UNIserve
your global business

MARKET UPDATE
UK & International
DECEMBER 2024

SNAPSHOT

OCEAN:

- As the year-end approaches, December is expected to see changes in freight rates, driven by a combination of seasonal factors and capacity management strategies.
- The UK government is considering integrating the shipping sector into the UK Emissions Trading Scheme (UK ETS).
- Ocean freight rates are increasing and space is getting tighter as importers prepare early for Chinese New Year and possible January strikes in 2025. [read more]

AIR:

- Asia to UK & Europe, trans-Pacific and trans-Atlantic markets are all seeing high demand with capacity challenging and rates increasing.
- The markets in China mainland and Hong Kong have seen week on week growth.
- Ex ISC demand is expected to be strong in Dec, 2024. [read more]

WAREHOUSING & TRANSPORT:

- Live Fast Die Young (LFDY) Becomes a Luxury Brands Customer at Uniserve Tilbury LHB.
- Uniserve Adds LNG-Powered Trucks to Fleet. [read more]

EUROPEAN TRANSPORT:

- European road freight rates in Q3 (2024): Spot rates fall and contract rates remain stable.
- Renovation of the Lueg Bridge on Austria's Brenner Highway is set to cause traffic slowdowns in 2025. [read more]

ENVIRONMENTAL COMPLIANCE:

- 2025 Countdown: Producers Confront Data Hurdles with RAM Release. [read more]

ONE WORLD:

- The UK Autumn Budget 2024: A Turning Point for Supply Chains – And How One World Can Help. [read more]

MARKET UPDATE SURVEY - HAVE YOUR SAY!

We'd love to hear your thoughts on our Market Update so we can continuously improve and give you the content you need.

To share your valuable feedback, please complete our short survey.

Complete survey

OCEAN FREIGHT
AIR FREIGHT
WAREHOUSE & DISTRIBUTION
EUROPEAN ROAD FREIGHT
ENVIRONMENTAL COMPLIANCE
CUSTOMS
ONE WORLD

OCEAN FREIGHT GLOBAL MARKET OVERVIEW

GLOBAL MARKET OVERVIEW

As the year-end approaches, December is expected to see changes in freight rates, driven by a combination of seasonal factors and capacity management strategies.

While demand typically cools after the holiday rush, carriers are likely to employ proactive measures to maintain market balance and protect rate levels.

Carriers are expected to continue deploying blank sailings through December, particularly on weaker trade lanes, to align supply with diminishing demand. Additionally, vessel idling may persist as carriers manage overcapacity caused by newbuild deliveries earlier in the year. These tactics have proven effective in mitigating rate declines in previous months, giving carriers some confidence heading into 2025. Another notable trend is the shift in annual contract renewals, moving away from the traditional January-to-December cycle to at least a post-Chinese New Year timeline. With Chinese New Year falling earlier than usual in 2025—at the end of January—this adjustment is aimed at fostering greater market stability. Previous months general rate increases (GRIs) implemented by carriers in early contract cycles have failed to deliver the desired impact. Delaying the renewal season allows shippers and carriers to better align with market realities post Chinese New Year.

The UK government is considering integrating the shipping sector into the UK Emissions Trading Scheme (UK ETS).

This would make the maritime industry responsible for purchasing allowances to offset its greenhouse gas emissions, aligning it with other sectors like aviation and road transport already covered under ETS regulations. Key proposals include incorporating emissions from domestic shipping and 50% of international voyages involving the UK, targeting vessels of 400 gross tonnage and above. Environmental organizations like Transport & Environment (T&E) estimate this could generate over £1 billion annually, funds that could be reinvested in green technologies like hydrogen-based zero-emission fuels. This aligns with the European Union's recent inclusion of maritime emissions in its ETS, effective for larger vessels as of 2024 and expanding to include smaller vessels by 2027.

ONE adds to terminal holdings with Indonesia terminal acquisition.

In a bid to increase it's presence in Southeast Asia, Singapore-based shipping carrier Ocean Network Express has acquired a minority stake in New Priok Container Terminal One (NPCT1) in Indonesia's capital city of Jakarta. Built in 2016 and with an

OCEAN FREIGHT

AIR FREIGHT

WAREHOUSE & DISTRIBUTION

EUROPEAN ROAD FREIGHT

ENVIRONMENTAL COMPLIANCE

CUSTOMS

ONE WORLD

OCEAN FREIGHT GLOBAL MARKET OVERVIEW

GLOBAL MARKET OVERVIEW

annual capacity of 1.5 million TEUs, its deep drafts and contemporary technology allow it to accept advanced mega containerships. Jakarta is ONE's third-highest traffic port in Southeast Asia with the purchase aiming to expand the company's foothold in the regional supply chain.

Maersk and Hapag-Lloyd have chosen London Gateway as the UK hub for the Gemini Cooperation, dropping Felixstowe from the shared network.

Maersk and Hapag-Lloyd are fine-tuning the final details of the highly anticipated Gemini Cooperation and the Network of the Future, set to launch on 1 February 2025. The evaluation concluded that London Gateway will become the primary hub for UK cargo imports and exports under the Gemini network. This decision reflects the partners' strategy to reduce complexity, favouring single-operator loops and fewer port calls per service. Consequently, Felixstowe will no longer be included in Maersk and Hapag-Lloyd's shared network. This change will affect the Asia – Europe trades under the scope of the Gemini cooperation. The previously announced Middle East – Europe (London Gateway) and Trans-Atlantic (Southampton) Gemini services remain unchanged. The rest of the operated services outside the scope of the Gemini Cooperation also remain unchanged.

INDIAN SUBCONTINENT

- Ocean freight rates are likely to remain stable as importers prepare early for Chinese New Year and possible January strikes in 2025.
- ISC space is available & the rates are stable.
- Carriers are preparing for a competitive market to acquire maximum market share in the upcoming alliance re-alignments in 2025.

OCEAN FREIGHT
AIR FREIGHT
WAREHOUSE & DISTRIBUTION
EUROPEAN ROAD FREIGHT
ENVIRONMENTAL COMPLIANCE
CUSTOMS
ONE WORLD

AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

AIR FREIGHT SUMMARY

December is looking to be strong in terms of air freight demand. Asia to UK & Europe, trans-Pacific and trans-Atlantic markets are all seeing high demand with capacity challenging and rates increasing. Thanksgiving, Black Friday and Christmas are all driving e-comm volumes. Market feeling is that this will continue into the 2nd / 3rd week of December when demand may drop. However, with Chinese New Year starting on 29th January, we are not expecting a total slow down and January is expected to see continued demand for capacity.

FAR EAST

The markets in China mainland and Hong Kong have seen week on week growth as we have approached December, and rates may continue to increase into the 2nd or 3rd week of the month. Space constraints mean that bookings need to be made 5 days in advance to avoid unnecessary dwell times and we are seeing some scheduled operations being cancelled, with carriers selling the flights to e-comm operators for higher yields. Advanced planning is essential to meet any end of year deadlines.

SOUTHEAST ASIA

Some e-comm cargo is connecting via Southeast Asia hubs, however, capacity and rates are still high, but stable. We have not seen the same pace of increase as we are seeing in China.

INDIAN SUBCONTINENT

- ISC demand is expected to be strong in Dec,2024.
- Airlines are optimising capacity & we are also experiencing congestion from the hubs hence we might see an uptick in pricing.
- Capacity on Air India has increased to Middle-East and Far-East destinations after Vistara's merger.
- India New Airports Update:
  - Noida International Airport remains on course with its development milestones, with validation flights to test flight procedures as well as filing of its aerodrome license application expected by December 2024. Commercial operations at the airport are scheduled to begin by the end of April 2025. The first phase of the airport will feature one runway and one terminal, with the capacity to handle traffic of 12 million passengers annually. Upon completion of all four development phases, the airport will be able to cater to 70 million passengers per year.
  - Navi Mumbai international airport-the mega airport, with an initial capacity of 20 million passengers in its first phase will now begin operations in the April-June quarter of 2025. Decongestion of Mumbai Airport will happen by initially moving turboprop aircraft (small ATR planes) operations to Navi Mumbai International Airport since Mumbai Airport is already congested, and ATRs generally use up the runway capacity.

WAREHOUSING & TRANSPORT UPDATE

WAREHOUSING

Live Fast Die Young (LFDY) Becomes a Luxury Brands Customer at Uniserve Tilbury LHB

The German streetwear brand Live Fast Die Young (LFDY), renowned for its edgy, urban aesthetic and high-quality craftsmanship, has now joined the portfolio of Uniserve's prestigious luxury brand clients, leveraging the company's comprehensive logistics and distribution capabilities to enhance its operations and customer experience in the region.

Uniserve's London High Bay (LHB) operates advanced warehousing, customs clearance, and fulfilment services tailored to high-end and luxury brands. By selecting Uniserve, LFDY gains access to a robust infrastructure designed to streamline import processes, improve inventory management, and ensure fast, reliable distribution to retail locations and direct-to-consumer channels across the UK.

Known for its minimalist yet bold designs, LFDY appeals to a discerning customer base that values both style and exclusivity. Aligning with Uniserve Tilbury LHB allows the brand to maintain the high standards its customers expect while meeting growing demand and optimising fulfilment times.

Through this collaboration, Uniserve also demonstrates its ongoing commitment to supporting dynamic, high-growth brands in the luxury and streetwear sectors, offering them bespoke logistics solutions that help elevate their market presence. As LFDY continues its ascent in the international fashion arena, the Uniserve partnership will support the brand's goals of efficient, scalable, and customer-centric growth.

WAREHOUSING & TRANSPORT UPDATE

TRANSPORT

Uniserve Adds LNG-Powered Trucks to Fleet

Uniserve has announced the addition of LNG (Liquefied Natural Gas)-powered trucks to its fleet as part of its commitment to sustainable transportation solutions. This strategic move aligns with the company's broader sustainability goals, aiming to reduce carbon emissions and lessen its environmental impact across its operations.

The shift toward LNG is a proactive response to increasing demand for greener logistics solutions. Compared to diesel, LNG produces significantly lower levels of CO_2, nitrogen oxides, and particulate matter, making it an environmentally friendly alternative that supports the logistics sector's journey toward net-zero emissions. The new LNG-powered vehicles will reduce Uniserve's reliance on traditional fossil fuels, providing a cleaner option for clients focused on sustainable supply chain practices.

Uniserve's investment in LNG technology demonstrates its leadership in sustainable logistics and reflects its commitment to adopting innovative, eco-conscious practices. By integrating LNG trucks into its fleet, Uniserve aims not only to decrease its carbon footprint but also to offer clients a greener choice in transport, ultimately contributing to lower total supply chain emissions.

The company's latest addition of LNG-powered vehicles reinforces its reputation as a forward-thinking logistics provider. In an industry where sustainability is increasingly vital, Uniserve is positioning itself at the forefront, catering to both environmental standards and the evolving demands of its clients for eco-friendly logistics solutions.

UNIEUROPE OVERVIEW

EUROPEAN TRANSPORT

European road freight rates in Q3 (2024): Spot rates fall, and contract rates remain stable.

In Q3 2024, the European road freight market saw spot rates decline by 3.4% from Q2, while contract rates remained stable quarter-on-quarter but fell by 1.7% compared to the previous year. Weak demand continues to put pressure spot rates, although contract rates are stable due to high operational costs, which prevents carriers from significantly lowering their contract prices, keeping freight rates above 2021 levels.

Diesel prices decreased by 8% from July to September but began to rise again in October, reflecting the volatility in fuel costs that impacts overall operational expenses. Labour costs have surged due to inflation, alongside significant increases in insurance, maintenance, and tyre costs, contributing to the high operational pressures faced by freight operators.

The outlook for freight rates remains subdued due to low industrial output and weak consumer demand, with ongoing cost pressures likely preventing significant rate drops.

Renovation of the Lueg Bridge on Austria's Brenner Highway is set to cause traffic slowdowns in 2025.

The Lueg Bridge, constructed between 1966 and 1968, is the longest bridge on Austria's Brenner Highway (A13/E45). Located on the Brenner Pass in Tyrol, near the Austrian-Italian border, it is a critical route for North-South European trade, handling approximately 55 million tons of freight annually.

From January 1, 2025, single-lane traffic will be implemented in both directions on the Lueg Bridge to ensure road safety and reduce stress on the aging structure. Reconstruction is set to begin in spring 2025, with the first new bridge structure expected to be completed within 2.5 to 3 years. The entire project is anticipated to be finished by 2030.

During the renovation, additional measures such as road closures and truck bans will be necessary, potentially causing traffic delays and disruptions. To mitigate congestion, a temporary second lane will be opened through special traffic management on days of heavy traffic.

ENVIRONMENTAL COMPLIANCE AND CONSULTANCY

BEYONDLY

2025 Countdown: Producers Confront Data Hurdles with RAM Release

James Marchant, Packaging Data & Workflow Leader at Beyondly, discuss' the considerable data challenges ahead for producers following the draft release Recyclability Assessment Methodology (RAM). Highlighting the increase in data point requirements to ensure compliance with EPR.

As the landscape of packaging compliance and more broadly, environmental legislation continues to evolve, the extent of reporting requirements and demand for high-quality packaging data is ever increasing. This has become evident following the recent release of the draft Recyclability Assessment Methodology (RAM).

Impact of RAM and associated data challenges

RAM is a framework designed for use by Producers under the packaging Extended Producer Responsibility regulations, to assess the recyclability of the primary and shipment packaging they are placing on the market from 2025 onwards. This will subsequently determine the resultant modulation of disposal fees to be incurred by producers through a Red, Amber, Green (RAG) system; with green implying the packaging is both recyclable and that there is adequate collection and recycling infrastructure in the UK for said packaging, attracting a lower fee. With producers required to complete RAM assessments on their packaging in 2025, this methodology has demonstrated the vast and ever-increasing data requirements necessary for effective and accurate compliance. Examples of some of the data points that producers will need to ensure they are recording and capturing information on include, component density, dimensions, size relative to subsequent component (labels), presence of additives/chemicals, lamination, and more.

You can read more on the specifics of RAM in a recent news story published here.

A significant number of organisations are still grappling with the challenges of data stewardship and accessibility, and now face a real hurdle ahead of 2025. With these growing demands, businesses must take responsibility for enhancing their internal systems to capture this vital information effectively. With the clock ticking toward 1 October 2025 (EPR Jan-Jun reporting deadline), this leaves very little time for preparation, and the industry must swiftly address these data gaps to avoid inaccurate disposal fees and ensure a smooth transition into the new regulatory landscape.

Support for producers

The complex requirements around packaging EPR data, is overwhelming. Beyondly's technical expertise acts as an extension to any business, providing high quality reporting and innovative insights.

ENVIRONMENTAL COMPLIANCE AND CONSULTANCY

BEYONDLY

Beyondly's data management offering is always evolving to meet the needs of every business, no matter the size. In 2025, get ready to benefit from significant enhancements, providing you with automated solutions for adapting to EPR's upcoming extended data requirements.

Beyondly work to accelerate change across businesses, meeting the changing needs of environmental legislation. Beyondly are here to support packaging producers every step of the way during the pEPR reform, so if you have any general questions or would like to share your thoughts, please do get in touch.

Beyondly would like to invite you to the packaging event of the year!

Join Beyondly at Packaging Innovations & Empack 2024, NEC Birmingham on 12th & 13th of February.

Beyondly will be in attendance at the NEC Birmingham in February for the Packaging Innovations & Empack 2025 event, where they will be connecting with packaging producers, sharing their expertise, and demonstrating how their innovative data solutions can help businesses tackle their regulatory challenges effectively. So, if you are attending, please don't hesitate to pop them a visit!

Register at the event for free or speak to Beyondly here!

ONE WORLD UPDATES

The UK Autumn Budget 2024: A Turning Point for Supply Chains – And How One World Can Help

As we unpack the UK Autumn Budget 2024, it's evident that Britain's supply chains face both significant challenges and opportunities. The changes outlined in the Budget, from rising costs to green energy investments, demand an agile and intelligent response. This is where One World steps in, helping businesses adapt, innovate, and thrive amidst evolving economic conditions.

Navigating Cost Pressures with Clarity

The increase in employers' National Insurance contributions and the national living wage rise brings inflationary pressures. For business leaders, this could mean rising labour costs and tightening margins. Through One World's real-time collaboration platform, businesses can gain the insights needed to optimise communication with suppliers and customers allowing the management to focus on these internal rising costs effectively. By enabling organisations to track collaboration across their entire supply chain around every product, process, and partner, we empower them to make informed decisions and maintain profitability.

Turning Infrastructure Investment into Opportunity

With over £100 billion allocated to capital investments, infrastructure development will surge. However, this growth could strain existing supply chains. One World's collaboration management allows businesses to anticipate and mitigate bottlenecks by providing a holistic view of workflows, tasks and service levels. We enable companies to coordinate across a vast network of stakeholders, ensuring that opportunities aren't missed due to inefficiencies or resource shortages.

Powering the Green Revolution

The Government's focus on carbon capture and hydrogen projects signals a pivot to sustainable energy. For businesses, this means the chance to establish new supply chains in the green energy sector. One World helps companies prepare by ensuring compliance with emerging sustainability regulations, facilitating transparent collaboration across green energy projects, and tracking every element of the product lifecycle.

Empowering Small & Medium Enterprise (SMEs) and Strengthening Networks

The £1.9 billion fund to support small businesses provides opportunities to create

OCEAN FREIGHT
AIR FREIGHT
WAREHOUSE & DISTRIBUTION
EUROPEAN ROAD FREIGHT
ENVIRONMENTAL COMPLIANCE
CUSTOMS
ONE WORLD

ONE WORLD UPDATES

more diverse and robust supplier bases. One World's platform supports SMEs by streamlining compliance and enabling efficient data sharing, ensuring they can confidently participate in broader supply networks. For larger organisations, this more options within the market and means a stronger, more resilient network of suppliers to drive growth.

The Role of Digitalisation in Long-Term Adaptation

The new Infrastructure Strategy underlines the need for long-term planning. With One World's advanced tools, the supply chain can not only plan but also adapt quickly to economic shifts. Our platform enables collaboration at every level, breaking silos and providing a single source of truth across the supply chain. This is especially critical in times of change, helping businesses maintain continuity while embracing new opportunities.

Why Partner with One World?

One World is uniquely positioned to help supply chains respond to the challenges and opportunities presented by the UK Autumn Budget 2024:

Real-Time Collaboration: Connect people, processes, and systems under a unified platform, ensuring agility.

Data-Driven Decisions: Gain actionable insights with our advanced analytics tools.

Long Term Digital Focus – Lead through Sustainability: Stay ahead of change with tools designed for compliance and supply chain evolution.

Adaptable Solutions: Reduce your total cost of ownership through our tools. Tailor workflows to meet the unique needs of your organisation without extensive engineering efforts.

As Britain reshapes its supply chain landscape, your ability to adapt and innovate will determine your success. With One World's cutting-edge tools and expertise, you can turn challenges into opportunities and lead the way in building a sustainable, resilient future.

Ready to transform your supply chain? Contact us today at owgtm.com.