

Transpacific airfreight rates reach new highs

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Airfreight rates on the transpacific trade lane have continued to surge since the start of November as peak season demand kicks off and modal shift from ocean continues.

The latest figures from the Baltic Exchange Airfreight Index (BAI) show that last week prices on services from Hong Kong to North America reached \$11.22 per kg – the highest on (BAI) record and up from \$9.12 per kg at the start of October. To Europe prices from Hong Kong are at 7.80 per kg – also a high for the index.

Meanwhile, the Freightos Air Freight Index shows that prices from Asia/China to the US west coast last week reached \$14.22 per kg and to the east coast are at \$12.76 per kg.

The increases come as there are only six weeks to go until Christmas. With it taking around 20-30 days to ship from China to the US time has pretty much run out for anyone wanting to use ocean transport to get goods in time for the Christmas shopping season.

This situation is compounded by delays at major ocean shipping ports.

“With the holidays nearing and ocean delays pushing some shipments to air, peak season air cargo rates have continued to climb,” Freightos said in its weekly market wrap up.

That said, ocean freight rates are dropping quickly – a signal that the market is perhaps past its peak.

Forwarder Flexport pointed out that the China International Import Expo is being held in Shanghai from November 5 to 10, leading some airlines to cancel scheduled freighter and PAX freighter service during this period.

“This in turn has caused the market rate to increase sharply,” the company said. “Expect extended transit times of three to five days due to the limited capacity.”

“Capacity remains tight ex-Hong Kong as some PAX flights are still cancelled; however, shippers continue to push out cargo,” the company added.