Economic Zone Ltd (APSEZ) started the international transshipment project in Vizhinjam, Kerala in December 2015.

A transshipment port is a kind of transit hub where cargo from one ship is transferred to another ship on the way to its final destination. The initial goal was to complete the ₹7,700 crore deepwater seaport project in four years by 2019. It is now expected to start operations

in this financial year. The project seeks a share in the Indian cargo totalling more than a million containers which are transshipped annually through foreign ports, such as those in Colombo in Sri Lanka.

According to APSEZ, the port offers large-scale automation for quick turnaround of vessels with state-of-the-art infrastructure to handle Megamax containerships – the largest currently in operation globally.

Its capacity in the first phase is to be one million TEUs. Another 6.2 million TEUs will be added in subsequent phases. It is estimated that nearly 75% of India's transshipment cargo is handled at ports outside the country. Ports in Colombo, Singapore and Klang handle about 85% of this cargo.

APSEZ will declare its January-March 2024 financial results on May 2. In 2023-24, the company handled 420 million metric tonnes cargo globally, up 24% year-on-year.



MSME Exporters Are Worst Hit Due To Increased Freight Charges And Doubled Turnaround Time

Increased freight charges, doubled turnaround time of cargo and steep hikes in insurance premiums have forced small and medium export oriented units to halve their outputs with most presently operating at around 50% of their respective capacities. Commenting on the challenges which have emerged as a fallout of the geopolitical and economic turmoil across the globe, Balkrishan Sharma, Business head and Chief Executive of Yarn Business, RSWM Limited, a leading yarn and knitting fabric manufacturer, said, "Due to the ongoing crisis in Middle East and in Europe, exporters are facing multiple problems that include the non-availability of containers, multifold rise in freight charges and a steep rise in the insurance premium of the cargo."

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