

A stylized world map composed of red dots is visible in the background. Overlaid on the map are several curved lines: a white arc in the upper right and a red arc in the lower left. The red arc features four red circular nodes.

MARKET UPDATE

UK & International

NOVEMBER 2023

uniserve
your **global** business

SNAPSHOT

OCEAN:

Markets rates on the Far East to Europe trade lane have seen an increase in November as carriers use a variety of methods to keep rate levels higher than previous months. [read more](#).

THE Alliance has made significant amendments to its services as it looks to negotiate a continued lack of demand with the introduction of a “Winter Schedule”. [read more](#)

Ex ISC to Europe/UK the rates should remain relatively stable. [read more](#)

AIR:

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Ex ISC the volumes are expected to go up for Christmas orders. [read more](#)

WAREHOUSING & TRANSPORT:

EPC ratings will further drive the focus toward warehouse sustainability. [read more](#)

UK hauliers have experienced the most significant surge in freight rates in nearly a year. [read more](#)

EUROPEAN TRANSPORT:

EU proposes new solutions to reduce road transport emissions. [read more](#)

Germany to increase their road toll charges to help to reduce their greenhouse gas emissions. [read more](#)

ENVIRONMENTAL COMPLIANCE:

Beyond the hype: anti-greenwash legislation and consumer awareness are catalysts for good.

OCEAN FREIGHT GLOBAL MARKET OVERVIEW

GLOBAL MARKET OVERVIEW

- Market rates on the Far East to Europe trade lane have seen an increase in November as carriers use a variety of methods to keep rate levels higher than previous months. Blank sailings, reduced capacity and delays plus slow steaming vessels have all contributed to the increase as carriers try to maintain the increase however it remains to be seen if this is viable with the lack of demand in the market not expected to show any uplift until Q2 2024. Transatlantic rates however continue to fall well below average rate levels pre-Covid with increased capacity in the market seen as the main contributing factor.
- THE Alliance has made significant amendments to its services as it looks to negotiate a continued lack of demand with the introduction of a "Winter Schedule". Starting November, the FE5 service to Europe has been temporarily halted as The Alliance adds additional port calls to other services to ensure coverage is maintained. FE3 and FE4 services will now include further calls to cover Cai Mep and Colombo to help plug the gap. That follows the suspension of the EC4 service and subsequent upgrade of EC1, EC2 and EC5 services covering the Asia – US East Coast trade lane.
- KDB (Korea Development Bank) has taken a more cautious stance on the sale of HMM stating it will not be sold if no suitable bidder is found. Doubts have emerged over recent week if the sale of the Korean based carrier will go ahead after recent comments by Kang Seok-Hoon, Chairman of the Korea Development Bank who "there is no reason to sell HMM Co. if there is no qualified buyer." The comment matches the grim outlook that has constantly been raised surrounding the sale due to the company's large size and the recession in the shipping industry.
- Over in the EU, the Emissions Trading System (ETS) will apply to the Ocean sector starting 1st January 2024, requiring ocean carriers to monitor and report their carbon emissions. By the end of the year, carriers will be required to purchase the equal amount of emission "allowances," in which one allowance counts for one ton of CO2. Legislation will apply to vessels traveling between EU countries and vessels traveling between an EU and non-EU ports. Some details in the law are still yet to be finalised, such as a list of transshipment ports but the list is expected to be published by the end of 2023.
- Uniserve attended the EAA (European Asia Alliance) regional network event held in Hai Phong, Vietnam last month. Two representatives from Uniserve's Regional Global Management Team joined the network conference alongside 60+ participants from over 40 different countries. The conference which took place over 2 days from 11th to 13th October allowed Uniserve representative to meet with some of their global long-term partners as well as forge new relationships with some new network partners.

OCEAN FREIGHT GLOBAL MARKET OVERVIEW

GLOBAL MARKET OVERVIEW...CONTINUED

INDIAN SUBCONTINENT

- Ex ISC to Europe/UK trade lane are not expected to undergo significant changes in November and December, mainly due to the lower shipping volumes during the Christmas season. As anticipated, the volumes have not seen a significant increase, so the rates should remain relatively stable.
- Looking ahead to 2024 Global supply chains are facing a significant risk due to the anticipated rise in ocean freight costs by major shipping lines.
- The larger shipping lines are planning to increase their prices and are unlikely to entertain further rate reductions, even when dealing with lower shipment volumes. To mitigate this, they might implement blank sailings and deploy larger vessels on alternative trade routes.
- Particularly in the case of Europe and the USA, we expect blank sailings, which will, in turn, affect available shipping space.
- Long-term contracts for routes to Europe and the USA will include provisions for Emergency Bunker and Peak Season Surcharge (PSS), which will be assessed on a quarterly basis. While the base ocean freight rates may remain stable, these additional charges are set to increase periodically.



AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

AIR FREIGHT SUMMARY

- Post Mid-Autumn festivals in China and Southeast Asia, the market in the region has remained strong with rates ex China mainland holding and expected to go higher in the next few weeks as we approach Double 11 Singles Day, then lead into Black Friday trading. It is this e-commerce activity which is mainly driving demand and the carriers rate strategy, although we have seen a slight upturn in demand from customers across many industries. The same factors are driving rates ex the region into North America.
- This general upturn in retail and other areas is also resulting in some increases in demand and costs in the Indian Subcontinent. Rates from Bangladesh have held for some weeks now and some origins in India are subject to higher levels.
- With a few exceptions, rates outbound from the UK are at 2019 levels. However, we expect a short-term spike in rates to the US in the run up to Thanksgiving and Black Friday.
- Intelligent capacity management is maintaining a close alignment of capacity to demand, allowing higher rates to persist in many areas.



AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

AIR FREIGHT SUMMARY...CONTINUED

- Some spikes are potentially expected in China on the back of the recent Canton Fair and the upcoming Double 11, China's biggest shopping festival, with the E-commerce sector expected to be the main beneficiary. The Southeast Asia market remains unaffected by the recent months electronic boom with only Hanoi, Vietnam showing a similar upturn on a par with China.
- Air cargo space on the China to North America trade is in short supply as strong e-commerce demand outstrips the slow return of passenger flights and the essential belly cargo capacity they add to eastbound routes. The lack of space has seen the rates on China-North America rising 15% in the first three weeks of October. Load factors on the Trans-Pacific routing out of China were at 89% in the first two weeks of October, which means the available space on the trade lane is essentially full.
- Worldwide Flight Services (WFS), a member of SATS Group, will increase cargo capacity at New York's John F. Kennedy International Airport (JFK) by 20% in early 2025 with the opening of a new 346,000 sq. ft. terminal. New York JFK is one of WFS' biggest international cargo stations and they already operate eight handling facilities at the airport, serving 38 airline customers. The new facility will take the company's footprint at North America's sixth largest cargo airport to over 700,000 sq. ft and grow capacity to more than 675,000 tonnes per annum. The new WFS facility will also give JFK its first dedicated on-airport handling facility for temperature-controlled pharmaceutical products and perishables cargos.
- Hong Kong Air Cargo has added its first Europe service with further routings in the pipeline for 2024. The new three-times-per-week service will operate between Hong Kong International Airport and Milan Malpensa with the service specifically targeting the e-commerce sector, ensuring same day delivery of goods. Further plans for 2024 will include additional flights into Belgium and the Netherlands as it looks to expand on its network and current fleet of five Airbus A330-200 freighters.

AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

AIR FREIGHT SUMMARY...CONTINUED

INDIAN SUBCONTINENT

HOT TOPICS

- Ex ISC the volumes are expected to go up for Christmas orders. During the Diwali period (09th-14th Nov) cargo will be limited, due to the holidays in the factories.
- Most airlines are increasing their rates for Europe and USA as capacity from the hubs is limited due to high pax loads and consequently baggage, change in type of aircraft due to pax demand – but less cargo payload.
- Fuel cost is going up, so airlines are increasing their FSC, and those on all-inclusive rates are increasing their rates.
- Capacity Update:
 - o Ex DEL Oman Air from 1st November will add one more daily flight, so it will be double daily wide-bodied capacity. Total capacity around 30 tons daily.
 - o Ex BOM Vistara is starting direct flights to FRA (wide body) from 15th Nov, weekly 6 flights.
 - o Ex MAA Air India has started operating Wide Body Aircrafts from MAA to DEL daily.

- o Turkish is frequently cancelling freighters, probably in an attempt to keep the market rates strong and utilise the aircraft on routes with a greater demand and yield.



WAREHOUSING & TRANSPORT UPDATE

HOT TOPIC - ESG/SUSTAINABILITY

- From the start of 2027, property with an EPC rating below 'C' will risk serious fines and by 2030, the minimum will move to a 'B' rating. Sustainability is now a primary focus for most occupiers and whilst rising costs might temporarily limit its priority, the legislation changes underscore the need for prompt action if facilities fail to meet the required standards.
- At Uniserve, our commitment to ESG compliance and sustainability is not just a corporate mandate; it is the cornerstone of our purpose, driving us to create a better, more sustainable future. As we continue to work towards Net Zero emissions by 2050, we're taking steps towards sustainability with our latest solar panel installation project at our 750,000 sq. ft Felixstowe Mega Distribution Centre (FMDC).

WAREHOUSE

- From the start of 2027, property with an EPC rating below 'C' will risk serious fines and by 2030, the minimum will move to a 'B' rating. In a report released by Knight Frank they warn that 128 million sq. ft of UK warehouse space (18% of all units above 50,000ft²) is at risk of becoming unlettable by 2027, with this number tripling to 404 million ft² (60% of all units above 50,000ft²) by 2030.

- Whilst newly built warehouses generally meet top sustainability standards, 82% of the UK's existing stock built before the year 2000 fall short of the minimum EPC requirements.
- Sustainability is now a primary focus for most occupiers and whilst rising costs might temporarily limit its priority, the legislation changes underscore the need for prompt action if facilities fail to meet the required standards.
- At Uniserve, our commitment to ESG compliance and sustainability is not just a corporate mandate; it is the cornerstone of our purpose, driving us to create a better, more sustainable future. As we continue to work towards Net Zero emissions by 2050, we're taking steps towards sustainability with our latest solar panel installation project at our 750,000 sq. ft Felixstowe Mega Distribution Centre (FMDC).
- Uniserve has partnered with Solar Solutions and Eden Sustainable, leading experts in renewable energy solutions, to implement the solar panel installation. It started in June 2023 and is due to reach completion by the end of the year. See the latest updates on the project, [here](#).

WAREHOUSING & TRANSPORT UPDATE

WAREHOUSE...CONTINUED

- November also sees the anniversary of Generation Logistics, a project backed by government funding across 2 years. This initiative is spearheaded by the Chartered Institute of Logistics and Transport (CILT) and Logistics UK. Following on from the success achieved in its first year, Generation Logistics will now concentrate on raising awareness of the logistics sector and the various career opportunities it provides. The primary objective is to engage young individuals in schools and colleges, with the aim of bolstering the recruitment and retention of a more skilled and diverse workforce.
- This is also underpinned by the recent decisions to extend the fuel duty reduction until March 2024 and the Department for Transport's (DfT) implementation of 33 ground-breaking actions in support of the haulage sector. These measures include a commitment of up to £100 million in combined government and industry funding to enhance facilities for lorry drivers on the roadside, along with £34 million earmarked for creating up to 11,000 skill bootcamps. This investment also aims to increase the capacity for HGV driver tests by 90% when compared to pre-COVID-19 pandemic levels.

DOMESTIC TRANSPORT

- UK hauliers have experienced the most significant surge in freight **rates** in nearly a year, with a marked increase of 3.3% month-on-month in September as reported by the TEG Road Transport Price Index. Several factors contributed to this increase, including the reintroduction of the HGV levy, clean air charges, escalating fuel costs, and rising business charges.
- The recent rise in fuel prices is believed to have played a role in the UK Prime Minister's decision to delay the bans on diesel and petrol vehicle manufacturing. This has had an adverse impact on hauliers who have invested heavily in new electric fleets.
- The transition to more sustainable practices has been a costly and significant endeavour for road freight companies and with fuel prices continuing to be volatile it is predicted that rates will continue to rise across the peak season ahead.

UNIEUROPE OVERVIEW

EUROPEAN TRANSPORT

EU Reduction in Transport Emissions

- Members of the European parliament have outlined their solutions to cut road transport's CO2 emissions, in a manner which will avoid incurring unnecessary costs for supply chains and mobility networks. One of their proposals to reduce CO2 was for the EU to facilitate the use of efficiency gains offered by longer heavier duty vehicles. These are known as Ecocombis, where two of these vehicles can replace three regular heavy-duty vehicles which results in 25% fuel saving.
- The IRU (international road transport union) have stated that incentives regarding technological developments need to be considered with EU targets for CO2 standards and should target 2040 rather than 2035. They also indicated, how the EU must guarantee that they can build and market their zero-emissions, new vehicles concepts. IRU members have also proposed that a 'binding opt-in' approach be introduced. This means operators who are calculating their own GHG emissions must adhere to new EU framework and have this verified by an authority to ensure it conforms with requirements in the proposal.
- The committee on the Environment, Public Health and Food Safety have voted in favour to update the EU rules for type-approval and market surveillance of motor vehicles. Their proposal includes imposing stricter limits for exhaust emissions by heavy duty vehicles, including levels set for real driving emissions after 60 months. The MEPS also want to align with the EU calculations and limits for brake particle emissions and tyre abrasion rate so that they comply with international standards, which would affect all vehicles including electric ones. Other proposals included: up-to-date environmental vehicle passport, stricter lifetime requirements for vehicles, on-board systems which monitor emissions and fuel consumption and specific rules for small volume manufacturers.



UK TRANSPORT OVERVIEW

UK TRANSPORT

- October volumes started strongly but by the middle of the month started to drop off quite significantly, a trend that is set to continue through November.
- Forecasts are suggesting that it is unlikely that we will see an upturn in volume before the end of the year with a number of “Blank Sailings” also being reported.
- Capacity in all sectors of the Transport industry remains high with many companies struggling to find consistent weekly volumes.
- Diesel prices have stabilized over the month of October but remain circa 12% higher than those at the beginning of July.
- James Kemball remains active in the marketplace and continues to strive for new business.



ENVIRONMENTAL COMPLIANCE AND CONSULTANCY

BEYONDLY

FREE WEBINAR: Greenhushing!? Navigate the CMA Green Claims code and share your achievements with confidence.

- **Thursday 16th November at 10am – [Click here to register your FREE place!](#)**
- Beyondly in partnership with global law firm Squire Patton Boggs and fellow B Corp and Marketing Agency Hattrick, are bringing you a must-see webinar on all things Greenwashing. Our roundtable discussion will demystify the Green Claims Code and highlight how you can help consumer awareness, drive forward your sustainability goals and confidently apply greenwashing guidance set by the Advertising Standards Agency. Our roundtable will cover the following areas:
 1. Overview of the Green Claims Code and what this means for UK businesses
 2. The legal risks and regulation of green claims
 3. Considering the ESG Framework, drive forward your environmental initiatives that will allow you to make confident environmental claims
 4. A lively discussion bringing together audience and panel to collaborate on the hotspots and help you embed responsible Green Claims in your business and when promoting your services and products

NEWS STORY: Beyond the hype: anti-greenwash legislation and consumer awareness are catalysts for good.

- Here, we shine a light on how businesses can positively impact consumer choices as they strive to reduce their environmental impact.

“be part of the responsible revolution in aligning your environmental claims and reputation on impactful goals led by science”

- To help businesses navigate responsible green claims, the Advertising Standards Agency provide guidance, while the Competition & Markets Authority lead on fairness and enforcement.
- The Advertising Standards Agency (ASA) is intended to guide advertisers, agencies, and media owners on how to interpret the Green Claims Code and stay within the guidelines. It also has the power to ban ads and campaigns.
- The Competition & Markets Authority (CMA) helps people, businesses, and the UK economy by promoting competitive markets and tackling unfair behaviour. The CMA also published the Green Claims Code in 2021 to tackle greenwashing.

ENVIRONMENTAL COMPLIANCE AND CONSULTANCY

BEYONDLY...CONTINUED

- Throughout 2023 and 2024, CMA intends to help companies responsibly pursue their environmental sustainability initiatives in emergent markets such as energy efficiency. In addition to this, help avoid potential greenwashing, through conducting investigations into sustainability claims made by major fashion brands.
- Consumer awareness and demand continues to grow organically, aided by high profile enforcements such as those by the CMA on big brands. Research by KPMG found over half of UK consumers are prepared to boycott brands over misleading green claims and two in three consumers will actively seek sustainable goods and services. However, making sustainable choices remains challenging because few, if any products on the shelf convey their lifecycle impact in a way that is accessible and transparent. An example of this is reflected in stubbornly low consumer recognition of environmental impact labelling aimed at helping consumers make informed choices.
- Is there another way to help consumers? Perhaps the challenge presents an ideal opportunity to re-write and positively impact the producer-consumer relationship:
 1. **Know what you market:** make the effort to unravel your product or service value chain data
 2. **Understand and avoid the subtler forms of greenwash:**

Planet Tracker show how not to mislead your audience to remain credible beyond the very short term
 3. **Design for the environment:** revisit the impact of product, service or campaign
 4. **Design for the consumer:** build a conversation and relationship based on credible, responsible claims
 5. **Be braver than your competitors:** resist overselling, celebrate accurate science-based marketing claims
 6. **Collaborate and support:** stakeholder, supplier transparency and help your current and future customers to make informed decisions together
- From a competitive and consumer perspective, lead the way on marketing products and services with an honest and open conversation on specific environmental impacts.
- Reducing your environmental impact is a big commitment, but if you take your consumers and stakeholders on this journey with you, the business benefits are above and beyond. Take this opportunity to drive forward your sustainability strategy with Beyondly, who will give you everything you need to confidently make environmental claims following your project. Contact the Beyondly Solutions team [here](#).

ONE WORLD UPDATES

Supply Chain Digitalisation: The Path to Efficiency and Resilience

The unprecedented global disruptions in supply chains over the last few years have unveiled significant vulnerabilities that pose a threat to their resilience. There are pressing challenges that should not be ignored. Possibly the most problematic, if not addressed, is a lack of visibility and resiliency to see changes in time to react effectively.

The integration of digital technologies, such as Artificial Intelligence (AI), machine learning, and the Internet of Things (IoT), is revolutionising supply chain operations. These advancements are particularly impactful in improving forecasting accuracy, enhancing inventory management, and refining demand planning processes. The digitalisation of critical supply chain documents, including advanced shipment notices, invoices, and customs documents, has led to substantial improvements in supply chain optimisation. In an era where speed and visibility are paramount, traditional manual processes and paper-based document exchanges fall short. A significant 80% of companies have reported that the digitisation of such documents has positively impacted their supply chain operations. As the most common form of documentation, the purchase order is often where industries turn first when looking for efficiency. Despite the transformative potential of digitalisation in supply chains, numerous companies have fallen short of the anticipated progress. Instead, they still

depend on disconnected tools and spreadsheets for data transfer within their fragmented legacy systems. Several barriers impede this progress, including market complexity, siloed data, and the presence of fragmented legacy systems.

One World's innovative hub-and-spoke model fosters seamless connections among all enterprises in the supply chain, including technically challenging-to-integrate partners. This capability establishes a single source of truth across all levels of the supply chain, enabling end-to-end product tracking from cradle-to-cradle. Crucially, the availability of abundant, precise, and timely data is fundamental to the success of digitalisation efforts. One World's extensive measurement capabilities empower tools like AI and machine learning to reach their full potential, providing supply chains with the crucial insights needed to build a resilient and sustainable future.

One World operates with a strong operational focus, specialising in cutting-edge supply chain tools and solutions. With 40 years of experience, we have developed a vast understanding of the supply chain and its real-world applications. This insight and industry specific knowledge have been instrumental in embedding supply chain excellence into all our solutions.



Customer Development Team E: crmteam@ugroup.co.uk T: 01375 856060