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Newsletter

AUGUST 2026

Connecting Our Global Teams: A Visit to Premiere Vietnam

A recent visit to the Premiere Global Logistics Vietnam office provided an opportunity to connect with our local team and gain a closer look at the office's operations and activities in the Vietnam market. The visit brought together colleagues from different parts of Premiere's global organization, creating an opportunity to exchange ideas, share experiences and strengthen relationships across offices.

As part of Premiere's global network, the Vietnam office contributes to our international freight forwarding operations by combining local market knowledge with connections to customers and partners worldwide. Maintaining close communication and collaboration between offices is essential to sharing expertise, supporting one another and delivering consistent service across different markets.

The visit reflects Premiere's continued commitment to building strong connections among its teams and strengthening collaboration across its global network.

3 factors that may shape the air cargo market in H2

According to Xeneta's Air Freight Outlook Update, a cooling world economy is expected to slow air cargo growth in the second half of 2026, even as rates continue rising. Global demand rose 4% year over year by the end of June, exceeding earlier forecasts, while capacity growth is trending toward the lower end of Xeneta's 2% to 3% range, meaning demand may outpace supply through year end. Persistent aircraft shortages at Boeing and Airbus are compounding the pressure, since widebody planes carry roughly 40% of global air cargo.

Rates are now expected to climb 5% to 15% year over year, a sharp reversal from Xeneta's original forecast of a possible decline. The Iran war remains a key driver, disrupting long-term contracting and pushing nearly half of Q2 volumes onto the spot market.

AI and semiconductor shipments remain the sector's strongest growth engine, especially on the Transpacific lane, prompting carriers like DHL to expand capacity. Still, AI cargo accounts for less than 10% of total volumes, and Xeneta warned a slowdown in AI investment could carry systemic ripple effects.

MSC, CMA CGM introduce fresh Panama Canal surcharges

Due to declining water levels and operational constraints at the Panama Canal, major carriers MSC and CMA CGM are introducing new or higher surcharges on shipments through the waterway. Effective August 19, 2026, MSC will apply a $100 per TEU Panama Canal Surcharge on all cargo from Asia to the U.S. East and Gulf Coasts. CMA CGM is raising its existing surcharge from $40 to $100 per TEU, effective July 25, 2026, covering Asia shipments to Central America, South America, the Caribbean, and Manaus.

These increases stem from strict water saving measures by the Panama Canal Authority ahead of an anticipated El Niño pattern. Draft limits at the Neopanamax locks have been progressively reduced, from 49.5 feet to 49 feet in late July, and further down to 48.5 feet by August 15, 2026, forcing ships to carry less cargo. The authority is also considering cutting daily transit booking slots and has already suspended last minute auction slots to conserve water at Gatun Lake.

This echoes the severe 2023 to 2024 droughts, which caused extended delays and sharp rate hikes. With over 76% of canal traffic tied to the U.S., logistics managers and freight forwarders should brace for higher ocean freight costs and possible scheduling bottlenecks on Asia to U.S. East Coast routes in the coming months.

US manufacturing expands for seventh month in a row: ISM

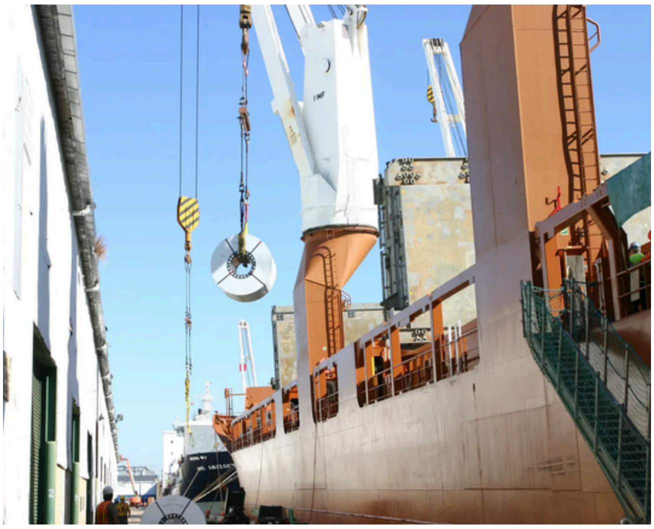
US manufacturing expanded in July for the seventh consecutive month, with ISM's Purchasing Managers' Index reaching 55.6%, up 2.3 points from June. The overall economy grew for the 21st straight month. The S&P Global US Manufacturing PMI registered 53.9, unchanged from June.

ISM's Susan Spence called it a strong report. Of respondents' comments, 38% were positive and 62% negative. Pricing volatility was cited in 57% of negative comments, the Iran war in 43%, longer lead times in 22%, and tariffs in 18%. Four of the six largest manufacturing industries, including transportation equipment and computer and electronic products, expanded.

New Orders rose to 56.7%, its seventh month of growth. Production jumped to 58.5%, the highest since 2021. Prices remained elevated at 71.1%. Employment climbed to 52.8%, its first expansion in 33 months, after adding 3,000 jobs in June. Export Orders returned to growth at 53%.

Spence said price volatility and the Iran conflict remain risks, but demand is up and orders are flowing, calling the outlook optimistic.

UPS, Amazon fuel surcharges help blunt higher costs



Major delivery providers' efforts to pass elevated fuel costs onto shippers are paying off, according to recent earnings calls. UPS' fuel costs rose 60.4% in Q2, but since UPS passes those costs to shippers via surcharges, the higher expenses also generated more revenue, leaving minimal impact on profit, CFO Brian Dykes said. Amazon has partially offset higher fuel costs through a 3.5% fuel and logistics surcharge on Fulfillment by Amazon services that began in April, CFO Brian Olsavsky said, adding the fee also helped offset higher linehaul transportation rates tied to driver capacity limits.

These surcharges, driven largely by the Iran war, are working as intended for major parcel carriers, translating into higher prices for shippers. The net fuel surcharge per package for ground parcel shipments rose 40% year over year in Q2, per the TD Cowen and AFS Freight Index, driven by the conflict and Strait of Hormuz disruptions. FedEx has used similar surcharges, contributing a 5 point revenue benefit for its Federal Express segment in the quarter ended May 31, though rising fuel costs meant surcharges didn't materially boost operating income. Shippers can negotiate for relief on fuel surcharges, with more room to do so than in the past, one logistics analyst noted.

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