



Valued WorldTrans' Partner,

Our current News Flash report is focused on the steady climb of air cargo rates exiting all regions of the world. During the past few months there have been noticeable increases from all carriers on all service levels. If you are currently shipping via airfreight, you have experienced first hand the impact these increases have had on this already costly mode of transport.

Therefore, WorldTrans, in our dedication to service and commitment, would like to shed light on this topic and offer insight on the current market.

Why This Is Happening

The downturn in shipping volumes have been a direct result of the change in economy for both ocean and airfreight cargo alike. The airfreight market continues to be at a dramatic low since 2008 - causing all airlines to bleed steadily in revenue loss. Therefore, in an effort to stabilize and create a need for supply and demand, airlines have banded together and cut the frequency of flights and in some cases eliminate freighter (cargo) flights from major departing trade zones.

This leaves passenger flights as the only option for moving cargo from one destination point to another. Doing so allows the airlines to maintain the load factor and offers them leverage to impose rate increases. Increases that stronghold the market with available space being sold to those who are willing to pay top dollar to get their cargo moving.

Unfortunately, airlines have seen this strategy work to their benefit and continue to keep air space tight, which has resulted in very minimal direct flights available -- cargo now being routed through various connecting flights and a need to pre-book space 2-4 days in advance. In areas where freighter (cargo) flights are available, space is being absorbed by big corporations with large and heavy volume.

What Does This Mean For You?

Fortunately for WorldTrans clients, we are doing everything possible to keep our rates at a competitive advantage. When looking at the general market and average cost from competing agencies, we are definitely there! However, our leverage also comes in the form of our approaching a 15-year partnership with the Hecny Group offering allocated air/ocean cargo space.

As a formidable team, WorldTrans, despite current market situations, maintains our track record of reliable logistic solutions of getting your cargo loaded and where it needs to be. However, what remains a constant from our clients is active communication and lead-time. As stated in the outset, pre-booking cargo with a 2-4 day notification is a must, with the understanding that direct routing for the moment is very limited.

Nonetheless, you have our commitment to pursue and offer all avenues of service in these critical times. We are also committed to keeping a close eye on current market trends and will keep you informed on topics that affect how you do business.

Sincerely,

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