



# WOJUNG GRAM



## Global and Korean Air Cargo Market Trends

### ▣ Reduced demand and returning belly capacity result in “double whammy” for airfreight rates

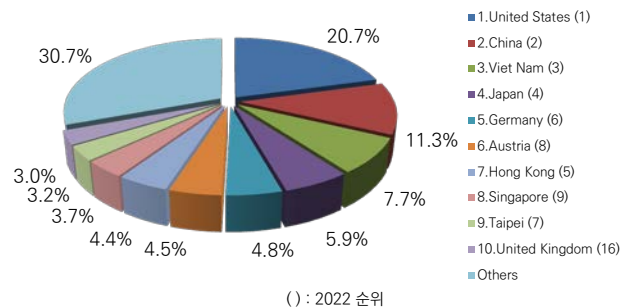
Soft demand and continued returning belly capacity combined to hit airfreight rates again in May, and pressure on rates is expected for the rest of the year. “2023 airfreight rates continue to grind lower, and the month of May was no different, enduring a double whammy of soft demand and the continued resurgence of capacity—particularly from passenger flights as both trans-Atlantic and trans-Pacific traffic returns for the summer season,” said Bruce Chan, director and senior research analyst covering global logistics and future mobility at investment bank Stifel.

Referencing IATA’s data on Freight Tonne Kilometres (FTKs) for March, for which the industry body reported a 7.7% decline in March, year on year and an 8.1% decline versus March 2019, Chan noted that the shift back from air to ocean has largely been completed following airfreight’s boom when container shipping was hampered by congestion during the pandemic, which has added to the demand challenge. Rising belly capacity also continues to put pressure on rates, and Chan warned that oversupply could become a problem that isn’t easily addressed following summer demand. He said: “As for supply, the influx of passenger belly capacity continues to be an issue for freight rates, absorbing elastic demand in a soft freight market. Summer travel season and generally robust passenger activity, especially on trans-Atlantic lanes, has led to healthy supply of lower deck space. “Airlines may have even over-built for demand, in our view, and it will take time for capacity to moderate after the summer surge wanes.” Available cargo tonne-kilometers (ACTKs) are up 10% worldwide vs. last year, and are only 1% lower than March of 2019, according to IATA’s data, said Chan. ACTKs in Asia Pacific are up nearly 25% year on year due to the impact of the lifting of pandemic restrictions. Notably, ACTKS in Europe are up nearly 9% year on year.

“The market is likely to be most over-supplied with belly space this summer, so cargo rates will likely trough in the next few months, but we think slack capacity will stick around into 2024,” Chan said. He added: “In May, Shanghai to North America (BAI82) declined 13% sequentially from April and Hong Kong to North America (BAI32) declined 2%. For Europe bound lanes, Shanghai origin (BAI81) fell 18% from April, while Hong Kong origin (BAI31) declined a little over 3% y/y. On Frankfurt to US (BAI22), rates were down 13% sequentially.” “We expect demand softness to persist for most of the year and belly capacity to continue to come into the market, so continued rate pressure should be the theme of 2023.” [Air Cargo News]

### ▣ Korea’s export air cargo status

According to the CASS statistics, in Apr, the total air export volume of each country in Korea was the highest to the United States, followed by China, Vietnam, and Japan, and the rankings show little change compared to the 2022 rankings. The total volume of the top 10 countries accounted for 69.3% of the total. [CASS]



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## ■ Charters to America in JUN

월요일	화요일	수요일	목요일	금요일	토요일	일요일
29	30	31	01	02	03	04
			DL196 1LDP DL170 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL158 1LDP OZ248 ORD/ATL 1MDP OZ284 1MDP	DL196 1LDP DL158 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL158 1LDP OZ248 ORD/ATL 1MDP OZ282 1MDP
05	06	07	08	09	10	11
DL196 1LDP DL158 1LDP OZ244 ORD/DFW 1MDP OZ284 1MDP	DL196 1LDP DL170 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL170 1LDP OZ248 ORD/ATL 1MDP OZ284 1MDP	DL196 1LDP DL170 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL158 1LDP OZ248 ORD/ATL 1MDP OZ284 1MDP	DL196 1LDP DL158 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL158 1LDP OZ248 ORD/ATL 1MDP OZ282 1MDP
12	13	14	15	16	17	18
DL196 1LDP DL158 1LDP OZ244 ORD/DFW 1MDP OZ284 1MDP	DL196 1LDP DL170 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL170 1LDP OZ248 ORD/ATL 1MDP OZ284 1MDP	DL196 1LDP DL170 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL158 1LDP OZ248 ORD/ATL 1MDP OZ284 1MDP	DL196 1LDP DL158 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL158 1LDP OZ248 ORD/ATL 1MDP OZ282 1MDP
19	20	21	22	23	24	25
DL196 1LDP DL158 1LDP OZ244 ORD/DFW 1MDP OZ284 1MDP	DL196 1LDP DL170 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL170 1LDP OZ248 ORD/ATL 1MDP OZ284 1MDP	DL196 1LDP DL170 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL158 1LDP OZ248 ORD/ATL 1MDP OZ284 1MDP	DL196 1LDP DL158 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL158 1LDP OZ248 ORD/ATL 1MDP OZ282 1MDP
26	27	28	29	30	01	02
DL196 1LDP DL158 1LDP OZ244 ORD/DFW 1MDP OZ284 1MDP	DL196 1LDP DL170 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL170 1LDP OZ248 ORD/ATL 1MDP OZ284 1MDP	DL196 1LDP DL170 1LDP OZ242 ORD/DFW 1MDP OZ286 1MDP	DL196 1LDP DL158 1LDP OZ248 ORD/ATL 1MDP OZ284 1MDP		
03	04	05	06	07	08	09

- ① OZ 284/286 to Western area Daily, securing Max space as an OZ contractor!
- ② OZ 244/242/248 to Central area & ORD Daily, DFW on D1,2,4,6, ATL on D3,5,7!!
- ③ DL196 to SEA, LAX, PDX & Connections, Daily 1LDP
- ④ DL158 to DTW & Central/Eastern, Daily 1LDP
- ⑤ DL170 to MSP & Connection to Eastern area, D234, 1LDP

### ■ C/S America : Mandatory to insert the following special remarks on AWB

Country	DEST	Special remarks
Chile	SCL IQQ PUQ ANF	CNEE RUT
Colombia	BOG MDE CTG BAQ CLO	CNEE NIT
Ecuador	UIO GYE	CNEE RUC
Guatemala	GUA	CNEE NIT
Peru	LIM	CNEE RUC

### ■ Special note

- ① June 19th (Mon) is a holiday in the United States due to the emancipation day.
- ② As of June 2nd, UA892/806 ICN/SFO will be operated twice a day.
- ③ YP starts operating new flights for ICN/EWR on Mon/Wed/Fri/Sun.
- ④ Please note that the DL to CLE/HSV/MOB/MTY area was closed at the beginning of the corona and they are still unavailable.

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### ■ LH (Lufthansa Cargo)

- ① LH8387 / LH8385 Daily in progress (0200-0800)
- ② RFS to WAW : available RFS for FRA-WAW on D1,2,3,4,7
- ③ Cancellation in Jun
- ✓ LH8385 06JUN : Freighter CXX
- ✓ LH8387 07JUN : EXCLUSION
- ④ LH/ICS2 Prior data transmission implementation from Jul :  
It is recommended transmission by 14:00 the day before, and it must be transmitted by 16:00 the day before at the latest and it must start working at Incheon Airport after confirming the European customs confirmation.
- ⑤ If the European customs confirmation is delayed due to late transmission or non-transmission, it is not possible to forward shipments.

### ■ QR (Qatar Air)

- ① Own BUP is available 4/7 on D3, 5, 6, 7
  - ② Easy to connect to the main European area, Possible to forward cargo to WAW.
  - ③ Seamless connection by securing connection allotment.
  - ④ Possible to forward cargo to EVN/GVA/ABJ/CPT/DUR/KRT/LAD/LUN/MPM WDH/ZNZ
  - ⑤ DOH/KGL TS promotion for LOS is in progress, DOH-KGL on D4,7 / KGL-LOS on D1,2,6 freighter connection available.
- ※ Please inquire for the desired rates.

### ■ TK (Turkish Air)

- ① Block spaces 2/7 on D5,7 are available.
- ② Guaranteed space by having allotment on passenger aircraft other than cargo aircraft
- ③ Russian region service available for VKO
- ④ Guaranteed lowest price for e-cigarettes from China to Europe, Middle East and Africa.
- ⑤ Special offers for Density and Volume shipments.
- ⑥ From 01Jun, in relation to Release 2 of Import Control System (ICS2), 6-digit HS Codes and Consignee EORI number must be included in FWB and FHL DATA for all shipments in the EU, or written in MAWB/HAWB

- ✓ Check HS Code and Consignee EORI number in FWB and FHL DATA
- ✓ In case of transmission without HS Code and Consignee EORI number in FWB and FHL DATA, be sure to write in "Nature and Quantity of Goods" of MAWB/HAWB
- ⑦ If the HS codes and consignee EORI number are omitted, cargo transportation delays and customs fines may be imposed.

### ■ Changes of European airlines

#### KE (Korean air)

Increasing Pax flight operations to PRG / IST

- ① PRG : KE969(B77W) 3/7 (D135) → 4/7 (D1356)
  - ② IST : KE955(A332) 3/7 (D135) → 5/7 (D13567)
  - ③ CDG (6/6 – 10/3) : PAX Extra (KE8901/ D2, B77W) 7/7  
(Daily) operations → 8/7 (Daily + D2) operations
- ※ Special offer for +100KGS to MXP, IST, DXB

#### TW (T'way air)

Wide body operation for ICN-UBN

- ① ICN-UBN TW421 11:35-14:00 A333 (D357)
- ② GCR ONLY (no DG) ELI, ELM, ID8000, DRY ICE possible

#### AC (Air Canada)

- ① Change of cargo CUT OFF to 12:00
- ② New operation to LGG (ICN-YYZ-LGG D346 connection)
- ③ ATH Wide-body flight (ICN-YYA-ATH DAILY connection)
- ④ Wide-body flights to LHR, FRA, FCO, LIS, MUC, VIE Daily

#### AF/KL (Air France/KLM)

- ① Promotion for NBO/DAR/CPT is in progress. Please contact us for more details

#### SV (Saudia Air)

- ① Operating flight to RUH/JED on D1,2,3,6 Direct, Special offer for flights on D1,2
- ② Operating Wide-body to IST 35/7 and Special offer for the space and rates, Please don't hesitate to contact us.

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### South East Asia & West Asia/Oceania

#### ■ Schedule changes by carrier

Carrier	Changes
YP	Increasing flights to BKK : As of 23Jun, YP601 [17:10 – 21:15] 5/7 on D1,3,4,6,7
7C	Non-operating to GUM: All flight 7C3102 was suspended as of June 3 due to damage from a local typhoon
SQ	Mandatory to fill in CNEE address for cargo to India : Mandatory entry of CNEE email address on MAWB and FWB
MH	Non-operating flights in Jun : 23Jun, 29Jun / ICN-KUL MH067 [11:00 – 16:35] CXX Please check separately for connecting flights by DEST.
OZ	Flight schedule to DEL in Jun : ICN-DEL OZ767 [14:20 – 19:50] 3/7 on D1,3,5 Before proceeding, please inquire separately for details and availability of space.
KE	Flight schedule to DEL in Jun : KE9575 [21:10 – 06:30+1] 3/7 on D2,4,6 KE497 [13:55 – 18:05] 5/7 on D1,2,4,6,7 Flight schedule to KTM in Jun : KE695 [13:45 – 17:40] 4/7 on D1,2,3,5

### Northeast Asia

#### ■ Schedule changes by carrier

Carrier	Changes
CF	Suspending flights to China in Jun, Undecided on resuming
KE	Resuming flight to XMN, BULK A/C type, 3/7
CI	Resuming flight to China for TS route
CI, BR	Decreasing rates to Taiwan from Jun
OZ	Increased punctuality of flights to PVG

#### ■ Special note for Northeast Asia

- ① **CHINA** : OZ flights to PVG show significant improvement in punctuality. Accordingly, it is necessary to adjust the rate from June and check the space in advance, so please contact us at any time if there is any cargo in progress. OZ flight to HKG will also be considered for future improvements.
- ② **TAIWAN & JAPAN** : Due to the influence of the end of the month, it was a TPE route that had a bad space situation, but the backlog volume was digested, there was no problem during the process, and the rate to Taiwan was reduced as of June, so please inquire when proceeding. There is no current issue to Japan, so if you have any questions, please don't hesitate to contact us.

## Others

### ■ Fuel & Other Surcharges by Carrier

- ① **KE/OZ etc** : FSC to be imposed from 16Jun'23 [ long haul : KRW 510/Kg, medium range : KRW 470/kg, short haul : KRW 450/kg ]
- ② **LH** : Lufthansa Cargo imposes ASC of KRW 1,350/kg effective from 30May'23.
- ③ **7L** : Silkway imposes FSC of KRW 310/kg effective from 06Jun'23.
- ④ **AF/KL** : Air France/KLM imposes FSC of KRW 930/kg effective from 16Jun'23.

### ■ Other Airline & Forwarder's information

- ① **OZ** : Asiana Airlines will drastically increase international flights in the summer. OZ is accelerating the normalization of passengers by increasing flights to 413 flights a week on 54 international routes from May. OZ increased 26 routes compared to the same month last year, raising the operating rate to about 71% compared to before the pandemic, and plans to continue expanding flights with the goal of normal operation at the end of the year. First of all, in May, flights will be increased on various routes, including China and the Americas. HGH, NKG, and CGQ will be increased by one each to operate from 3 to 5 times a week, and HAN will be increased from 10 times a week to 14 times a week to operate two flights a day. JFK, which previously operated seven times a week, will also increase its operation to ten times a week by additionally organizing three nighttime schedules (Wed, Fri and Sun), and SEA will also be changed to daily flights until Aug. In June, CEB, which operated four times a week, will be changed to daily, and CRK will also operate daily for the first time in about three years. Europe routes and Central Asian routes will also be gradually expanded. IST will increase from 2 times a week to 3 times a week, UBN will increase from 3 times a week to 4 times a week, and ALA will increase from 3 times a week to 5 times a week. OZ is also expanding its flexible supply. For about two months from Jul to Aug, it operates daily flights to Sapporo, and flights to NGO, which used to operate only morning flights every day, five times a week (Mon, Tue, Thu, Sat, Sun). ) additional afternoon flights. OKA also operates daily during the summer peak season. In addition, the Saipan route will increase from 4 times a week to 7 times a week, and the Australian route, which used to operate afternoon flights every day, plans to increase morning flights twice a week (Tue and Sat) from Aug. VCE also operates an irregular flight once a week for the first time in about three years. Meanwhile, OZ will continue to strive to normalize routes

to China in line with the easing of quarantine and the resumption of tourist visas in China. In Jul, CTU (Tenpu) will be increased to 5 times a week, and HRB-SZX in Aug will be increased to 4 times each week, and by the end of the year, 19 Chinese routes will be expanded to 163 times a week. [Cargo Press]

- ② **EY** : Etihad Cargo recently launched an innovative artificial intelligence (AI)-powered solution to revolutionize air cargo operations and expand and streamline cargo supply for each flight. This is a solution designed to expand and improve cargo transport by optimizing the space of cargo on board the aircraft. EY has signed a collaboration agreement with Speedcargo Technologies, a logistics solution technology company, since 2021. This AI solution, which has already been piloted, is evaluated to have raised the level of customer service to the next level by digitizing and standardizing cargo handling throughout the EY network with three product groups: Amplifi, Cargo Eye and Assemble. [Cargo Press]
- ③ **7C** : Jeju Air, which started its cargo business in earnest by introducing a B737-800 cargo plane for the first time in Korea in June of last year, announced that it would introduce an additional cargo plane of the same type in the second half of this year. The airline recently began refurbishing its cargo planes and is expected to put them on the route and begin operations in the second half of this year. An official from the airline explained that the related market is growing rapidly, with the e-commerce market reaching 100 trillion won worldwide, so the airline plans to expand its competitiveness in the e-commerce related air cargo market. Incheon International Airport Corporation has established a continuous cooperative relationship with specialized airlines by preparing an incentive system for new cargo routes and promoting joint marketing with airlines in order to increase the cargo volume at Incheon Airport through the expansion of cargo routes. [Cargo News]



### ■ National Holidays

Please refer to the national holidays provided by Forward.KR thru the link below. [Forwarder.KR]

<https://www.forwarder.kr/curr/holiday.php>