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your **global** business

MARKET UPDATE

UK & International

AUGUST 2024



UNISERVE MARKET UPDATE

AUGUST 2024

SNAPSHOT

OCEAN:

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- Rate increases are being announced by the shipping lines on ocean exports ex ISC resulting in a surge of container pricing. [\[read more\]](#)

AIR:

- As we head into August, Air freight market conditions remain steady across the Far East.
- Ex India demand is stable now, but the airlines are holding on to the rates, situation at BD stable now but rates escalating. [\[read more\]](#)

WAREHOUSING & TRANSPORT:

- Uniserve wins Homeware Retailer Business at FMDC.
- Uniserve opens Transport Hub in Northampton. [\[read more\]](#)

EUROPEAN TRANSPORT:

- Paris Olympics effects on road transport.
- Italy has officially ratified e-CMR.
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- The New Competitive Edge: Supply Chains Compete, Not Companies [\[read more\]](#)

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In recent weeks, market rates from the Far East to Europe have plateaued, indicating a period of stability that is likely to continue through August.

This stabilisation in rates suggests that the market has adjusted to the current levels of supply and demand. Whilst demand remains it's clear that the additional capacity introduced by carriers looks to have released some of the pressure, with every major carrier – with the exception of Yang Ming – introducing capacity into the market in the first half of the year. However, eight months into the Red Sea conflict, its impact on global shipping and supply chains has intensified. Vessels are frequently rerouted via the Cape of Good Hope, causing significant increases in travel times and operational costs. The ongoing disruptions have led to frequent changes in services and fluctuations in cargo volumes, putting immense pressure on infrastructure. This has resulted in severe port congestion, delays, and shortages of both capacity and equipment. Singapore is experiencing one of the worst container congestion crises in its history. While there are plans to open a new terminal, Tusa Mega Port to help alleviate this pressure, it will not be operational until the end of the year and with peak season on the horizon there is still uncertainty in the market making it difficult to predict how Q4 will shape up.

In Taiwan Typhoon Gaemi continues to cause havoc and Kaohsiung, is facing a congestion crisis due to an influx of diverted transshipment containers from Southeast Asia's congested ports.

Typhoon Gaemi the strongest typhoon to hit Taiwan in eight years hit the island country at the end of July, leaving a trail of destruction across Taiwan and causing the cargo ship Fu-Shun to sink off Kaohsiung Harbor. The typhoon had already forced authorities on the island to close schools and offices, suspend the stock market and evacuate thousands of people. In other news Taiwan's main port, Kaohsiung, is facing a congestion crisis due to an influx of diverted transshipment containers from Southeast Asia's congested ports. This has led to increased pressure on the road infrastructure, with a need for more trucks to transport containers. In June, Kaohsiung processed 815,000 containers, a 13% increase from the previous year. The congestion levels have even surpassed those in Singapore. To manage this, Taiwan International Ports Corporation is building dedicated truck lanes and encouraging the use of barges for container transport.

Ellerman City Liners have another sailing on their Asia-Europe service in August calling the Chinese ports of Ningbo and Dachan Bay to Tilbury in the UK.

As demand increases and space restrictions

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apply with main line carriers there is a gap in the market for Ellerman's. Boasting reliable transit times, ensuring efficient cargo movement, Ellerman City Liners promises proactive customer service to ensure a smooth shipping experience. The service will expand on the current offering beyond the initial ports of call in China and the UK, offering connections to major European destinations including Cadiz, Bilbao, Setubal, Aveiro, Rotterdam, Teesport, and Gdynia.

Interesting news from the US as law makers introduce new regulations aimed at protecting shippers.

The Federal Maritime Commission (FMC) has introduced new regulations aimed at addressing the issue of container carriers unreasonably denying cargo space or refusing to negotiate with US exporters. Set to take effect from 23rd September 2024, these rules were developed in response to the difficulties faced by shippers during the pandemic, who struggled to secure vessel space. Despite facing opposition from major carriers, the regulations are intended to foster fairer practices within the shipping industry. This move by the FMC represents a significant step toward safeguarding the rights of exporters and enhancing the equity and transparency of the shipping process.

INDIAN SUBCONTINENT

- Rate increases are being announced by the shipping lines on ocean exports ex ISC resulting in surge of container pricing.
- Carrier HPL / CMA CGM from Tuticorin is facing inventory issues of 40 GP/HC at the port and carrier HPL /CMA has a 20 FT shortage at Chennai.
- A long queue of vessels has formed at the Chattogram port's outer anchorage, with berthing delayed by up to nine days, for container yards being acutely congested and operational disruptions. Due to couple of days complete internet shut-down, curfew and general holiday announced by the Govt, all the carriers faced severe issues on day to day works that resulted huge backlog. Almost all the ocean carriers are commonly encountering issues like space, longer transit, roll, uncertainty of scheduled feeder vessel, frequent change of schedule without prior notice. Maximum number of vessels are severely overbooked and facing double roll over.
- Due to ongoing terminal congestion at Colombo most carriers are now skipping the direct Colombo call and opting for a transshipment over Singapore for all shipments. This has put pressure on South Indian, Bangladesh, and Colombo shipments, which typically rely on Colombo as a transshipment hub or port of loading.

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AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

AIR FREIGHT SUMMARY

As we head into August, Air freight market conditions remain steady across the Far East.

Despite the peak summer holiday season in EU countries, which typically brings a seasonal slowdown in business activities, the market has shown resilience. The recent global IT outage that impacted Microsoft systems less than two weeks ago caused widespread disruption, leading to flight delays and cancellations that lasted for more than a week in some cases. However, this disruption did not impact the market as severely as initially feared, and conditions have remained relatively stable. While there has been a slight softening in the market, overall demand continues to be robust, particularly driven by a typically strong e-commerce sector. Shippers are closely monitoring the Sea Freight market, as its performance in the coming weeks will be a major determinant in shaping the dynamics of the Air Freight market.

All eyes on late August and a significant peak as we head towards peak season for the Air Freight market.

According to Xeneta, the average spot rate rose by 20% from the previous year. This surge, coupled with a 13% rise in volumes, was attributed to robust e-commerce activity and the relatively low demand in July 2023. The Air Cargo sector has demonstrated

resilience despite a potential IT outage that could have affected outcomes. Regionally, the Middle East-Europe and Central Asia-Europe routes performed exceptionally well, with spot rates in the final week of July jumping 126% week-over-week. This increase was driven by disruptions in the Red Sea and unrest in Bangladesh. Xeneta's July report highlighted that spot rates from Southeast Asia to Europe and North America more than doubled compared to last year. In contrast, rates from Northeast Asia to Europe and North America saw a more modest but still notable 30% year-on-year increase, partly due to a high base from last year.

Positive signs as both Hong Kong International and Singapore Changi Airport are reporting significant increases in volume over the past few months.

Singapore Changi Airport saw a significant rise in air cargo volumes in the second quarter this year, driven largely by strong activity from both United States and China. Between April and June, the airport recorded an airfreight throughput of 485,000 tonnes, reflecting a 16% increase compared to the same period last year. Changi Airport Group reported growth across all cargo segments—exports, imports, and transshipments—led

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by vigorous cargo flows between Singapore and major markets such as China and the USA. Meanwhile Hong Kong International Airport has experienced double-digit year-on-year cargo growth for six consecutive months, fuelled by robust export activity. In June, the airport's cargo volumes surged by 17.6% year-on-year, reaching 417,000 tonnes with export cargo seeing a remarkable increase of 24.9% compared to June of the previous year.

UK Freighter Operator ONE Air targeting doubling its fleet by the end of 2025.

The carrier, which launched a year ago currently operates two converted Boeing 747 freighters and will add a third 747 aircraft, with nose-loading capabilities, by the end of August with the final aircraft expected to be added to its fleet by the end of 2025. The carrier launched its first flight on July 24, 2023, transporting a 100-tonne load from Jinan-Shandong in eastern China to London Heathrow. To accommodate increasing demand from China and Hong Kong to Europe, the carrier added a second 747 aircraft in November. ONE Air has also recently relocated its UK operating base from Heathrow Airport to East Midlands to take advantage of better slot availability and fewer restrictions on night-time flying. In its first year of operation, the airline transported a total of 17,000 tonnes of cargo.

INDIAN SUBCONTINENT

- Ex India demand is stable now, but the airlines are holding on to the rates.
- From Mid of Aug 2024 iPhone movement will start Ex-MAA which would put strain on capacity & pricing.
- Due to the ongoing situation in BD, we foresee that lot of shipments will flow via DEL, CCU & BLR. This could impact capacity and pricing from these airports.
- Bangladesh Update:
 - Prime Minister Sheikh Hasina has resigned and fled the country after anti-government protests in which hundreds of people have been killed.
 - Government imposes indefinite Nationwide curfew from 6pm Sunday, 04-August.
 - Mobile internet shut down again.
 - Government announces 3-day general holiday from Monday (05-Aug).

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WAREHOUSING & TRANSPORT UPDATE

WAREHOUSING

Uniserve wins Homeware Retailer Business at FMDC

Uniserve has successfully secured the business of a large homeware retailer at the Felixstowe Mega Distribution Centre (FMDC). This collaboration is significant as it highlights Uniserve's capability to handle substantial logistics and distribution demands for a major player in the homeware industry. The FMDC serves as a strategic hub for managing the flow of goods, ensuring efficient supply chain operations, and meeting the high standards required by large retailers.

Uniserve's expertise in logistics will be pivotal in optimising the supply chain for the homeware retailer, ensuring timely and efficient distribution of products, in addition, the FMDC's location offers strategic advantages, such as proximity to key transportation routes, which can reduce lead times and improve overall supply chain efficiency.

By leveraging advanced technology and infrastructure at FMDC, Uniserve can streamline operations, reduce costs, and enhance service levels for not only this customer, but its entire customer base.

TRANSPORT

Uniserve opens Transport Hub in Northampton

Northampton Transport became operational in July 2024, with the building blocks we put in place, the objective being to utilise the Uniserve site in Northampton to the full and help drive efficiencies across the transport operations nationwide for both Full loads and Groupage deliveries.

Northampton is ideally positioned geographically, to drop and swap loads heading both North and South of the country with an eye on reducing empty mileage running by positioning loads more centrally.

We also have the facility to cross dock freight and consolidate loads for onward destinations bringing synergies to the business.

Using this site we will begin to grow our own groupage delivery network within the UK. We have positioned a small fleet

of rigid vehicles at Uniserve Northampton as we start to grow our own groupage delivery network allowing us to both trunk groupage pallets direct from our customers into Uniserve Northampton or from any another Uniserve site, such as, Tilbury, Felixstowe, and South Kirkby, delivering our own groupage pallets on our own fleet for our own customers.

This enhances our offering to the customer wherein, firstly, we have greater control with managing customer deliveries so improving on delivery times and service as we fully manage the operational cycle from collection point to final mile delivery without the requirement of a pallet network and secondly, this in turn can make us more competitive.

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Paris Olympics effects on road transport.

The Paris Olympics are expected to have a substantial effect on the economy, particularly on the freight transportation sector. Altered routes, traffic disruptions and the necessity to adapt delivery schedules to new conditions may result in increased operational expenses for transport companies. As well as prolonged delivery times, higher fuel consumption, and additional fees for working outside regular hours are among the factors that could raise costs.

The Olympics will also create heightened demand for goods, potentially leading to challenges in storage and distribution. Over 8 million pick-ups or deliveries are planned per week this summer, nearly doubling the usual flow of goods in the French capital. Businesses will need to supply larger quantities of products to retail outlets, hotels, and dining establishments, which may strain existing supply chains.

To mitigate the impact of the games on the city, Paris authorities will enforce a range of time and zone restrictions on road traffic. This is particularly relevant in central areas and around sports venues. It will be important to monitor specific zones for designated days and times, as the areas affected by the Olympics will vary, and street accessibility may change. Some zones will require a Pass Jeux permit throughout the

duration of the games. The pass is free but can be obtained only through an application process overseen by Paris officials.

Uniserve's transport fleet in Paris have authorisation and permits to operate in the controlled zones, but due to event-related conditions and depending on the nature of specific tasks, delays may occur.

If you need to ship goods into or out of Paris during the Olympics, please contact us and we will help you select the best option: UniEuropecommercial@ugroup.co.uk.

Italy has officially ratified e-CMR.

Last month, Italy implemented the e-CMR protocol, establishing a legal framework for completely paperless road transport of goods. Italy becomes the 36th country to adopt e-CMR. This standard will allow Italian logistics companies to provide more efficient and safer services to both domestic and international clients.

By removing paperwork, e-CMR reduces handling costs, eliminates delays in administration and invoicing, and minimises discrepancies at delivery locations. Additionally, e-CMR improves transparency and security throughout the entire logistics chain, offering more precise data for tracking shipments with real-time access to pick-up and delivery information.

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European holiday shutdowns

Collections and deliveries during the month of August can be challenging, particularly in Italy where factory shutdowns are standard at this time of year.

Uniserve's normal schedule for groupage and dedicated transport will be affected, however we will continue to operate a service for urgent goods.

Please contact UniEuropecommercial@ugroup.co.uk for service and pricing options.

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UK TRANSPORT

The month of July started strongly but saw volumes trail off towards the end of the month. Vessel turnaround times still causing issues with daily volumes.

August again is starting strongly however like July looks like it will tail off again towards the end of the month.

Port of Felixstowe have announced proposed changes to their Vehicle Booking System

(VBS) which will come into force later this year which under its current proposed format will increase costs for all Import Containers by circa £35.00 per container.

James Kemball remains committed to meeting our customer needs and so to support this has opened a Container Transport Operation based in Leeds to support Rail Head deliveries and Northern Ports.

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BEYONDLY

Beyondly and CircularPSP – making circular economy happen across Europe

In April 2024, Beyondly started working with digital product innovation partner **Supercharge** on Phase 1 of a research & development (R&D) project for the EU horizon, funded CircularPSP project.

This project brings together leading circular economy cities, representing 45 million citizens, investing €5.64 million in R&D to tackle the common challenge of accelerating the transition towards a circular economy with a focus on cities, their employees and business.

The open tender process selected the best five solutions from fifteen applicants and our multidisciplinary of Beyondly and Supercharge are now focused on solution design, creation and delivering the results we set out in the

tender for our CircularCities Platform (CCP).

Over the next four months we will communicate our solution and collaborate with the eight cities as we compete for a place in Phase II - prototype development.

Beyondly and Supercharge will be focusing on the following areas:

Providing Information to users: accelerating AI and circular economy value to simplify and enable user journeys navigating the circular economy

Creating circular economy solutions: enabling cities to replicate, procure and design impactful projects

Creating a circular economy community: developing a state-of-the-art Public Service Platform (PSP) for collaboration as individuals, teams, cities and with business and wider stakeholders

Supporting change and upskilling: a user led adaptive change framework, self-assessment tool, upskilling, and knowledge and wisdom creation

Coupled with our customer service excellence and B Corp certification, Beyondly have a culture of developing innovative user led environmental, compliance and sustainability services.

Our core delivery team of circular economy experts, Chris Smith, Lead Consultant – Resource Efficiency & Circularity and Charlotte Davies, Senior Consultant – Resource Efficiency & Circularity, are supported by Liz Wood, Sustainability Manager & Principal Consultant, who brings a track record of developing collaborative innovative digital solutions in the sustainability domain.

Chris Smith, commented on the great potential of the project: *“Supporting cities to be more circular has great potential to tackle climate change given over 80% of the UK and over 70% of EU population live in urban areas. Cities concentrate skills, resource and have the economies of scale to deliver change, yet only 10% of cities have advanced on their transition to a circular economy. The project will create a digital, AI powered solution to enable cities and businesses to collaborate, build expertise and deliver circular economy initiatives more often, and with greater impact.”*

We look forward to keeping you up to speed as the project develops.

[Click here to read more!](#)

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The New Competitive Edge: Supply Chains Compete, Not Companies

The concept that “supply chains compete rather than companies” has gained significant traction in recent years. Global disruption and shifting market dynamics have resulted in the performance and integration of supply chains becoming increasingly critical determinants of a company’s success. This article explores why this perspective is increasingly valid, and how businesses can enhance their supply chain competitiveness through efficiency and flexibility and the pivotal role of supply chain management technology.

The Growing Importance of Supply Chains

The notion that supply chains, rather than individual companies, are competing is becoming widely recognised. This shift is driven by the realisation that the efficiency, speed, and adaptability of a supply chain can make or break a business. For retailers and manufacturers, where rapid response times and seamless service delivery are paramount, a well-managed supply chain is not just a

support function but a strategic asset.

The Key Drivers of Supply Chain Competitiveness

Cost, Speed, and Customer Satisfaction

A streamlined supply chain reduces operational costs by minimising waste, optimising logistics, and improving resource allocation. Speed is another critical factor; a faster supply chain translates into quicker product deliveries and services, enhancing customer satisfaction. The ability to deliver swiftly and reliably is a significant competitive advantage.

Stock and Inventory Levels

Efficient supply chain management ensures optimal stock and inventory levels, reducing the risk of overstocking or stockouts. This balance is crucial for maintaining cost efficiency and meeting customer demand without delay. Effective inventory management can also free up capital, allowing companies to invest in innovation and growth.

Resilience and Adaptability

In the current climate of global uncertainties, including economic fluctuations, geopolitical tensions, and natural disasters, supply chain resilience and adaptability are more important than ever. A resilient supply chain

can absorb shocks and maintain operations under adverse conditions, while adaptability enables quick responses to changing market demands and new opportunities.

Leveraging Supply Chain Management Technology to Enhance Supply Chain Competitiveness

There are several areas businesses should focus on when attempting to increase their supply chain’s competitive advantage.

Increased Collaboration

One World’s supply chain management technology facilitates enhanced collaboration across the supply chain network. Enabling real-time communication and data sharing among suppliers, manufacturers, and retailers help to synchronise activities, reduce delays, and improve overall efficiency.

Improved Visibility

Supply chain visibility is crucial for monitoring and managing operations effectively. One World provides a comprehensive view of the entire supply chain, allowing managers to track inventory, monitor shipments, and identify potential issues, in real time, before they escalate. Improved visibility leads to better decision-making and more proactive management.

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Forecast Capabilities

Accurate forecasting is essential for maintaining the balance between supply and demand. By collecting high volumes of quality data, One World holds the intelligence to predict future trends with accuracy. These forecasts help in planning inventory levels, production schedules, and logistics, reducing the risk of overproduction or stockouts.

Data-Driven Decision Making

Increased measurement across the supply chain allows for more informed and data-driven decisions. By analysing data from various sources, businesses can identify patterns, optimise processes, and anticipate market shifts. This strategic use of data enhances the overall efficiency and responsiveness of the supply chain. Efficient supply chains lower costs and increase throughput, directly impacting a company's bottom line.

The Need for a Highly Configurable Platform

While the benefits of supply chain management technology are clear, it is important to recognise that there is no one-size-fits-all solution. Businesses have unique needs and challenges, and a highly configurable platform is essential to accommodate these differences. This becomes increasingly crucial in fast-paced businesses, where legacy technology systems often can't keep up with the pace of change. Technology built using advanced low-code technology, such as One World, hands the power back to businesses, enabling them to be agile and adaptable without the burden of costly and extensive IT resources.

One World's portfolio of stacks, spanning the end-to-end product lifecycle, allow companies to tailor their supply chain management practices to their specific, and ever-changing requirements, ensuring that they can continuously achieve optimal performance and increase their competitive advantage.

Conclusion

In the evolving landscape, the competitive battlefield has shifted from individual companies to their supply chains. By focusing on cost efficiency, speed, customer satisfaction, optimal stock levels, and resilience, businesses can enhance their supply chain competitiveness. Leveraging next generation

supply chain management technology is essential to achieving this. However, a highly configurable platform is crucial to address the unique challenges each business faces. As supply chains increasingly become the defining factor in market success, investing in their optimisation is not just beneficial but imperative.

Learn more about how you can turn your supply chain into your competitive advantage at owgtm.com.

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