



MARKET UPDATE

28 August 2025

We have entered market cruising altitude, despite persistent volatility chaos

Dear Valued Customer,

The global logistics sector continues to be plagued by a wide range of disrupting factors, including continued geopolitical and macroeconomic instability, fiscal policy reversals topped off by infrastructural bottlenecks. These factors, previously seen as exceptional, have now become everyday topics – and as we say, “the new normal”.

Just-In-Time supply chains have now effectively turned into a “Just-in-Case” model, with volume front-loading and buffer stocks now being popular supply chain volatility countermeasures despite the obvious cost effect. In turn, this form of erratic supply chain planning is impacting traditional supply and demand patterns, leaving asset players guessing as to when and where capacity is needed.

Volatility status quo does not equal progress

Inasmuch, that much of the global media attention has shifted to the advancing Russia and Ukraine peace negotiations led by US President Trump, the topic of US import tariffs continues to severely impact the global economy.

The impact from the ensuing tariff chaos remains the single largest driver of the current volatility, compounded by a general global uncertainty on account of the traditional economic and military alliances having been thrown into the air.

Add to this infrastructural challenges, especially in North European ports, and we then have all the ingredients for an explosive volatility cocktail that is upending global supply chains, as we have come to know them.

In this advisory we will guide you through both current impacts, as well as our expectation for the mid and long-term development.

Please note that all the information provided is given to the best of our knowledge and is prone to change.

Enjoy reading from here on out.

On behalf of Scan Global Logistics

Mads Drejer
Global COO & CCO





Geopolitical and global trade uncertainty continues

The ever-changing politics and tariff battles continue to pose a risk to global economic growth. On 29 July, the IMF (the International Monetary Fund) raised the global forecast by 0.2%, from the 2.8% announced in April to a 3% projection for 2025, on account of an increase in consumer spending and a drop in announced US import tariffs.

While the outlook was slightly better, it came with a warning that major risks persist in the form of geopolitical turmoil and global trade tensions. Tariff disputes, particularly between the US and major trading partners, will dampen the appetite for investments and ultimately also spill over to global consumer confidence. According to YouGov, global consumer confidence declined on more or less all metrics in July, with the overall index dropping by 0.8 compared to June, and this follows a drop in June as well.

If we zoom in on the IMF's Tariffs and Global Uncertainty Index, it is evident that each tariff hike coincides with a spike in global uncertainty. Even when tariffs ease, uncertainty remains, reflecting market caution and delayed recovery in trade flows. For supply chains, this means volatility in demand and uncertainty persists well beyond the policy changes themselves.

Figure 1. Tariffs and Global Uncertainty
(Percent; index, right scale)



Figure from [IMF July 2025 report](#)

The US tariff ghost is alive and kicking

If anyone has been under the illusion that the ghost of US tariffs had dissolved itself during the last months, a stark reminder was issued with the introduction of a whopping 50% tariff on imports from India, taking effect on 27 August. This escalation between the world's two largest democracies and once strategic partners underlines the frail nature of the situation, and as well that imposing increases in tariffs remains a key



political instrument for the new US administration. This latest move comes after a 25% tariff was imposed on India on 7 August, and consequently, a full breakdown in negotiations between India and the US within just 2-3 weeks.

This escalation also marks a full mix of geopolitical and macroeconomic interests, considering that a key driver for this measure by the US is India's ongoing oil trade with Russia, which, according to US sources, represents a major enabler for Russian war efforts in Ukraine.

India now enjoys the little flattering 1st place in terms of US import duties, with the top 10 looking as follows:

	Share of US imports	Rate
Mexico	15.5%	25%
China	13.4%	30%
Canada	12.6%	35%
Germany	4.9%	15%
Japan	4.5%	15%
Vietnam	4.2%	20%
South Korea	4.0%	15%
Taiwan	3.6%	20%
Ireland	3.2%	15%
India	2.7%	50%

Table from [BBC](#)

The IMF's July outlook highlights a notable and softening shift in US trade policy. It reports that the effective US tariff rate fell to 17.3% from 24.4% earlier this year, though this is still far, far higher than the 2.5% level seen in January 2025. The effects have been severe for some of the key trading partners, such as China, whereas Canada has seen a flat growth and Mexico even recording an increase despite increased tariffs, as illustrated well in below overview:

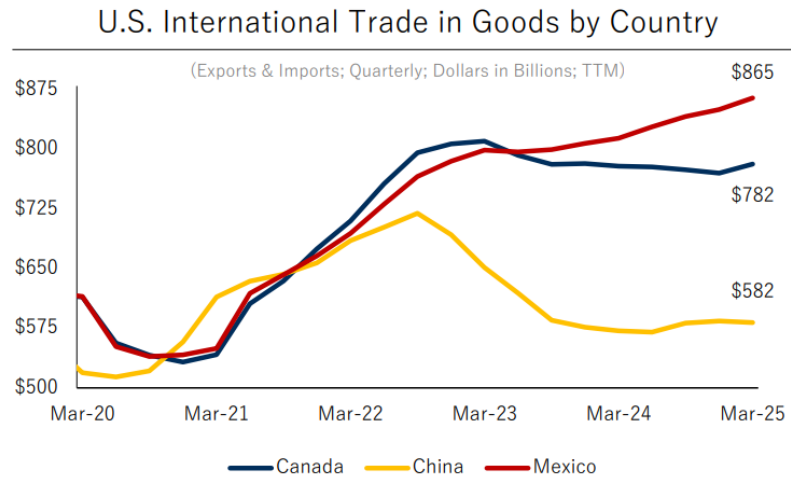


Table from [Intrepid](#)

EU and US carve out historic tariff deal

On 27 July, news emerged that a historic trade agreement between the EU and the US had been finalised. Both sides celebrated the deal, echoing that it seeks to foster a more stable and predictable trading environment on both sides of the Atlantic.

In simple terms, the key features of the agreement can be broken down into 5 main categories:

1. **Tariff Structure:** The agreement introduces a 15% tariff on a wide range of EU goods entering the US. This rate is lower than the previously threatened 30% tariff, providing some relief to EU exporters.
2. **Elimination of EU tariffs:** The EU has agreed to eliminate tariffs on all US industrial goods, which is expected to significantly boost US exports to Europe and enhance market access in Europe for American manufacturers.
3. **Strategic Products:** Certain products, such as aircrafts and components, chemicals, and pharmaceuticals, will not be subject to the new US tariffs, allowing for continued trade in these critical sectors.
4. **Investment commitments:** The EU has committed to purchasing USD 750 billion worth of US energy and investing an additional USD 600 billion in the US economy by 2028. This investment aims to strengthen economic ties and enhance energy security.



5. **Long-term goals:** The agreement is designed to address trade imbalances and promote local sourcing and reshoring of production. It aims to create a more balanced trade relationship between the two regions, given their significant economic interdependence.

While the Transatlantic trade will enjoy an expected boost from this agreement, we continue to see subdued Transpacific trade from Asia, especially China, into the US when factoring in volume frontloading. We expect this development to continue for the short and mid-term due to the general uncertainty and increase in US tariffs.

It is very difficult to assess the impact of this development on the Far East to Europe trade. Logic would imply that China will increasingly seek new trading partners, easing its dependency on the US. However, Europe is a mature and exhausted market for Chinese exports so it will be difficult for China to significantly increase exports to this area.

It is more likely that Latin America and Africa will receive even higher focus for China; however, this trend has been evident for quite some years and would more so be an acceleration.

The sustainability agenda is hit by new US administration policies

The US has issued a formal rejection of the IMO's Net Zero Framework, which governs the following areas:

- The agreement sets out how global shipping will achieve the goal of net zero emissions by 2050.
- It is the first climate law in history that requires a global industry to reduce its emissions.
- Vessels must reduce emissions by 4% annually from 2028, by using green fuels.
 - If not reduced, a tax of USD 380/ton will be issued to the vessel.
 - If the vessel has green fuel, but not reducing below 17%, a tax of USD 100 per metric ton will be imposed
 - If the ship reduces more than 17%, it will create credits called surplus units (SUs)
 - Ships can cover their lack of reduction by purchasing surplus credits from other ships



- Above pricing will apply until 2030. All fuels must be certified on a well-to-wake emissions basis (from production to delivery and use calculation). The tax money goes to the IMO Net-Zero Fund to support green fuel development, port infrastructure, and adaptation in developing nations.

With weeks to go before the IMO's October decisive vote, the US has now rejected the Net Zero Framework and threatened retaliation against supporters. The US objection, released 12 August and signed by four cabinet members, reiterates its claim that the framework effectively imposes a global CO₂ tax that disadvantages US industry.

Hapag-Lloyd reacted by stating that discussions should remain "fact-based, focused on long-term goals, and grounded in shared responsibility." Hapag-Lloyd emphasises that it supports the IMO's work and the goals of the Paris agreement; however, it requires coordinated solutions.¹

The IMO requires only a two-thirds majority of member states to adopt the agreement, but with the US statement, it creates complexity for global carriers if they choose to avoid the rules, which could result in a regulatory divide with different compliance expectations in US waters versus global ports. Moreover, even if US-flagged vessels avoid the rules domestically, they will still be subject to the framework when calling at ports in compliant countries.

Russia and Ukraine peace talks come to a grinding halt despite intensified efforts

The Ukraine–Russia war remains in a deadlock with an overall pessimistic outlook across most leading analysts. Despite high hopes, especially on the US side, the Alaska summit between US President Donald Trump and Russian President Vladimir Putin concluded without a ceasefire agreement. Trump signalled partial progress – "some headway" – but the meeting stopped well short of a concrete peace deal, despite Putin's demand that Ukraine fully withdraw from Donetsk and Luhansk in return for a ceasefire elsewhere. The US did express a willingness to consider security guarantees for Ukraine; however, the absence of Ukraine at the negotiation table has triggered concerns from European leaders over bypassing a formal ceasefire, which drew criticism.

Days later, President Trump hosted President Zelenskyy and several European heads at the White House. The leaders presented a unified front, emphasising the necessity of robust security guarantees for Ukraine as a cornerstone of any peace agreement. US

¹ <https://shippingwatch.com/carriers/Container/article18436351.ece>

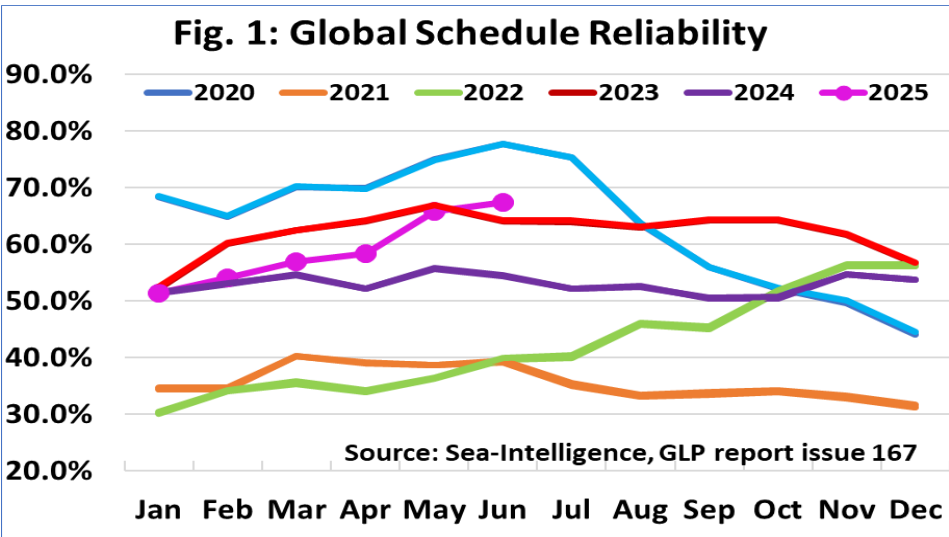
President Trump announced plans to call Putin soon to arrange a potential trilateral summit – but the details remain vague, and scepticism persists.

For the short and mid-term, our assessment remains that a broader permanent ceasefire is unrealistic, and accordingly, it is also considered that the impact on the global logistics sector remains “as is” with all industry parties having adjusted to the situation.



Ocean Freight

Amid all the geopolitical turmoil, global container shipping continues to sail through turbulent waters somewhat unfazed. Despite the uncertainty, container lines have steadily strengthened schedule reliability over the past six months. It is worth noting that when the carriers launched new alliances at the start of the year, all known impacting factors were factored in with graceful buffers as well by the carriers.



Graph from [Sea Intelligence](#)

June marked a milestone, with global on-time arrivals reaching 67.4% - the highest in more than 18 months and a sharp 16-point climb since January. Still, this remains well below the 78% on-time reliability performance of pre-COVID days.

Across the major east-west trades, reliability gains were broadly shared. Transpacific services to the US West Coast achieved an on-time performance of 78%, while the US East Coast and Asia–North Europe corridors both hovered around the 70% mark. For

shippers, these improvements provide welcome breathing space to better align inventories and production cycles.

Tradelane	MAY/JUN 2024	APR/MAY 2025	MAY/JUN 2025	M/M change	Y/Y change
Asia-NAWC	66.4%	72.7%	78.0%	5.3%	11.7%
Asia-NAEC	41.1%	63.6%	71.2%	7.6%	30.1%
Transpacific WB	64.8%	62.4%	70.5%	8.1%	5.6%
Asia - North Europe	48.4%	66.2%	68.2%	2.0%	19.8%
Asia - Mediterranean	58.1%	51.1%	57.0%	5.9%	-1.1%
Europe - Asia	43.3%	60.8%	74.4%	13.6%	31.1%
Transatlantic EB	67.4%	65.5%	69.6%	4.0%	2.2%
Transatlantic WB	66.1%	68.0%	74.1%	6.1%	8.0%
Europe - South America	77.3%	83.2%	85.5%	2.3%	8.1%
South America - N. Europe	75.6%	63.4%	73.7%	10.3%	-2.0%
South America - Med.	71.6%	72.8%	81.0%	8.2%	9.4%
N. America - South America	68.2%	74.6%	82.5%	7.9%	14.3%
South America - N. America	56.0%	66.9%	81.3%	14.4%	25.3%
Europe-Oceania	66.7%	45.3%	55.2%	9.9%	-11.5%
N. America - Oceania	81.8%	62.8%	75.9%	13.1%	-5.9%
Oceania - N. America	73.9%	87.3%	90.6%	3.3%	16.7%
Asia - Oceania	48.9%	56.4%	57.6%	1.2%	8.8%

Tradelane	MAY/JUN 2024	APR/MAY 2025	MAY/JUN 2025	M/M change	Y/Y change
Oceania - Asia	52.9%	58.3%	66.5%	8.3%	13.6%
Asia - Middle East	26.8%	49.8%	46.0%	-3.9%	19.2%
Middle East - Asia	33.9%	45.1%	51.1%	6.0%	17.1%
Europe - Middle East	52.7%	81.6%	86.6%	5.0%	33.9%
Middle East - Europe	53.1%	69.8%	78.4%	8.6%	25.2%
Asia - Indian Sub.	41.0%	47.7%	54.5%	6.8%	13.6%
Indian Sub. - Asia	37.2%	47.8%	52.3%	4.5%	15.2%
Europe - Indian Sub.	52.3%	67.5%	70.5%	3.0%	18.1%
Indian Sub. - Europe	51.1%	62.5%	69.6%	7.1%	18.5%
Asia - Africa	26.7%	57.8%	53.6%	-4.2%	26.9%
Africa - Asia	39.1%	52.5%	58.9%	6.4%	19.8%
Europe - Africa	52.8%	43.2%	47.4%	4.2%	-5.4%
Africa - Europe	61.8%	58.4%	61.1%	2.7%	-0.8%
Asia - ECSA	40.3%	52.3%	45.9%	-6.4%	5.6%
ECSA - Asia	44.4%	58.4%	59.4%	1.0%	15.0%
Asia - WCSA	76.4%	82.2%	81.3%	-0.9%	4.9%
WCSA - Asia	70.4%	59.0%	66.9%	8.0%	-3.5%

Tables from *Sea Intelligence Global Liner Performance report July 2025*

However, complacency would be premature. The global trade environment remains volatile, with supply–demand imbalances prone to flare overnight. The latest US–China



tariff escalation is a sharp reminder of how quickly trade flows can be thrown off course, particularly on the Transpacific.

Europe Port Congestion is now code red

Recent improvements in global schedule reliability have done little to ease mounting pressure across major North European ports, such as Rotterdam, Antwerp, and Hamburg. These ports are now facing the worst congestion levels since the COVID pandemic. The congestion cocktail, fuelled by a mix of limited barge capacity, high yard utilisation, ageing infrastructure, and persistent labour shortages, continues to choke operations.

Port management in the Port of Antwerp has voiced concerns about the potential long-term consequences for supply chains, considering that the congestion has lasted for months: *"We are concerned about the structural pressure in the longer term. If the buffers disappear and the congestion continues, more serious problems may arise,"* the port said.²

As a direct consequence of this situation, MSC has decided to remove its inbound Antwerp call from two Asia-North Europe services, i.e. the Swan service and the Britannia service. Similarly, the Gemini alliance is now compromising its philosophy of limiting port calls to "out ports" and has reintroduced direct port calls at Scandinavian ports Aarhus and Gothenburg to improve its service offering to the Scandinavian region.

Port of Los Angeles hits monthly volume record, while heavy congestion in Europe continues

Across the Atlantic, the Port of Los Angeles set a new record in July, handling 544,000 TEU - a year-on-year surge of 8%, as shippers accelerated imports ahead of potential tariff escalations and the holiday peak season. Gene Seroka, the port's Executive Director, commented, "Much of this volume was fuelled by importers hustling to bring in cargo ahead of potential tariff hikes later this month and beyond". Echoing this sentiment Zachary Rogers, lead author of the "logistics managers index", a leading US economic indicator, stated: "Importers have already completed their Christmas shopping - everything is already here for the holiday season".³

Despite this strong throughput, US and Latin American ports remain broadly stable.

² [Maersk alliance to ease strain on European ports by redirecting large ships](#)

³ <https://www.msn.com/en-us/money/markets/us-container-imports-may-have-peaked-in-july-chief-of-busiest-seaport-says/ar-AA1Kt7Z4?ocid=BingNewsSerp>



In Asia, the main pressure points are the main transshipment hubs, Colombo and Singapore, both battling heavy congestion, while major Chinese ports remain comparatively steady

The port of Tanjung Pelepas, Malaysia, serves as the main Asia hub for the Gemini alliance, consisting of Hapag Lloyd and Maersk. It reported the highest growth among the global top 30 ports with a year-on-year growth of 15.4% during the first half of 2025.



Picture from [Loadstar](#)

Historically, the ports of Singapore, Port Klang, and Tanjung Pelepas have battled for South-East Asian supremacy. Tanjung Pelepas has now narrowed the gap to Port Klang to just around 500,000 TEU. In contrast, Port Klang reported only 2.9% growth in comparison with the same period in 2025.

In a similar fashion, the Port of Hamburg has benefited positively from the alliance reshuffling, reporting a 9.3% growth year-on-year, largely fuelled by the Gemini alliance. Most noteworthy, this comes after consecutive years of declining market share, and with MSC also investing heavily in the Port of Hamburg with the purchase of a 49.9% share in port operator HHLA, it marks a bright outlook for the Port of Hamburg after many years with a cloudy horizon.

See further details on the latest port development below across all key geographies.



EU PORTS AND TERMINAL

- **Rotterdam/Bremerhaven/Le Havre/Gdynia/Gdansk/Antwerp**
High yard density and berth waiting times up to 3 days. **Rotterdam** and **Antwerp** are the ports with severe port congestions and berth waiting times more than 6 days where carriers divert vessels
- **Hamburg**
High Yard Density and with berth waiting times up to 3 days expect bottlenecks in the upcoming weeks
- **Felixstowe/Southampton**
Moderate yard density
- **Valencia/Barcelona** are faces berth waiting times up to 2 day



US/LATAM PORTS AND TERMINAL

- **NYC/Charleston/Baltimore** are operating stable. **Savannah** has as an average berth waiting time up to 2 days
- **Los Angeles/Long Beach/Oakland/Vancouver** and **Houston/Miami/Chicago** conditions are normal and stable
- **Vancouver, Montreal and Prince Rupert** are facing moderate Yard Density
- **Santos/Parangua/Itapoa** are operating stable
- **Cartagena** and **Valparaiso** Terminals are operating stable, with less than 1 day berth waiting time
- **Manzanillo, MX** Healthy Yard Utilization



ASIA PORTS AND TERMINAL

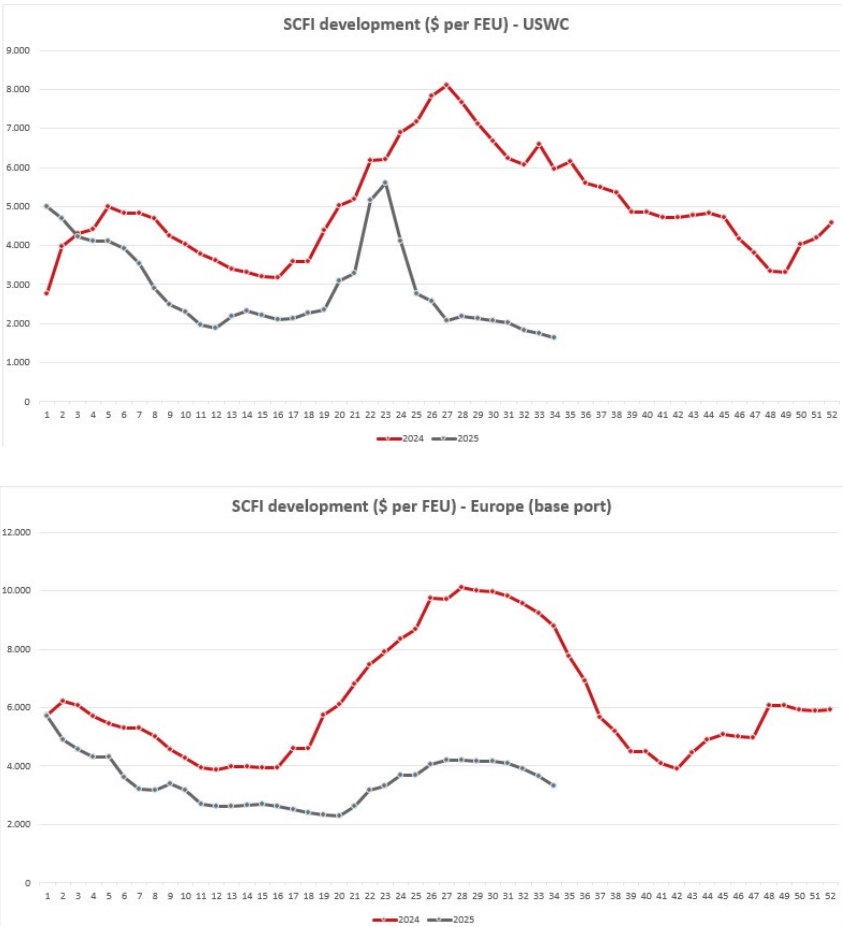
- **Shanghai/Ningbo/Qingdao** are facing moderate berth congestions with berth waiting times up to 2 days
- **Colombo** faces operational bottlenecks, and **Sri Lanka** faces moderate yard density
- **Port Kelang** port faces moderate yard density whereas **Singapore** still congested with berth waiting time up to 3 days
- **Chittagong** severe congestion with up to 6 days delays
- Ports in **North Vietnam** are operating stable
- **Malaysia** ports faces berth congestions with berth waiting up to 2 days

Ocean freight rates

The rollercoaster ride is continuing at full speed, with rates following a downward trajectory over the past weeks. Looking back at the past two years, we have experienced significant and highly unpredictable rate fluctuations with gaps between the highs and

























the lows of up to \$6,000 on the main East-West trades over the course of only a couple of months.



On the Asia-Europe trade, SCFI rates peaked in early July at \$4,202/40', followed by a few weeks of status quo. Rate levels then slid 19% in the past four weeks and are now at a level of \$3,336/40', with week 34 marking the 11th consecutive week of rate decreases.

The SCFI index reports a similar trend on the Transpacific trade; i.e. US West Coast rates dropped by 19% to \$1,644/40', while rates to the East Coast reported a reduction of 16% equal to a rate of \$2,613 in the latest update from the SCFI.



Past 4 weeks trending											
Trade	 202531	202532	202533	202534	Average	Chg. past 4 weeks			Chg. past week		
Europe (base port)	4,102	3,922	3,640	3,336	3,750	-766	-19%		-304	-8%	
MED (base port)	4,666	4,636	4,558	4,450	4,578	-216	-5%		-108	-2%	
USWC	2,021	1,823	1,759	1,644	1,812	-377	-19%		-115	-7%	
USEC	3,126	2,792	2,719	2,613	2,813	-513	-16%		-106	-4%	
ANZ (MEL)	2,242	2,394	2,478	2,534	2,412	292	13%		56	2%	
Gulf & Red Sea (DXB)	2,306	2,466	2,762	2,958	2,623	652	28%		196	7%	
Korea (Pusan)	276	272	276	278	276	2	1%		2	1%	
South America (Santos)	9,324	7,622	6,680	6,214	7,460	-3,110	-33%		-466	-7%	
Southeast Asia (Singapore)	824	818	812	796	813	-28	-3%		-16	-2%	
South Africa (Durban)	6,044	5,992	6,016	5,992	6,011	-52	-1%		-24	0%	
Average	3,493	3,274	3,170	3,082	3,255	-412	-12%		-89	-3%	

Transpacific rates have now also dropped steadily since early June – on average, the trades have “suffered” a +\$4,000/40’ decline over the course of a couple of months and now trades below 2023 levels. We anticipate carriers to continue their blank sailings programmes on this trade to sustain current market levels supporting announced GRI’s (General Rate Increase).

We assess that this trend will continue in the coming weeks, especially having in mind the effect of volume frontloading applied by global shippers. While a sharp rate drop appears unlikely, the downward trajectory is notable, albeit at a more moderate pace.

In essence, two factors are engaged in a tug of war: In the red corner stands “*constant trade volatility including Red Sea capacity effect*”, while in the blue corner we have the “*carrier race for market share*”. The latter is triggered primarily by the introduction of the new alliances, coupled with a bulging new container vessel order book, reaching a record high 10 mio. TEU resulting in an orderbook-to-fleet ratio of 30.4%.

As noted poetically by Alphaliner: “*The element of FOMO (fear of missing out) among carriers has prompted a push for market share*”. Other analysts retain the argument that since COVID, carriers have once and for all embraced profitability as the main driver, equipped with plenty of instruments in the drawer to manage supply and demand.⁴

It is also to be noted that the capacity situation is still impacted by carriers having to utilise Cape of Good Hope routing from Asia to Europe instead of the Red Sea and Suez Canal passage. This effectively has taken out 10-15 % of the total capacity on this trade, with more vessels required to service each loop.

Red Sea situation escalates

⁴ <https://gcaptain.com/ocean-carriers-launch-aggressive-push-for-market-share/>



Security risks in the Red Sea have intensified, with militant activity continuing to cause disruption to commercial shipping. Yemen's Houthi movement has entered what it calls the "fourth phase", expanding its target list to include any vessels with trade links to Israel, regardless of flag or ownership.

Early July saw two dramatic incidents as two vessels, the Magic Seas and Eternity C sank following attacks from the Houthis. On the Magic Seas, all crew were safely evacuated, while the attack on Eternity C ended in tragedy with 10 seafarers rescued, 11 still missing, with some feared dead and others believed to be held hostage. Houthis have since declared that further carrier services are "in danger", raising the stakes for all traffic transiting the Bab el-Mandeb Strait and the southern Red Sea.⁵

The UN Security Council has extended its monitoring mandate until January 2026, demanding monthly updates from Secretary-General Antonio Guterres. But for carriers, the impact remains immediate and tangible. Most continue to reroute around the Cape of Good Hope, adding up to two weeks of sailing time and sharply inflating bunker and operating costs.

Hapag-Lloyd has already revised its earnings outlook downward, citing the operational and cost pressures of avoiding the Red Sea, despite reporting a 10.6% year-on-year growth in volumes. Other carriers are reviewing schedules in the Arabian Sea and Gulf of Aden, tightening port calls to limit exposure as risks remain acute.⁶

US port fees put Chinese carriers on the back foot

The port fees announced by the US Trade Representative (USTR) targeting merchant vessels with links to China are set to be implemented on 14 October 2025. The fees will have the most impact on Chinese-operated or owned vessels; however, most global ocean carriers will be impacted as Chinese-built vessels will also be affected, regardless of the nationality of the company operating the vessel.

The charges will be increasing over the coming three years, and by April 2028, Chinese-operated or owned vessels will pay a 324% premium compared to non-Chinese-operated or owned vessels, placing Chinese carriers at a significant cost disadvantage.

⁵ <https://theloadstar.com/more-carrier-services-in-danger-of-attack-after-new-houthi-announcement/>

⁶ <https://www.wsj.com/business/earnings/hapag-lloyd-narrows-guidance-despite-heightened-uncertainty-from-global-tensions-d714c412>



Effective	Non-China operator fee (whichever is higher)		China operator/ owner fee	China premium
14 Oct 25	\$18/net tonne	\$120/container	\$50/net tonne	178%
17 Apr 26	\$23/net tonne	\$153/container	\$80/net tonne	248%
17 Apr 27	\$28/net tonne	\$195/container	\$110/net tonne	293%
17 Apr 28	\$33/net tonne	\$250/container	\$140/net tonne	324%

Source: [Drewry Container Market Outlook webinar](#)

Given the premium that will now be imposed on Chinese carriers compared to their competitors, these carriers risk being effectively priced out of US trades. As an example, on the Transpacific Shanghai-Los Angeles route, non-Chinese carriers would face an additional \$338/40' by 2028, while their Chinese counterparts will be burdened with a staggering \$1,400 surcharge on the same lane.⁷

Global carriers such as Maersk, Hapag-Lloyd, and CMA CGM have already signalled that they expect to be able to avoid the new charges entirely by redeploying their fleets, effectively ensuring that US services are operated with non-Chinese-built vessels. Chinese carriers, however, lack this flexibility, leaving them vulnerable to punitive cost escalation once the measures take effect on 14 October 2025.

In response, Chinese carriers are now working to recalibrate their schedules to limit or completely avoid direct US port calls before the new US port fees start on 14 October 2025. The schedule changes are designed to reduce exposure to the fee regime via rerouting volumes via Canadian or Mexican gateways with inland rail or truck bridging the last mile to final US destinations.⁸ While these adjustments may soften the blow, they risk adding complexity, time, and cost to supply chains already grappling with tariff shocks and volatile demand patterns.

⁷ [USTR fee could price Chinese carriers out of US trades - The Loadstar](#)

⁸ [Chinese carriers rejig schedules to avoid US port calls as fees loom - The Loadstar](#)



Airfreight update

Global airfreight remains in flux, with US trade policy and e-commerce continuing to dictate the tempo. The removal of the US de minimis exemption and tariff escalations have already unleashed heavy frontloading across both ocean and airfreight. As a result, US inventory levels are broadly considered sufficient to cover short-term demand, reducing the likelihood of a late-season surge - though any sharp drawdown could still trigger a surprise peak.

Shifting trade flows are reshaping the market

Asia-US volumes are softening, replaced by growth on Asia-Europe and Southeast Asia-US corridors, pulling capacity in new directions. While US e-commerce demand for small B2C parcel shipments is cooling (following the de minimis exemption removal), bulk shipments are gaining ground, with some flows shifting back to ocean.

E-commerce remains the engine, but routes are diversifying as the main growth is now outside the US, namely in the Middle East, Latin America, and Europe. Consumer data underlines the trend; for example, the Temu app now sits outside the US top 50 but ranks top 3 in Germany and Brazil. Below chart very clearly confirms the shift in trading flows.

E-commerce to the US is still down as China continues growth with other trading partners

Chinese air exports growth by country and commodity, 2025
Tonnage growth vs 2024



Source: Rotate Air Demand; Rotate analysis (July 2025)

rotate
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Source: [Rotate](#)



Outbound demand from Asia, especially China, remains strong, yet return flows remain weak. The imbalances are clear: US-outbound capacity has hit its ceiling with EU–China lanes facing the same strain.

Q4 will bring the usual seasonal lift around Golden Week, Black Friday, Cyber Monday, and Christmas. Furthermore, winter schedules will cut out a portion of the capacity as well, considering that a large share of global airfreight volumes is shipped as belly-hold cargo on passenger flights. This will undoubtedly push rate levels up, and we do expect the traditional upward effect from Q4 peak season.

Global volume and rate trends

Global airfreight lost further momentum in week 32, with tonnage slipping -2% on the back of the previous week's -1% fall. Only Africa (+3%) and Central & South America (+1%) registered growth, while North America (-5%), the Middle East & South Asia (-4%) and Europe (-3%) contracted. Asia Pacific volumes were flat overall, yet underlying shifts revealed diverging sector dynamics.

Exports from Asia Pacific to Europe weakened for the fourth consecutive week (-1%), driven by sharp drops from China (-3%), South Korea (-10%) and Indonesia (-18%). Year on year, however, tonnage to Europe remained up +7%, propelled by Vietnam (+29%), Hong Kong (+21%) and China (+8%). In contrast, flows to the US gained momentum, with China to US volumes climbing +1% WoW and +5% YoY – the first annual growth since mid-April – as exporters appear to be re-engaging with the American market amid shifting tariff landscapes.

Pricing mirrored these mixed patterns. Global rates rose +1% WoW, led by Europe (+3%) and Asia Pacific (+1%), but remain -1% down YoY.



Figure from [World ACD](#)



Air Canada Strike creates capacity disruption

Air Canada's network has been hit by a strike among flight attendants that began on 16 August. The strike is affecting both Air Canada and its subsidiary Rouge, grounding a significant portion of scheduled passenger flights. Although a government back-to-work order has since been issued, flight schedules remain disrupted as operations gradually recover.

The most acute impact is the loss of belly-hold capacity on key Transatlantic and Transpacific routes, where Air Canada is a significant player. While Air Canada Cargo continues to operate its freighter services, the strike has created short-term pressure on available lift out of Canada. This has particularly affected sectors reliant on passenger flight belly capacity, such as automotive, electronics, and perishables.

Other carriers have begun to absorb some of the displaced volumes, but with networks already stretched, forwarders should prepare for delays, firmer spot rates, and rerouting requirements until operations stabilise.



OCEAN TRADE LANE OVERVIEW

ORIGIN REGION	TRADE-LANE	CAPACITY	EQUIPMENT	SCHEDULE RELIABILITY	RATE DEVELOPMENT
Asia	Asia – North Europe	■	■	■	↓
	Asia – West Med	■	■	■	↓
	Asia – Black Sea & Adriatic	■	■	■	↓
	Asia – North America	■	■	■	↓
	Asia – Middle East	■	■	■	↓
	Asia – Africa	■	■	■	↓
	Asia – East Coast South America	■	■	■	↓
	Asia – West Coast South America	■	■	■	↓
	Asia – Australia/New Zealand	■	■	■	↓
	Intra – Asia	■	■	■	↓
EMEA & Nordics	Europe – Asia	■	■	■	→
	Europe – Middle East	■	■	■	→
	Europe – Africa	■	■	■	→
	Europe – North America	■	■	■	↓
	Europe – East Coast South America	■	■	■	→
	Europe – West Coast South America	■	■	■	→
	Europe – Australia/New Zealand	■	■	■	→
	Intra – Europe	■	■	■	→
Americas	North America – Europe	■	■	■	→
	North America – Asia	■	■	■	→
	North America – Middle East	■	■	■	→
	North America – Africa	■	■	■	→
	North America – Austr./New Zeal.	■	■	■	→
	Intra Americas	■	■	■	→

CAPACITY

■ Capacity open
■ Tight capacity
■ Critical capacity

EQUIPMENT

■ No challenges
■ Medium challenges
■ Major challenges

SCHEDULE RELIABILITY

■ No challenges
■ Medium challenges
■ Major challenges

RATE DEVELOPMENT

■ Down
■ Stable
■ Up



AIRFREIGHT TRADE LANE OVERVIEW

ORIGIN REGION	TRADE-LANE	CAPACITY	SCHEDULE RELIABILITY	RATE DEVELOPMENT
Asia	Asia – Europe	■	■	↓
	Asia – North America	■	■	→
	Asia – Asia Pacific	■	■	→
	Asia – Middle East / Africa	■	■	→
	Asia – Latin America	■	■	→
Europe*	Europe – Asia Pacific	■	■	→
	Europe – North America	■	■	→
	Europe – Middle East / Africa	■	■	→
	Europe – Latin America	■	■	→
* Continental Europe & Nordics combined				
North America	NorAm – Asia Pacific	■	■	→
	NorAm – Europe	■	■	→
	NorAm – Middle East / Africa	■	■	→
	NorAm – Latin America	■	■	→
Latin America	LatAm – NorAm	■	■	→
	LatAm – Europe	■	■	→
	LatAm – Asia Pacific	■	■	→
	LatAm – Middle East / Africa	■	■	→

CAPACITY

- Capacity open
- Normal capacity
- Capacity constrained

SCHEDULE RELIABILITY

- No challenges
- Medium challenges
- Major challenges

RATE DEVELOPMENT

- Down
- Stable
- Up