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your **global** business

MARKET UPDATE
UK & International
JULY 2023

SNAPSHOT

OCEAN:

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Floating Rates stabilised through June. Slight increases, through carrier General Rate Increases (GRI), are expected for the Indian Subcontinent in July 2023. [\[read more\]](#)

AIR:

Market conditions continue to remain stable and fall in line with previous months, with only a slight increase in volume on a small number of routings as we head into July. A strong e-commerce sector, particularly Ex Asia, boosting those figures. [\[read more\]](#)

Pricing outlook is stable, and the market is likely to remain flat in the Q3 from the Indian Subcontinent. [\[read more\]](#)

WAREHOUSING & TRANSPORT:

This year marks the 16th Everywoman in Transport & Logistics awards. [\[read more\]](#)

A survey conducted by The Retail Hive has revealed that 72% of retail supply chain leaders believe supply chain sustainability is crucial for their business. [\[read more\]](#)

EUROPEAN TRANSPORT:

The solution for the Brenner Pass bottleneck still has no set plan. [\[read more\]](#)

ENVIRONMENTAL COMPLIANCE:

Be the root of action! B Corp support programme guaranteed to kick start your journey to certification. [\[read more\]](#)



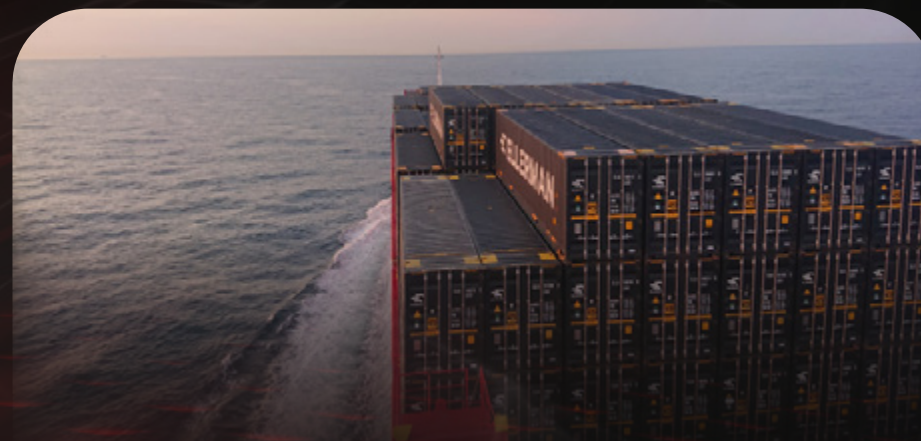
OCEAN FREIGHT GLOBAL MARKET OVERVIEW

GLOBAL MARKET OVERVIEW

- Current market conditions for Q3 are expected to follow same trend as Q2 with the hopes of a peak season surge in the Ocean Freight sector now all but diminished. Even with the upcoming July GRI, rates are expected to remain stable with the lack of demand dominating the market.
- This is further heightened with delivery of a number of ultra large TEU vessels coming onto the market in the next few months. THE Alliance partners Hapag-Lloyd, ONE, Yang Ming and HMM will phase-in four new 24,000 TEU ships to replace vessels of 13,400-19,870 TEU on the FE3 loop in July and August. Helping to add to the 385 vessels totally 2.22m TEU in capacity due to be delivered onto the market this year.
- Rotterdam World Gateway is set to expand its terminal at the Port of Rotterdam in a move that will increase capacity by 1.8 million TEU over the coming years. Construction has already begun on the €500 project, with the berth expected to be operational by the end of the fourth quarter of 2025 with a commercial rollout in 2026.
- Perhaps another sign of the growing friction between China and the US as Taiwanese based electronic giant Foxconn looks outside China for manufacturing of a new range of Electronic Vehicles (EV). Foxconn has announced that its factories will be situated in the US, Thailand, India and Indonesia. This of course follows the announcement last month of plans to expand production of the

Apple owned iPhone in India in what appears to be a clear shift away from China.

- ONE has taken delivery of its first 24,000 TEU capacity Megamax container vessel – ONE Innovation. The vessel is the first of a series of six 24k plus vessels on order by the carrier and will be deployed on the Asia – Europe trade lane as part of the services with THE Alliance.



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CUSTOMS

OCEAN FREIGHT GLOBAL MARKET OVERVIEW

GLOBAL MARKET OVERVIEW...CONTINUED

INDIA SUBCONTINENT

- Floating rates have stabilised through June. Slight increases, through carrier General Rate Increases (GRI), are expected for the Indian Subcontinent in July 2023.
- Fixed rates signed at higher levels than FAK, but incoming GRIs may equalize the two.
- Carriers continue to price to win volume in a market seeing soft demand and no material peak season.
- BD volume will slow down in July 2023 as most of the factory/ buying agent offices will be closed till 10th July 2023 for EID Holidays.
- Foreign shipping lines have forewarned cash-strapped Pakistani Government that all export cargoes come to a halt as foreign shipping lines are considering stopping their services for the country after banks stopped remitting freight charges to them due to lack of dollar availability. Apart from bordering countries, almost all international logistics from Pakistan are catered by sea and any disruption could create serious issues for the country's international trade and worsen the economic situation.
- The Adani-run Vizhinjam Port, being built at a cost of Rs 7,700 crore, will be commissioned in May 2024, according to the Kerala Minister for Ports Ahammed Devarkovil. He said 90 per cent of the port construction work has been completed, and the first ship from China, carrying cranes for use in premises, will be docking at Vizhinjam in September.
- BD Govt. is focussing on pharmaceutical and leather products for exports to reduce the dependency on Garment Exports.
- Saudi port developer Red Sea Gateway Terminal was selected by the Bangladeshi Ministry of Shipping to operate the new \$240 million Patenga Container Terminal in Chittagong Port, making it the first foreign company to receive Dhaka's offer to operate its ports. Under the expected deal, RSGT will equip, operate and maintain the Patenga terminal, which covers between 5 and 7 percent of Chittagong's entire operations, the rest of which are handled by the Chittagong Port Authority.



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AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

AIR FREIGHT SUMMARY

- As we head into the summer months the short-term outlook remains one of softer demand. However, carriers are managing capacity well, especially on freighter operations, to hold pricing at stable levels.
- The medium term outlook is more positive, with inventory levels falling and the hope that consumer confidence and demand lift a little at inflation corrects towards year end. Longer term fixed pricing being offered by carriers certainly reflects this expected improvement.
- Market conditions across China and South East Asia continue to remain stable and in line with previous months with only a slight increase in volume on a small number of routings as we head into July. A strong e-commerce sector, particularly Ex Southern China, is boosting those figures.
- In what is hoped as some positive news for the sector, Tom Owen Cathay, Cargo Director of Cargo, acknowledged that whilst airlines are still very much in the “rebuilding phase”, he was optimistic for the remainder of the year. Whilst current airline volumes are still at only around 20% of pre-Covid levels he is predicting this to return to 85% by the end of the year.
- Royal Schiphol Group has purchased a 40% stake in Maastricht Aachen Airport (MST) as it looks to secure cargo capacity. The airport group yesterday finalised the €4.2m investment in

Maastricht, becoming the second shareholder in the airport alongside the province of Limburg, which owns the remaining 60%. Schiphol's cargo division is hoping the deal will help enhance logistics connectivity in the country as the number one Dutch airport faces capacity constraints. Maastricht Aachen Airport is the second largest cargo airport in the Netherlands and makes a significant economic contribution to the country, Partnering with Schiphol will boost market confidence, and the benefits will be passed on to our cargo customers through our improved speed, and capacity,” said Jos Roeven, chief executive of MST. The Airport is the European base for Turkish Cargo and Royal Jordanian, and an online station for Emirates, Qatar, and Saudia.



AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

AIR FREIGHT SUMMARY...CONTINUED

- Airlines set to increase capacity in the coming months in what is hoped as further confidence of a return to pre-Covid volume. Both Cathay Pacific across their North America route will add extra freight flights to Toronto and Miami over the summer alongside China Southern who have opened new routes Ex Shenzhen and Shanghai to a number of destinations across Europe and Australia.
- Some interesting news from the US as lawmakers appear to have international e-commerce in their sights with proposed legislation brought in front of congress relating to the import of low value goods. The legislation would seek to curb the flow of e-commerce imports into the US by eliminating the current exempt from duties and taxes for shipments valued less than \$800. Online platforms like Shein, founded in China but based in Singapore, have been accused of exploiting this loophole to avoid duties and import illegal items, like goods made in China's Xinjiang region with forced labour, an allegation Shein has vigorously denied.
- operated to India Sub-Continent prior to the pandemic years, with higher flight frequencies in general for increased PAX demand.
- From India- Delhi & Bangalore are flat in terms of volume; Mumbai is busy with Mango Season and Chennai is holding due to increased electronic exports from Apple & Salcom.
- Pakistan is currently in peak of mango season, the price trend currently with carrier's is based on volume and space availability.
- Sri Lanka is becoming more of a hub for Sea/Air cargo. This is not only for Bangladesh but for Pakistan & South India as well.

INDIA SUBCONTINENT

- Pricing outlook is stable, and the market is likely to remain flat in the Q3 from the Indian Subcontinent.
- Most of the airlines have gone back to the original capacity they



AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

AIR FREIGHT SUMMARY...CONTINUED

- Sri-Lanka has resumed work on the second passenger terminal at the Bandaranaike International Airport (BIA) in Katunayake. Work was temporarily halted following the economic crisis and sovereign default mid-last year and the resultant suspension of Japan International Cooperation Agency (JICA) loan facility. To avoid further delays, the Government has decided to proceed with the construction work using funds from the Airport and Aviation Services (Sri Lanka) Ltd. (AASL)
- Air India has commenced four-times-weekly service between Delhi and Amsterdam using a two-class Boeing 787 Dreamliner aircraft. The airline also recently launched flights from Delhi to Milan, as well as resuming nonstop services from Delhi to Copenhagen and Vienna. Air India recently switched from Heathrow to Gatwick for its existing UK routes from Ahmedabad, Amritsar, Goa and Kochi, in the process freeing up capacity to increase frequencies on its Delhi-Heathrow and Mumbai-Heathrow services. Together with the three other European routes started in recent months, and others to come, it supports Air India's objective of establishing Delhi as a significant international hub.



WAREHOUSING & TRANSPORT UPDATE

KEY TOPICS

WOMEN IN LOGISTICS

- This year marks the 16th [Everywoman in Transport & Logistics Awards](#).
- The awards showcase the crucial contribution women make to the logistics industry, by celebrating their accomplishments, skills, leadership, and success.
- In a 2020 Impact Report, 76% of former award winners stated that their Everywoman Award has positively impacted their career and 63% said it improved their professional confidence.
- Importantly, the awards aim to dismantle outdated mindsets which prevent women from entering the industry.
- Whilst there have been significant improvements in women's workplace equality, it is evident that the logistics industry remains a heavily male-dominated space.
- Women account for [47% of the UK workforce](#), yet only 20% of the 1.7 million people working in transport and logistics are women.
- Uniserve have been committed to changing the landscape by operating a diverse and inclusive workplace which recognises emerging female talent.



WAREHOUSING & TRANSPORT UPDATE

KEY TOPICS

SUSTAINABILITY

- A [survey](#) conducted by The Retail Hive has revealed that 72% of retail supply chain leaders believe sustainability is crucial for their business.
- However, 70% of respondents stated that they were unaware of their organisation's sustainability-related strategies to achieving net zero emissions by 2050.
- Uniserve have commissioned a review of our carbon output, as well as reviewing our internal processes to improve the sustainability of our operations.
- Additionally, we work closely with our partner Beyondly, to further our sustainability aspirations.
- As a B Corp environmental consultancy, Beyondly share their knowledge to help businesses become more confident about environmental choices, through understanding legislation, assuring compliance, providing guidance towards achieving net zero and contributing to a circular economy.
- Uniserve are continually reviewing our own business to identify areas for improvement, further details can be found [here](#).

DRIVER SHORTAGE

- It is evident that the pressures resulting from the global pandemic, Brexit and the ongoing war in Ukraine, as well as rising inflation, has seen a significant decrease in the number of forklift truck and HGV drivers.
- The Road Haulage Association (RHA) has launched a [state-of-the-art HGV and Van driver simulator](#) at its training centre in Scotland to promote the image of the transport sector and encourage individuals to qualify as HGV drivers.
- This training project not only tackles the driver shortage in the transport industry by offering professionals an opportunity to improve their skills, but also offers environmental benefits. The ability to train individuals on the driver simulator removes the need to use a diesel truck on the road, therefore reducing carbon emissions.

UNIEUROPE OVERVIEW

UNIDRINKS / EUROPEAN TRANSPORT

- With queues reaching 70km, a solution to the Brenner Pass bottleneck continues to escape EU governments and authorities. The Brenner Pass is a mountain pass through the Alps that forms the border between Italy and Austria. It is one of the principal passes of the Eastern Alpine range and has the lowest altitude among the Alpine passes of the area, where some 7,000 trucks pass every day. Such a high volume of transit calls for a swift solution to facilitate the movement of trucks across Austria, Germany, and Italy.
- During the Transport, Telecommunications, and Energy Council meeting in Luxembourg, EU Ministers of Transport debated the free movement of goods along the Brenner Pass. Austria's imposition of quantitative restrictions on road freight transport has caused unnecessary and burdensome disruptions. During the meeting, both Germany and Italy emphasized that the current situation is unsustainable and causes long border queues. Bulgaria, the Czech Republic, Lithuania, the Netherlands, and Romania's ministers of transport have shown support to respect the freedom of movement across the EU. This demonstrates that the Brenner Pass is a European issue, impacting trade facilitation across the bloc.
- HGV traffic at the Brenner pass is at greater risk of growing this summer due to the works on the railway routes from Germany to Brenner and considering the vacation season. The work in Germany will last until the end of August, causing a decline in train traffic, consequently, road freight traffic is expected to increase significantly on the Brenner motorway. To mitigate the effects on the transport of goods, and therefore on Italian exports, the Italian National Association of Transport Companies asked Austria to suspend the restrictions on road traffic in force in Tyrol such as the night transit ban, the Saturday driving bans, the block handling system in Kufstein and the sectoral ban on certain product types. However, it is unclear whether these changes will be implemented.



UNIEUROPE OVERVIEW

NORTHERN IRELAND UPDATE

- On 9 June 2023, the UK Government published on GOV.UK further details on how the [Windsor Framework](#) will work in practice, as part of their ongoing commitment to working with and supporting businesses as the new arrangements are implemented. Once implemented, it is hoped that the Windsor Framework will facilitate simpler, smoother trade between Northern Ireland and England, Wales, and Scotland. The existing UK Trader Scheme (UKTS) is being replaced by a new UK Internal Market Scheme (UKIMS). This will enable a broader range of businesses to benefit from the expanded scheme. It will also, as of 30 September 2024, ensure goods moved into Northern Ireland under the scheme will be freed of customs paperwork, checks and duties.
- Traders are now encouraged to begin the registration process for the new UKIMS. From 30 September 2023, traders authorised under the new scheme will be able to move goods into Northern Ireland under the expanded scheme criteria. If you already hold the UKTS authorisation, you can continue to use the arrangements for moving goods into Northern Ireland in the meantime. The implementation of the Framework will happen in stages through into 2025, to provide businesses with time to adapt to new arrangements.



UK TRANSPORT OVERVIEW

UK TRANSPORT

- Volumes of Containers arriving in the UK have remained stable arriving through the UK Ports reaching pre-pandemic levels although the forecast for the rest of the year suggests that there will be little increase on current levels.
- Capacity in all sectors of the Transport industry is high with many companies struggling to find consistent weekly volumes.
- The Government announced in June the re-introduction of the Transport Levy to commence on the 1st August 2023 resulting in an increase to all UK Hauliers of between £576.00 and £749.00 per annum per truck depending on Truck being Euro 5 or Euro 6 class. An increase that the industry could well do without at this time of other cost increases and pressure on rates.



UNISERVE MARKET UPDATE: JULY 2023

ENVIRONMENTAL COMPLIANCE AND CONSULTANCY

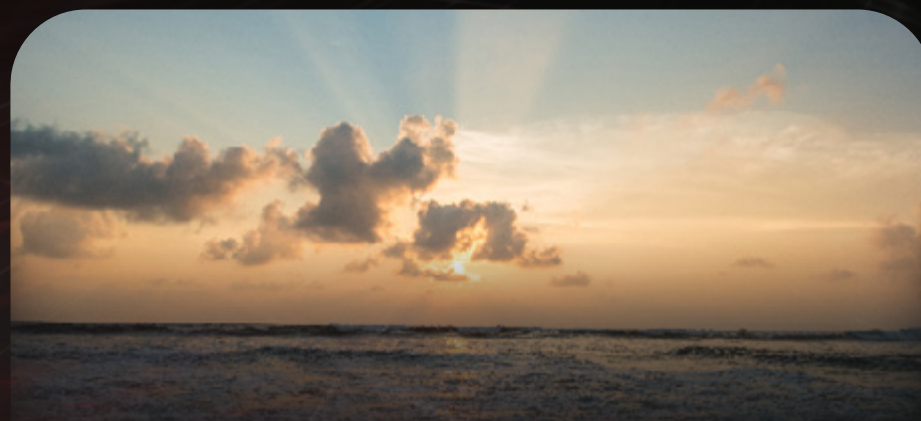
BEYONDLY

Be the root of action! B Corp support programme guaranteed to kick start your journey to certification.

- Beyondly in collaboration with ActNow Consulting are offering an exclusive, time-efficient support programme for small businesses who are looking to jumpstart their journey to B Corp.
- The B Corp movement has seen significant growth in recent years, with numbers doubling in 2022 alone. This shows the appetite from companies to understand, measure and improve the impact they have on their stakeholders.
- The first step to becoming a certified B Corporation requires companies to complete the B Impact Assessment (BIA) and reach a target of 80 points. It is a challenging but rewarding process, as it helps businesses develop a framework to advance best practice across all aspects of their operations.
- This tailored programme, aimed at small businesses, has been created to provide a deep dive into the B Impact Assessment, acknowledge issues that may arise throughout this process and provide guidance for collecting evidence / documentation to support your application.
- The co-hort will be delivered by trained B Corps Consultants, Susanna Jackson from Beyondly and Alexina Cassidy from ActNow Consulting. Both committed to enabling and supporting

businesses wishing to be more sustainable, purposeful, and successful.

- This highly anticipated programme will kick-off in September and give you a wealth of knowledge and resources in order to drive your application forward. Get in touch today to secure your place. [Click here.](#)



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