GLOBAL TRANSPORTATION MARKET REPORT

March 2026

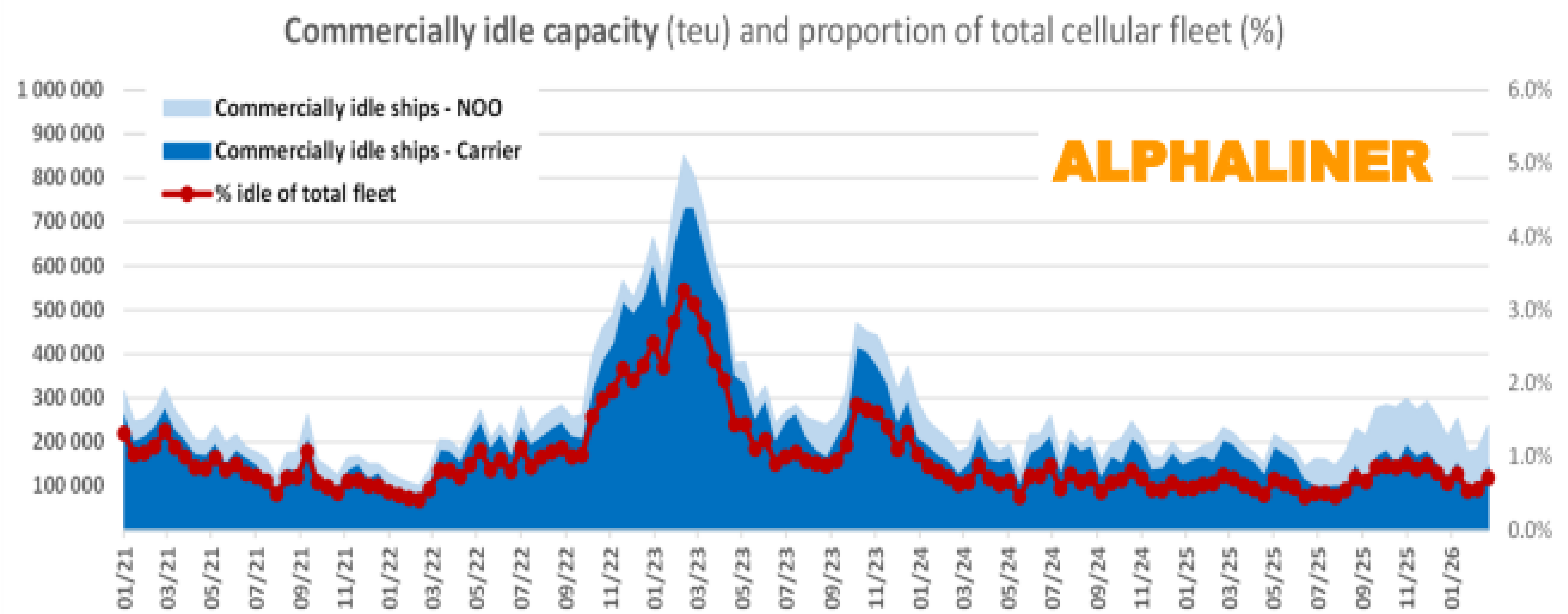



Global Ocean Trends – Widespread Disruption due to the U.S. and Israel-Iran War

- **Key passage closed:** The closure of the Strait of Hormuz, one of the world's most critical maritime sea passages, has driven shipping lines to suspend their Gulf services and reroute vessels via much longer routes
- **Immediate disruption:** Major shipping lines declared force majeure for shipments which were in transit to the Middle East. Affected containers are being discharged at ports around the Middle East, often India, causing complex supply chain challenges.
- **Booking pause:** New bookings to Gulf ports have largely ceased, with carriers either omitting port calls or arranging relay transfers at ports such as Khor Fakkan or Sohar, just outside the Strait of Hormuz
- **Port congestion:** Gulf gateway ports are experiencing unprecedented congestion as they absorb diverted cargo. Several transshipment hubs such as Port Kelang and Tanjung Pelepas are reporting increasing delays.
- **Rates:** Global freight rates are trending upwards after a long period of decline
- **Fuel:** Global fuel cost is soaring, which directly affects ocean carriers' operating expenses. Emergency fuel surcharges on global trade lanes are being implemented as a mitigation tactic.

Capacity and Idle Fleet

- Approximately 82 commercial containerships are idle, totaling about 237,000 TEUs, or 0.7% of the global fleet
- The idle percentage is well below levels associated with market downturns, confirming that the industry is absorbing disruption through operational inefficiency rather than vessel lay-ups
- Nine new deliveries were delivered in February including five 15k+ TEU deliveries to Evergreen, MSC and CMA, HLAG and Yang Ming



Ocean Trade Lanes

- The Red Sea and Strait of Mandeb remain effectively non-navigable, forcing nearly all Asia-Europe services to re-route around the Cape of Good Hope
- Eastern Mediterranean services face double exposure: Cape diversions plus proximity to regional instability. Some carriers are downgrading direct calls in the region, replacing them with transshipment via Egypt, Italy, or Spain. Western Mediterranean ports like Algeciras, Barcelona and Valencia are benefiting as alternative hubs.
- Major carriers issued full booking stops into Upper Gulf ports. Emergency war risk and conflict surcharges have been implemented. Direct services to Dammam, Hamad, Jebel Ali and Umm Qasr are largely suspended with redirects to Red Sea ports (Jeddah) or Indian hubs, then moved inland/intermodal.
- Intra-Gulf feeder networks are mostly shut down
- India has become a pressure-relief valve for Middle East cargo, with increased discharges at Mundra and Nhava Sheva for Gulf-bound freight. Some India-Europe and India-U.S. East Coast services are also reverting to Cape routings.
- Some Asia-U.S. East Coast services are indirectly affected by Cape-based global network rebalancing. Capacity is being redeployed away from Middle East lanes into transpacific and U.S. East Coast loops.

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

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

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

Ocean Carrier Updates

CMA CGM
- **Ocean Rise (Japan–China–N. Europe):** New standalone loop; adds Kobe/Nagoya/Yokohama; routed via Cape of Good Hope
- **EPIC/EPI3/IP1 (N. Europe–ME–India):** Limited one-off Red Sea/Suez transit to reduce cape costs
- **MEDEX/INDAMEX:** Maintained Red Sea routing for shorter Middle East/ India services
- **Kilima Express (FE–East Africa):** Rotation revised; Hong Kong added, Singapore eastbound removed
- **Karibu/Swahili/Kanimambo:** East Africa network restructured; Mozambique split to new loop

COSCO/OOCL
- **AGI2/UIG2 (W. India–ME):** Upsized to 4,500 TEU; Sharjah/Bahrain/ Hamad removed
- **GUX (Intra-Gulf):** New feeder reconnecting removed gulf ports

HLAG
- **Gemini Cooperation:** Partnered with Maersk on the ME11/IMX Suez Canal rerouting, while deferring any broader Suez Canal return
- **Hub development:** Integrated Damietta into its East-West and Red Sea shuttle strategy

Yang Ming
- **JTS (Japan–Taiwan–China–SEA):** SEA leg removed; loop shortened to three weeks

Maersk/Hapag-Lloyd (Gemini)
- **ME11/IMX (Europe–ME/India):** Suspended after brief Suez return
- **FM1/AGX (FE–Middle East):** Discontinued due to Gulf exposure
- **AE19/SE4 (FE–Med–Red Sea):** New service; Jeddah as Red Sea gateway; Gulf via intermodal
- **PKS (ME–West ISC):** Jebel Ali/Khalifa removed; now Salalah–Pakistan

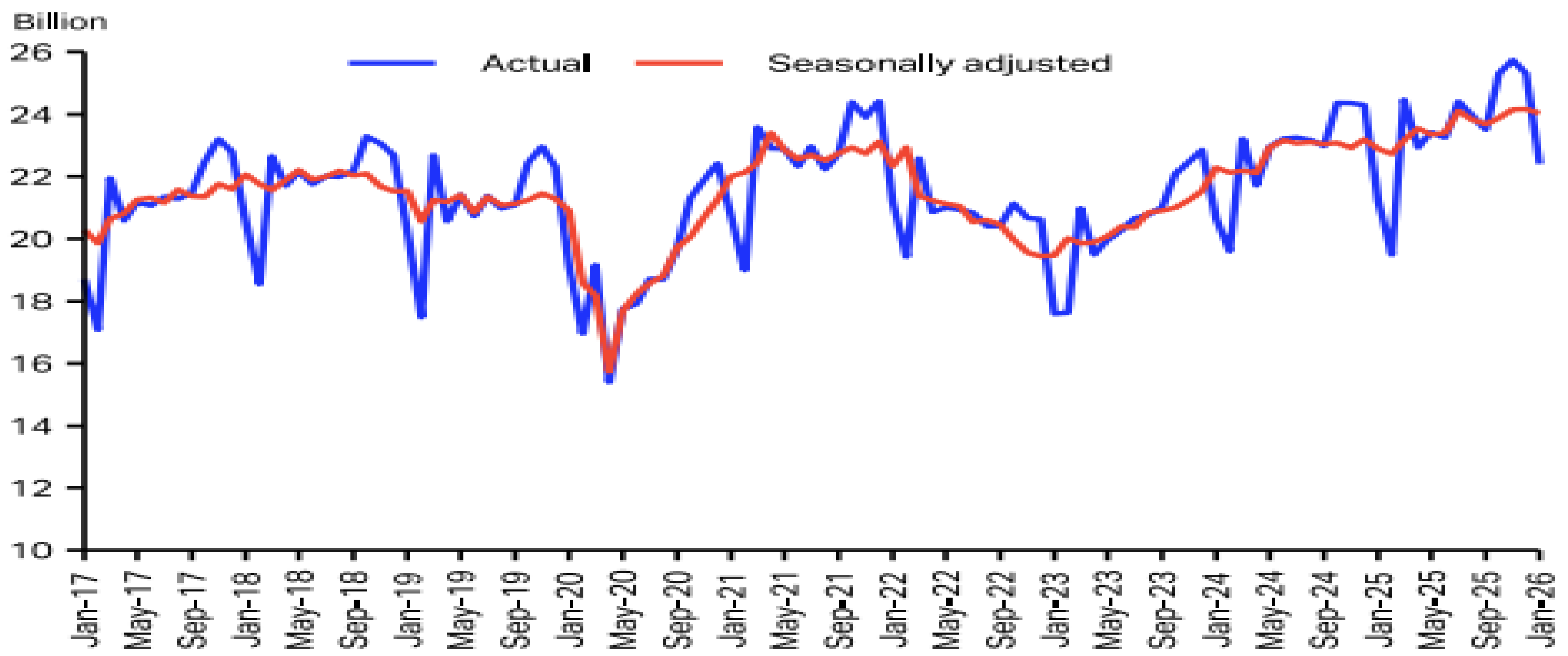
MSC
- **North India–Middle East:** Hamad (Qatar) added to rotation
- **FE–Middle East mainline:** Regular Gulf calls reduced; shift to Red Sea/external hubs
- **Levante Express (N. Europe–East Med):** Red Sea stretch removed; refocused on Mediterranean

ONE
- **FP1 Pendulum (Japan–EU–USWC):** Split; Japan–EU leg removed
- **PS1 (Japan–USWC):** New standalone Japan–California loop
- **FE1 (SEA–N. Europe):** New loop; Japan removed, SEA focus
- **LEX/AEX (N. Europe–East Med):** Direct service closed; replaced via slot agreements

Wan Hai
- **JST (Japan–Taiwan–Thailand):** Kobe removed; Osaka emphasized; Hong Kong southbound dropped

Air Overview

- Capacity is tight across the global airfreight market, with the most acute pressure on Asia–Europe and Asia–Middle East lanes
- Disruption has forced airlines to cancel, reroute, or suspend services, affecting regional capacity
- Asia–Europe routes remain operational, but effective cargo lift is down 30–40% due to longer routings around restricted Middle East airspace (payload/time penalties)
- At least 60% of Middle East transit capacity remains offline as many carriers continue to avoid or restrict routings through the region
- Any week-over-week "improvement" remains marginal and tactical (redeployments/reroutes), not a true capacity recovery. Rates continue rising as disruption persists.



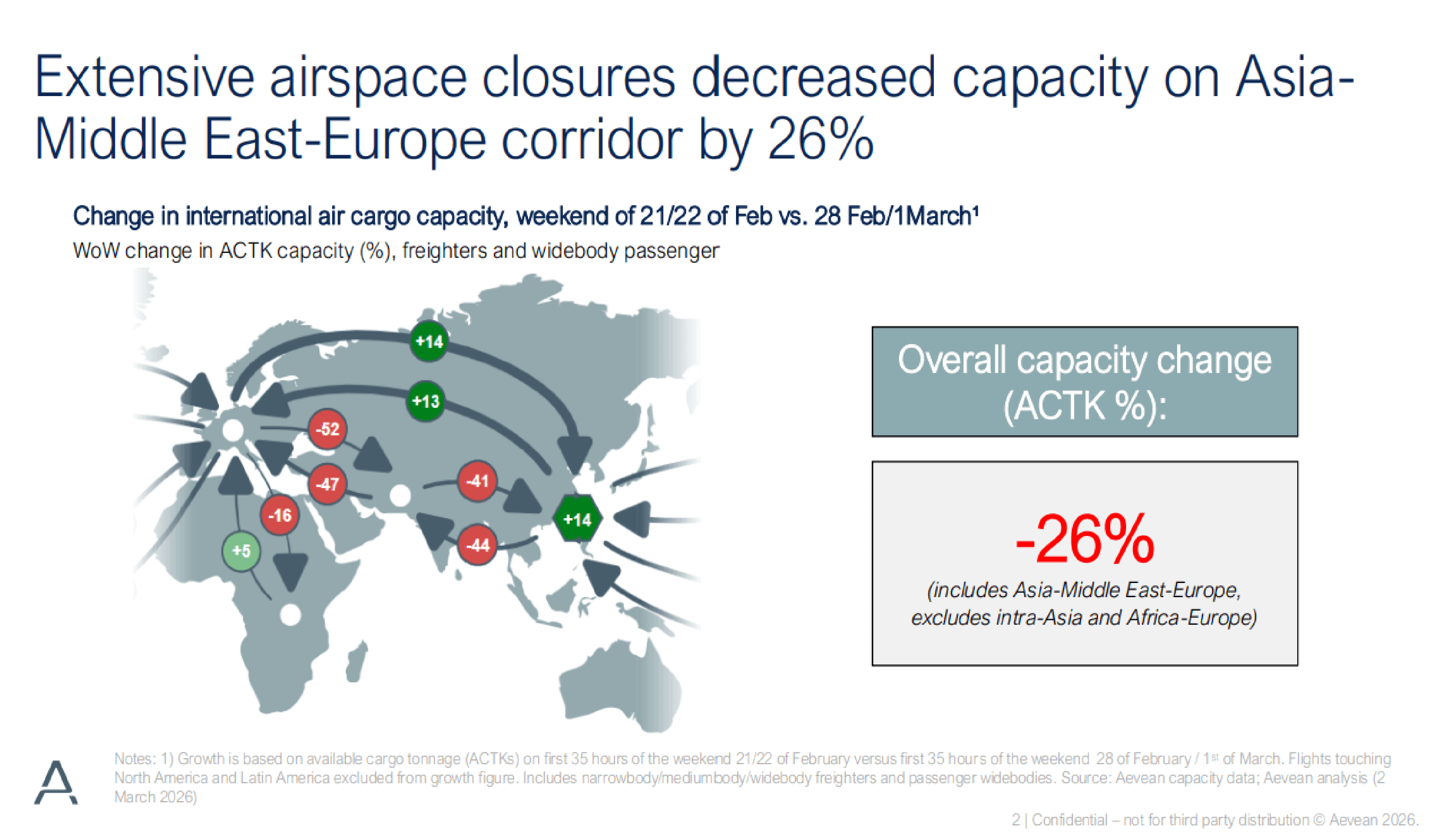
	World share¹, %	January 2026 (year-on-year, %)			
		CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	**100.0**	**5.6**	**3.6**	**0.9**	**45.1**
Africa	2.1	18.2	6.5	4.3	43.5
Asia Pacific	35.9	7.8	3.3	1.9	45.3
Europe	21.4	6.9	4.9	1.0	54.1
Latin America and Caribbean	2.9	-2.0	2.3	-1.4	32.0
Middle East	13.2	9.3	9.9	-0.2	40.6
North America	24.5	-0.5	-0.2	-0.1	43.3
International	**88.0**	**7.2**	**5.7**	**0.7**	**48.5**
Africa	2.1	18.2	6.1	4.6	45.3
Asia Pacific	32.1	9.4	5.8	1.7	50.4
Europe	21.0	7.2	5.0	1.1	56.2
Latin America and Caribbean	2.5	-0.4	1.4	-0.6	36.5
Middle East	13.2	9.3	9.9	-0.2	40.8
North America	17.1	1.4	3.4	-0.9	46.6

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

- Global air networks are being reshaped as carriers actively redeploy aircraft to safer, higher-yield routes, including more direct Asia-Europe lanes
- Freighter and passenger networks remain volatile around Gulf hubs; airspace suspensions and restrictions continue to drive cancellations, diversions and last-minute schedule changes
- Carriers are adding lift into Europe as shippers shift cargo from ocean to air, but incremental lift is not offsetting the wider capacity loss
- Rates are moving higher under tight capacity and fuel pressure. The latest global TAC index is up 2.6% week over week; India to Europe/U.S. is up more than 30%.
- Airspace is operating as a patchwork, forcing longer routings, higher fuel burn, and suboptimal aircraft utilization (limiting effective capacity even where flights continue)
  - Open/operating with constraints: Jordan, Lebanon, Oman, Saudi Arabia
  - Closed or heavily restricted: Bahrain, Iran, Iraq, Israel, Kuwait, Qatar, Syria, and Yemen
  - Additional high-risk/avoidance around Syria/Yemen corridors



Air Trade Lanes

- Airlines are adding lift into Europe to capture demand spillover from disrupted ocean freight, but capacity remains constrained overall
- Fuel shocks are reinforcing rate volatility. Jet fuel has nearly doubled year over year, with a sharp week over week increase of 11.2%.
- Even where lift is added, surcharges increasingly dominate total cost. Meaningful improvement depends on Middle East security stabilization, reopening of restricted airspace, and normalization of fuel supply chains.
- U.S.–Europe airfreight remains operational and comparatively more stable than Asia-linked lanes, but tight conditions are becoming more widespread as capacity is redeployed and fuel inflation pushes costs upward
- Global capacity losses, network rebalancing and fuel escalation are all constricting supply and increasing all-in pricing

Options and solutions

- AIT is scaling ad-hoc/partial-charter options to bypass disrupted hub connectivity and secure uplift for time-critical freight moving to, from and through the region
- Where airspace and airport access is constrained, AIT is routing freight to the closest operational gateway and moving onward via road feeder services (RFS) including cross-border trucking to reach restricted or embargoed destinations, subject to security conditions and local regulations

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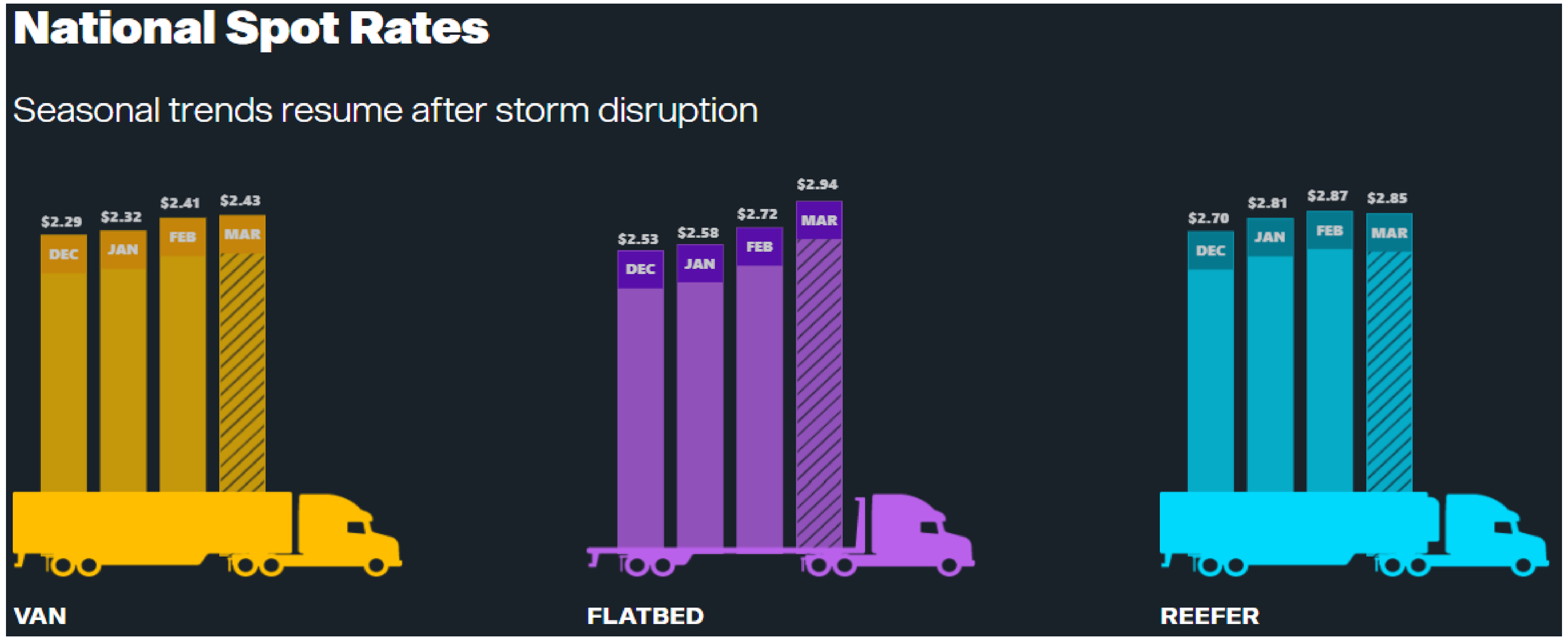
	Capacity well utilized; some space available.
	Demand higher than supply; space agreements challenged.

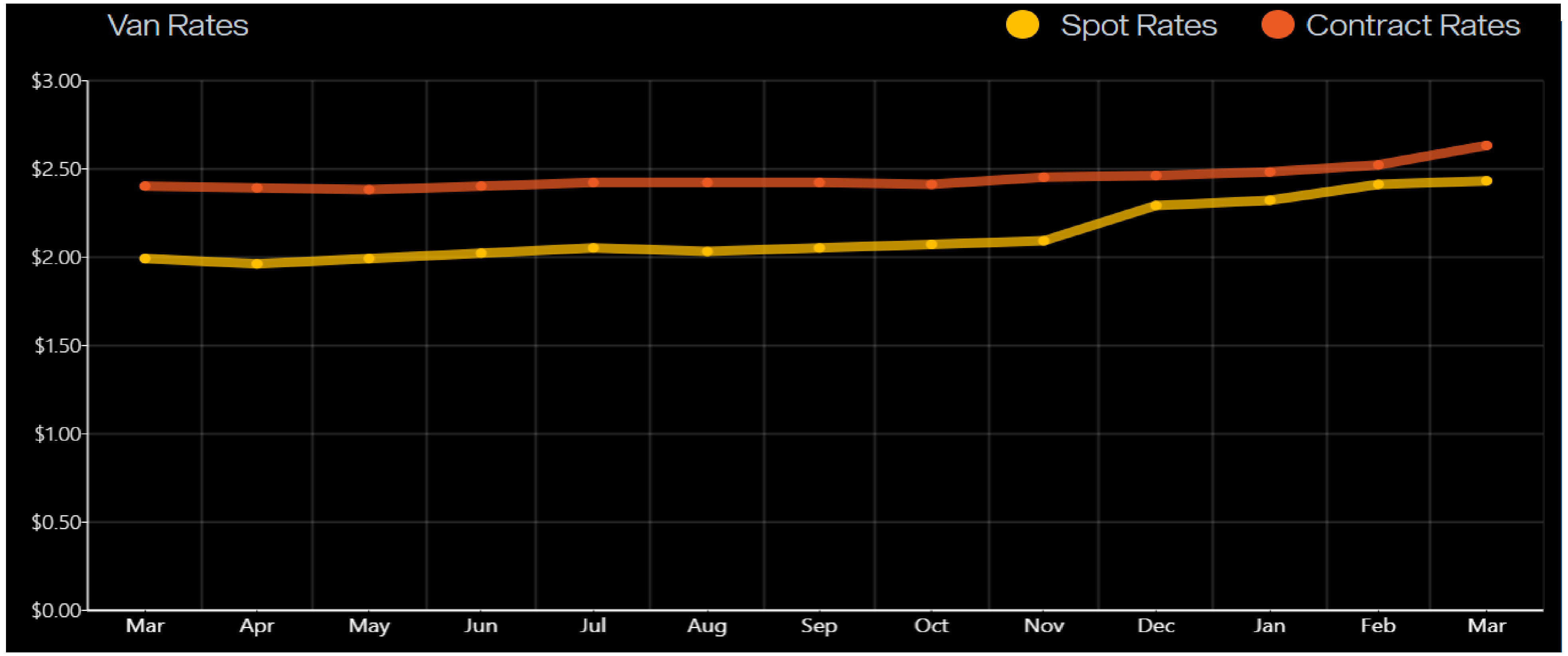
Trade Lane	Status
AP to US	
US to AP	
Europe to AP	
AP to Europe	
Europe to US	
US to Europe	

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

North American Transportation

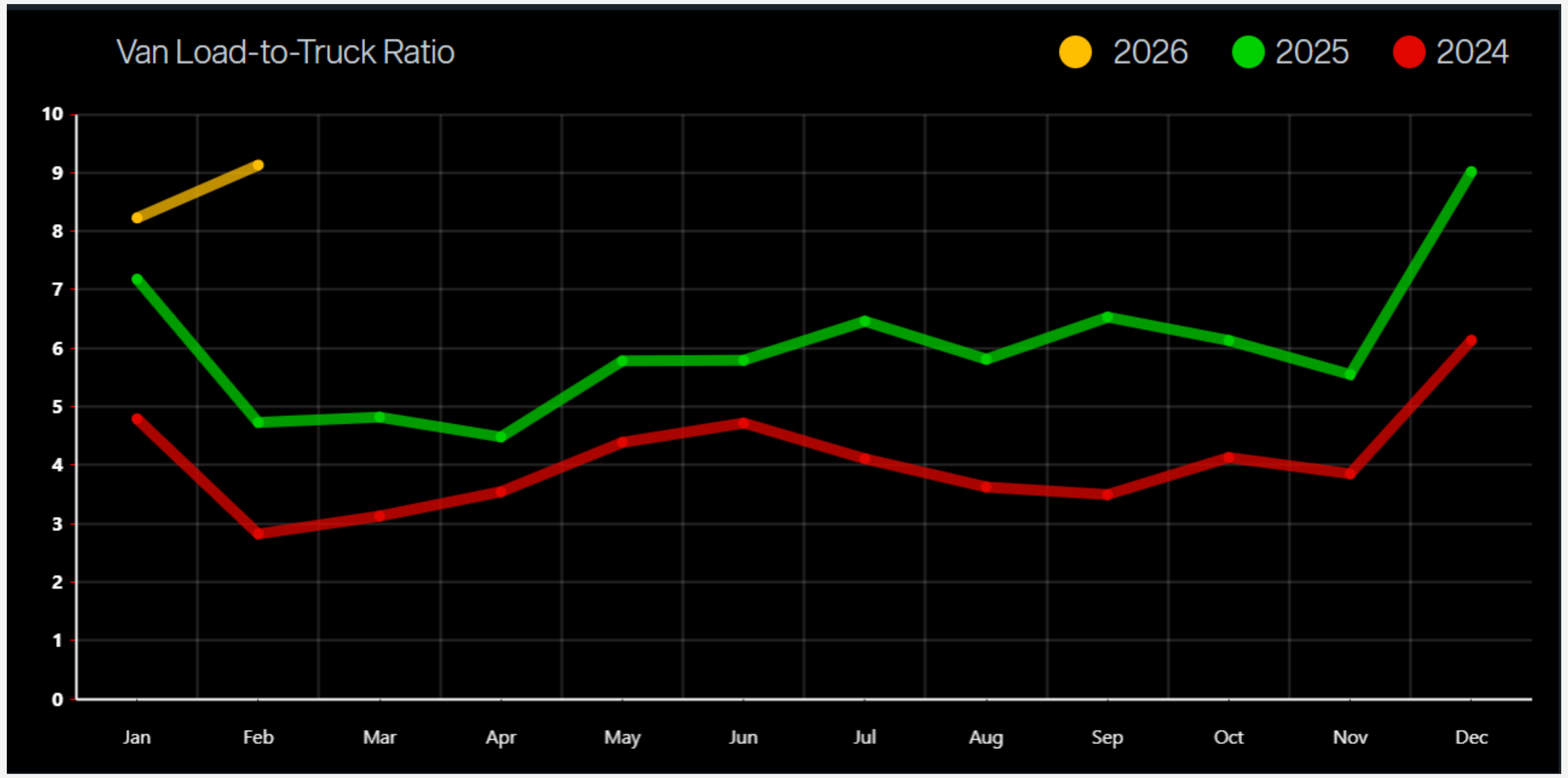
- After nearly two years of ample capacity, U.S. truckload capacity has entered an unexpected Q1 tightening phase
- National van, flatbed, and reefer spot rates are trending upward month-over-month, with flatbed tightening fastest. Freight demand is stabilizing—not surging—but reduced supply is pushing rates higher.
- Diesel prices posted a record one-week increase, materially raising carrier operating costs. Fuel now represents a significantly higher cost per mile, especially for small and mid-size fleets.

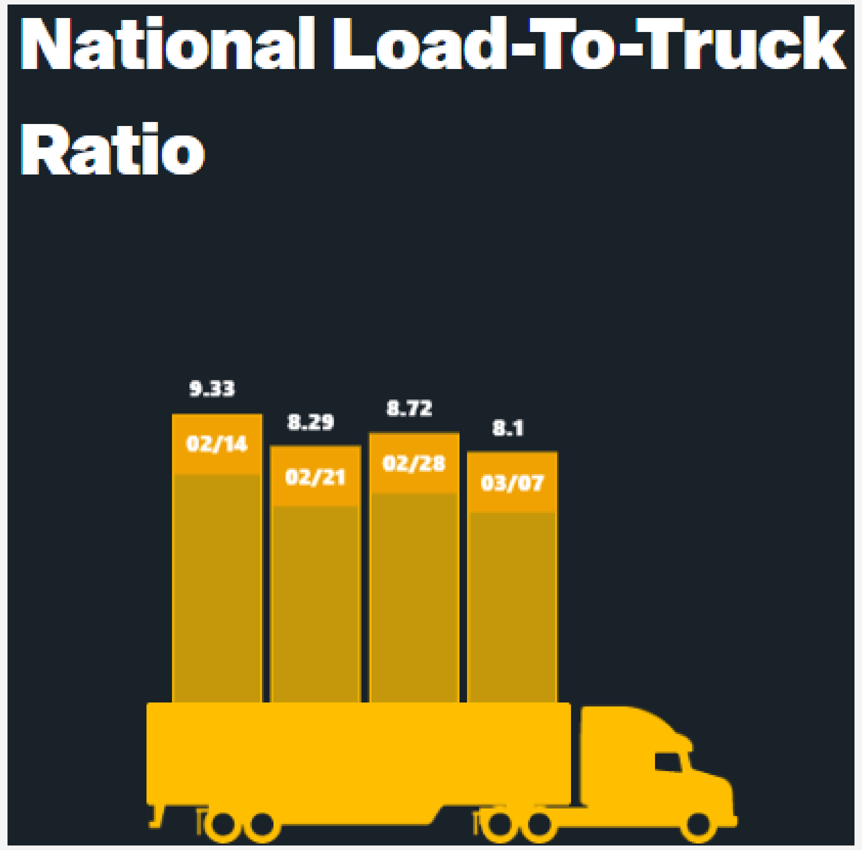




North American Transportation

- Capacity contraction and fuel cost inflation—not demand growth—are driving firmer rates and higher volatility heading into Q2
- Sustained high fuel prices could accelerate carrier exits or temporary parking of equipment, exacerbating capacity concerns
- Truckload capacity is expected to tighten further in the coming months
- Capacity is not being constrained evenly across the market—lane- and equipment-specific exposure matters more than national averages





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