

Airfreight rates from Asia reach another high

21 / 09 / 2021

By Damian Brett

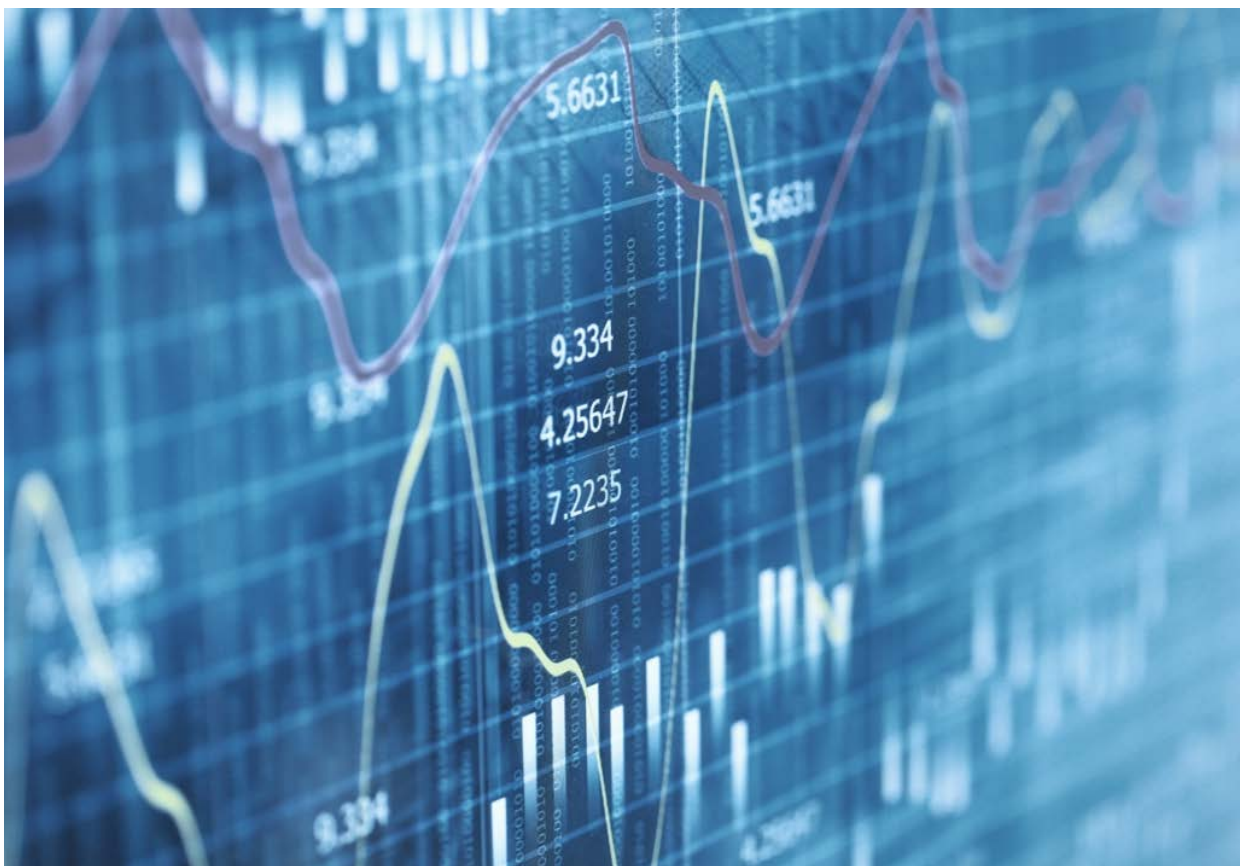


Image: Shutterstock

Airfreight rates out of Asia continued to climb last week as the region catches up following Typhoon Chanthu and the Chinese Golden Week holiday approaches.

Last week, Baltic Exchange Airfreight Index prices from Hong Kong to North America breached the \$10 per kg mark for the first time since the index started in 2015.

According to the index, average rates on the route last week stood at \$10.52 per kg compared with \$9.70 per kg in the previous week. Compared with a year ago, rates are up by 105.9%.

Prices from Shanghai to North America are understood to be even higher at more than \$11 per kg.

Meanwhile, rates from Hong Kong to Europe also climbed to a new high – hitting \$6.04 per kg compared with \$5.24 per kg the previous week.

From Shanghai to Europe prices are understood to be over \$7 per kg.

Spot market prices are likely to be even higher as the index rates include longer term agreements.

The price increases come as the Golden Week national holiday in China is due to start on October 1, which traditionally sees a rush in demand, and the peak season approaches.

Meanwhile, Typhoon Chanthu closed airports in Asia last week, disrupting supply chains.

“The market demand remains strong through Q3 and extended transit times are expected,” forwarder Flexport said of the market from Hong Kong last week.

“More ocean to air conversions are also contributing to higher rates. Due to the typhoon impact in North East China this week, capacity has become more unstable as some flights could not depart from Shanghai [PVG].

“The market is tight and will continue through China’s National Day Holiday in October as shippers rush to push out cargo.”