

APERTURE & FOCUS

WEEK 37 | 11 SEPTEMBER 2024



GLOBAL APERTURE

Carriers rerouting around the Cape of Good Hope to avoid Houthi attacks in the Red Sea have led to a significant rise in [weather-related cargo loss](#) and insurance claims. Over the past 270 days, extreme weather off southern Africa has resulted in multiple incidents of cargo damage and loss. This increase in claims is impacting the industry, with ongoing risks linked to severe weather conditions around the Cape.

Air cargo demand is [expected to continue to grow](#) by 11-12% year-over-year in 2024 and an additional 2-7% in 2025, creating an unprecedented state of limited capacity. To address this, airlines may have to optimize already full load factors or reallocate capacity from transatlantic to transpacific routes to meet rising e-commerce demand.

REGIONAL FOCUS – AMERICAS

United States: U.S. retailers [are accelerating shipping](#) to preempt a potential longshore strike on October 1st, leading to increased import volumes and record activity at ports. This surge in shipping is impacting the industry by driving up import volumes, with September expected to

reach 2.31 million TEU and third-quarter volumes projected to hit seven million TEU, highlighting heightened logistical pressures and preparation for the holiday season.

Tropical Storm Francine, expected to become a hurricane and make landfall in Louisiana on September 13th, will [bring severe storm surge](#) and up to 12 inches of rain. The storm is causing significant disruptions, including the U.S. Coast Guard's suspension of inbound vessel traffic at the Port of Galveston and the Port of New Orleans' planned closure.

Canada: Air Canada has warned of potential cargo disruptions lasting over a week if a planned pilot [strike](#) on September 17th proceeds, affecting perishable and time-sensitive shipments. Additionally, new air cargo [security rules](#) from Transport Canada, effective September 9th, require tighter documentation and established business relationships for shipments from certain European and Central Asian countries, likely causing delays and increased paperwork.

REGIONAL FOCUS – ASIA-PACIFIC

As the peak airfreight season approaches, cargo owners are facing [severe capacity challenges](#) out of Asia due to congestion and high demand. Significant disruptions are reported at transit points in South-East Asia, including the Philippines, Vietnam, and Singapore, driven by increased e-commerce and consumer electronics shipments.

Super Typhoon Yagi, the most [powerful typhoon](#) to strike Southeast Asia in decades, made landfall on September 7th with winds reaching 149 kph (92 mph) and caused severe damage in northern Vietnam, China's Hainan, and the Philippines. Although it weakened to a tropical depression by September 8th, heavy rainfall continued to batter the region, leading to flooding and power outages. Yagi also impacted southern China and Hainan between September 9-10th with major port closures and disruptions to air travel, including flight cancellations and cargo delays in Hong Kong.

Bangladesh: Cargo airlines are demanding [improved services](#) and lower costs in Bangladesh to increase airfreight capacity, citing high handling charges and equipment issues at Dhaka Airport. In response, airlines have highlighted that current scanner problems and high costs are hindering capacity expansion and are considering adding services to Sylhet Airport as an alternative.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

Germany: On September 7th, rail operators [were locked out of the Port of Hamburg](#) as part of escalating industrial action by dock workers. However, on September 9th, a breakthrough emerged when employers made a revised offer to the union Ver.di, which is now polling its members on whether to accept the proposal.

Rain has raised water levels on the Rhine in Germany but [shallow conditions persist](#), hindering fully loaded cargo vessels and prompting increased freight rates. Although more rain is expected to improve shipping conditions later this week or early next week, current challenges may still impact supply chains and production.