

**uniserve**  
your **global** business

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**MARKET UPDATE**  
**UK & International**  
**JUNE 2023**

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## SNAPSHOT

### OCEAN:

HMM has unveiled plans to invest more than \$11.3 billion as part of a growth strategy. [\[read more\]](#)

Overall space is available across ISC as capacity has steadily increased and demand has remained low. [\[read more\]](#)

### AIR:

Air space is available, and schedules are reliable for India/Sri Lanka/Bangladesh/Pakistan. [\[read more\]](#)

Current market conditions remain stable with space available across all major routings. [\[read more\]](#)

### WAREHOUSING & TRANSPORT:

Uniserve will be attending the 2023 Multimodal event which will be held over three days between the 13th and 15th of June at the Birmingham NEC. [\[read more\]](#)

Uniserve has been awarded the EcoVadis Silver rating for its commitment to sustainable business practices. [\[read more\]](#)

### EUROPEAN TRANSPORT:

Tolls will be abolished on national motorways in Poland from July 2023. [\[read more\]](#)

Spot rates continue to drop in Europe for Q1 2023. [\[read more\]](#)

### ENVIRONMENTAL COMPLIANCE:

Driving business performance with Zero Waste to Landfill. [\[read more\]](#)





## OCEAN FREIGHT GLOBAL MARKET OVERVIEW

### GLOBAL MARKET OVERVIEW

- Global markets continue to remain stable with spot rates being the chosen option for most shippers as rates do not show any signs of increasing as we head into June. On the Far East Westbound Lane, demand remains flat pre-Labour Holiday with booking intake slightly increasing but then further dropping again. High inflation, high inventories, energy costs, and geopolitical instability are still impacting the demand at the European end and spot rates continue to fall.
- The prospect of a traditional peak season is slipping away with each week that passes and ocean carriers are as yet unable to see any significant uptick in export orders from China. Maersk said this week that demand remained “stable” but said it had “not seen any drastic surge”. Other carriers are now more hopeful of a late peak season surge as opposed to seeing the traditional Peak Season surge normally expected.
- Delivery of the new MSC Gemma standing at 24,116 TEU has pushed the MSC fleet past the five-million TEU mark. Originating from Hudong Zhonghua Shipyard, the vessel is the fourth unit in a series of eight 24,116 TEU vessels that MSC have had delivery of so far.



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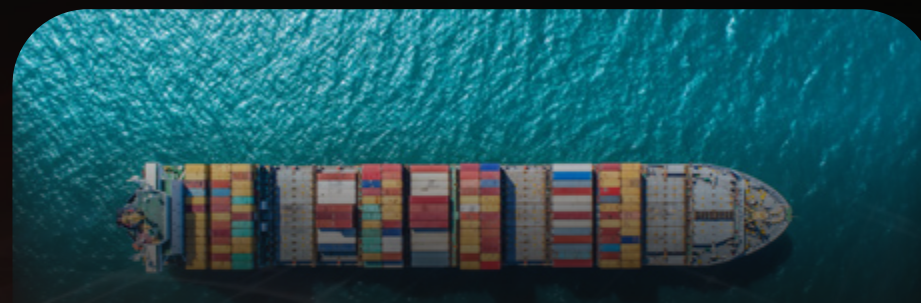


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## OCEAN FREIGHT GLOBAL MARKET OVERVIEW

### GLOBAL MARKET OVERVIEW...CONTINUED

- The Chinese container service provider China United Lines (CULines) is to launch new routes connecting South China with Southeast Asia. To further enhance services in Southeast Asia region, the company is planning to open up South China / Vietnam and Philippines with a new service which will include calls at Xiamen, Manila, Nansha, Cat Lai (HCM) and Shekou.
- A weak US market provides a further indicator of the current global situation. Rates on both the Transatlantic and Transpacific trade lanes have continued to fall in recent weeks with a lack of demand for goods from Europe, alternate sourcing options and new capacity all contributing to the decline. One key metric which can be used to measure the trend is the ratio of volume per booking, currently standing at 1.7 TEU per booking, its lowest level since 2019. However, on a more positive note US import figures for April showed a 9% increase month on month, perhaps some light at the end of tunnel.



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## OCEAN FREIGHT GLOBAL MARKET OVERVIEW

### GLOBAL MARKET OVERVIEW...CONTINUED

#### INDIA SUBCONTINENT

- Overall space is available across ISC as capacity has steadily increased and demand has remained below what was seen in 2022. As more vessels and carriers have entered the market there is plenty of supply with shipping lines looking for extra cargo to fill the additional capacity. Expect the situation to last beyond Q2 2023.
- Carriers are working to sustain current rate levels and redirect volumes to the spot market, which may result in higher contract rates compared to spot rates. Shippers may choose to delay negotiations to secure more favourable positions during negotiations. Additionally, contract tenures are expected to be shortened to smaller time frame.
- Mango export season has started from ISC. 50 percent of ISC mangoes are exported by sea freight. ISC mango export target is 400,000 tons during the current year. ISC's main export destinations are the Middle East and Europe and around 40 percent of our mango's exports go to the UAE, Saudi Arabia, Oman and Iran.
- Wan Hai Lines has added a call at Colombo, Sri Lanka, to its Asia-US East Coast service. On 16 May, the newly built 13,000 TEU Wan Hai A10 docked at Colombo as part of the adjusted AA7 service. The stop at Colombo International Container Terminal (CICT) intends to tap on growing cargo volumes from the Indian subcontinent. The AA7 service now calls at Shanghai, Ningbo, Taipei, Shekou, Cai Mep, Singapore, Colombo, New York, Norfolk, Charleston and Savannah.



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## AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

### AIR FREIGHT SUMMARY

- Current market conditions remain stable with space available across all major routings. Volume is certainly being propped up the high demand in the E-Commerce sector which is dominating the market at the moment.
- Looking ahead to June, with the market still soft and no forecast for an increase in volume the anticipation is that rates will continue to hold, with only slight variations across specific trade lanes. Moreover, passenger capacity continues to recover with significant increase expected in the summer from Europe, North America and Asia. The added belly capacity highly likely to impact rates as we move towards Q3.
- In Vietnam carriers on certain trade lanes are reporting space is fully booked, with bookings required at least 7-10 days in advance to be able to secure space. Most notable JL to LAX and VN and SQ to EU.
- Emirates Sky Cargo has reported a high demand for long term contracts despite the continued uncertainty in the market. Europe VP Jeffrey Van Haeften added "We have never seen such a number of requests for long-term capacity, long-term agreements, than we have seen in the last few months." It is hoped that this is an indication that markets will rebound in the second half of this year after a slow start to 2023. In addition, Emirates Sky Cargo have also announced the launch of two new bespoke services for the global healthcare industry. Emirates

Vital and Emirates Medical Devices will be available under the freight carrier's rebranded Life Sciences and Healthcare product range, which also encompasses its pre-existing pharmaceutical transport offerings.





## AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

### AIR FREIGHT SUMMARY...CONTINUED

- TT Meridian has announced a new cargo route between the UK and Vietnam via Turkmenistan operated by Turkmenistan Airlines, utilising Airbus A330-200 freighters. The new route is expected to boost bilateral trade activities between the UK and Vietnam, following their free trade agreement that came into effect in May 2021. The routing is set to cover London Stansted Airport, Ashgabat International Airport and Noi Bai International Airport.
- The Transatlantic market continues to soften in both directions with demand continuing to decline. A large amount of capacity is expected to be added for the upcoming summer schedule by US and Europe airlines, with volumes and rates both expected to rebound in Q3 in anticipation of demand picking back up, driven by product launches and improving economic conditions.
- The export season for mango has commenced mid-May 2023 mainly from West-India & Pakistan. We would see a temporary rush on EK, QR, TK with preference given to this product for the next two months and slight uptick on rates.
- India's budding cargo-only airlines (Spice-Xpress, Pradhan Air) are attempting to consolidate their operations as the industry sees signs of strong capacity demand, propelled by a wave of global shipper nearshoring.

### INDIAN SUBCONTINENT

- Air space is available, and schedules are reliable for India, Sri Lanka, Bangladesh and Pakistan.
- Apparel makers in Bangladesh are considering rare bulk exports by air to Europe and the United States, as they race to meet deadlines and avoid cancellations after a cyclone delayed shipment, caused power cuts and disrupted production.



## AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

### AIR FREIGHT SUMMARY...CONTINUED

- In general, the air freight market looks to be continuing at a stable, if softer pace. Summer sees increased passenger flights on many routes, which will fall away as we approach Q4. It is important for us to maintain strong relationships with carriers that support our business and customers for 12 months of the year, especially if the later part of this year sees stronger demand as is predicted.
- Despite a softer market, medium to long term investment in the industry continues. IAG, the parent company of BA and other carriers, opened a new facility at Heathrow to manage perishable and healthcare products. Over time this will be key to our own investments in the healthcare sector. Further afield there is investment into the Greater Bay Area (GBA) in Southern China and Hong Kong. In the next few years, we will see more investment in infrastructure and operations to offer increased solutions on moving orders from the region via air, including direct feeder services from Hong Kong International Logistics Park in Southern China to the airport on Lantau. Our local team are one of only a handful of forwarders already authorised to take advantage as this comes online. We will keep you update as this evolves.





## WAREHOUSING & TRANSPORT UPDATE

### KEY TOPICS

#### MULTIMODAL 2023 \*HOT TOPIC!\*

- The 2023 Multimodal event will be held over three days between the 13th and 15th of June at the Birmingham NEC.
- The event brings together over 300 companies including shippers, manufacturers, retailers, and wholesalers.
- It offers transport and logistics organisations the opportunity to interact with existing clients and suppliers as well as new prospects.
- Seminars and talks will be centred around the four core themes of sustainability, resilience, technology, and people.
- Both Uniserve and Ellerman City Liners will have a stand at Multimodal engage with clients, suppliers and new prospects.
- To arrange a meeting please using the following links:  
  
Uniserve: [Book an appointment](#)  
  
Ellerman: [Book an appointment](#)
- For more information visit [www.multimodal.org.uk](http://www.multimodal.org.uk).



## WAREHOUSING & TRANSPORT UPDATE

### KEY TOPICS

#### SUSTAINABILITY

- Uniserve have been awarded the EcoVadis Silver rating for its commitment to sustainable business practices.
- EcoVadis is the world's most trusted provider of business sustainability ratings and places Uniserve in the top 25% of companies. The EcoVadis sustainability recognition levels are based on an intense examination of a company's policies, procedures, and performance.
- Our commitment to sustainable business practices is further evidenced by the work of our award-winning group company, Beyondly.
- As a B Corp environmental consultancy, Beyondly share their knowledge to help businesses become more confident about their environmental choices, through understanding legislation, assuring compliance, and providing guidance towards achieving net zero and contributing to a circular economy.
- The Uniserve Group is continually reviewing own business practices to identify areas for improvement. Further details can be found at: <https://uniserve.co.uk/sustainability>
- Find out more about [EcoVadis](#) and Uniserve's [rating](#).

#### TRANSPORT

- The MD of the Road Haulage Association, Richard Smith, has highlighted the need for a clear strategy to achieve a reduction in carbon emissions.
- Specifically, Smith has urged transport professionals at the Microlise Transport Conference to consider the need for collaboration, investment, certainty, and clarity in order to progress towards [decarbonisation](#).
- Uniserve have committed to Net Zero emissions by 2050. To increase the sustainability of all our operations, we have commissioned an assessment of our carbon production as well as continuously reviewing our internal processes.
- For example, Uniserve have excluded fuel-only vehicles from its company car fleet and encourages company car drivers to choose all-electric vehicles over hybrids.
- [Research](#) conducted by the European Energy Agency reveals that the carbon emissions of an electric car are approximately 17-30% lower than petrol or diesel cars.
- By using electric vehicles, Uniserve have the chance to become involved in innovative transport developments that are addressing [environmental](#) issues.



## UNIEUROPE OVERVIEW

### UNIDRINKS / EUROPEAN TRANSPORT

- Tolls will be abolished on national motorways in Poland from July 2023. There are six motorways operating in Poland (A1, A2, A4, A6, A8 and A18) and three of them (A1, A2, A4) have sections where tolls are collected. Polish Prime Minister Mateusz Morawiecki announced the government has adopted a draft law introducing free travel on all motorways of the [country](#).
- The new measure has been prepared by the Ministry of Infrastructure in cooperation with the Ministry of Finance,

which will make it possible to stop collecting tolls on motorways managed by the state from July 2023. Two of the roads included are the A2 Stryków in Konin, a 99 km long motorway, and the A4 Wrocław in Sośnica.



## UNIEUROPE OVERVIEW

### UNIDRINKS / EUROPEAN TRANSPORT

- Spot rates in the European road freight market have experienced their second consecutive quarter of decline, marking a significant shift since the onset of the Covid-19 pandemic. With volumes slackening and available capacity improving, the downward trend in rates looks set to continue in 2023.
- The Q1 2023 European Road Freight Spot Rate Benchmark Index stood at 7.5 points lower than in Q4 2022 but 8.9 points higher than in Q1 2022.
- The Q1 2023 European Road Freight Contract Rate Benchmark Index stood at 2.8 points lower than in Q4 2022 but still 10.7 points higher than in Q1 2022.
- Spot [rates](#) have declined 1.5 times faster than contract rates on average in Q1 2023. This comes as a result of falling demand from European economies, reducing the immediate demand-side pressure on spot market rates.
- Fuel prices for Europe in general were 9% lower in Q1 2023 than in Q4 2022. Even that fuel costs have fallen from their 2022 high, they remain elevated compared to 2021.
- Driver shortage projected to see 9% of positions unfilled in 2023, slightly lower than the 10% in 2022.
- Spot freight rates are expected to continue to soften in Q2 2023 but will remain elevated in comparison to historic norms as supply side pressure keeps costs high. Towards the end of the year, volumes are expected to start recovering, applying upward pressure on rates.





## UK TRANSPORT OVERVIEW

### UK TRANSPORT

- Volumes of Containers arriving in the UK have continued to increase through April and May with Ports suggesting that they are now working at circa 80% of capacity, which is much improved on first quarter figures. However, Forecasts for the rest of 2023 are suggesting that further increases will be very small.
- We continue to support the Road Haulage Association with their challenge to Government to improve Parking facilities for our Driver Workforce where not only can they feel safe but are able to get a reasonably prices meal and access to showers.
- Despite the downturn in Volumes the manufacturers of Heavy Goods vehicles continue to look to increase the prices of New Equipment with double digit percentage increases being quoted.
- Haulage Capacity is readily available across all ports in the UK and Train/Rail space is also available.



## ENVIRONMENTAL COMPLIANCE AND CONSULTANCY

### BEYONDLY

- Zero Waste to Landfill is becoming more and more of a buzz phrase but what does it mean? As it suggests, Zero Waste to Landfill involves diverting all generated waste from landfill, aiming to reduce waste and utilising the reuse and recycling of materials or opting for alternative end of life waste solutions such as composting or Energy from Waste (EfW).
- Zero Waste to Landfill is a more intermediately achievable ambition for businesses, comparative to the philosophy of 'Zero Waste' (total waste elimination), which for businesses is extremely challenging to achieve. The scope of Zero Waste to Landfill certifications can vary depending on project aims, it can apply to full organisational level or just one manufacturing site.
- Even with the most efficient of systems some material will inevitably end up in landfill. For instance, within the EfW processes there is always residual ash produced. Due to this, Zero Waste to Landfill is commonly interpreted as at least 99% of waste generated diverted from landfill, which is the standard Beyondly predominantly work to for our certification service. There are currently no internationally accepted standards for Zero Waste to Landfill, however many industry leaders have developed certification approaches and associated methodologies. Certification provides third party verification confirming diversion, supporting publication and application within sustainability plans.
- At Beyondly we focus on supporting our customers to achieve Zero Waste to Landfill certifications, prioritising waste optimisation with comparison against the waste hierarchy to set measured targets and goals. Our methodology follows existing best practice in global zero waste thinking, combining our circular economy expertise. We help businesses identify waste hotspots, solutions for problematic waste stream connecting clients with waste providers and innovative technologies, providing recommendations and waste action plans.





## ENVIRONMENTAL COMPLIANCE AND CONSULTANCY

### BEYONDLY

- Waste is a negatively derived term, therefore Beyondly help businesses to look for opportunities to turn waste into a financially viable resource – making money ‘waste’ rather than paying for removal. Achieving Zero Waste to Landfill can also align and contribute towards other sustainability goals such as carbon management and net zero commitments through scope 3 applications of waste management. However, there are many other benefits of Zero Waste to Landfill:
    - Demonstrable commitment to the environment – this can contribute to corporate targeting, tender agreements or for ESG policies. It will also help to develop your public relations increasing the opportunity for marketability of products or services.
    - Reducing emissions from landfill – contributing to business carbon management schemes and reduce organisational carbon footprint. For instance, 3% of UK’s GHG emissions from methane produced by decomposing food waste in landfill.
    - Reduced landfill costs – the landfill tax was introduced in the UK back in 1996, but it continues to increase year on year and is now over £100 per tonne. Eliminating landfill will result in immediate cost savings.
    - Increase resource efficiency – reducing material waste and usage can reduce amount of products/raw materials purchased leading to cost savings. For example, reuse of packaging reduces the cost of packaging purchased.
    - Increased recycling rate and value of materials – recycling materials helps to limit end of life environmental impact and in pre-consumer or closed loop scenarios reduce requirement for raw materials, helping to reduce water, land, or energy consumption.
    - Full audit trail to satisfy yourself that waste isn’t ending up in landfill – Beyondly work with waste suppliers in depth to confirm status of waste and end of life processing, building a waste dashboard to support future tracking and management.
    - Beyondly have supported many customers to optimise their waste and certify Zero Waste to Landfill of different scales. See one of customer focus stories [here](#).
- Want to start your waste optimisation and zero waste to landfill journey? Email [marketing@beyond.ly](mailto:marketing@beyond.ly) or call 01756 794951.





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