GLOBAL TRANSPORTATION MARKET REPORT

July 2026




Global Market Trends

EXECUTIVE SUMMARY

The transportation market is expanding in the overall logistics economy despite sharply contracting capacity and rapidly rising rates.

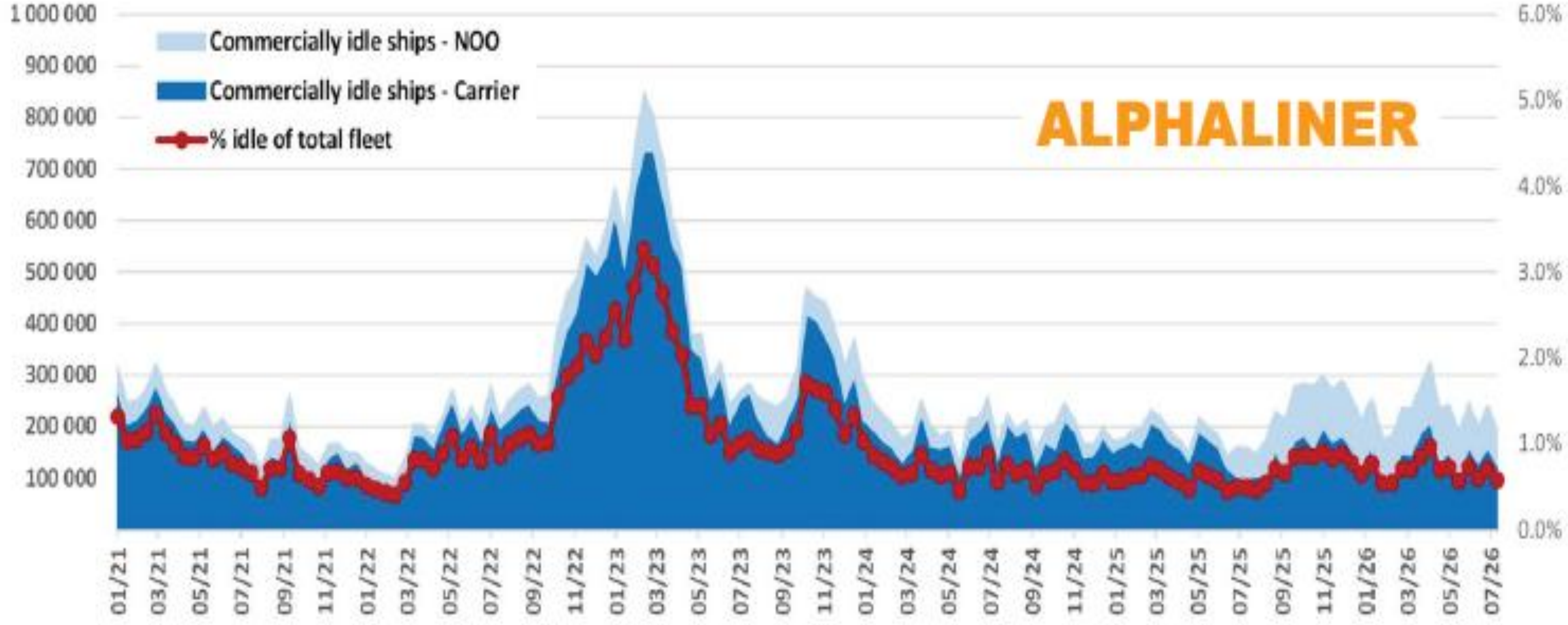
Shippers should be aware that total freight expenditures have increased 11% year-over-year even though shipments declined approximately 4%. This data indicates substantial cost-per-shipment inflation.

Global Ocean Trends - Market Summary

- Ocean freight markets remain exceptionally strong, supported by robust demand, increasing port congestion, and tight availability. Rates continue to rise, with the Shanghai Containerized Freight Index (SCFI) reaching its highest level since August 2024.
- If carrier allocation discipline for beneficial cargo owners (BCOs) results in an incremental volume shift to forwarders, direct carrier commitments for some shippers may become insufficient. To plan for this possible outcome, shippers are urged to explore contingency options with logistics partners.
- Carriers remain cautious about passing through the Strait of Hormuz, with at least 41 container vessels (215,000 TEU) diverted, sheltered or otherwise impacted, reducing effective market capacity
- Carriers are reconfiguring service networks to mitigate geopolitical risk, including additional alternative Middle East routings and some selective, cautious returns to Suez Canal transits. Most carriers continue to maintain contingency routing plans.
- Global container demand and carrier earnings expectations remain strong, with some significantly increasing their 2026 financial outlook, supported by strong exports from Asia
- Vessel deliveries continue at a rapid pace, led by new large methanol- and LNG-powered ships. CMA CGM was the fastest-growing major carrier in the first half of the year. Other carriers are also investing heavily in alternative-fuel tonnage and terminal infrastructure to support long-term growth.
- Carriers' primary medium-term risk is overcapacity once disruptions ease. Alphaliner highlights that nearly 9 million TEUs of new vessel capacity across approximately 1,100 ships is scheduled for delivery through 2028. A broad return to typical Red Sea/Suez Canal operations combined with the influx of new vessels could place significant downward pressure on ocean freight markets.
- Artificial intelligence infrastructure (semiconductors, servers and other networking/data-center equipment) is the dominant driver of premium transportation demand for both air and ocean.

Capacity and Idle Fleet

- Approximately 76 commercial containerships are idle, totaling 196,957 TEUs, or 0.6% of the global fleet
- In July, eight new vessels have been delivered with the largest capacity orders concentrated among the major East-West carriers (Evergreen, CMA CGM, COSCO, MSC, ONE, OOCL and Yang Ming)
- Contract allocations remain tight despite record fleet growth. Carrier strategies include blank sailings and controlled capacity deployment to prop up rates ahead of eventual structural oversupply



Ocean Trade Lanes

- **Overall:** Record-breaking new vessel deliveries are adding capacity to the global market; however, strong cargo demand, sustained charter market strength, and ongoing geopolitical disruptions continue to offset growth, keeping rates firm. Red Sea developments, charter availability and global demand are the key factors to monitor.
- **Africa:** Significant network expansion reflects the region's growing strategic importance. Shippers should continue to monitor port productivity, infrastructure constraints and schedule reliability.
- **Asia-Europe:** Demand remains strong. Carriers are deploying new ultra-large vessels and Cape routing to avoid the Red Sea are keeping effective capacity tight. Shippers should continue to book as early as possible while being mindful of schedule reliability.
- **India and Middle East:** New carrier service offerings continue to expand. However, geopolitical conflict affecting Bab-el-Mandeb, the Red Sea, and the Strait of Hormuz persist as the primary risks to transit times, insurance costs and routing stability.
- **Intra-Asia:** Competition remains intense as carriers further optimize networks via new feeder services, revised port rotations, and slot-sharing agreements. While capacity is abundant, be mindful of frequent schedule changes.
- **Latin America:** Carriers are increasing vessel deployments and direct service coverage to support growing trade volumes, particularly for refrigerated and agricultural cargo. The additional service is creating additional capacity, subject to seasonal demand fluctuations.
- **Mediterranean/Black Sea:** Ongoing service restructuring and feeder network expansions are improving regional connectivity while geopolitical developments and evolving port coverage continue to influence routing decisions and transit reliability.
- **Transpacific:** Robust consumer demand for technology, e-commerce and retail goods continues to drive high vessel utilization and elevated rates. Early booking is essential.

	Available space; quick booking turn time.
	Capacity well utilized; some space available.
	Demand higher than supply; space agreements challenged.

Trade Lane	Status
TPEB to USEC	
TPEB to USWC	
CBP to N Eur	
CBP to MED	
SE Asia to N Eur	
SE Asia to MED	
ISC to US	
N Eur to ISC	

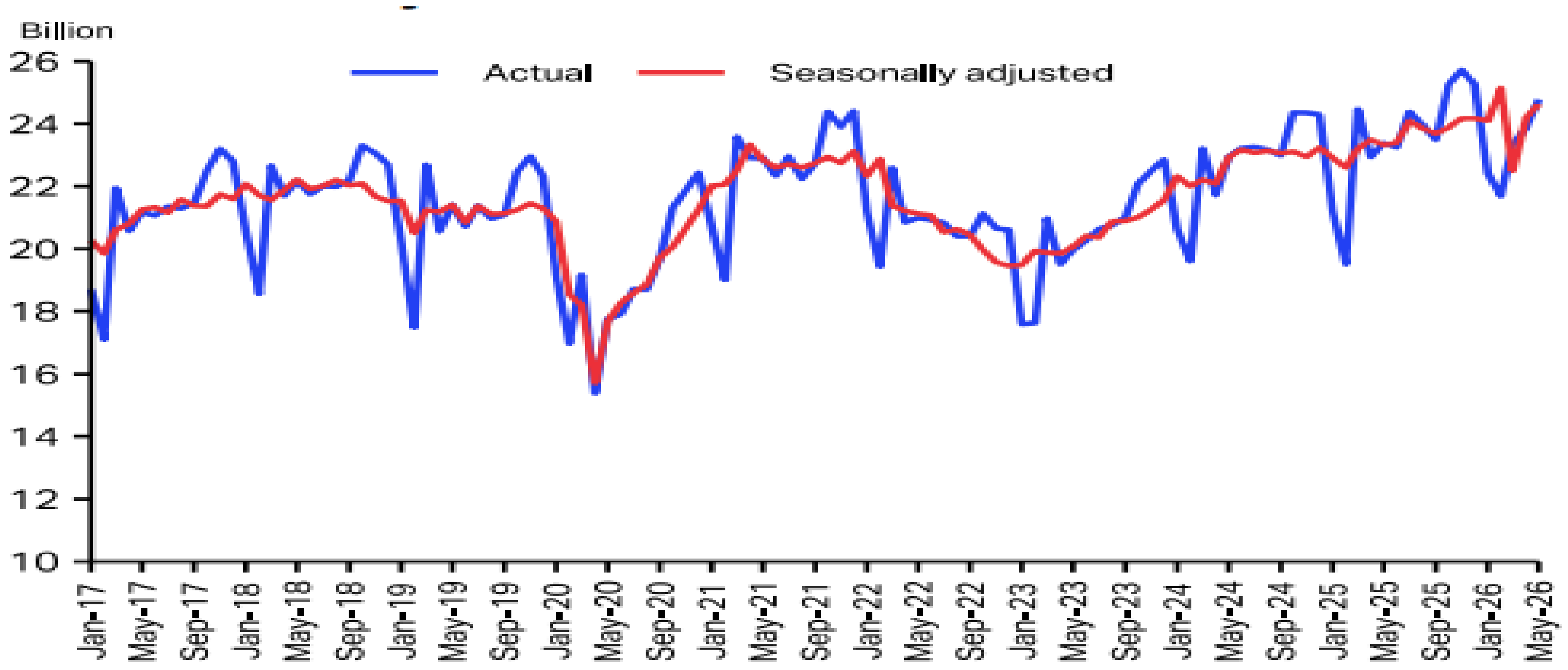
Trade Lane	Status
N Eur to AP	
MED to AP	
US to N Eur	
US to MED	
MED to US	
N Eur to US	
US to ISC	
Med to ISC	

Ocean Carrier Updates

- **CMA CGM** expanded its Mediterranean and North African network by launching "IBERIMAR" service (Southern Europe-Morocco), while restructuring the "TULYB" service (Turkey-Libya) and discontinuing the "WEMED 2" North Africa-Malta shuttle. The carrier also continues deploying new methanol-powered vessels on major East-West trades.
- **Evergreen** reached the milestone: two million TEUs of operated capacity. It also continued to grow its fleet with deployments across Asia-Europe, transpacific, and intra-Asia trades. The carrier is a key member of the Ocean Alliance with a significant vessel orderbook for future expansion.
- **Maersk and Hapag-Lloyd (Gemini Cooperation)** became the first major carriers to partially return to the Suez Canal through the AE15/SE3 Far East-Egypt Service. The cautious step toward resuming normal Red Sea operations is backed by contingency plans if Red Sea conditions worsen. The carrier also launched a new Tanjung Pelepas-Kota Kinabalu feeder service to improve Malaysian coverage.
- **MSC** expanded Middle East coverage by extending the Far East-India "Shikra" Service to Khor Fakkan and Sohar. It also reconfigured New Falcon Service to maintain Gulf connectivity amid ongoing Strait of Hormuz disruptions. "Origami" service (Japan-Korea-Southeast Asia-East Africa) also expanded with a Hong Kong call. Finally, several intra-Asia services were revised to strengthen regional connectivity.
- **Ocean Network Express (ONE)** expanded its regional footprint with the new "9BR" intra-Brazil service via Norcoast. In a corresponding move, the carrier also ended participation in several Ocean Alliance slot agreements on transpacific lanes marketed as CP1, CP2, CP3, and CP4, reflecting a shift toward greater control of its service portfolio.
- **ZIM** announced the launch of its standalone "ZIM Falcon" service connecting Asia to the east coast of South America beginning in September. The new service replaces a joint "ASE/NEOASAS" offering with Maersk. ZIM also reinstated Tianjin calls on its ZIM Mediterranean Premium (ZMP) Far East-Mediterranean service to enhance coverage to North China.
- **Regional and Feeder Carriers** continue to fill network gaps created by Middle East disruptions. Notable launches include:
  - Akkon Lines' JXS Mediterranean-Red Sea service
  - CULines' Korea-China-Western India/Pakistan service
  - Folk Maritime's Western India-Red Sea service
  - Additional India-Gulf and Red Sea feeder offerings aimed at maintaining connectivity despite geopolitical risks

Air Overview

- Expect a sharp deceleration for 2026 global air cargo growth – just 0.7% compared to 3.4% last year. Geopolitical disruption and weaker global trade growth limit volume demand.
- Capacity is still tight. Middle East hubs account for ~13% of global capacity and disruptions limit belly space with long-haul reroutes.
- Asia remains the primary growth engine; expect demand to rise 5.6%. Asia-Europe/intra-Asia growth is strong; Asia-North America is moderate.
- Rates and yields are rising as the market adjusts via price, not volume. Air cargo yields are expected to increase 6.5% for the year.
- Freighters are gaining market share due to demand for high-value, time-sensitive tech and e-commerce shipments. Key risks include fuel cost, Middle East disruption, regulation changes and modal shifts.



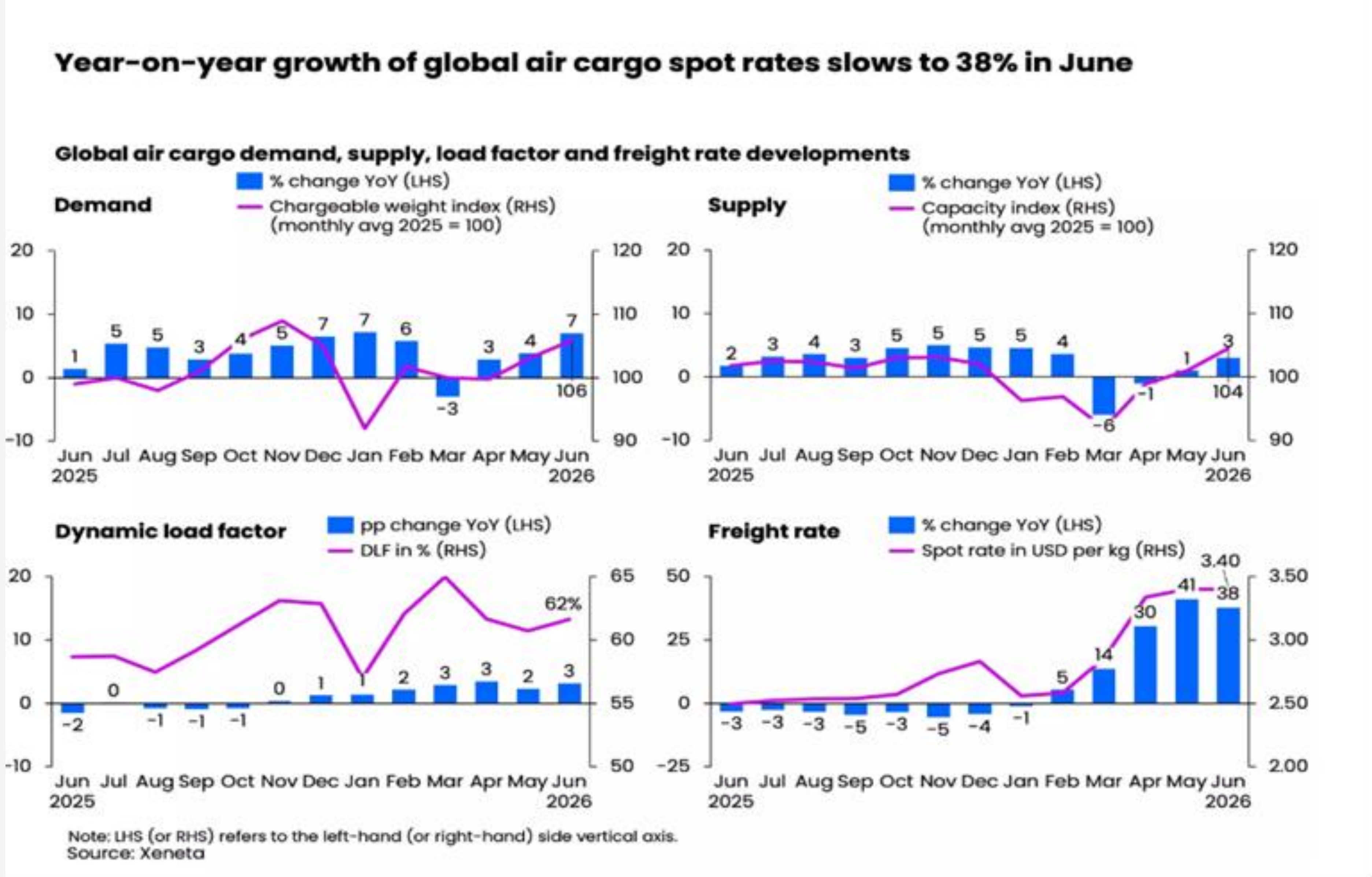
	World	May 2026 (year-on-year, %)				May 2026 (year-to-date, %)			
	share¹, %	CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	**100.0**	**6.0**	**1.9**	**1.8**	**46.3**	**4.1**	**1.5**	**1.1**	**46.3**
Africa	2.1	13.3	1.3	5.0	46.9	12.7	1.1	4.8	46.6
Asia Pacific	35.8	8.0	5.1	1.3	47.7	9.0	6.1	1.2	46.7
Europe	21.4	6.7	2.2	2.3	53.9	5.8	4.0	0.9	56.0
Latin America and Caribbean	2.9	1.9	5.6	-1.2	34.8	-0.8	3.8	-1.6	35.2
Middle East	13.2	-8.9	-9.2	0.2	46.5	-12.7	-12.9	0.1	44.4
North America	24.6	10.5	2.4	3.0	41.0	4.4	0.9	1.4	41.5
International	**87.9**	**6.5**	**2.8**	**1.8**	**52.4**	**4.4**	**1.9**	**1.2**	**51.8**
Africa	2.1	13.3	1.8	4.9	48.1	12.7	1.4	4.8	48.1
Asia Pacific	32.1	9.2	7.8	0.7	55.7	9.5	7.2	1.1	53.7
Europe	21.0	7.0	2.4	2.4	56.3	6.0	4.1	1.1	58.3
Latin America and Caribbean	2.5	3.2	5.9	-1.0	39.3	0.4	3.6	-1.3	40.1
Middle East	13.2	-8.9	-9.2	0.2	46.9	-12.8	-13.1	0.2	44.8
North America	17.1	12.9	4.5	3.7	49.2	5.3	2.4	1.4	49.2

Note 1: % of industry CTK in 2025

Note 2: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

Airfreight Demand | Load Factor | Rate Development

- AI and semiconductor shipments continue to be the primary growth driver, offsetting weaker e-commerce demand while sustaining global air cargo growth (+7% YoY). Shippers moving high-value technology products should anticipate significant competition for premium capacity on Asia-North America lanes.
- The transpacific remains the strongest air freight market, with northeast/southeast Asia to North America spot rates still 40+% higher than late-February levels. Technology shippers are encouraged to secure capacity early. Also, consider long-term agreements which can reduce exposure to elevated spot pricing.
- Transatlantic capacity is improving as summer passenger schedules restore belly space, driving Europe-to-North America rates down by approximately 25%. Shippers have an opportunity to leverage more competitive pricing on these lanes.
- The market is stabilizing, but pricing remains trade-lane dependent. While overall spot rate increases are moderating, technology-driven corridors continue to command premium rates, reinforcing the need for shippers to align routing, booking strategy and modal decisions with commodity demand and regional capacity conditions.
- Keep in mind that overall airfreight recovery has been uneven. Technology shipments and charter demand are outperforming traditional retail and general cargo.



Air Trade Lanes

- **Africa:** Improving connectivity and trade diversification continue to support cargo growth, creating additional routing options for shippers. Infrastructure and network limitations remain important operational considerations.
- **Asia Pacific-Europe**: Trade flows continue to strengthen with steady demand and premium yields as cargo is rerouted away from the Middle East. Shippers should monitor new EU e-commerce regulations which may temper future volume growth.
- **Latin America:** Air cargo demand is expected to decrease as comparisons normalize following last year's front-loaded shipments. While available capacity is expected to improve, shippers should still be mindful of regional economic conditions as well as export demand.
- **Middle East:** Disruptions from military conflict in the region continue to constrain hub connectivity and capacity, however, additional equipment is returning to the market, and rates are gradually easing from recent highs. Shippers can expect reliability to begin improving, while remaining mindful that volatility can flare up rapidly.
- **Transatlantic:** Expanded passenger schedules have restored belly cargo capacity and reduced rates. Improved availability and more competitive pricing presents an opportunity for shippers who can take advantage of the summer market conditions.
- **Transpacific:** Capacity remains tight with elevated rates despite weaker China–U.S. e-commerce volumes. Early booking and strategic capacity commitments are critical, especially for technology shippers.

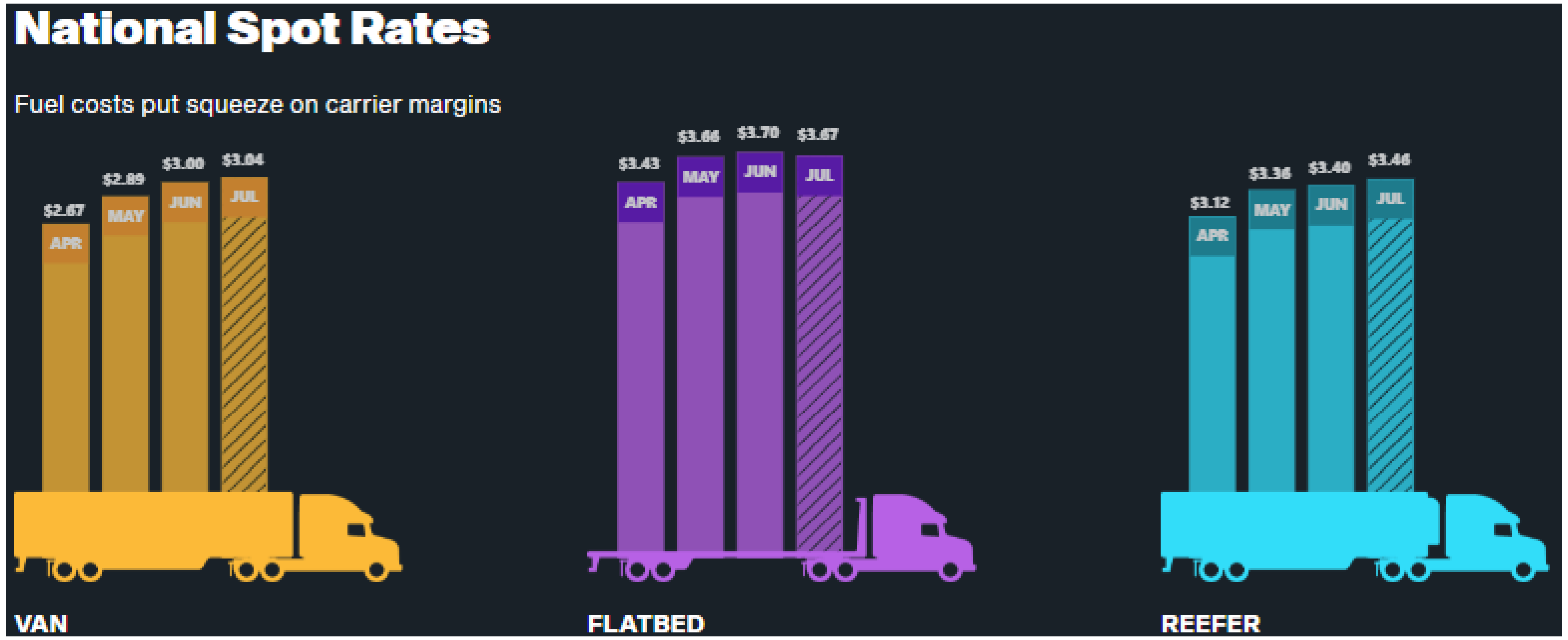
	Available space; quick booking turn time.
	Capacity well utilized; some space available.
	Demand higher than supply; space agreements challenged.

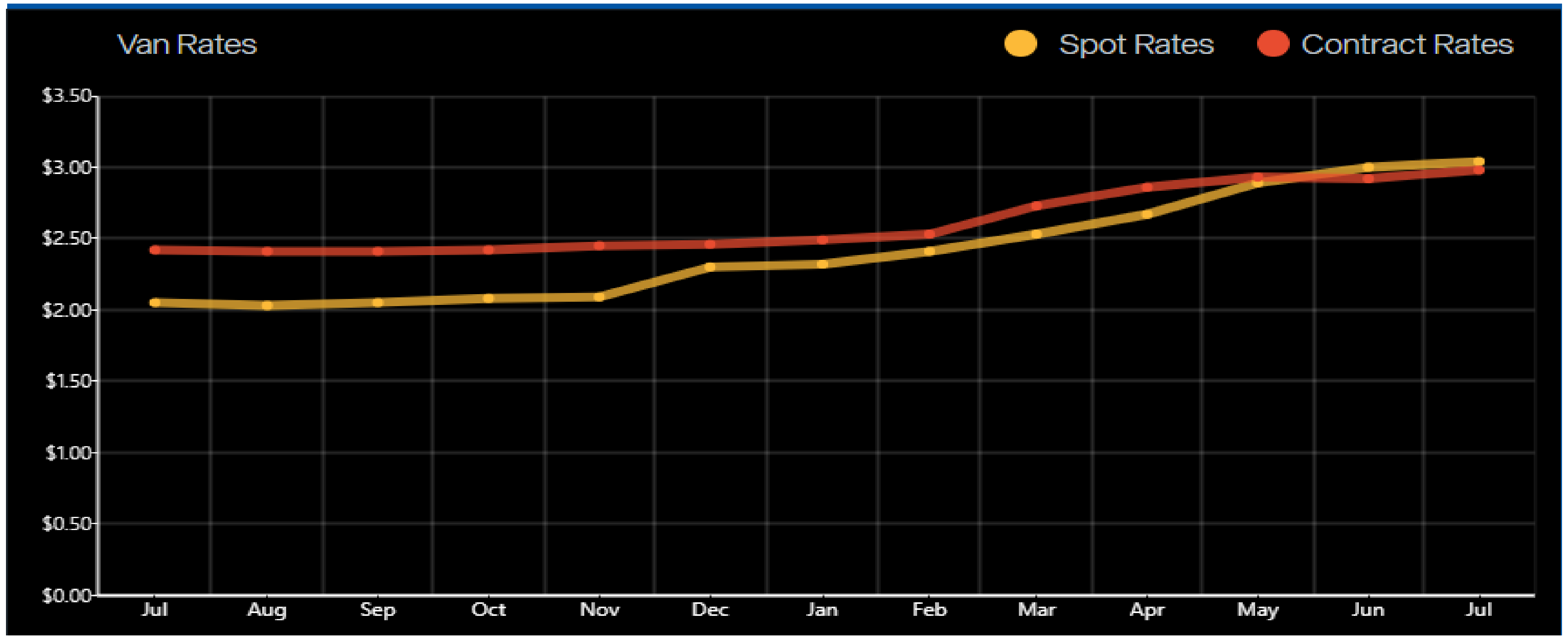
Trade Lane	Status
AP to US	
US to AP	
Europe to AP	
AP to Europe	
Europe to US	
US to Europe	

Trade Lane	Status
US to LATAM	
LATAM to US	
Europe to LATAM	
LATAM to Europe	
India to US	
US to India	

North American Transportation

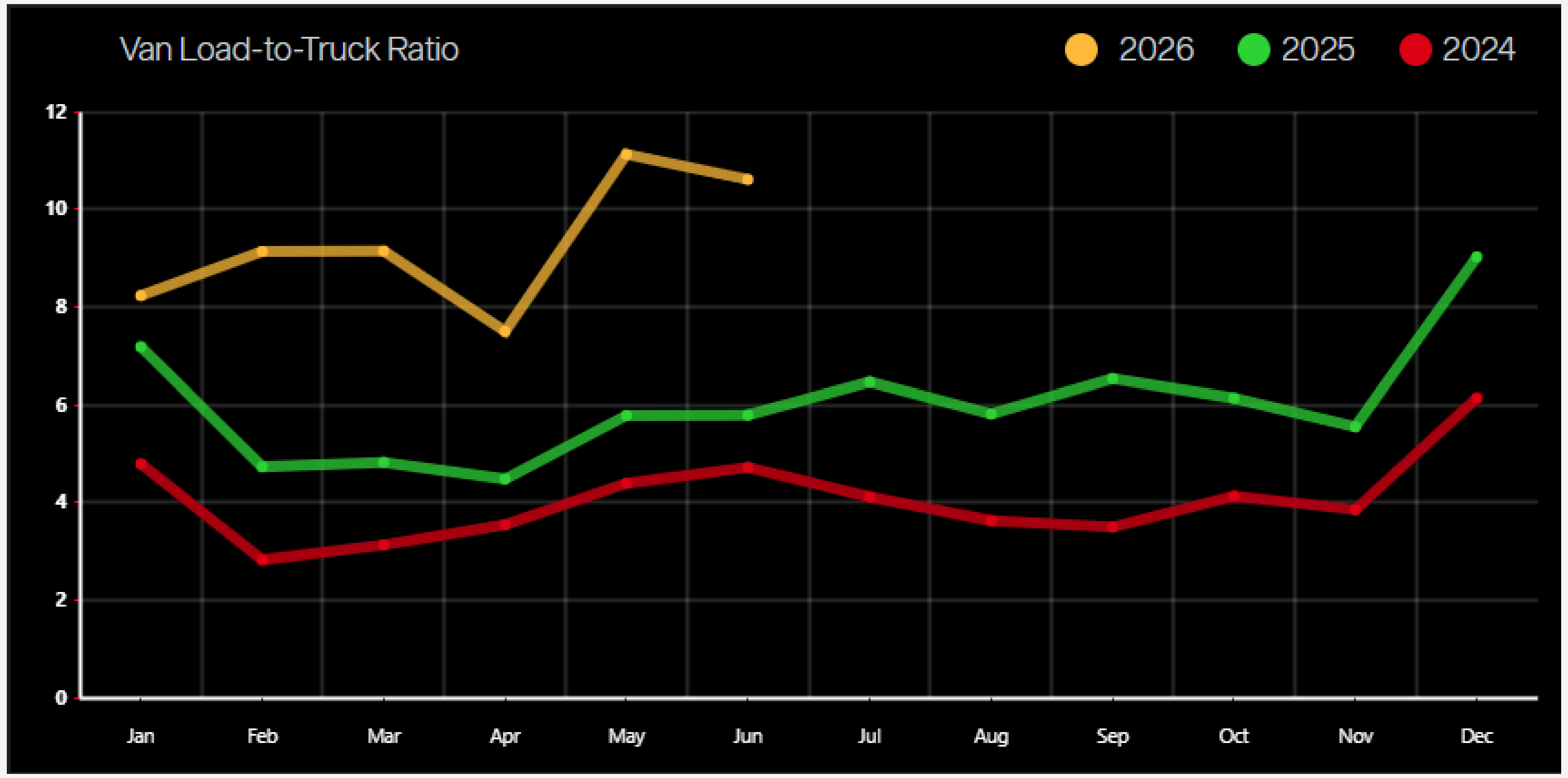
- U.S. shipments remain below prior-year levels, although inventory normalization is expected to support modest recovery in the second half of 2026
- Truckload capacity continues to tighten due to regulatory constraints and driver availability, resulting in persistent upward pressure on contract transportation costs
- Diesel prices remain elevated year-over-year despite recent moderation, keeping fuel surcharge exposure above historical averages

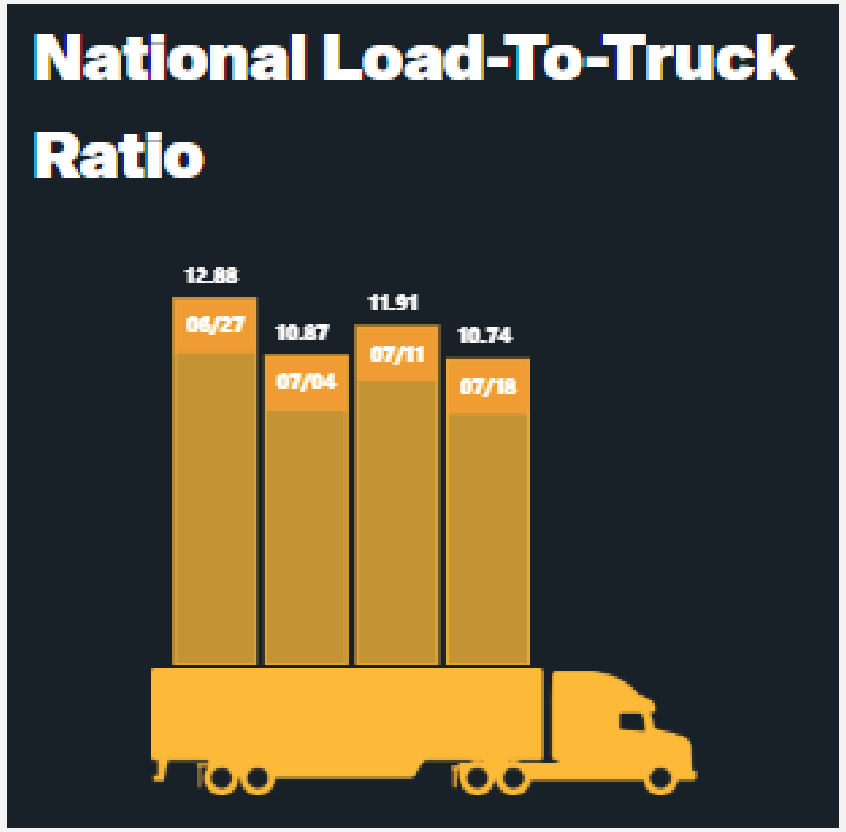




North American Transportation

- **Midwest** capacity remains the tightest region in the U.S., driven by strong manufacturing activity, elevated tender rejections, and continued carrier attrition. The resulting upward pressure is affecting both spot and contract truckload rates.
- **Northeast and cross-border corridor** markets remain stable but are gradually tightening as carrier capacity exits continue with cross-border demand remaining strong. Service reliability is becoming a greater concern than congestion, particularly for U.S.-Mexico trade lanes.
- Produce season, energy activity, and cross-border volumes continue to tighten truckload and refrigerated capacity in the **South and Gulf Coast** regions, creating greater pricing volatility and increased competition for equipment
- Along the **West Coast**, port activity remains stable and intermodal utilization continues to increase. While truckload capacity is generally available, it is becoming more selective on key inland lanes, with shippers seeking alternatives.





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