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Maersk Adapts Strategically to Navigate Evolving Market Dynamics

Maersk's decision to reduce its workforce and adjust its financial plans is a strategic and responsible move to navigate challenging market conditions. The company's efforts to streamline operations and cut costs are a mature corporate response to a changing industry landscape. While the financial outlook may be uncertain, Maersk's commitment to serving its customers and exploring growth opportunities in the logistics and services sectors remains unwavering. This proactive approach underscores their dedication to adapt and thrive in the face of evolving challenges.

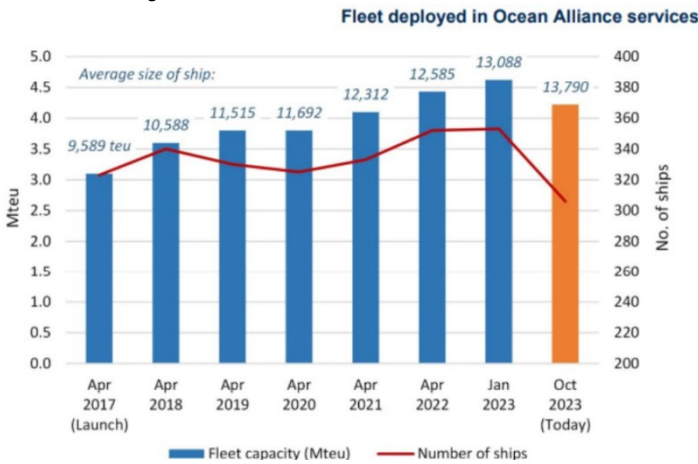
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ONE expands Indian network amid signs of export trade recovery

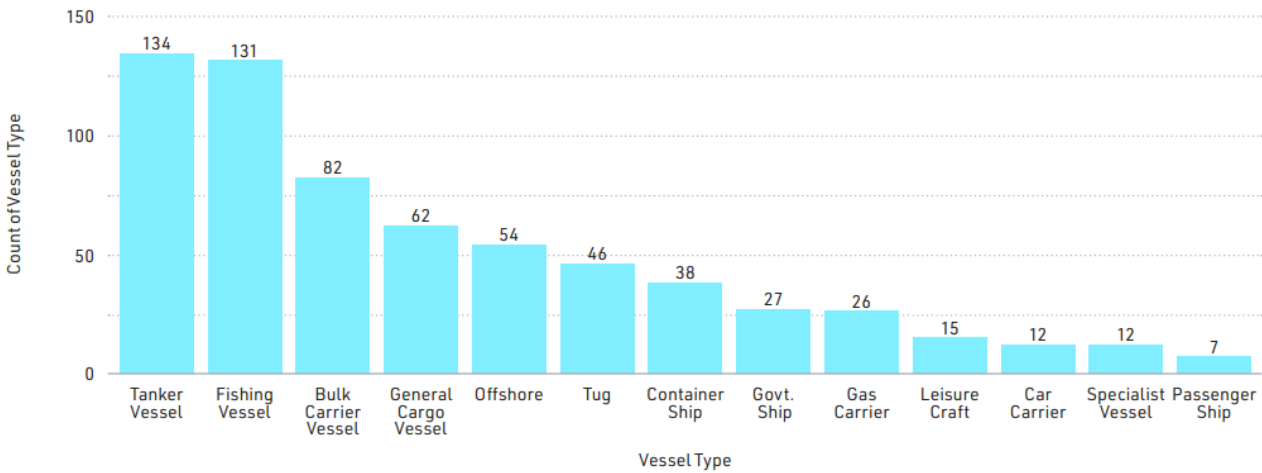
ONE is rapidly expanding its Indian trade connections as the country's exports show signs of recovery. New routes and enhancements are strengthening intra-Asia services for Indian customers. A fresh route to the Middle East and the Mediterranean is set to launch on January 14, reaffirming ONE's commitment to facilitating regional trade.

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Ocean Alliance to become the largest mega-alliance by far



GRAPH: VESSEL TYPES AND NUMBER OF DISTRESS SIGNALS RECORDED IN 2021



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Safety at sea: total vessel losses continue to decrease

Despite COVID-19 and supply chain disruptions, vessel losses in the maritime industry have consistently decreased, down 57% over a decade. The Future of Maritime Safety Report, based on GMDSS data from 2019-2021, uncovers local and global safety trends. Insights from this report guide proactive measures for preventing incidents and steering toward a safer future.

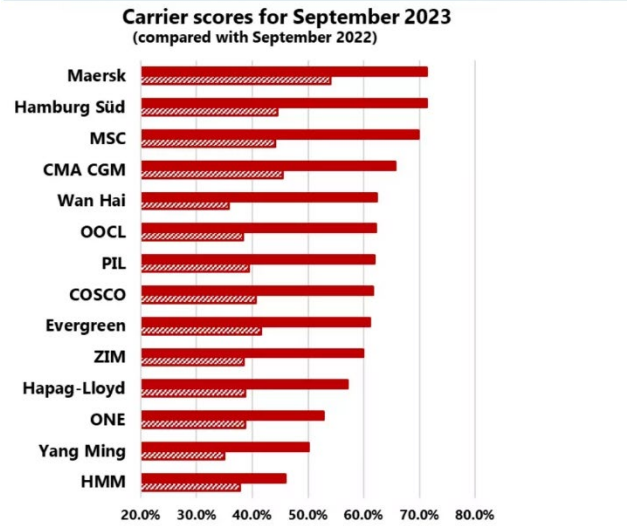
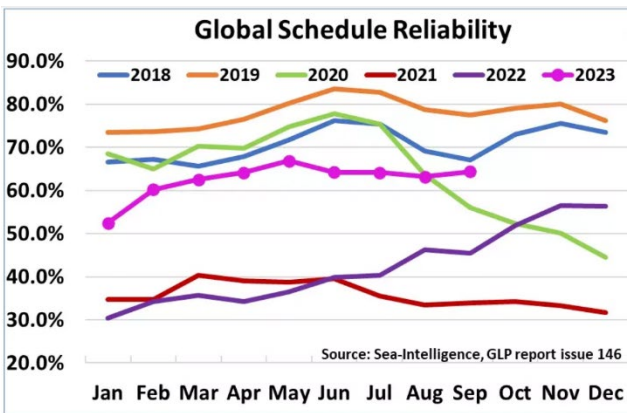
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Container shipping schedule reliability improves to 64.4%

In September 2023, global schedule reliability increased by 1.2 percentage points to 64.4%, with year-on-year reliability up by 19 points. Average delay for late vessel arrivals decreased by 0.09 days to 4.58 days, showing improvement from the previous year. Maersk and Hamburg Süd were the most reliable carriers with 71.3% schedule reliability, followed by MSC at 69.8%. Ten of the top 14 carriers saw monthly improvements, with PIL recording the largest increase of 7.3 percentage points. On a yearly basis, 13 of the 14 carriers showed double-digit improvements, with Hamburg Süd leading with a 26.8 percentage point increase.



The discontinuation of the 2M partnership in 2025 will bring about deep structural changes in the liner market, a sector so far dominated by three major alliances of roughly comparable market share.



Tata Group to acquire Wistron Unit to become first Indian iPhone maker

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Apple's contract manufacturer, Wistron Corp., is selling its Indian unit to the Tata Group for \$125 million. This move makes the Tata Group the first Indian iPhone manufacturer. The deal aligns with the Tata Group's expansion into electronics production and e-commerce.

UPS to acquire reverse logistics company

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UPS is acquiring Happy Returns, a US-based software and reverse logistics company, from PayPal to enhance no-box, no-label returns for consumers and reduce e-commerce costs. The acquisition is set to close in the fourth quarter, expanding convenient returns to over 12,000 locations in the US. Happy Returns serves over 800 merchant customers and will continue under UPS leadership.

Automakers resort to shipping cars in containers amid ro/ro capacity shortage

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Tight ro/ro vessel capacity prompts vehicle manufacturers to shift to container shipping. U.S. automakers receive more goods due to improved semiconductor supply and EV demand. New ro/ro vessel orders will primarily replace retired tonnage, not expand capacity.

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Lufthansa’s cargo profits tumble in Q3

Lufthansa's logistics business, including Lufthansa Cargo, faced challenges in the third quarter, failing to achieve an operating profit due to weaker demand in the global air cargo market. Cargo traffic increased by 5%, but revenues decreased by 41%. Despite these challenges, there are signs of market stabilization in cargo yields and volumes.

KEY FIGURES							
		Jan - Sep 2023	Jan - Sep 2022	Change in %	Jul - Sep 2023	Jul - Sep 2022	Change in %
Revenue	€m	2,210	3,567	-38	675	1,141	-41
... of which traffic revenue	€m	2,063	3,426	-40	625	1,091	-43
Total operating income	€m	2,279	3,638	-37	695	1,168	-40
Operating expenses	€m	2,128	2,346	-9	720	842	-14
Adjusted EBITDA	€m	324	1,433	-77	47	374	-87
Adjusted EBIT	€m	189	1,308	-86	1	331	-100
EBIT	€m	187	1,286	-85	0	330	-100
Adjusted EBIT margin	%	8.6	36.7	-28.1 pts	0.1	29.0	-28.9 pts
Segment capital expenditure	€m	171	233	-27	15	12	25
Employees as of 30.09.	number	4,146	4,087	1	-	-	-
Available cargo tonne-kilometres ¹⁾	millions	9,358	8,731	7	3,392	3,177	7
Revenue cargo tonne-kilometres ¹⁾	millions	5,466	5,363	2	1,885	1,791	5
Cargo load factor ¹⁾	%	58.4	61.4	-3.0 pts	55.6	56.4	-0.8 pts

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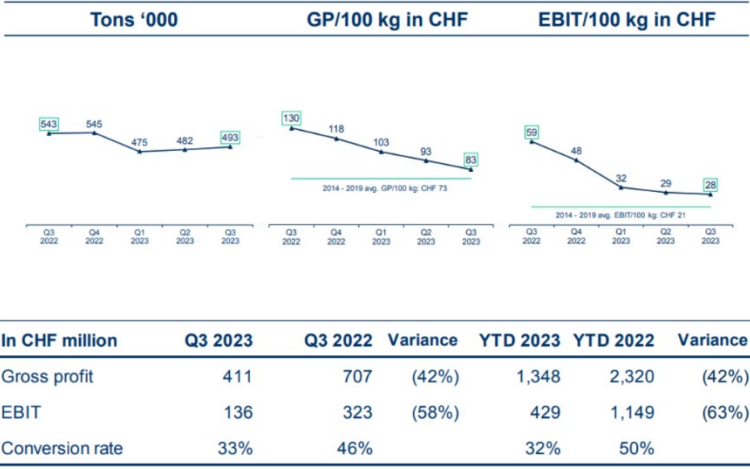
DSV volumes fall once more in Q3

In the third quarter, DSV's air cargo volumes dropped by 14% year-on-year due to reduced volumes and lower freight rates in the air and sea freight market. The Air & Sea division reported a 48.7% decline in revenue. Over the first nine months of 2023, air and sea freight demand fell because of various economic factors. DSV noted a modest improvement in volume growth in the third quarter, primarily due to weaker comparative figures from 2022. A full recovery in global freight volumes is not expected in 2023, according to CEO Jens Bjørn Andersen. Despite these challenges, the company maintains strong profit margins and earnings in its Air & Sea division.

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Kuehne+Nagel airfreight volumes drop again in Q3

Kuehne+Nagel (K+N) faced challenges in Q3 2023, with a 9% drop in airfreight volumes YoY to 493,000 tonnes. Air net turnover decreased 46% to Sfr1.5bn, and ebit fell by 58% to Sfr136m. The company managed to reduce costs, resulting in a 23% decrease in cost per 100kg YoY. While European export trades showed signs of recovery, the acquisition of Morgan Cargo will impact Q4 results. K+N also invested in infrastructure, including a new air freight gateway at Paris Charles de Gaulle Airport.



Source: K+N

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UPS reports declines in third quarter earnings, citing lower global demand

UPS reported a challenging Q3 2023 with a 12.8% drop in quarterly revenue to \$21.1 billion and a 47.5% decline in adjusted earnings per share. The global macro-economic environment, labor uncertainties, and softness in international and freight forwarding volumes contributed to these results. Despite the difficulties, UPS is confident in its preparations for the upcoming holiday season and is gaining volume momentum after the ratification of the UPS-Teamsters contract in late August. The company aims to win back all diverted volume by the end of the year and is focusing on attracting new customers with superior on-time performance during the peak holiday season.

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DSV and Saudi Arabia’s NEOM establish \$10bn logistics joint venture

SV and Saudi Arabia’s NEOM special economic zone have formed a \$10 billion logistics joint venture (JV) to support NEOM projects, focusing on providing ground, sea, and air logistics services. NEOM will hold 51% of the JV, with DSV holding the remaining 49%. The partnership aims to create over 20,000 job opportunities and boost the Saudi economy. Revenues from the JV will be used for developing innovative logistics solutions and a dedicated innovation center. Regulatory approvals are expected in Q2 2024, with no material financial impact on DSV in 2023.

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