



Market Report 12/2024







OIA Global's recent acquisitions of BTi Logistics and Airmark Ocean & Air Logistics establishes the company's presence in the Oceania region, with OIA's overall network now including 60+ offices across 25+ countries.

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# Contents

## Market Trends

*Trade lane data analysis, rates and pricing, container availability, carriers' business performance, etc.*

RECENT TRENDS.....	1-2
MERGERS/ACQUISITIONS.....	8

## Technology

*Investments & expected improvements, etc.*

INFRASTRUCTURE.....	3-4
TRANSPORT TECHNOLOGY.....	5
SUSTAINABILITY/ESG.....	6

## Trade & Compliance

*Government action, rules & regulations, customs & compliance updates, etc.*

LAWS/LEGISLATION.....	8
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## Disruption

*Severe weather, congestion, geopolitical incidents, accidents, etc.*

GENERAL/ACUTE.....	8
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**Note:** All monetary figures are shown in United States Dollars (USD) unless stated otherwise.

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# Market Trends



BACK TO TOP

## AIR

Boeing **expects** its global fleet to **expand** from 2,340 airplanes to 3,900 airplanes by 2043, with strong E-commerce demand from emerging markets in Asia driving this growth.



Asia to U.S. air freight rates have **surged**, with October's average spot price +49% YoY (\$5.46 per kilogram). Asia-Europe rates also rose 25% over the same period, demonstrating strong demand for cheap goods from Chinese E-commerce groups.

Year-over-year (YoY) air cargo spot rates **increased** +70% for MESA, +14% for Europe, +14% for CSA, +10% for Africa and +5% for North America.

## AIR FREIGHT MARKET TAKES OFF

The race to secure Chinese goods before new tariffs has **begun** as international air cargo flights out of Asia have risen to record levels since the United States' latest presidential election.


 Number of international cargo flights each week



Chart: Max Garland, Supply Chain Dive. Source: CBRE, created with Datawrapper.





The global cold chain market (temperature-controlled containers) was worth almost \$248.4b in 2020 but is expected to exceed \$410b by 2028.

The maritime industry’s newbuild order book currently accounts for 18% of the global fleet, which is almost 2x larger than pre-pandemic levels.

## U.S. INDUSTRIAL PROPERTY SECTOR GROWS

In Q3 '24, 3PLs continued to secure large warehousing space with 498 new projects of at least 100,000 square feet or more, a 9% YoY increase. The graphic below shows quarterly totals for new leases and renewals in the industrial property sector.

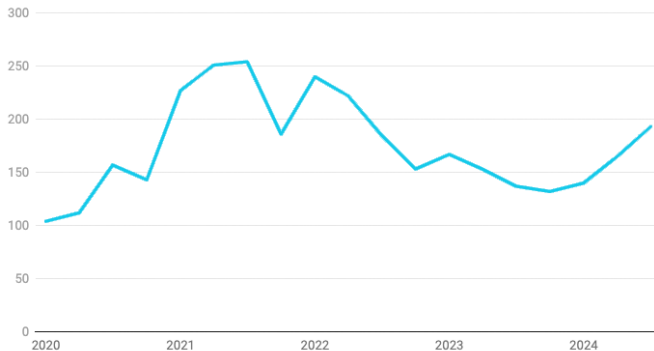


Chart: Max Garland, Supply Chain Dive. Source: CBRE, created with Datawrapper.

The Zero Emission Maritime Buyers Alliances (ZEMBA), consisting of 40+ major companies, recently offered its second contract tender to transport products on vessels powered by e-fuels. ZEMBA’s goal is to reduce carbon emissions for primary propulsion systems by 90% over its 3–5-year agreement. The initiative will launch in January '25 and should allow its members to cut around 470,000mt of greenhouse gas (GHG) emissions.

In 2024, 65% of container new vessel orders had dual-fuel engines, as compared to just 4% in 2018.

Liquefied Natural Gas (LNG) remained the dominant choice for alternative-fueled vessel orders in November '24, accounting for 23/27 new orders placed worldwide.

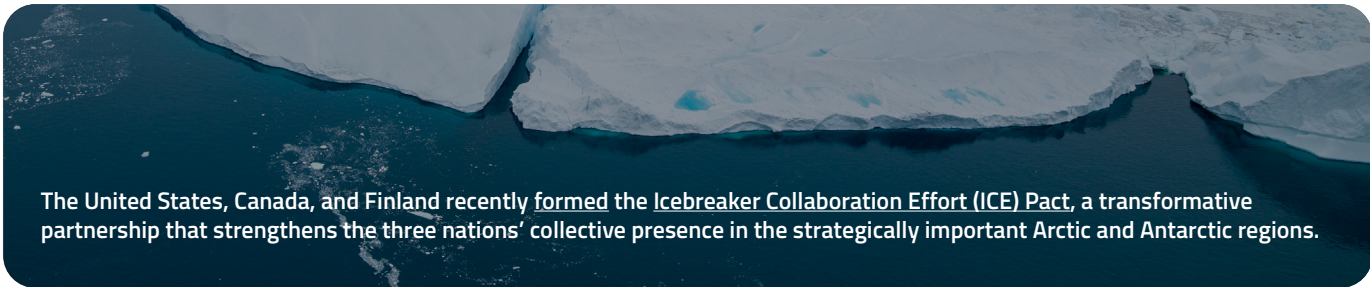
U.S. Federal Maritime Commissioner (FMC) Carl Bentzel said that Spain is refusing to handle U.S. cargo because it fears that weapons are being sent to Israel.

## ROAD

U.S. trucking rates are up to \$1.78, as compared to \$1.54 a year ago. Spot rates are also climbing, eclipsing the '22/'23 rates and demonstrating either a surge in demand or a decrease in available capacity, possibly both.

Europe’s road freight industry continues to suffer from crippling driver shortages, with about half a million driver vacancies representing about 12% of all positions.

The British government will nationalize the country’s rail network. Expect a wave of state takeovers in England’s struggling, cash-strapped rail sector. Nearly ¾ of train journeys in Britain are expected to be on nationalized rail services within a year.



The United States, Canada, and Finland recently formed the Icebreaker Collaboration Effort (ICE) Pact, a transformative partnership that strengthens the three nations’ collective presence in the strategically important Arctic and Antarctic regions.



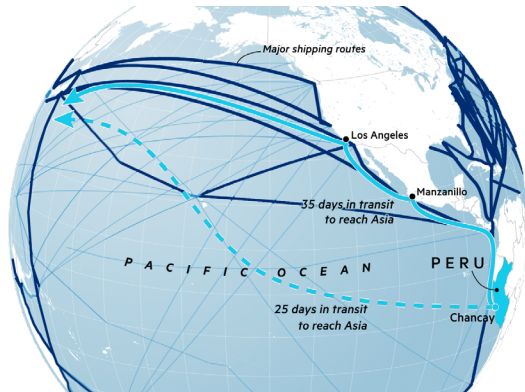
# Infrastructure



BACK TO TOP



China is now the biggest trading partner for South America and a major investor in critical minerals, transportation and energy projects. Initially, Peru's new port in Chancay will be capable of handling between 1-1.5m TEUs a year, as well as 6m tons of loose cargo, before **increasing** that to 3.5m TEUs a year.



**Chancay will cut Transpacific transit times significantly, shaving at least 10 days off what was previously a 35-day voyage from Peru to China.** Most vessels will no longer require a stopover at Mexico's Manzanilla Port or the United States' Los Angeles/Long Beach.

*"We will **have** direct routes to Asia, particularly to ports in China, which will be cut by 10, 15, or 20 days depending on the route. Our aim is to become the Singapore of Latin America."*

- Raul Perez Reyes, Peruvian Minister of Transport and Communications

Additionally, the Port of Callao, Peru's main port, was expanded this year and now has annual capacity of 3.7m TEUs.



The Port of Manzanillo, Mexico's primary gateway on the Pacific Coast, will more than **double** its capacity to 10m TEUs (currently 3.5m) as part of a \$3b expansion, making it the largest container port in Latin America and one of the world's top 15 ports.

Mexico will **expand** the Port of Progreso's infrastructure and inland connectivity, adding a rail link to connect the port with the Maya Train and a new 1,554km intercity railway that traverses the Yucatan peninsula.



The Panama Canal Authority is **looking** for >\$1b in funding to **develop** a 'land bridge', an over-the-road network that connects the Pacific and Atlantic oceans, which would help vessels that are naturally too large.



The Port of Oakland was **awarded** \$50m from the U.S. Department of Transportation's (USDOT) Maritime Administration (MARAD) to **modernize** wharves and terminal infrastructure at its Outer Harbor facility, which will allow Oakland to accommodate Ultra Large Container Vessels (ULCVs).



Brazil's federal Ministry of Transport **announced** Reais \$3.6b (\$USD 620.1m) of funding for the Transnordestina Railway, which includes the 1,209km line from Eliseu Martins in Piauí state to Pecém in Ceará. The Brazilian government is also **establishing** a new permanent interdisciplinary commission to monitor the planning and implementation of freight rail projects.



**Brazil's Ministry of Ports & Airports unveiled an investment plan for privatization of the country's major terminals.** The privatization plan targets >50 projects over the next two years, including port leases and concessions, and is expected to attract >\$3b of investments to the Brazilian port sector.

APM Terminals is **investing** \$280m in a new Brazilian terminal to boost container capacity by 60% at the Suape Port in Ipojuca, Pernambuco.





India's government **approved** three rail track expansion projects (375km) worth a total of Rs \$79.3b:

- Quadrupling the 160km Manmad-Jalgaon line
- Quadrupling the 131km Bhusawal-Khandwa line, boosting freight traffic by 13m tons per year.
- Tripling the 84km Manikpur-Prayagraj line, which will **serve** as a feeder route to the 1337km Eastern Dedicated Freight Corridor (DFC), with the expansion expected to increase freight traffic by 16m tons per year.

Overall, Maharashtra's rail freight traffic will be boosted by an estimated 21m tons per year.



Western Australia's government has **determined** that the most cost-effective way to support future growth is to relocate container terminal operations currently in Fremantle to the south in Westport. This ambitious plan, estimated to require A\$7.2b (USD \$4.7b) of investment, would help meet Australia's long-term growth projections.



**DP World opened the world's first all-electric berth at London Gateway**, welcoming its first ship, the MSC *Sena*. The 430-meter berth sets a new global benchmark in low-carbon shipping as it is serviced by all-electric vehicles and equipment, including four of Europe's largest quay cranes and automated stacking cranes.



**The French government published its long-awaited plan to develop intermodal rail traffic**, naming several investment projects that will increase terminal capacity at a cost of nearly €600m. France hopes to increase its number of intermodal lifts from 2.9m to 3.4m by 2032.



Carpatica Feroviar is the name of Romania's new state-owned rail freight operator, **replacing** the previous operator, CFR Marfă.



**Azerbaijan is developing the Silk Way Cargo Village, which will include a new cargo airport with airside perishables and forwarding facilities.** The airport will have 18 aircraft stands, a 4,000-metre runway/taxiway, railway and motorway networks, with access to Baku International Sea Trade Port.



**Ocean Network Express (ONE) acquired a minority stake in New Priok Container Terminal One (NPCT1) in Jakarta, Indonesia.** The 850-meter-long terminal **carries** a 1.5m TEU annual capacity and can accommodate larger sized containerships with its deep drafts and modern equipment.



**The Nigerian Ports Authority (NPA) commenced operations at the Snake Island Integrated Free Zone**, a new economic development area in Lagos' main harbor which includes an 85-hectare, multipurpose port facility with three terminals.



**Central Asia's middle corridor, also known as the Trans-Caspian International Transport Route (TITR), has become increasingly attractive for China-Europe shippers, especially in rail freight.** Since the Russia/Ukraine war began, the middle corridor's railways have evolved from being alternative transport options to become critical lifelines for the booming economies of Turkmenistan, Uzbekistan, Kyrgyzstan and Tajikistan. China continues to make significant infrastructure investments in Central Asia, funding construction projects along the middle corridor's different routes.



**BIMCO, the world's largest international shipping association, launched the Ship Recycling Alliance to help accelerate safe recycling in the maritime industry.** The other founding members are the Bangladesh Ship Breakers and Recyclers Association (BSBRA), the Turkish Ship Recycling Industry Association (GEMISANDER), and global cash buyer GMS.

Uber Freight recently **launched** Broker Access, a new program that **enables** brokers to book and execute loads digitally on Uber Freight's carrier network while still remaining the sole broker on the load. The capacity-as-a-service solution has evolved from the company's existing Market Access platform, demonstrating an advancement in Uber Freight's technological capabilities.

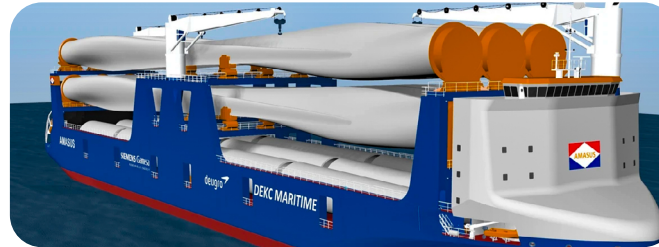
C.H. Robinson is working to **automate** steps across a freight shipment's entire lifecycle, including giving customers a price quote, accepting a load, setting appointments for pickup and delivery, and checking on the load during transit.

ZIM is **accelerating** the deployment of 'smart containers' using Hoopo's innovative hoopoSense solar trackers.

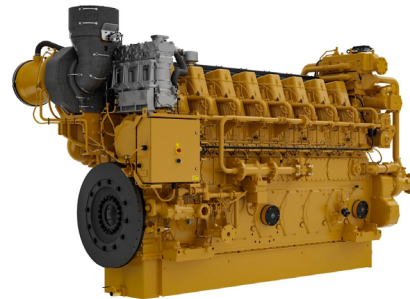
Compact Container Systems (CCS) **shared** findings for its foldable SeaFold 40' container, which offers significant emissions reductions compared to traditional 40' containers:

- +/- 70% reduction for barge
- +/- 68% reduction for heavy goods vehicles (HGV)
- +/- 49% reduction for rail

Concordia Damen **collaborated** with four partner firms to **build** two specialized vessels that will serve the offshore wind industry by transporting large turbine components.

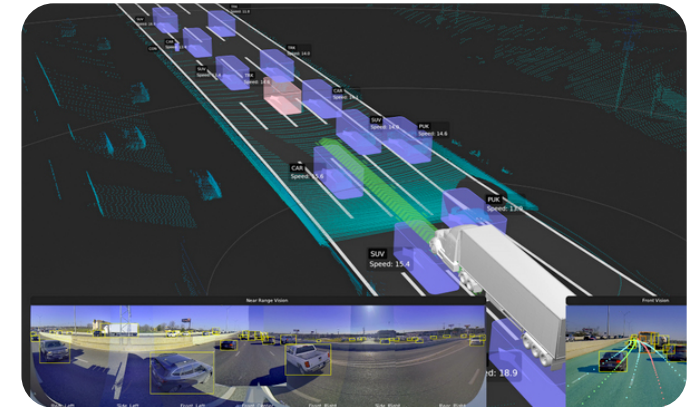


Classification society DNV **gave** engine manufacturer Caterpillar Marine approval in principle (AiP) for its Cat 3500E methanol-ready marine main and auxiliary engines.



COSCO Heavy Industry's 50,000-cubic-metres ammonia dual-fuel carrier design **received** approval **from** classification companies ABS, CCS, and DNV.

Traton Group and Plus **released** a Level 4, artificial intelligence-based, autonomous driving software, 'SuperDrive', and the system's Beta 5.0 version is now operational in Traton's autonomous trucks throughout Europe and the U.S.



Bound4blue inked a wind propulsion retrofit contract with Maersk Tankers that will see 20 of the company's eSAIL suction sails **installed** between 2025-2026. Autonomous eSAILs function by dragging air across an aerodynamic surface to generate lift and exceptional propulsive efficiency, reducing fuel consumption, OPEX and emissions.



A second Trump administration will likely [include](#) major cuts to emissions standards, significantly changing the U.S. trucking industry's regulatory future.

The Environmental Protection Agency (EPA) will [award](#) >\$3b to 55 ports through its Clean Ports Program, according to an October 29<sup>th</sup> [press release](#).



The California Air Resources Board [approved](#) updates to the [Low Carbon Fuel Standard](#) (LCFS) on November 8<sup>th</sup> as part of its goal to achieve net carbon neutrality by 2045.

HMM plans to [install](#) onboard carbon capture and storage (OCCS) systems on ships too young to be scrapped and ships not practical for conversion to alternative fuels like methanol or LNG.

Hapag-Lloyd signed contracts with two prominent Chinese shipyards for 24 new state-of-the-art containerships valued at around \$4b. The newbuilds will be [equipped](#) with high-pressure liquefied gas dual-fuel engines that can operate on biomethane, which offers up to 95% reduction in CO<sub>2</sub>e emissions over conventional engines.

The British government [launched](#) a consultation process about incorporating the maritime sector into its 'domestic' emissions trading scheme (ETS), with the charges likely introduced in 2026.



Energy company Eni and Mediterranean Shipping Company (MSC) [signed](#) a memorandum of understanding to advance their joint pursuit of sustainable shipping initiatives. The partnership will explore the implementation of LNG and advanced lower-carbon alternatives, including hydrotreated vegetable oil (HVO) and bio-LNG fuels, as well as renewable-sourced lubricants.



## TARIFFS / SURCHARGES

Economists throughout the world have been warning the general public for months: If Donald Trump [delivers](#) on his campaign promise of a new package of aggressive U.S. tariffs, it may [trigger](#) a historic period of turmoil in the global supply chain.

- **Trump campaigned for a 60-100% tariff on Chinese goods and a 10-20% tariff on all other imports.**
- Specifically, Trump's tariff plan would [boost](#) prices in six consumer product categories: apparel, toys, furniture, household appliances, footwear, and travel goods.

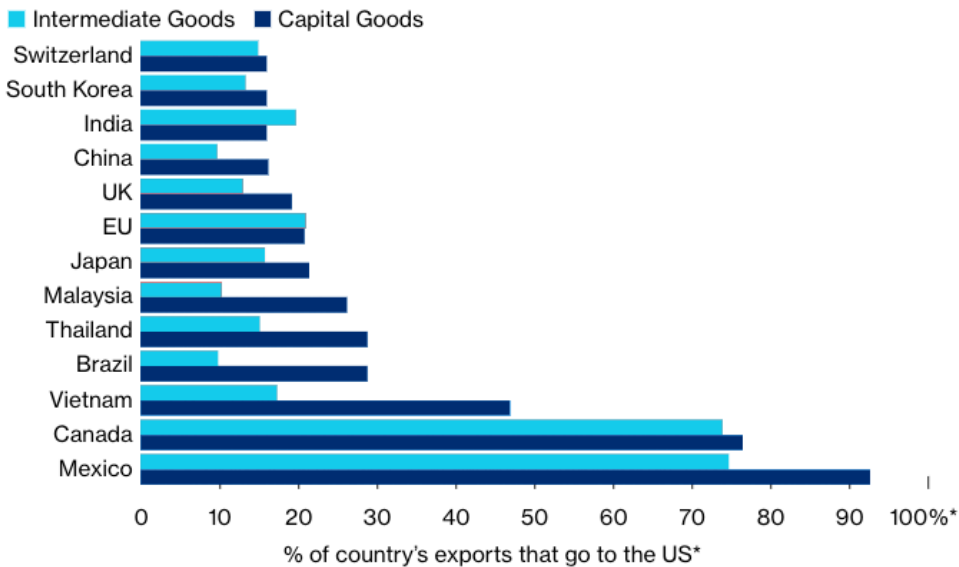


"Globally, we can [expect](#) pronounced trade disruptions as tariffs come into play. While these may restructure trade routes and lead to circumvention tactics, they often translate to increased demand for container shipping."

- Christian Roeloffs, CEO of Container xChange

### MOST EXPOSED

Mexico, Canada and Vietnam are very vulnerable in a potential trade war with the U.S.



Source: U.N. Comtrade, UNSD-BEC, Bloomberg. Note: Uses 2023 data, except South Korea and Vietnam (2022).





## DISRUPTION



Roughly 55,000 employees from Canada's national postal service **went on strike** as of 12:01 a.m. November 15<sup>th</sup>, **according** to a union **statement**. The work stoppage for the country's largest delivery company will **disrupt** services across the country.



The International Longshoremen's Association (ILA) **halted** talks with the United States Maritime Alliance (USMX) over disputes about port automation, raising the possibility of more strikes at U.S. East and Gulf Coast ports in January '25. Both parties' respective statements **indicate** that much more progress needs to be made for a new deal to come to **fruition** before the 15 January 2025 deadline.

## MERGERS / ACQUISITIONS

- Schneider National **agreed** to **acquire** Cowan Systems for \$390m.
- Mediterranean Shipping Company (MSC) **completed** its minority **investment** in Hamburg Container Terminal Operator (HHLA).
- Kuehne+Nagel **acquired** a majority share (51% stake) in IMC Logistics, one of the largest ocean drayage providers in the U.S. **with** terminals **near** many major ports and rail hubs.
- Prospero Staff Capital, an investor group, is **acquiring** a majority stake in less-than-truckload (LTL) carrier Roadrunner from Elliott Investment Management.
- Lloyd's Register Group **acquired** Ocean Technologies Group (OTG) from European private equity firm Oakley Capital.
- Kpler **acquired** Spire Maritime, a leading provider of satellite-powered vessel **tracking data**.

## LAWS / LEGISLATION



U.S. sanctions **revealed** a complex ownership network linking countless vessels back to Russia and Novatek, the majority owner of the sanctioned **Arctic LNG 2 project**.



In November '24, Gabon, Liberia, and the Cook Islands **removed** the most sanctioned vessels from their shipping registries.



The Panama Maritime Authority (PMA) is also **expediting** cancellations for sanctioned vessels and flags.



Since 1988, OIA Global has grown to become a world leader in supply chain management by delivering creative end-to-end logistics solutions with an industry-leading customer experience. Unlike many other companies, OIA goes beyond transportation management to offer customized contract logistics services, such as warehousing distribution and inventory management, as well as 4PL supply chain orchestration, innovative packaging design, raw materials management, and several advanced technology solutions.



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