



# BIMONTHLY MARKET OUTLOOK

04/01/2022 – V1



# KEY POINTS

UPDATED

- 🌐 The rebound in economic activity in 2021 means **output in most OECD countries has now surpassed levels in late-2019**. The latest GDP growth projections show how **they are now converging on their pre-pandemic path**.
- ✈️ As of the 4<sup>th</sup> of January 2022, **85 609** commercial flights were flown in the last seven days, compared to **69 390** and **109 020** in 2021 and 2020, respectively.
- ✈️ **International air cargo capacity was down -4% between 29 Nov–12 Dec compared to the same weeks in 2019**. Transatlantic air cargo capacity in the last two weeks was only ~5% down on 2019 (vs. -12% two weeks ago).
- 🚢 **58 cancelled sailings have been announced between weeks 52 and 03, out of a total of 545 scheduled sailings, representing 11% cancellation rate.**
- 🚢 **Schedule reliability declined M/M in November by -0.6 percentage points to 33.6%, maintaining the range of 33%-40% seen throughout the year..**
- 🚢 The number of scrubber-fitted container ships has risen to 850 as of 20 December, an increase of 150 ships compared to the start of the year. **The total capacity of the scrubber-fitted fleet now equals 7.52 Mteu - just shy of 30% of the total container fleet**, up from 25% at the start of the year.

# ECONOMY – GDP PROJECTIONS

NEW

The rebound in economic activity in 2021 means **output in most OECD countries has now surpassed levels in late-2019**. The latest GDP growth projections show how **they are now converging on their pre-pandemic path**.

World GDP growth is projected to slow from +5.8% in 2021 to +4.4%; for the G20 countries they are +6.3% and +4.7%, respectively. This pattern between 2021 and 2022 is mirrored in countries such as France (+5.8% vs. +4.0%) and Japan (+2.6% vs. +2.0%), while other countries are expected to see growth moderately pick up, such as Germany (+3.3% vs. +4.4%) and Spain (+5.9% vs. +6.3%).

Labour market imbalances persist, while supply bottlenecks and the emergence of COVID variants have hampered outlook in the near term.

## Real GDP growth projections

G20 economies, % change, year-on-year

	2021	2022	2023		2021	2022	2023
 World	+ 5.6%	+ 4.5%	+ 3.2%	 G20	+ 5.9%	+ 4.7%	+ 3.3%
 Australia	+ 3.8%	+ 4.1%	+ 3.0%	 Argentina	+ 8.0%	+ 2.5%	+ 2.3%
 Canada	+ 4.8%	+ 3.9%	+ 2.8%	 Brazil	+ 5.0%	+ 1.4%	+ 2.1%
 Euro area	+ 5.2%	+ 4.3%	+ 2.5%	 China	+ 8.1%	+ 5.1%	+ 5.1%
 France	+ 6.8%	+ 4.2%	+ 2.1%	 India	+ 9.4%	+ 8.1%	+ 5.5%
 Germany	+ 2.9%	+ 4.1%	+ 2.4%	 Indonesia	+ 3.3%	+ 5.2%	+ 5.1%
 Italy	+ 6.3%	+ 4.6%	+ 2.6%	 Mexico	+ 5.9%	+ 3.3%	+ 2.5%
 Spain	+ 4.5%	+ 5.5%	+ 3.8%	 Russia	+ 4.3%	+ 2.7%	+ 1.3%
 Japan	+ 1.8%	+ 3.4%	+ 1.1%	 Saudi Arabia	+ 2.9%	+ 5.0%	+ 3.0%
 Korea	+ 4.0%	+ 3.0%	+ 2.7%	 South Africa	+ 5.2%	+ 1.9%	+ 1.6%
 United Kingdom	+ 6.9%	+ 4.7%	+ 2.1%	 Turkey	+ 9.0%	+ 3.3%	+ 3.9%
 United States	+ 5.6%	+ 3.7%	+ 2.4%				

Source: OECD Economic Outlook, Volume 2021 Issue 2





# AIR FREIGHT – MARKET TRENDS (20/12– 26/12)

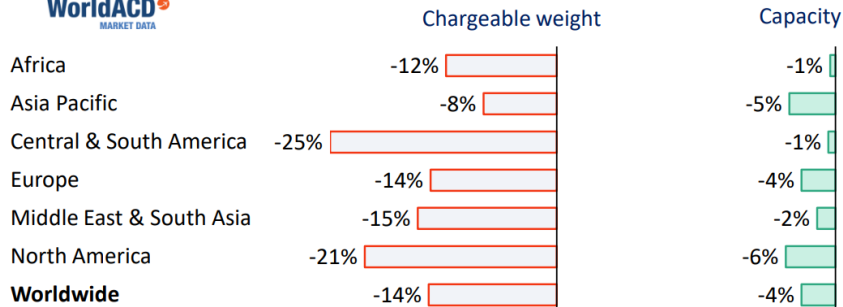
**UPDATED**

- In week 51, worldwide volume decreased by -14% compared with previous week. Worldwide capacity decreased by -4% week-over-week.
- On a regional level, volumes from all regions were down versus previous week, with smallest decrease from Asia Pacific at -8%, while Central & South America experienced the largest decrease at -25%.
- The average worldwide yield/rate in week 51 remained stable compared with week 50

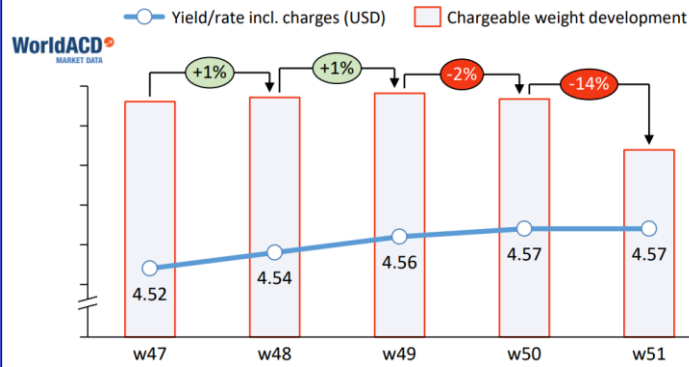
## Week-on-Week Change per Origin Region: Chargeable Weight & Capacity

Week 51 compared with Week 50 (WoW)

**WorldACD**  
MARKET DATA



## Actual Yields/rates against Volume Development



Trends based on appr 250 000 transactions per week WorldACD publishes weekly data for hundreds of markets the largest market based on data for 170 forwarders, the smallest on data for 20 forwarders.

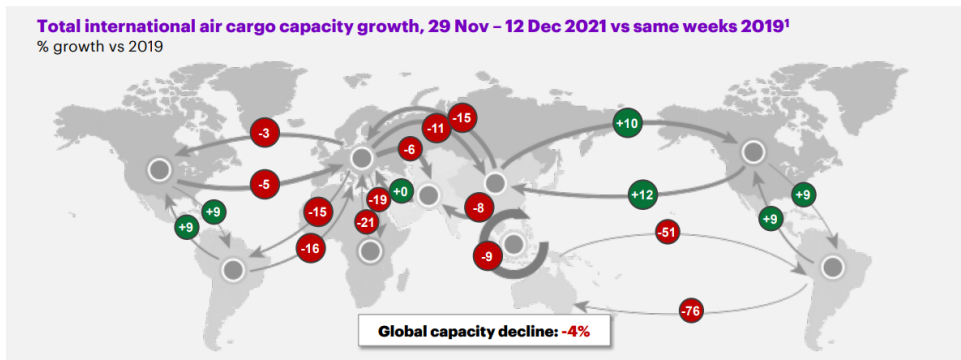


# AIR FREIGHT – MARKET TRENDS (29/11 – 12/12)

**UPDATED**

- Global international air cargo capacity increased +1% vs. previous two weeks, mostly driven by integrator freighters. Growth of airline freighter cargo capacity has “slowed down” and is flat vs. previous two weeks
- The recent increase in global freighter cargo capacity can be attributed to record block hour utilization. The total active fleet of large freighter aircraft consists of ~550 aircraft
- The Omicron variant has not significantly affected African air cargo capacity in past weeks. Decline of air cargo capacity out of Africa is largely offset by countries with increasing capacity

## Global international air cargo capacity was down -4% between 29 Nov–12 Dec, compared to the same weeks in '19



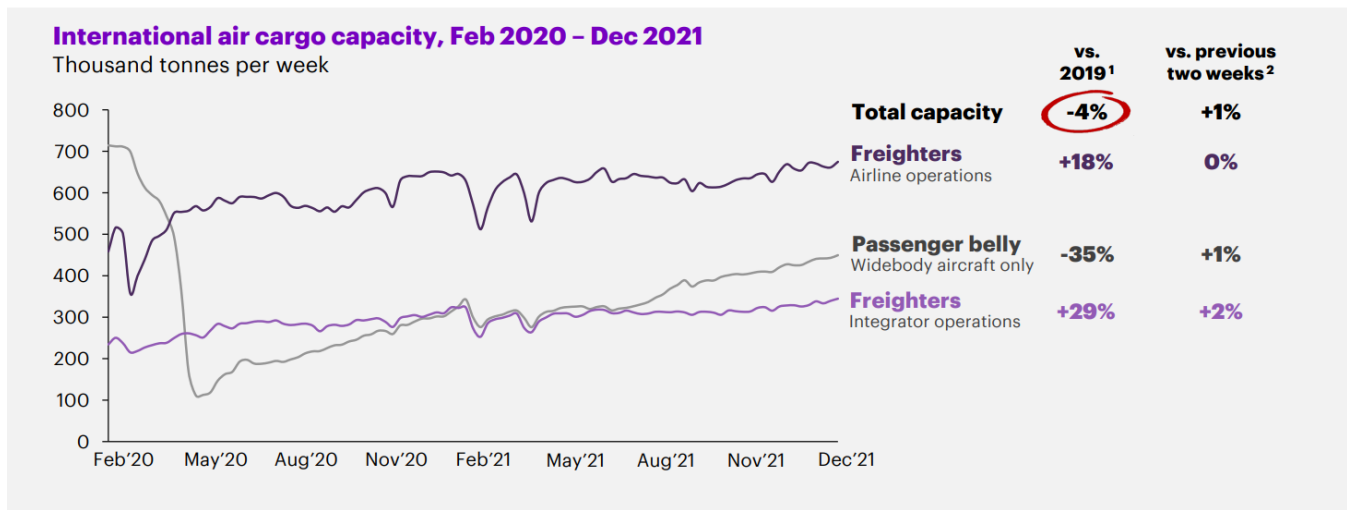
**Transatlantic air cargo capacity in the last two weeks was only -5% down on 2019 (vs. -12% two weeks ago)**



# AIR FREIGHT – AIR CARGO CAPACITY

**UPDATED**

**Global international air cargo capacity increased +1% vs. previous two weeks, mostly driven by integrator freighters**



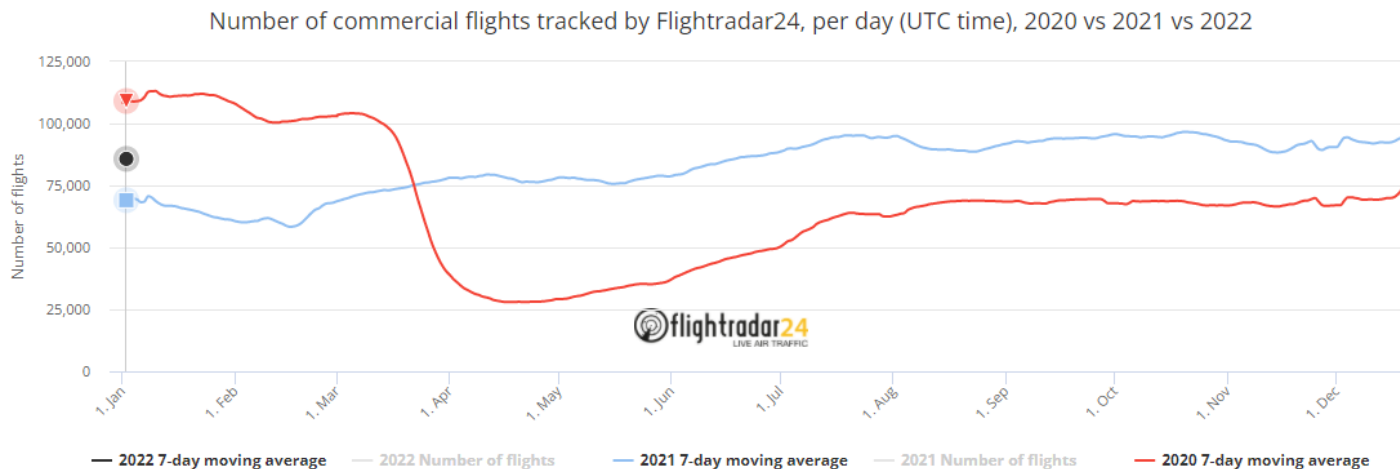
**Growth of airline freighter cargo capacity has “slowed down” and is flat vs. previous two weeks**





# AIR FREIGHT – COMMERCIAL FLIGHTS TRACKER

UPDATED



As of the 4<sup>th</sup> of January 2022, **85 609** commercial flights were flown in the last seven days, compared to **69 390** and **109 020** in 2021 and 2020, respectively.

On a year-to-date basis, **154 005** commercial flights have been flown this year, **25%** more than 2020 and **27%** less than 2019.

Commercial flights = Commercial passenger flights + cargo flights + charter flights + some business jet flights.



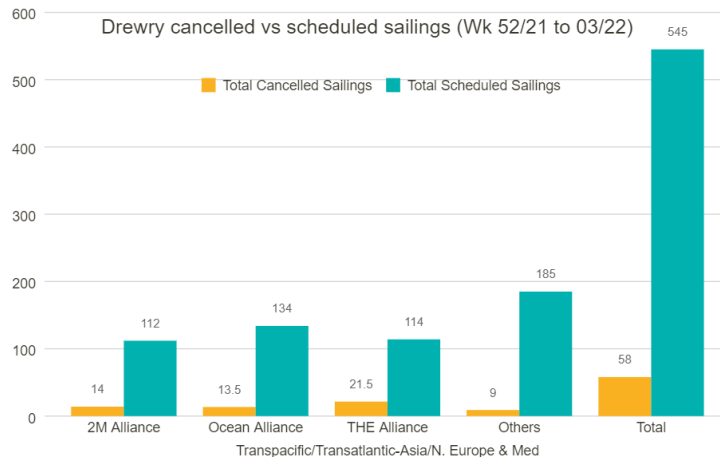
# SEA FREIGHT – CANCELLED SAILINGS – 04/01

UPDATED

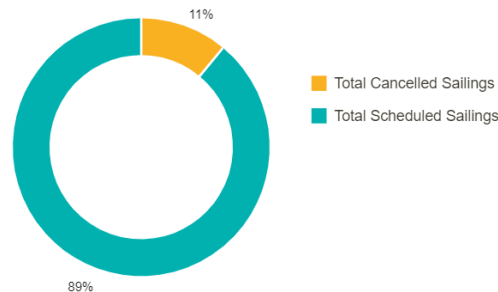
Across the major trades: Transatlantic and Asia-North Europe & Med, 58 cancelled sailings have been announced between weeks 52 and 03, out of a total of 545 scheduled sailings, representing 11% cancellation rate. During this period, 66% of the blank sailings will be occurring in the Transpacific Eastbound trade, and mostly to the West Coast.

Over the next 4 weeks, The Alliance has announced 21.5 cancellations, followed by 2M and Ocean Alliance with 14 and 13.5 cancellations, respectively.

With the recent rapid spread of Omicron, supply chain exposure to disruption and market volatility will remain high in 2022, a repeat of the scenarios played-out this past year seem likely to reoccur in 2022. As a result, we anticipate extended turnaround times and further congestion at port and terminals and advise cargo-owners to prepare for yet more delays and a continuation of high transportation costs.



Drewry cancelled vs scheduled sailings (Week 52/21 to 03/22)







# SEA FREIGHT – WORLD CONTAINER INDEX (WCI)

**UPDATED**

The composite index increased marginally this week and remains 119% higher than a year ago.

The average composite index of the WCI, assessed by Drewry for year-to-date, is \$7,555 per 40ft container, which is \$4,756 higher than the five-year average of \$2,799 per 40ft container.

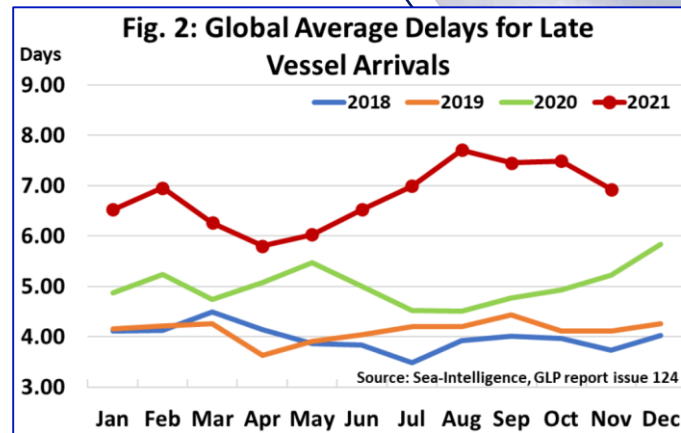
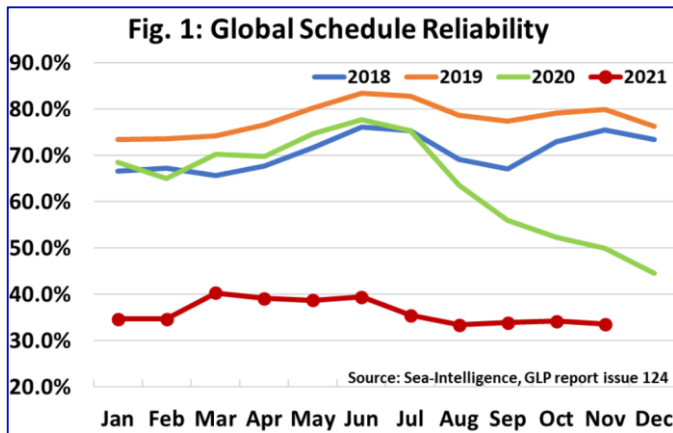
Freight rates from Rotterdam – Shanghai fell 1% per 40ft box. Rates on Shanghai – Rotterdam, Shanghai – Genoa, Shanghai – Los Angeles, Los Angeles – Shanghai, Shanghai – New York, Rotterdam – New York and New York – Rotterdam hovered around previous weeks level. Drewry expects rates to remain steady in the coming week.



The World Container Index is a composite of container freight rates on 8 major routes to/from the US, Europe and Asia, assessed by Drewry.



# SEA FREIGHT - GLOBAL SCHEDULE RELIABILITY



Schedule reliability declined M/M in November by -0.6 percentage points to 33.6%, maintaining the range of 33%-40% seen throughout the year. The only continuing “positive”, if one should call it that, is that schedule reliability has not plummeted further.

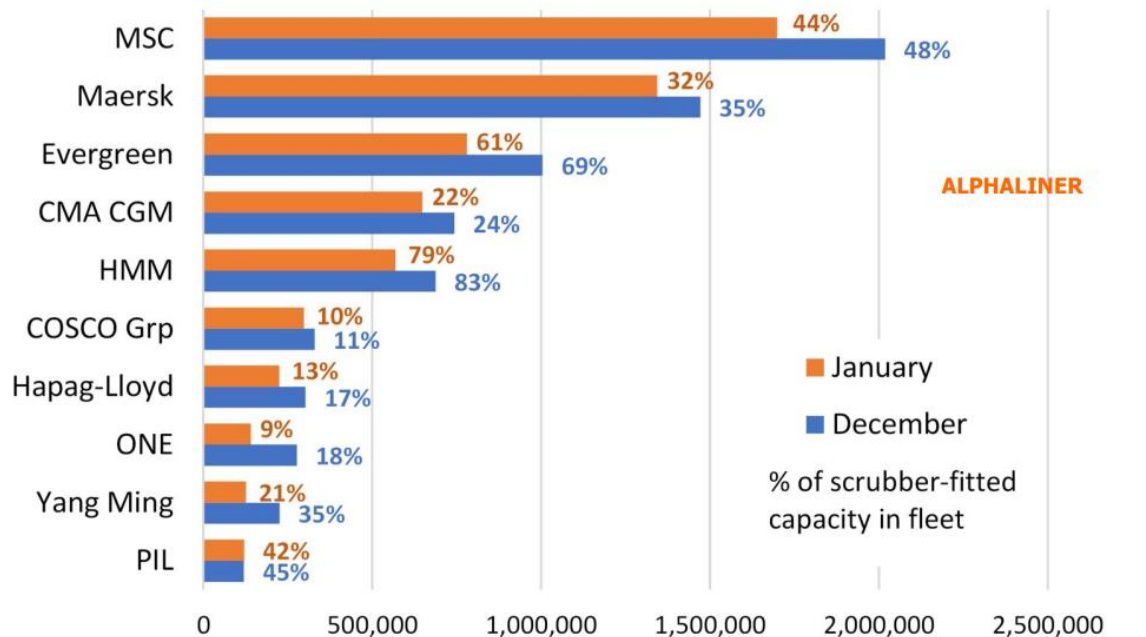
On a Y/Y level, schedule reliability in November 2021 was down -16.4 percentage points. The average delay for late vessel arrivals on the other hand, dropped down to 6.93 days, albeit still the highest figure for this month, which has been a recurring theme in 2021.



# SEA FREIGHT – Scrubber fitted capacity

NEW

Scrubber-fitted capacity (teu) by carrier and proportion of fleet





# SEA FREIGHT - CAPACITY OUTLOOK (WEEK 50 - 9)

**UPDATED**

## Highlights

Upcoming 12  
weeks (Y/Y)

### Asia - North Europe

In the Asia-North Europe trade lane the weekly capacity increases drastically in week 6 and decreases significantly in week 9. On the backhaul, the weekly capacity increases significantly in week 1, and decreases drastically in week 3.

15.4%

### Asia - Mediterranean

In the Asia-Mediterranean trade lane the weekly capacity increases significantly in week 50 and decreases drastically in week 51 and 3. On the backhaul, the weekly capacity increases significantly in week 50, and decreases drastically in week 5.

6.4%

### Asia - North America East Coast

In the Asia-NAEC trade lane the weekly capacity increases drastically in week 50 and 8 and decreases significantly in week 1.

31.6%

### Asia - North America West Coast

In the Asia-NAWC trade lane the weekly capacity decreases significantly in week 50 and increases drastically in week 9. On the backhaul, the weekly capacity decreases drastically in week 50 and 52 and increases significantly in week 4 and 5.

30.0%

### Asia - East Coast South America

In the Asia-ECSA trade lane the weekly capacity increases drastically in week 51 and decreases significantly in week 52. On the backhaul, the weekly capacity increases drastically in week 3, 7, 8 and 9, and decreases significantly in week 5.

18.5%



# SEA FREIGHT - CAPACITY OUTLOOK (WEEK 50 - 9)

**UPDATED**

Highlights		Upcoming 12 weeks (Y/Y)
North America East Coast - East Coast South America	In the NAEC-ECSA trade lane the weekly capacity increases drastically in week 51 and 5 and decreases significantly in week 4. In the ECSA-NAEC trade lane the weekly capacity decreases significantly in week 2 and increases drastically in week 9.	1.4%
North Europe - East Coast South America	In the North Europe-ECSA trade lane the weekly capacity increases drastically in week 50 and decreases significantly in week 1 and 6. In the ECSA-North Europe trade lane the weekly capacity decreases drastically in week 50, and increases significantly in week 51, 4 and 8.	18.1%
North Europe - North America East Coast	In the North Europe-NAEC trade lane the weekly capacity increases drastically in week 50 and decreases significantly in week 51. In the NAEC-North Europe trade lane the weekly capacity increases significantly in week 2 and decreases drastically in week 4.	23.5%
Mediterranean - North America East Coast	In the MED-NAEC trade lane the weekly capacity decreases significantly in week 4 and increases drastically in week 9. In the NAEC-MED trade lane the weekly capacity increases significantly in week 3 and decreases drastically in week 4.	13.9%
Europe- North America West Coast	In the Europe-NAWC trade lane the weekly capacity increases drastically in week 1 and 4 and decreases significantly in week 6. In the NAWC-Europe trade lane the weekly decreases significantly in week 50 and 1, and capacity increases drastically in week 51.	8.2%

# THANK YOU

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