

Air cargo mkt sees unusual spike

- A Monitor Desk Report

Date: 24 December, 2024



UK : "The air cargo market is witnessing an unusually high level of activity as 2024 comes to a close, with shippers increasing exports from China to the US in anticipation of new tariffs set to take effect in January."

According to the latest market update from Taiwan-based freight forwarder Dimerco Express, the surge in air cargo is driven by strong demand for electronics, an increase in general cargo volumes, and a rise in pre-tariff shipments.

Kathy Liu, Dimerco's Vice President of Global Sales and Marketing, stated, "Since mid-December, we've seen a notable increase in cargo volumes, especially for consumer electronics."

"This trend is atypical, as the market usually slows down after December 5. However, this year, the peak period is expected to extend

into late January, just ahead of the Chinese New Year."

"What's interesting is how general cargo has avoided the usual October-November e-commerce rush to better optimise capacity and costs — this could indicate a new trend going in to 2025.

"At the same time, many shippers are rushing to move stock via airfreight from China to the US, hoping to beat potential tariff increases before January 20 under the Trump administration. This has created a surge in demand, pushing capacity to critical levels."

Donald Trump is set to take office in January and last month said he will sign an executive order imposing tariffs of 25% on all goods from Mexico and Canada and an additional 10% on imports from China, above any additional tariffs.

On the capacity front, one airline was reporting that one of its China routes to the US is full until the end of December. Others had cancelled a series of freighter flights out of the country, the forwarder reported.

Meanwhile, there are also concerns that US east coast and Gulf Coast container port workers could launch a second round of strike action in January.

The latest data from TAC Index shows that airfreight rates have also continued to increase in recent weeks, reflecting market demand.

The overall global Baltic Air Freight Index calculated by TAC was up another 0.8% in the week to December 16, leaving it ahead by 0.5% from where it was at this time last year, when there was a pronounced peak season spike.

"The data thus far matches expectations of a strong peak season this year, despite a rise in capacity and a lot of planning ahead this year by shippers and freight forwarders," TAC said.

Rates from China were slightly higher again — led by rising spot rates to the US — with the boom in e-commerce, which has been a dominant theme all year, continuing.