

# Carriers bolster intra-Asia networks amid uncertain rate, demand outlook



*Hapag-Lloyd has revised its intra-Asia network ahead of the launch of the Gemini Cooperation alliance on Feb. 1. Photo credit: Thorsten Schier / Shutterstock.com.*

Keith Wallis, Special Correspondent | Jan 16, 2025, 12:01 PM EST

Hapag-Lloyd and CMA CGM are bolstering their intra-Asia networks this month with a raft of new services and extra port calls ahead of the reshuffle of carrier alliances, including the launch of the Hapag-Lloyd/Maersk Gemini Cooperation partnership on Feb 1.

Hapag-Lloyd said its new feeders include a Vietnam-Cambodia-China (VCS) service that will better connect the two Southeast Asian countries with Gemini's trans-Pacific and Asia networks. The service will be inaugurated on Jan. 18 with a call at Sihanoukville in Cambodia by the 1,900-TEU *Nordatlantic*. The rotation includes calls at Vung Tau, Haiphong, Yantian and Shekou.

Other enhancements are a new India Asia Express (IAX) service that will connect ports in Asia, including Singapore and North Asia, with Mundra in India. It will link with the Gemini shuttle network to enable North America-bound cargo to connect at Qingdao and Busan, Hapag-Lloyd said in an advisory this week.

The service will be inaugurated by the 4,957-TEU *X-Press Odyssey* that is due to arrive at Mundra on Feb. 16. The full rotation is Mundra-Singapore-Qingdao-Tianjin-Busan.

Four other new services will connect the Gemini hubs at Singapore and Tanjung Pelepas in Malaysia with ports in Southeast Asia and East Asia. They are the China Philippines feeder (CPF) that will also connect Nansha in southern China and the Philippine ports of Batangas, Manila and Subic Bay beginning Feb. 14; the Jakarta feeder (JKF) that will have two weekly sailings linking Jakarta with the two Gemini hubs from Feb. 8; the Singapore Surabaya loop (SS1) service connecting Tanjung Pelepas and Singapore with Surabaya and Semarang in Indonesia beginning Feb. 13; and the Taiwan Express (TWX) linking the Gemini hubs with Taichung and Kaohsiung from Feb. 6.

Tanjung Pelepas will also be added as a port call on the Vietnam-Indonesia-Straits (VIS) service to provide a direct connection between the existing VIS ports and Gemini's east-west mainline network.

CNC Line, the intra-Asia subsidiary of CMA CGM, said it will resume its NKT service connecting North and Southeast Asia that will improve connectivity with the updated Ocean Alliance 2025 east-west network that was announced on Jan 13. There will be direct calls from Thailand and Vietnam to South Korea, reducing transit times, CNC said.

The service will be inaugurated by the 1,614-TEU *Starship Aquila* from Jan. 15. The full rotation is Incheon-Gwangyang-Busan-Hong Kong-Shekou-Laem Chabang-Bangkok-Laem Chabang-Ho Chi Minh City-Incheon.

## Regional rate war?

The moves come amid uncertainty about the outlook for the intra-Asia trade, with a Drewry analyst suggesting a possible rate war could see rates in the region tumble if there is no summer peak season.

Data from online benchmarking platform Xeneta and Container Trade Statistics (CTS) shows the intra-Asia peak season has shifted over the last three years from an early summer to an early fall high to more closely resemble the east-west mainline peak.

Highlighting the current rate environment the intra-Asia trade, Stijn Rubens, senior consultant at Drewry Supply Chain Advisors, said average freight rates are likely to soften until the middle of the second quarter. Rubens said Drewry's recently launched intra-Asia index showed rates softening, "which is indicative of sluggish volumes — i.e. no pre-Lunar New Year peak, and hence rates are likely to continue softening until the start of summer peak season."

FIBS Logistics agreed but said while rates generally may have slipped, they have nudged higher on some routes.

"We have yet to see strong demand [for] after the Lunar New Year," a Singapore-based senior executive at the company told the *Journal of Commerce*.

"Intra-Asia space is still tight, partly due to bad weather, port and vessel delays," the executive added. "Hence rate increases are positive for some corridors such as Japan/Thailand/Indonesia."

Xeneta data shows intra-Asia rates started to ease on key trades from Shanghai to Singapore, Bangkok and Vietnam's main ports — Ho Chi Minh City and Haiphong — at the beginning of January.

Rates from Shanghai to Bangkok hit a 2024 high of about \$2,000 per FEU in December, but had slipped to about \$1,900 by Jan. 8. Similarly, spot rates from Shanghai to Vietnam's main ports slipped from a 2024 high of \$1,700 per FEU in December to \$1,600 on Jan. 8.

Drewry's Rubens noted that rates still have some way to fall until they reach pre-COVID-19 levels.

"With the new alliance structures phasing in during the first and second quarters, a rate war may make that happen without a summer peak," he said.

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