CANADA Daily News and Updates January 31st 2024

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Air Updates

Airfreight Rates on the Up as January Draws to a Close

Airfreight rates in January climbed as the month progressed due to the approaching Lunar New Year holiday and anecdotal reports of a move from sea to air due to the Red Sea crisis.

The latest figures from the Baltic Exchange Airfreight Index (BAI) show that, in the last full week of January, rates from Hong Kong to North America climbed 8.4% on a week earlier, to $5.15 per kg.

Airfreight rate data provider TAC Index said the increase was expected.

“The increase is in line with expectations that rates may spike following disruption to ocean shipping in the Red Sea, though sources also point out that rates often rise in the runup to Chinese New Year,” TAC said in a weekly market round-up.

This year the Lunar New Year holiday falls on February 10 compared with January 22 last year.

Read more in an article from Air Cargo News.

Can Drones Reshape Logistics?

As the airfreight sector embraces innovation, there is one technology that has come into focus given the perceived potential it presents for the industry: drones.

With a focus on efficiency, sustainability and delivering to remote regions, drones are being looked at as a way to keep cargo flowing without the need for road, rail or other infrastructure.

They also present an opportunity to cut delivery times by bypassing traffic congestion, with higher speed than ground-based vehicles, which is ideal for urgent and time-sensitive deliveries.

Current estimations are that it will take five to 10 years before drones are fully integrated in the airfreight industry.

Read more in an article from Air Cargo Week.

Ocean Updates

Weak Demand and Overcapacity Adding to Carrier Red Sea Stress

Despite the considerable disruption to container shipping caused by the Red Sea crisis, consumer demand remains weak and, at the same time, the liner industry is heavily oversupplied with capacity.

Indeed, analysts believe the huge spikes in east-west spot rates since December have been driven, for the most part, by fears there could be a return to the pandemic supply chain crunch that choked the liner industry in 2021 and early 2022.

“There is ample room to cover disruption such as this,” said Drewry’s senior manager for container research, Simon Heaney.

“Certainly, more ships are needed to maintain those weekly services, but there is spare capacity; there are newbuildings coming in thick and fast and there is existing tonnage from other oversupplied trades that can be transferred across.”

Read more in an article from The Loadstar.