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Red Sea shipping disarray sees Kerry's air business hot up

02 / 02 / 2024

By [Air Cargo News](#)



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There has been much speculation about whether the Red Sea crisis and the consequent rerouting of ships from the Suez Canal in Egypt to the Cape of Good Hope in Africa is impacting airfreight and to what extent.

Some airlines and forwarders have said they are receiving more interest from shippers, while others have said there has been no change to business, but

the industry is still waiting to see whether the crisis, [which arose in December](#), is in fact driving up air cargo volumes.

Kerry Logistics is one company that has seen more airfreight and sea-air enquiries as oceanfreight shipment delays take their toll, according to Emma Rowlands, strategic sales director, Kerry Logistics.

Rowlands explains what changes the Hong Kong-headquartered freight forwarder has seen and the impact that these changes have had on the company.

Has Kerry Logistics seen an increase in business as a result of the situation?

Definitely, there has been more new enquiries and interest from customers as the issues have progressed.

There are also issues with space availability and we have picked up new business from our competitors as we have been able to offer a solution for the cargo that's proved more competitive and flexible than their current providers.

What sort of delays to ocean shipments is Kerry Logistics anticipating?

We are asking our customers to build in around 10- 14 days extra on their transit time dependent on carrier and origin.

Sailing around the Cape adds around 6,000 km to EU lane, which means over 10 days is added to the length of the trip, potentially running up to two weeks.

Is there a backlog of ocean cargo due to the situation?

All carriers claim to be at full capacity for bookings and there will be a roll pool by carriers.

Carriers are controlling capacity with blank sailings: Ocean Alliance and 2M announced 15+ void plans for February, with more to be expected from THE Alliance soon.

We are expecting potential equipment shortages in the next few weeks as a knock-on effect for longer transits.

Are customers concerned, or happy to wait the extra time to sail via the Cape of Good Hope?

Most customers are very concerned especially with the timing of the issues just before Chinese New Year, and are not happy at all with longer transits.

There are issues around reliability of schedules making it very difficult for planning intakes in their warehouses and in some instances, there are twice as many containers arriving all in one week, causing bottlenecks in their supply chain, extra costs, and delays to their customers.

Is Kerry Logistics noticing any modal shift to air cargo for shipments that could be held up by the situation?

Yes, we have seen an increase in airfreight enquiries and sea-air, as we offer full end-to-end solutions with air, sea-air, road-air and rail.

This is an attractive proposition for companies who have an issue and want to price a solution based on various modes of transport quickly. They often don't have the time to ask different companies for their prices on each solution.

Enquiries for sea-air are usually the large late production shipments that will be too expensive to ship all by air, and often full containers of products that will lose all of their margin if shipped via airfreight.