

## APERTURE & FOCUS

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### GLOBAL APERTURE

The air cargo market is [expected to remain strong](#) through the end of the year, according to recent market analysis, fueled by high e-commerce volumes and constrained capacity that continue to drive demand ahead of expected slowdowns during peak season. Despite recent fluctuations and potential economic uncertainties, strong demand for airfreight—particularly from Asia—suggests continued pressure on capacity, though future growth could be influenced by broader economic trends and geopolitical factors.

2024 is set to be the [second-highest year for container production](#), with manufacturers fully booked until mid-October and July output exceeding 850,000 TEUs. The surge is largely driven by longer transit times and strong Asian exports, with container availability becoming increasingly tight as carriers race to secure equipment.

### REGIONAL FOCUS – AMERICAS

**Canada:** A planned strike by Teamsters union members at Canadian National (CN) [was called off on August 26<sup>th</sup>](#) after the Canada Industrial Relations Board (CIRB) imposed binding

arbitration, following a brief lockout by CN and Canadian Pacific Kansas City (CPKC). This resolution averts potential disruptions to rail freight movements between Canadian ports and the U.S., which could have cost North American shippers millions of dollars.

**United States:** In July, Port Houston experienced a 5% drop in container [volume due to Hurricane Beryl](#) and a global systems outage, though year-to-date container volumes remain 10% higher compared to 2023. Meanwhile, the Port of New Orleans saw a 19% decrease in container shipments, impacted by global supply chain challenges and local disruptions, while the Port of Corpus Christi reported a 13% increase in crude oil shipments, despite declines in other cargo types.

Volume [has shifted to the West Coast](#) as shippers respond to ongoing issues such as Red Sea transit threats, the International Longshoremen's Association (ILA) labor negotiations, and low Panama Canal water levels, resulting in record cargo volumes at the Port of Los Angeles and Port of Long Beach in July. The expiration of the ILA labor contract at the end of September, raises concerns about potential strikes that could disrupt trade at East Coast and Gulf ports.

The FAA awarded [\\$291 million in subsidies to aerospace](#) and aviation companies through its Fueling Aviation's Sustainable Transition program. Funded by the 2022 Inflation Reduction Act, the grants, announced on August 16<sup>th</sup>, are focused on advancing sustainable aviation fuel and low- or zero-emission technologies.

## REGIONAL FOCUS – ASIA-PACIFIC

**India:** Nearly 20,000 workers at major Indian ports [called off their planned strike](#) on August 27<sup>th</sup> after agreeing to a new five-year deal, which includes an 8.5% pay increase. This agreement helps avoid further disruptions in global supply chains, ensuring continued cargo movement through key ports like Chennai and Mumbai, which handle a significant volume of India's exports.

**Bangladesh:** The severe flooding in Bangladesh that has [impacted 11 districts](#) and nearly 4.5 million people is also disrupting export-import activities, particularly along the Dhaka-Chittagong highway. The inundation has led to significant delays and obstructions for cargo trucks, severely affecting the flow of goods to and from Chittagong's seaport.

**Sri Lanka:** Sri Lanka's Colombo port, which [saw strong transshipment gains](#) earlier this year due to Red Sea-linked vessel diversions, experienced a 6% drop in transshipment volumes in July 2024 and an 18% decline in vessel calls. While Colombo remains a key transshipment hub for the Middle East, capacity constraints have prompted rerouting to alternative Indian ports like DP World Cochin, Chennai, and Vizhinjam Port.

**China:** China's freighter fleet is projected to [nearly triple by 2043](#), with Boeing forecasting 170 freighter deliveries in the country between 2024 and 2043, driven by the booming e-commerce sector. Additionally, Boeing's 2024 Commercial Market Outlook anticipates a global fleet of 3,900 freighters by 2043, with a need for 2,845 new and converted freighters, including various types, to meet market demand.

## REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

**Germany:** The German trade union ver.di has rejected the Central Association of German Seaport Operators' collective agreement offer, [heightening fears of strikes](#) that could impact North Sea ports. The union's discontent with the proposed wage increases and compensation could lead to further warning strikes at key ports like Hamburg and Bremen if negotiations do not improve.

**The Netherlands:** Unprecedented [growth in drone operations](#) at the Port of Rotterdam has been fueled by the U-Space airspace prototype, which now supports over 50 operators and processes around 300 flight requests every four months. This advancement, coupled with strategic collaborations with the European Union Aviation Safety Agency sets a new standard for drone integration in commercial and industrial operations, influencing broader European regulations and practices.

**Belgium:** Liege Airport has invested in Liège Logistics Intermodal (LLI) [by acquiring a 10% stake](#), aiming to enhance rail and road connectivity with the Belgian airport. The project will proceed in two phases: the first, involving €22 million in infrastructure upgrades by 2030, will modernize the road-rail platform with European-standard rail tracks, gantry cranes, and improved access roads; the second phase will include creating new access points, a goods storage area, and a piggyback loading platform, boosting the site's capacity to handle up to 45 trains per week.