

June 2024

Eco X-Press

Ecosphere Global Logistics Newsletter



Optimize your freight logistics today!



Welcome to our June Market Update! As we continue to traverse the ever-changing landscape of global trade and logistics, we're dedicated to providing you with timely insights and analysis to aid your business decisions.

This edition covers significant developments affecting international freight and logistics. We'll discuss updated safety and security requirements for UK trade, the impact of tight shipping capacity and high demand, and recent improvements in LA-LB port operations. We also explore growing congestion at Singapore's port, deteriorating conditions on the Asia-Europe trade, and high air cargo demand despite increased capacity.

Our experts have compiled the latest market data and industry insights to help you drive efficiencies, optimize costs, and stay competitive. Whether you're a logistics veteran or new to the industry, our goal is to provide the knowledge and insights you need to navigate this dynamic environment successfully.

Safety and Security requirements - UK



Understanding Safety and Security Requirements for UK Trade

The UK government has outlined specific safety and security requirements for imports and exports. Key updates include:

- **Entry Summary Declarations:** Required for goods entering Great Britain, with updated codes and submission guidance.
- **Export Regulations:** Information on when standalone exit summary declarations are not needed.
- **Northern Ireland Protocol:** Guidance on using the Import Control System for goods entering Northern Ireland.
- **Upcoming Changes:** New border control measures set to begin by the end of 2024.

Stay informed by visiting the UK Government's guidance page:

[Safety and security requirements on imports and exports](#)

[CustomsLink - Safety and Security Declarations \(ENS and EXS\)](#)

Tight capacity and high demand in shipping



The first four months of 2024 have seen shippers moving significant cargo to avoid anticipated Q3 constraints. This rush, combined with a 5% rate of blanked sailings, points to tighter capacity and rising rates ahead.

Asia-Europe Routes:

- Capacity is expected to shrink by over 13% in Q2 2024.
- Rates are increasing due to high demand and supply imbalances.
- Many vessels are avoiding the Suez Canal, opting for longer routes around the Cape of Good Hope, affecting transit times.

Air Freight:

- Strong demand is leading to increased rates across routes from China to Europe.
- Rates and space availability vary significantly by region and require advance booking.

Asia-USA Routes:

- Capacity remains extremely tight with significant rate hikes expected in June.
- New tariffs on Chinese imports are contributing to increased rates and transshipment port congestion.

Stay updated on these developments as they will significantly impact shipping strategies and costs.

Need help with your
shipments?

Optimism Amid Lower Dwell Times at LA-LB Ports

Dwell Times Hit 2024 Low at LA-LB Ports

In April, container dwell times at the Los Angeles-Long Beach (LA-LB) port complex dropped to their lowest point this year, spurring optimism among drayage and logistics providers about handling an early peak season. Terminal operators credit this improvement to increased equipment from BNSF and Union Pacific (UP) railroads.

Key Highlights:

- Rail dwell times fell to 4.55 days from 7.02 days in March.
- Truck dwell times decreased to 2.5 days, the lowest in over a year.
- April imports from Asia rose to 664,095 TEUs, a 17% increase from March.
- Both railroads are leveraging equipment and hiring additional staff to manage demand spikes.

Challenges Ahead:

Despite these improvements, concerns remain about terminal operators canceling work shifts, which could cause backlogs during the peak season. Adjustments and effective management strategies will be crucial to maintaining smooth operations.

Contact us for
shipments to and from
the USA



Increased wait times at Singapore

Ocean carriers are experiencing significant delays at Singapore's port due to ongoing Red Sea vessel diversions. This has led to some carriers omitting the port on intra-Asia and Asia-Africa services.

Key Highlights:

- **Berth Delays:** Average delays are three to five days, with some carriers experiencing even longer waits.
- **Increased Volume:** Container volumes surged by 8.8% to 13.4 million TEUs in the first four months of 2024.
- **Capacity Challenges:** High yard utilization and off-schedule arrivals contribute to extended wait times.
- **Response Efforts:** PSA Singapore is reactivating closed berths and increasing weekly capacity to address congestion.

Global Impact:

The congestion at Singapore has led to delays and operational challenges at other major ports in Asia, exacerbating the situation.

Deteriorating Conditions on Asia-Europe Ocean Trade

Shipping conditions on the headhaul Asia-Europe ocean trade are deteriorating, with vessel space in short supply and rates nearing pandemic levels. High vessel utilization, deepening port congestion, and equipment shortages are major contributing factors.

Key Highlights:

- **Rising Rates:** Carriers are offering rates over \$8,000 per FEU amid high demand.
- **Port Congestion:** Significant delays at Mediterranean and Asian ports are disrupting schedules.
- **Carrier Fortunes:** Maersk projects EBITDA of \$7-9 billion for 2024, reflecting improved profitability.

Growing Frustration:

Cargo owners are struggling with declining service levels and finding both equipment and space, with many contracts being canceled or not honored.

Air Cargo Demand Remains High Despite

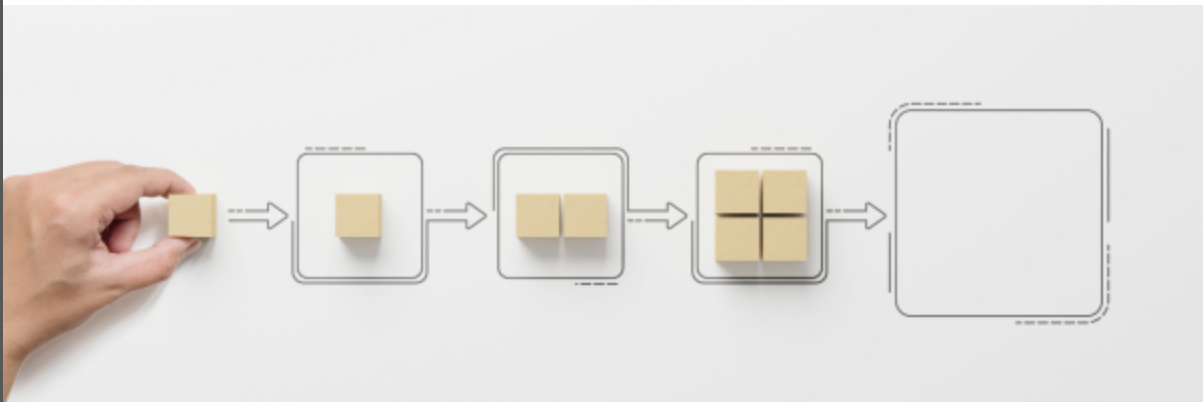
Increased Capacity



Air cargo demand and rates from Asia to the US and Europe remain unseasonably high, even with increased belly capacity from carriers preparing for the summer travel period. This unexpected strength mirrors the early peak season seen in ocean trade lanes.

Key Highlights:

- High Demand: E-commerce is driving sustained demand, pushing volumes and rates up.
- Spot Rates Surge: Average spot rates from China to the US reached \$5.85 per kg, a 34% year-over-year increase.
- Capacity and Rates: Increased capacity from Asia-Pacific airlines (+8%) is met with higher demand (+14%), maintaining elevated rates.



2790 Skypark Drive, Suite 210 Torrance CA
90505 USA
Ph: +1 424 400 2918

1 Gateway Center, Suite 2600 Newark NJ
07102 USA
Ph: +1 973 353 8400

Unit 3 Mercury Centre, Central Way Feltham
Middx TW14 0RN UK
Ph: +44 208 142 9033

21 Shamrock Way, Hythe Marina Village
Southampton SO45 6 DY UK
Ph: +44 23 8268 0113

Email: tellmemore@ecospheregl.com

All rights reserved.