



# Red Sea Impact on Container Market

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# Agenda

- About Freightos
- Red Sea diversions impact
- Key takeaways



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Creating win-win ecosystem with  
carriers, ecommerce and payment  
solution providers, supply-chain tech  
partners and large BCOs

**Freight is one of the last remaining industries with layers of non-digitized intermediaries. As a result, international freight is offline, complex, and expensive.**

## Shipment Management

### Slow quoting

2-3 days average quote turnaround <sup>1</sup>

### Opaque pricing

30-100%+ price spread for importers <sup>1</sup>

### Non-binding prices

Prices subject to significant changes post-booking

### Dependability

No committed transit time or guaranteed pickup

### Capacity utilization

~50% of air cargo holds empty pre-COVID <sup>2</sup>

### Complex coordination

~30 actors involved in each ocean freight shipment <sup>3</sup>

### Time intensive

Over 2 hours spent managing each individual shipment <sup>4</sup>

### Emission heavy

Responsible for 7% of global emissions <sup>5</sup> with poor utilization

**Key contributors to persistent supply chain challenges**



# The Freightos Product Footprint

Nasdaq: CRGO



Airlines representing 50% of air cargo capacity  
Carriers with API connections  
(Additional carriers via ingested Excel rates)



=> 30% of the world market in air cargo  
3,500+ forwarders  
19/20 top forwarders



Data or Platform customers  
12,000+ cumulative importers and exporters

**FREIGHTOS**

Sources: 1. Internal data and IATA, 2021 2. Internal data and [Alphaliner](#) 3. Based on [Armstrong, 2020](#)

# Operational Impacts

- **Initial weeks:** Equipment shortages and delays alongside Chinese New Year demand push during initial adjustments:
  - Longer transits
  - Faster speeds
  - Additional vessels added to loops
- Overall '**new normal**' since then...



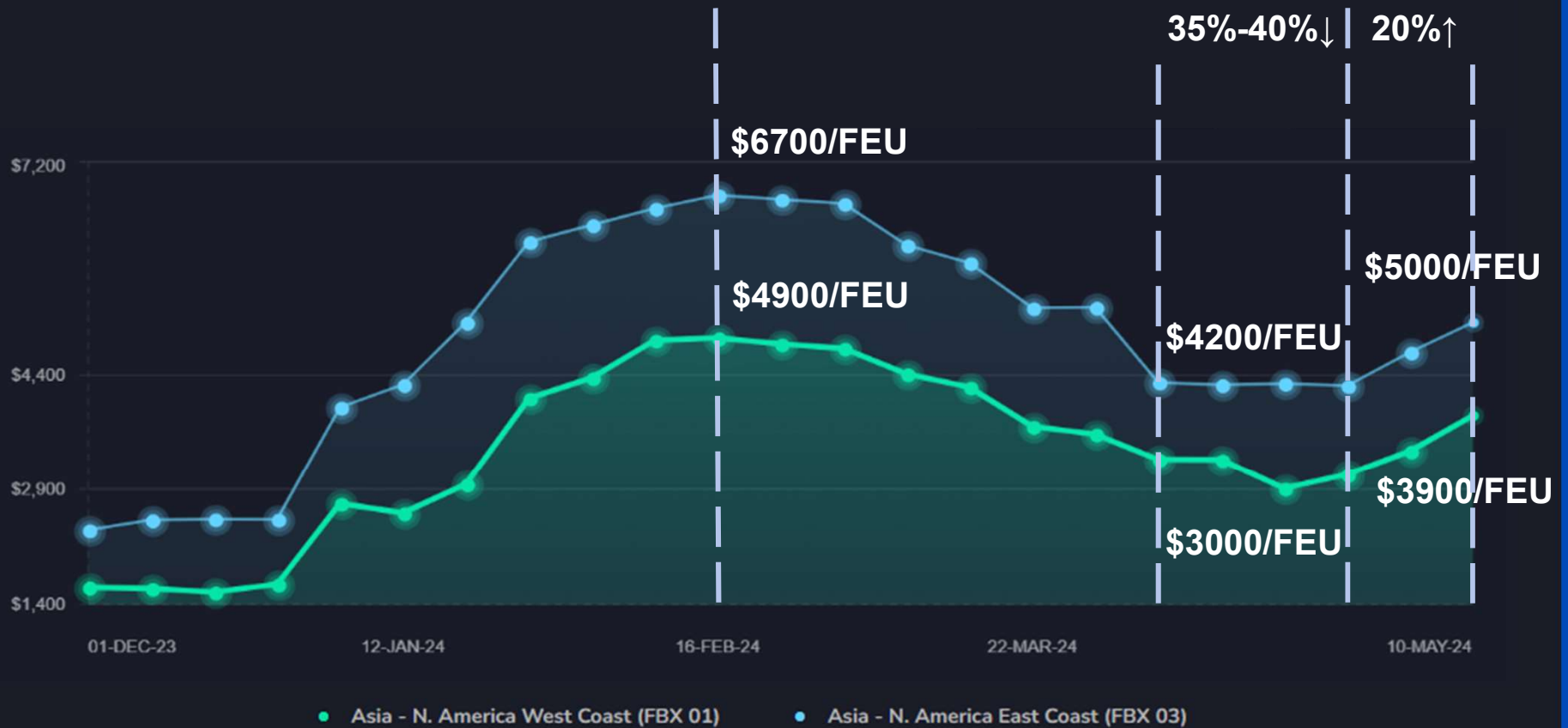
## Operational Impacts

- But, **recurring disruptions** in specific locations:
  - West Mediterranean, South Asia, Middle East
  - Some weekly schedule disruptions
  - Some push to air/sea-air
- Longer journeys/more vessels = Fully employed fleet
- Additional demand side pressure lead to even higher rates



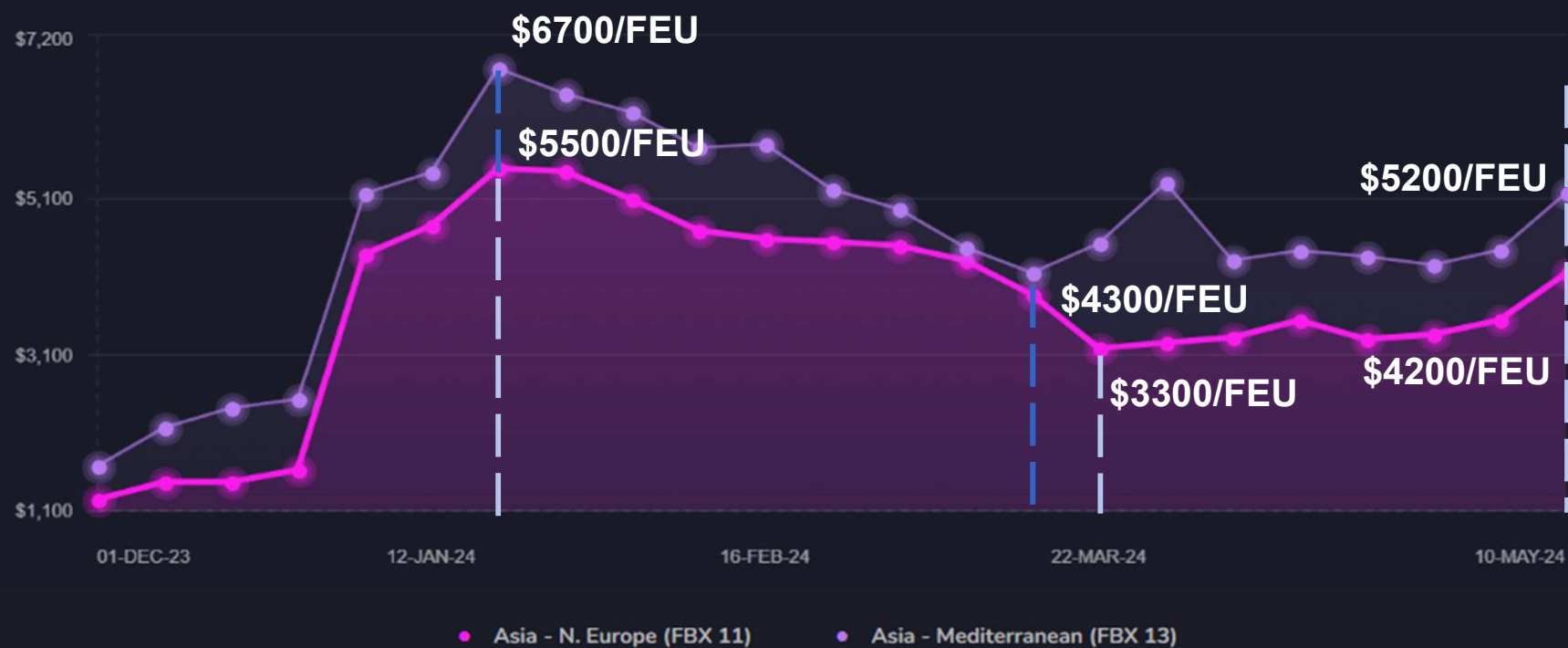
## Freightos Baltic Index - Asia - N. America West Coast & Asia - N. America East Coast

Source: Freightos Terminal



## Freightos Baltic Index - Asia - N. Europe & Asia - Mediterranean

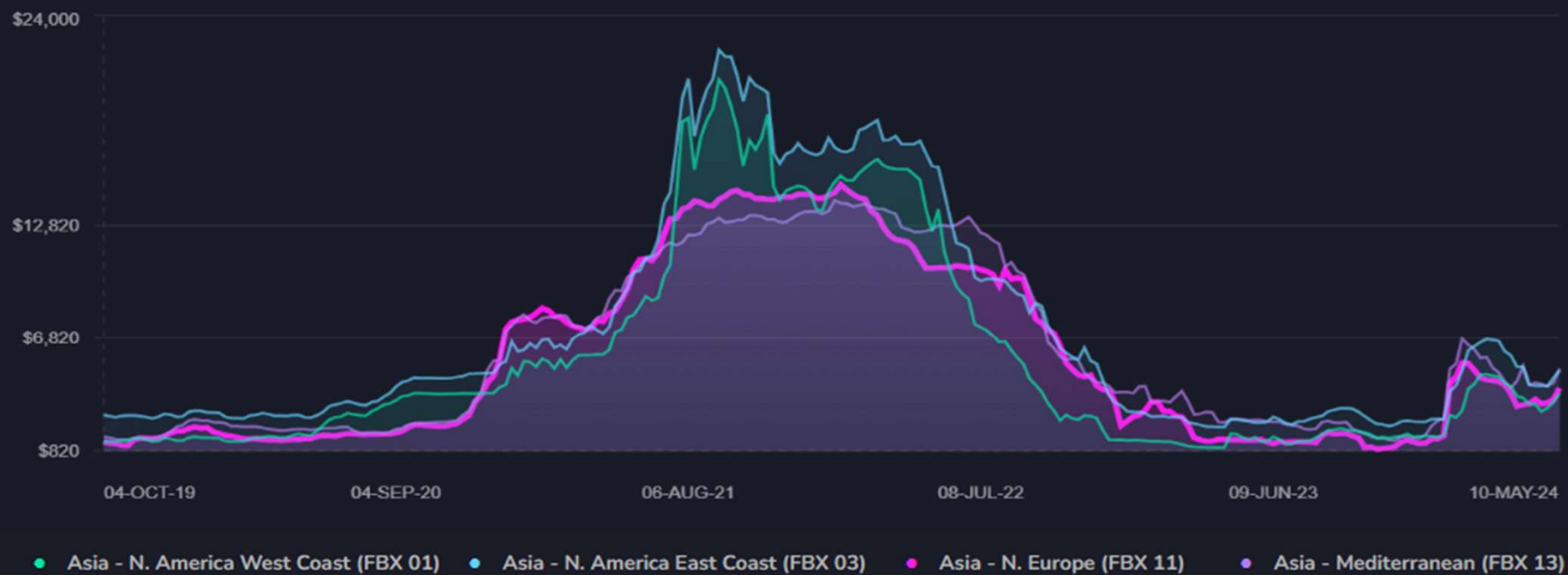
Source: Freightos Terminal





## Freightos Baltic Index - Ocean Container Rates

Source: Freightos Terminal



# Key Takeaways

- New normal is succeeding in keeping containers flowing...
- But, capacity is stretched thin to do so
- Stay on top of latest pricing and demand trends and potential disruptions to avoid outsized impact
- Air alternatives for relevant loads
- When Red Sea traffic resumes, expect a similar readjustment period, followed by a return to overcapacity/blanked sailings.



The pulse of global freight available at:  
**Terminal.freightos.com**



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