

# Maersk North America Market Update – November Highlights 2024

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## Global Market Trends

Global economic activity maintains momentum, with 2024 growth projected at 2.7%. In the U.S., we expect a 2.7% increase, driven by strong consumer spending, although a rising savings rate could impact this. Europe faces volatile inflation and geopolitical tensions, keeping Euro-area growth at 0.7%, despite a Q3 retail sales rebound. Germany narrowly avoided recession due to weak industrial output. In China, growth is projected at 4.8%, with challenges in real estate and high savings affecting domestic demand. However, recent policies and expanding manufacturing are supporting growth, with exports remaining a key driver. (Source: Maersk Strategic Insights)



## Ocean Update

### Network of the Future

The Network of the Future covers the ocean freight network on East-West trades, including Asia-to-North America routes, going live on February 1, 2025. Over the past 4-5 years, significant investments in hub terminals support this transition to a hub-and-spoke model, boosting resilience and operational capacity. We aim to improve global shipping reliability by achieving an ambition of 90% schedule reliability once fully phased in, ensuring extensive port coverage, and optimizing speed through collaboration with terminal partners.

The Network of the Future is officially now open for bookings. [Click here](#) for details and scheduling information.

### Transpacific trade

On the West Coast, we are still seeing constraints to our network for Canada-bound cargo in December, while performance into the Pacific Southwest is stable as we see additional capacity in the market being available.

On the East Coast, we have not seen much variation in demand from November to December, and the overall network is still projected to be full in the coming weeks. Operational constraints have been identified for some sailings in the second half of December; however, vessels have been induced to cover the missing sailings.

Elsewhere, the Chinese New Year period has significantly impacted global shipping due to the sheer volume of factory closures and a sharp decline in production. In 2025, Lunar New Year officially begins on January 29, however many businesses start their preparations early and reduce production up to three weeks in advance. Normal production levels are expected to return by the second or third week of February.

Typically, businesses face a race to get cargo out of China before operations wind down and celebrations begin. Our teams are on hand to assist with your planning should you need to ship out of China urgently. For more information on the impact of Chinese New Year 2025, please [click here](#).

## ILA-USMX Negotiations

We want to keep you informed about the ongoing negotiations between the International Longshoremen's Association (ILA) and the United States Maritime Alliance, Ltd. (USMX), which may impact your operations.

On October 3, a tentative wage agreement was reached, but discussions on technology-related issues stalled negotiations when both parties met in November. The situation remains dynamic as we await further developments, with the possibility of a strike on January 15 increasing without a settled contract.

Our teams have identified potentially impacted vessels and are preparing contingency plans. If a strike occurs, we expect vessel operations to halt by midnight on January 14. The team is working on contingency plans to ensure operations are completed on time and that vessels are not docked during the work stoppage.

In the event of a work stoppage, US East Coast and Gulf terminals may halt operations, and gate and rail services could be suspended. You will receive more details as the January 15 date approaches. Similarly, terminals and nearby depots will not be open to accept empty returns. Please hold your empties until the terminals and depots reopen. Escalations can be sent to [NAMEQUEDO@maersk.com](mailto:NAMEQUEDO@maersk.com)

Should disruptions occur, we stand ready to assist our customers explore options to keep their supply chains moving best as possible via alternate routes, modalities, or distribution schedules. Customers are asked to stay in close contact with their Maersk representatives now as communicating supply chain requirements will be key to developing tailored contingencies if needed.

We will provide updates as the situation unfolds.

Sign up for [ETA notifications](#) to receive the latest updates on your cargo. To stay up to date on updates from the negotiations, visit our [advisory page](#).



## Inland Update

The inland market in North America is experiencing steady growth, driven by increased demand for efficient transportation and logistics services. According to the American Trucking Association, freight volumes have risen by about 3.4% in the past year, indicating a robust recovery from earlier disruptions. As you plan your logistics, it's essential to consider that capacity constraints remain challenging, leading to increased transportation costs. You may need to adjust strategies to account for these ongoing pressures.

Looking ahead to 2025, the inland market is expected to continue its growth trajectory, supported by infrastructure investments and technological advancements in logistics. The U.S. Department of Transportation projects a 2% annual increase in freight volume, driven by economic growth and consumer demand. As you develop your long-term plans, consider how these trends might impact your supply chain strategies and explore opportunities to leverage new technologies for efficiency gains.



#### Air Freight Update

In October 2024, global air cargo demand continued its strong growth, rising 9.8% year-on-year, according to IATA. This marks the 15th consecutive month of demand increase, with capacity also up by 5.9%. Air cargo yields, including surcharges, rose 10.6% compared to 2023 and 49% compared to 2019 levels.

Industrial production increased by 1.6% in September, while global goods trade rose 2.4%, marking six months of consecutive growth.

This growth partly stems from businesses stockpiling inventories in anticipation of potential disruptions, such as a US port strike on the East Coast and Gulf. Global manufacturing also rebounded in October, with the PMI indicating growth, though new export orders showed continued uncertainty.

Inflation trends varied, with US inflation rising to 2.58% in October, ending a six-month decline. EU inflation also increased to 2.33%, while China's consumer inflation fell to 0.29%, raising concerns about economic slowdown. These economic indicators highlight the dynamic and uncertain environment facing the air cargo industry.

At Maersk, we are committed to our customers and provide them with air freight solutions amid ongoing ocean disruptions. We have a seamless service offering running via our Tanjung Pelepas (TPP) to our Singapore and Kuala Lumpur hubs as an intermediate transit and cost option between Air and Ocean. Customers can take advantage of our unique TPP service, with our first leg on Ocean being short haul via TPP. This ultimately provides a significant reduction of transit time from 23-60 days to approximately 12-16 days for our customers moving into different markets from Asia.

For more information on this specific service or our other [air freight solutions](#) please contact your sales rep or [contact our team](#) via this form.



#### E-Commerce Update

US consumers expect to spend 8% more on holiday expenses in 2024 than they did in 2023 - about \$1,020 per household, on average, according to this report by [Simon Kucher](#).

As the Christmas peak season approaches, e-commerce logistics in North America is gearing up for a surge in activity. Last year, online sales during the holiday season grew by 11%, which is expected to continue, according to the National Retail Federation. With higher consumer expectations for fast and reliable delivery, you should anticipate increased pressure on fulfillment networks. It is crucial to assess your readiness and ensure that your [logistics partners](#) are equipped to efficiently handle the seasonal spike in orders.

Maersk is here to simplify your e-commerce logistics with end-to-end solutions that deliver speed, visibility, and seamless customer experiences.

Topics, Trends and Insights



## FuelEU Maritime and EU ETS - Shipping Regulation Changes

Maritime shipping is a hard-to-abate sector, meaning that any solution to decarbonize the industry is either cost-prohibitive or challenging for complex reasons. Regulations are required to accelerate the supply of decarbonization solutions and decrease the cost differential between conventional and lower-carbon fuels. In 2025, the European Union (EU) will increase its regulatory efforts to target emissions and emissions intensities from maritime shipping by nearly doubling the Emissions Surcharge for all cargo holders.

The EU ETS is being implemented in stages. In 2024, only 40% of applicable emissions were covered, but that number will increase to 70% in 2025 and then to 100% in 2026 and onward. We are also expecting an increase in the cost of the allowances, which shippers must purchase to pay the emissions bill to the EU in 2025. Both factors will increase the overall cost of shipping to and from Europe.

FuelEU Maritime is the world's second regulation to target ocean shipping emissions and the first to target the emissions intensities from the burned fuels. The EU ETS and FuelEU Maritime impact cargo with origins and destinations in EU-designated ports, and both are meant to be layered together. While the EU ETS is more of a penalty targeting emissions, FuelEU Maritime differs in that it sets several requirements for the fuels combusted in the EU with a timeline to reduce emission intensities by 2050, exponentially. The lower emissions of intense fuels are more costly, thus increasing the cost of shipping to the EU yet again.

While The EU is leading the way in reducing emissions and pollution through effective regulations, we anticipate that other regions and governing bodies will also implement carbon taxes or Emissions Trading Systems (ETSs) for maritime shipping. We are actively monitoring conversations taking place in other regions of the world. Any new need of compliance may result in costs, which will be managed through the surcharge code: Maersk-Emissions Surcharge (EMS).

EMS is a penalty for emissions - cargo holders gain nothing from paying this. To exempt your European cargo from EMS, you can always choose to ship your cargo with [Maersk ECO Delivery](#) Ocean B100, which eliminates emissions on the water, thus the need for a penalty.

Learn more about how to navigate the [EU ETS and Fuel EU Maritime Regulations in 2025](#).