

# Asia-Europe ocean rates up sharply ahead of carriers' Dec. 1 price hikes



*MSC will launch its standalone global network in February. Photo credit: MSC.*

**Greg Knowler, Senior Editor Europe | Nov 26, 2024, 11:12 AM EST**

Rate levels on the Asia to North Europe and Mediterranean ocean trades spiked this week ahead of significant rate increases to be rolled out on Dec. 1, but remain far below the pricing levels sought after by carriers.

Ocean carriers are moving to capitalize on demand ahead of an early Lunar New Year and strengthen their negotiating positions in annual contract talks, according to forwarders.

If the Dec. 1 freight-all-kinds (FAK) increases are successful, average spot rates on both Asia to North Europe and Asia-Mediterranean trade routes will increase more than 30% compared with current prices. Carriers have set Asia-North Europe FAKs at

\$6,300 per FEU and Asia to East and West Mediterranean rates at between \$6,400 and \$6,600 per FEU.

Markus Panhauser, CEO of the Germany and Switzerland units at DHL Global Forwarding, said the Asia-Europe rate increases set for Dec. 1 were the result of “very strong bookings” during November and December.

“Several blank sailings in December are fueling the space constraints, but the main reason is the high booking volume by all industry sectors,” Panhauser told the *Journal of Commerce*. “We see very strong bookings for January as well, therefore we believe the short-term market will see further rate increases.”

Other forwarders, however, had a different view of the market.

“We see the booking forecasts being fairly soft with no indication that the increases will stick,” said Marc Meier, managing director for Europe, Middle East and Africa/air and sea logistics at Dachser.

However, Meier noted that some carriers could be expecting disruption around the launch of the new Gemini Cooperation alliance between Maersk and Hapag-Lloyd in February. Gemini will operate a hub-and-spoke network, while at the same time Mediterranean Shipping Co. will launch a standalone network, with blank sailings, vessel delays and the carriers reshuffling fleets as they prepare for the changes.

## No sign of discounted rates

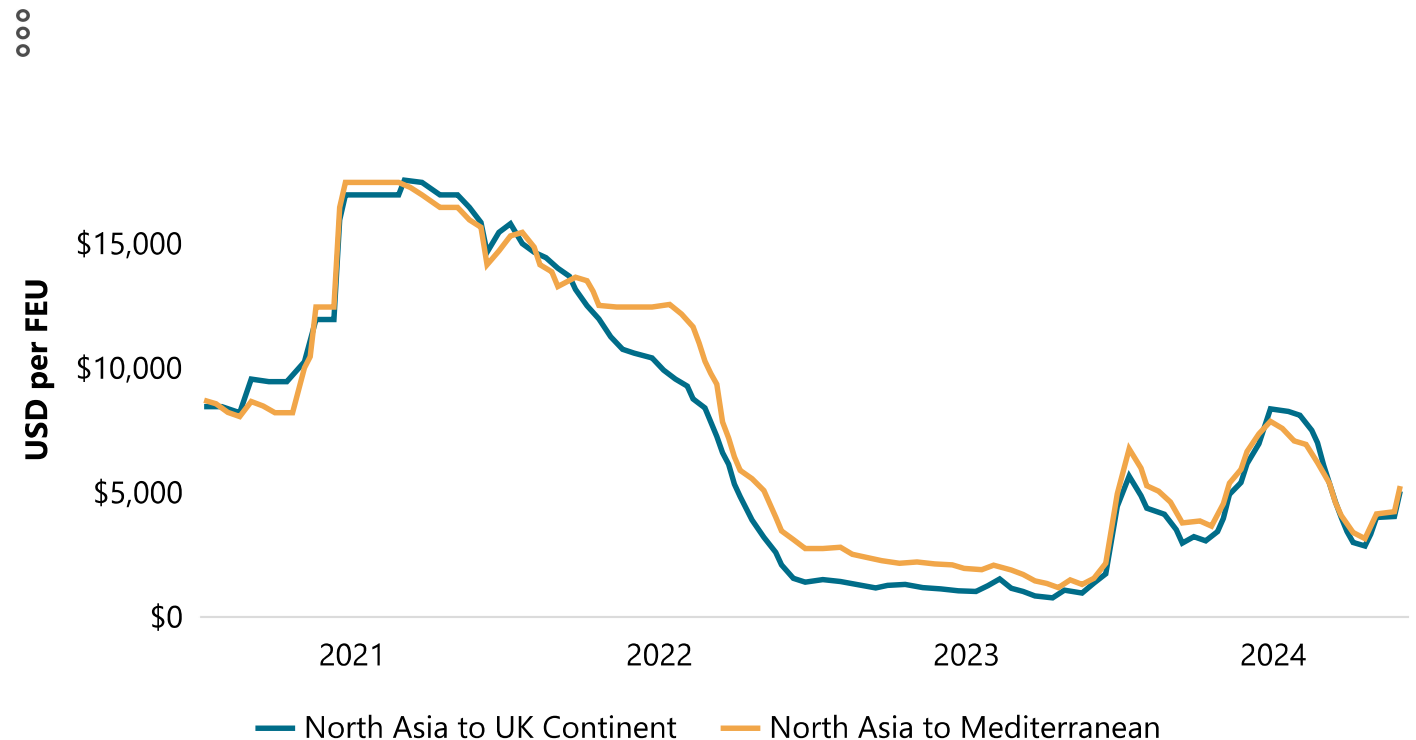
The ocean freight head for a global forwarder also highlighted the restructured carrier alliances as potentially influencing rate levels, but said so far there was no evidence of discounted rates being offered to fill ships.

“The Gemini Cooperation between Maersk and Hapag-Lloyd will need to meet their loading targets before they launch in February and MSC will have to fill all its ships, yet the carriers are still able to raise rates,” the source said. “Still, it is giving them a good platform to take into the 2025 annual contracts on Asia-Europe.”

The forwarder said the current high rate levels were leading to difficult discussions with carriers over the 2025 fixed-rate agreements, with customers balking at the high prices.

## Asia-Europe rates rise ahead of Dec. 1 FAK increases

North Asia to Europe and Mediterranean container short-term rates in USD per FEU



Source: Platts, S&P Global

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Average Asia-North Europe rates this week rose to \$4,700 per FEU while Asia-Mediterranean rates hit \$4,900 per FEU, both routes rising \$620 compared with the previous week, according to Platts, a sister company of the *Journal of Commerce* within S&P Global.

“The outlook for Europe is not great and some of our customers are taking a wait-and-see approach in the hope that rates come down,” the global forwarder said, adding that he was surprised the carriers were able to push up rates as they prepared for the revised vessel-sharing agreements.

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