GLOBAL TRANSPORTATION MARKET REPORT

August 2026

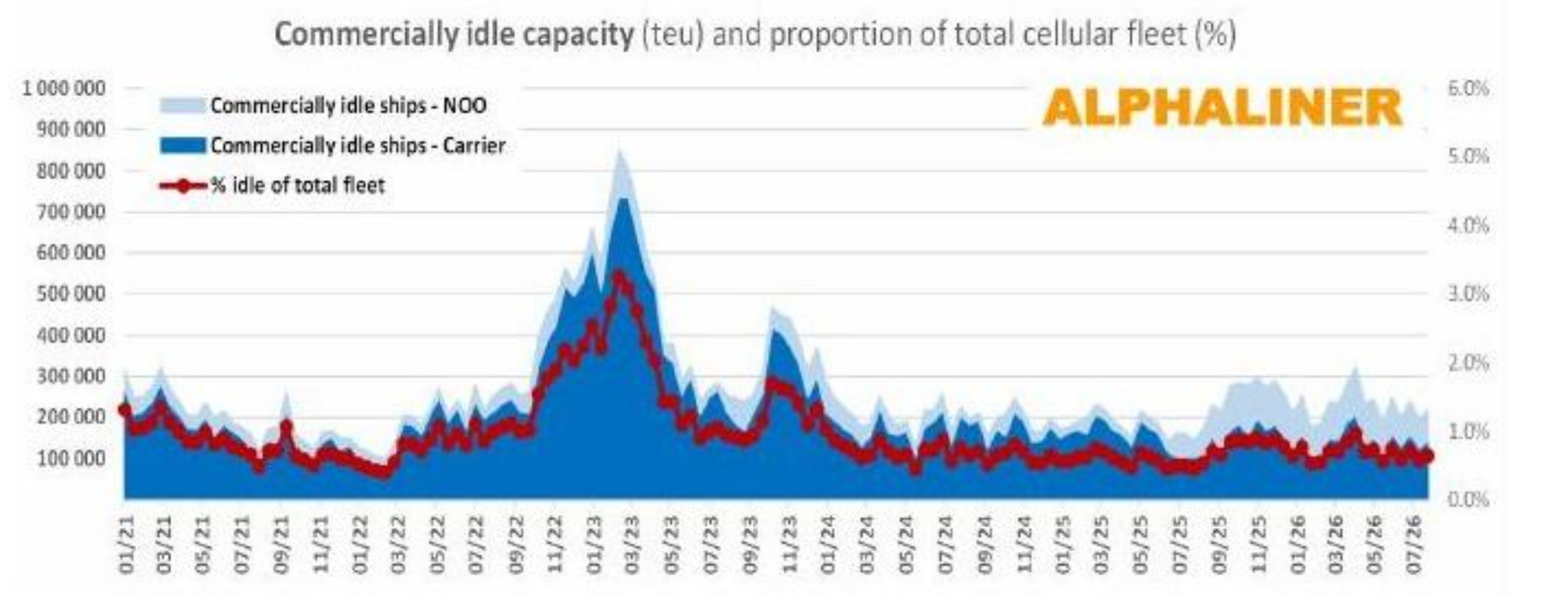



Global Ocean Trends - Market Summary

- **The Far East–Indian Subcontinent/Middle East/Red Sea trade contracted sharply,** with deployed capacity down ~14% year-on-year (-312,000 TEUs) to just under 1.9M TEUs as of late July, driven by the widening Gulf conflict and Strait of Hormuz security concerns.
- **HMM cut roughly 115,000 TEUs of capacity and Singapore's SeaLead Shipping withdrew ~66,000 TEUs before filing for voluntary liquidation**. These events, following escalating U.S. sanctions over alleged Iran links, accounted for over half of the trade's capacity decline.
- **Carriers are testing a return to Red Sea/Bab-el-Mandeb routings.** Maersk and Hapag-Lloyd (Gemini) rerouted a fourth joint service via the Strait, and CMA CGM shifted its India-U.S. East Coast "INDAMEX" loop back through the Red Sea, cutting transit time by two weeks.
- **Carrier earnings remain strong despite the disruption.** CMA CGM posted a Q2 net profit of $770 million (+48% YoY) on record shipping volumes. ONE sharply raised its full-year profit guidance to $900 million (from $300 million), forecasting an "explosive" Q3 of ~$719 million.
- **Consolidation activity is active but contested.** The Israeli government's final decision on Hapag-Lloyd's $4.2 billion bid for ZIM is due Sept. 9, with several agencies reportedly leaning toward rejection. MSC withdrew its EU request to buy into Spain's TERCAT terminal amid a competition probe.
- **New-build deliveries continue (led by methanol- and LNG dual-fuel tonnage).** However, new ordering slowed sharply in July (25 orders/138,000 TEUs vs. 90 orders/624,000 TEUs in June) with several top-10 carriers reportedly in talks for 20-24,000 TEU new builds ahead of September.
- **Security risk is spreading beyond the Middle East**. A naval drone attack sank a FESCO vessel in the Black Sea on Aug. 1, prompting a full suspension of FESCO's Black Sea bookings. Maersk previously suspended its Ukrainian port calls.

Capacity and Idle Fleet

- 89 commercial containership are idle, totaling 219,357 TEUs or 0.6% of the global fleet
- In-yard capacity totals 133 ships representing 536,245 TEUs or 1.6% of the fleet
- The largest August deliveries were KOTA ELAN's 13,064 TEUs vessel and the MSC STELLA MX at 10,300 TEUs
- Deliveries remain concentrated among major East-West carriers, but new ordering decelerated sharply in July (25 orders representing 138,000 TEUs compared to 90 orders representing 624,000 TEUs the month before)



Idle Fleet Breakdown by Vessel Size (>500 TEU, as of July 27)

<1,000 TEUs: 31 ships idle

1,000-2,000 TEUs: 25 ships idle

2,000-3,000 TEUs: 12 ships idle

3,000-5,100 TEUs: 11 ships idle

Large mainline (12,500+ TEUs): 2 ships idle

Total idle: 89 ships/219,357 TEU (0.6% of fleet)

Ocean Trade Lanes

Africa/Indian Ocean: Network build-out creates ample capacity with new Western India-East Africa service (HMM/COSCO/PIL/Interasia), Evergreen joining the India-East Africa "EA2/GIA" loop, and ONE boosting Mozambique coverage via a COSCO tie-up

Far East–Middle East/Red Sea: Deployed capacity fell ~14% year-over-year as regional conflict and Strait of Hormuz risk forced HMM and SeaLead to exit the trade. MSC and CMA CGM redeployed larger tonnage to hold share, keeping space tight and bookings volatile.

Intra-Asia: Carrier network optimization includes MSC revamping China-Thailand "Seahorse" service and PIL/OOCL/GSL revising the Thailand-Indonesia "ITS" loop. Shippers are advised to beware of frequent schedule changes.

Latin America/ECSA: Coverage is expanding: MSC extended its Asia-Mexico "Sierra" loop through Panama to Venezuela, Maersk launched a new Mexico-Panama-Ecuador shuttle, and Maersk/Hapag-Lloyd trimmed a joint U.S. East Coast-ECSA loop after the citrus season

Mediterranean/Black Sea: Escalated security risk after a drone attack sank a FESCO vessel, prompting a full suspension of Black Sea bookings. Maersk previously halted Ukraine feeder calls while MSC added a second Georgia call to its Turkey-North Africa-Black Sea loop.

Transatlantic: Capacity is essentially flat (-0.4% YoY) as six of the top 10 carriers reduced deployment; the market remains short of midsize ships, causing blank sailings even as MSC extends its lead (44.2% share)

Transpacific: OCEAN Alliance and Gemini partners are reshuffling U.S. West Coast rotations (added Oakland, adjusted Yantian/Kaohsiung/Port Klang coverage), with steady demand and utilization driven by tariff-related front-loading

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

Trade Lane	Status
Transpacific to US East Coast	
Transpacific to US West Coast	
Intra-North Europe	
Intra-Asia	
Latin America/ECSA	
Red Sea/Suez Transit	
China to Red Sea	
Persian Gulf/Strait of Hormuz	

Trade Lane	Status
Far East to Middle East/Red Sea	
Far East to Indian Subcontinent	
Europe to North America (Transatlantic)	
North America to Europe	
US Gulf Coast to North Europe	
Asia to Australia	
Africa/Indian Ocean	
Mediterranean/Black Sea	

Ocean Carrier Updates

CMA GM

Added the most capacity of any carrier (~70,000 TEUs, +40%) to the Far East-ISC/Middle East/Red Sea trade via new India and Middle East launches and rerouted its "INDAMEX" service via the Red Sea. The carrier reported a Q2 net profit of $770 million (+48% YoY) and formed the "United Ports" JV with Stonepeak.

Evergreen

Will join Hapag-Lloyd and ESL on the India-East Africa "EA2/GIA" route in October. COSCO Group's Far East-ISC/Middle East/Red Sea capacity fell ~60,000 TEUs on a suspended OCEAN Alliance loop, even as it added two new Far East-India services.

HMM

Recorded the trade's largest individual capacity cut (115,000 TEUs) as its Premier Alliance Middle East pendulum was scaled back. Also, the Israeli government's final decision on Hapag-Lloyd's $4.2 billion bid for ZIM is due Sept. 9 and agencies are reportedly leaning toward rejection.

Maersk

With Gemini partner Hapag-Lloyd, rerouted the Far East-Mediterranean "AE19"/"SE4" service back via Bab-el-Mandeb/Suez Canal, its fourth lane now routed through the Red Sea. The carrier also restructured its China-Australia "Dragon" loop, dropping Shanghai as new "Qilin" service takes over that link.

Maersk also continued narrowing the intra-North Europe gap with MSC (share up to 16.2% from 13.5% YoY) via its Gemini hub-and-spoke model. Feeder calls at Ukraine's Chornomorsk port were suspended amid worsening Black Sea security.

MSC

Extended its Far East-ISC "Shikra" service to Khor Fakkan and Sohar with much larger 19,000-24,000 TEU ships, cutting deployed ship count from 25 to 18 while retaining the trade's No. 1 capacity position. The carrier also extended eastbound U.S. Gulf coverage, included Venezuela with its Asia-Mexico "Sierra" service, and added a fortnightly Poti call in the Black Sea.

ONE

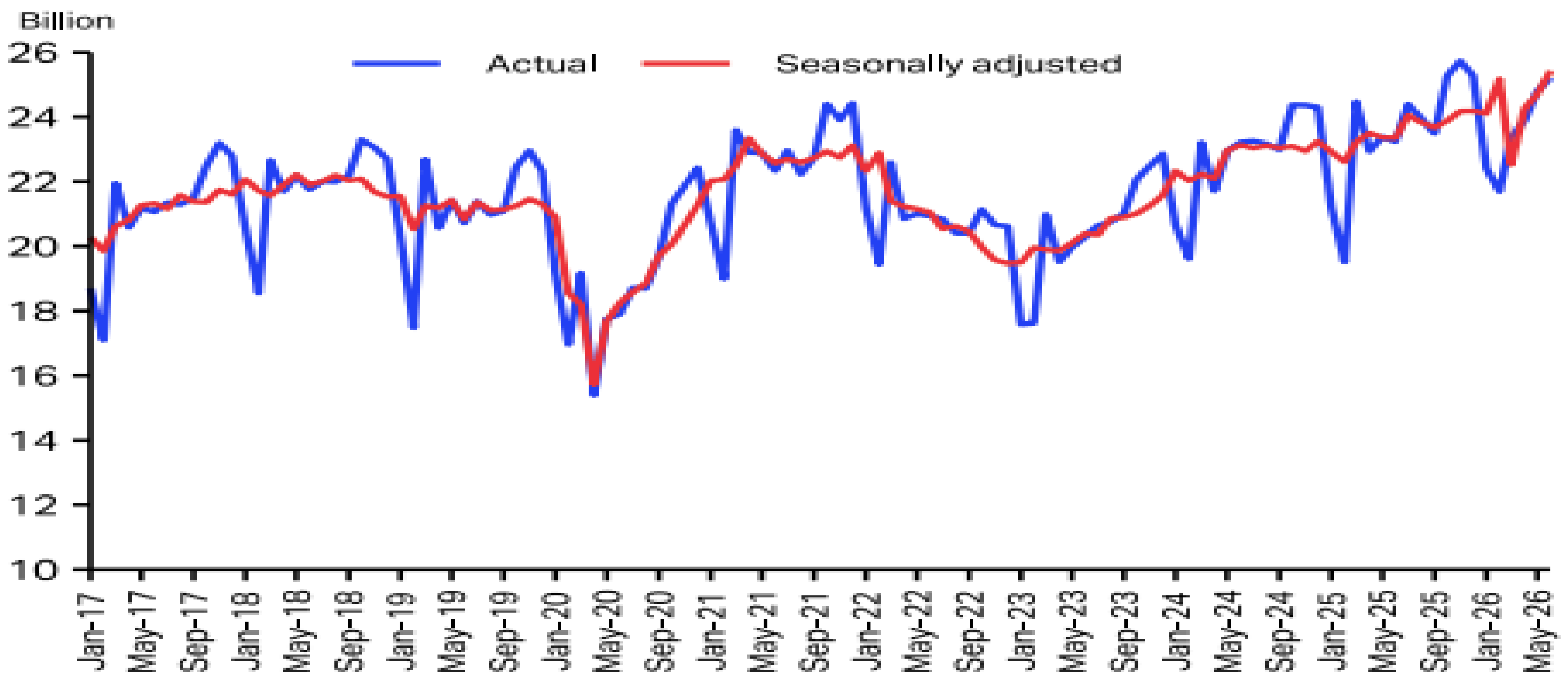
Q2 net profit fell to $31 million despite record sales of $4.54 billion. However, the firm sharply raised full-year guidance to $900 million, forecasting an "explosive" Q3 of $719 million. It is also launching a Mozambique coastal service with COSCO and slotting on Maersk's new "Qilin" service.

Regional/Feeder

SeaLead Shipping filed for voluntary liquidation after U.S. sanctions over alleged Iran links. FESCO suspended Black Sea bookings after a drone attack sank one of its vessels. Linea Messina, GT Lines, and CULines were among new entrants on the Far East-Middle East/Red Sea trade.

Air Freight Overview

- Spot rates should decline through Q4 as the Middle East war premium unwinds and peak-season demand spikes fail to materialize
- Demand growth will likely stay in the low single digits (2-5% YoY) and capacity additions should keep pace with or slightly exceed demand, nudging load factors flat to slightly lower
- The absence of charter conversations suggests airlines won't add meaningful peak-season capacity, which could provide a modest floor for rates if demand climbs
- Shippers should expect a modest, uneventful Q4 rather than the typical seasonal rate spike



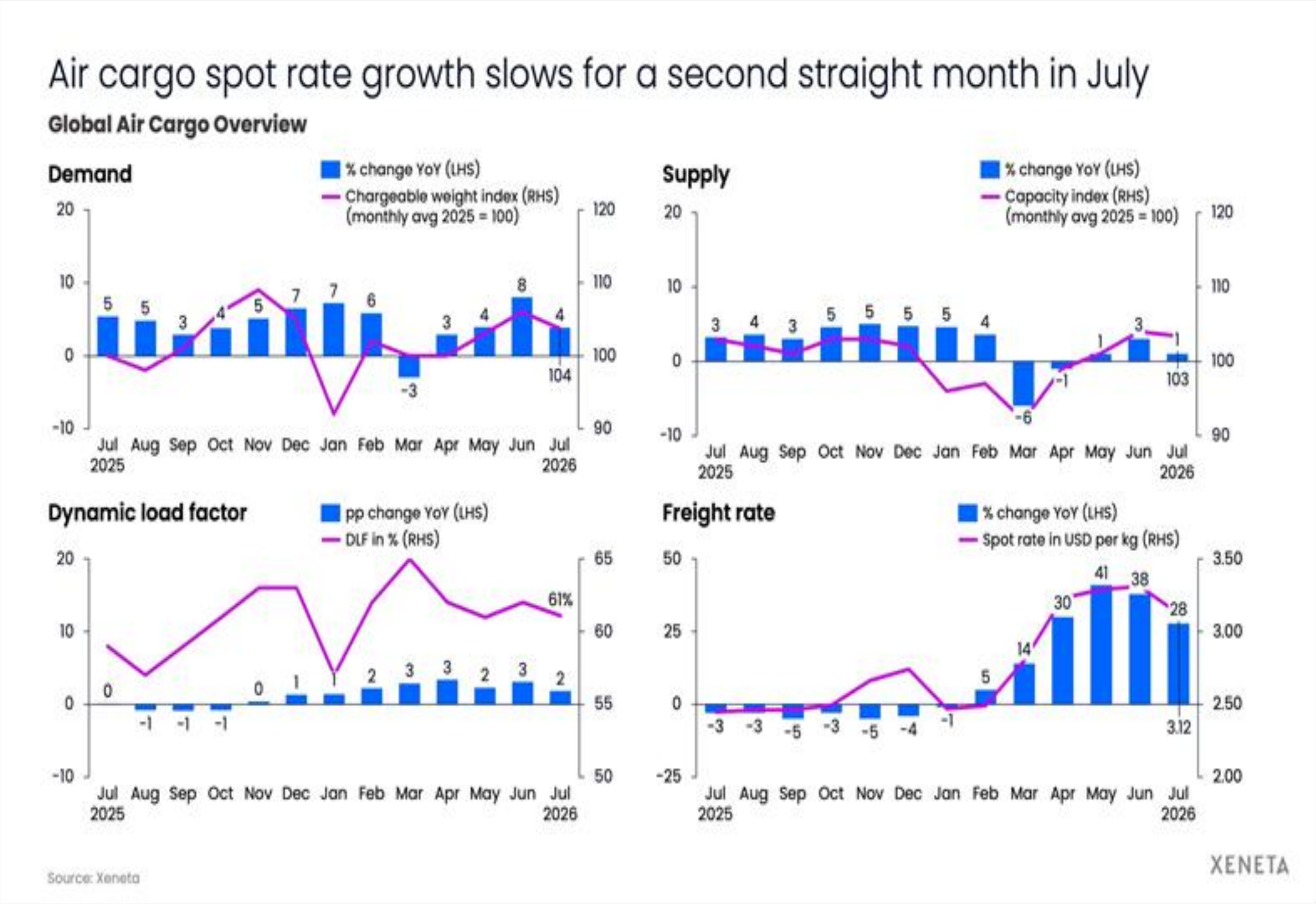
	World	June 2026 (year-on-year, %)				June 2026 (year-to-date, %)			
	share[1], %	CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	**100.0**	**8.5**	**4.4**	**1.7**	**46.9**	**4.9**	**2.1**	**1.2**	**46.4**
Africa	2.1	4.7	-7.1	5.4	48.1	11.1	-0.7	5.0	47.0
Asia Pacific	35.8	7.9	4.3	1.8	51.8	8.8	5.8	1.3	47.6
Europe	21.4	6.9	3.7	1.5	50.5	5.9	3.9	1.0	54.9
Latin America and Caribbean	2.9	3.5	9.8	-2.1	33.9	-0.1	4.8	-1.7	35.0
Middle East	13.2	5.6	2.5	1.4	46.5	-9.6	-10.3	0.3	44.8
North America	24.6	13.1	6.2	2.5	40.7	6.1	2.0	1.6	41.4
International	**87.9**	**9.6**	**4.9**	**2.2**	**52.1**	**5.2**	**2.4**	**1.4**	**51.9**
Africa	2.1	4.7	-6.9	5.4	49.1	11.1	-0.5	5.1	48.4
Asia Pacific	32.1	9.6	6.4	1.7	56.9	9.6	7.2	1.2	54.2
Europe	21.0	7.2	1.8	2.7	54.0	6.2	3.6	1.4	57.4
Latin America and Caribbean	2.5	2.6	10.1	-2.8	38.0	0.8	4.7	-1.6	39.7
Middle East	13.2	5.6	2.7	1.3	46.8	-9.6	-10.4	0.4	45.2
North America	17.1	17.1	8.2	3.7	49.1	7.3	3.4	1.8	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.

Air Freight Demand | Load Factor | Rate Development

- Demand growth is decelerating, signaling a market that's beginning to cool rather than tightening
- Rate premiums are unwinding, with spot rates falling and year-over-year growth slowing for a third straight month. The Middle East War rate premium continues to fade.
- Shippers are reporting almost no discussions about charter capacity for peak season. Historically, this is an indication that forwarders and airlines aren't expecting the usual Q4 demand surge.
- The earlier full-year upgrade was backward-looking; recent demand outlook increases were driven by strong first-half performances, not by improved expectations for the back half of the year
- Analysts expect the market to weaken further, and some observers are explicitly forecasting that rates will continue to ease in the final months of the year, reinforcing a cautious atmosphere heading into 2027



Air Trade Lanes

Overall: Asia-linked lanes (particularly those touching AI and semiconductor demand) are carrying the market, while Middle East-linked lanes remain the weak spot. Improvements in hub transfer traffic have not yet translated into a broad recovery across all connected routes.

Asia-Europe: Volumes are falling sharply following the EU's new charge on imports valued at less than €150. Hong Kong–Europe is down 19% over the summer (24% YoY) and China–Europe is down 3%, with spot rates dropping in tandem.

Europe-Asia: Up 7.1% YoY, the most durable trend among major corridors

Europe-Middle East: Down 41.1% YoY, the weakest major lane has yet to benefit from Middle Eastern carriers' recovery

Intra-Asia: Up 7.2% YoY and benefiting from hyperscaler shipments as regional manufacturing and tech supply chains stay active

Middle East-Asia: Still contracting at -4.1% YoY. The pace of decline eased by 11.8% from May, suggesting a gradual, uneven recovery in Middle Eastern hub connectivity.

Transatlantic: Roughly flat year-over-year, but conditions improved meaningfully compared to May, ending three straight months of contraction.

Transpacific: Remains the strongest trade lane with a fifth consecutive month of growth, driven by AI and semiconductor cargo moving on urgent timelines

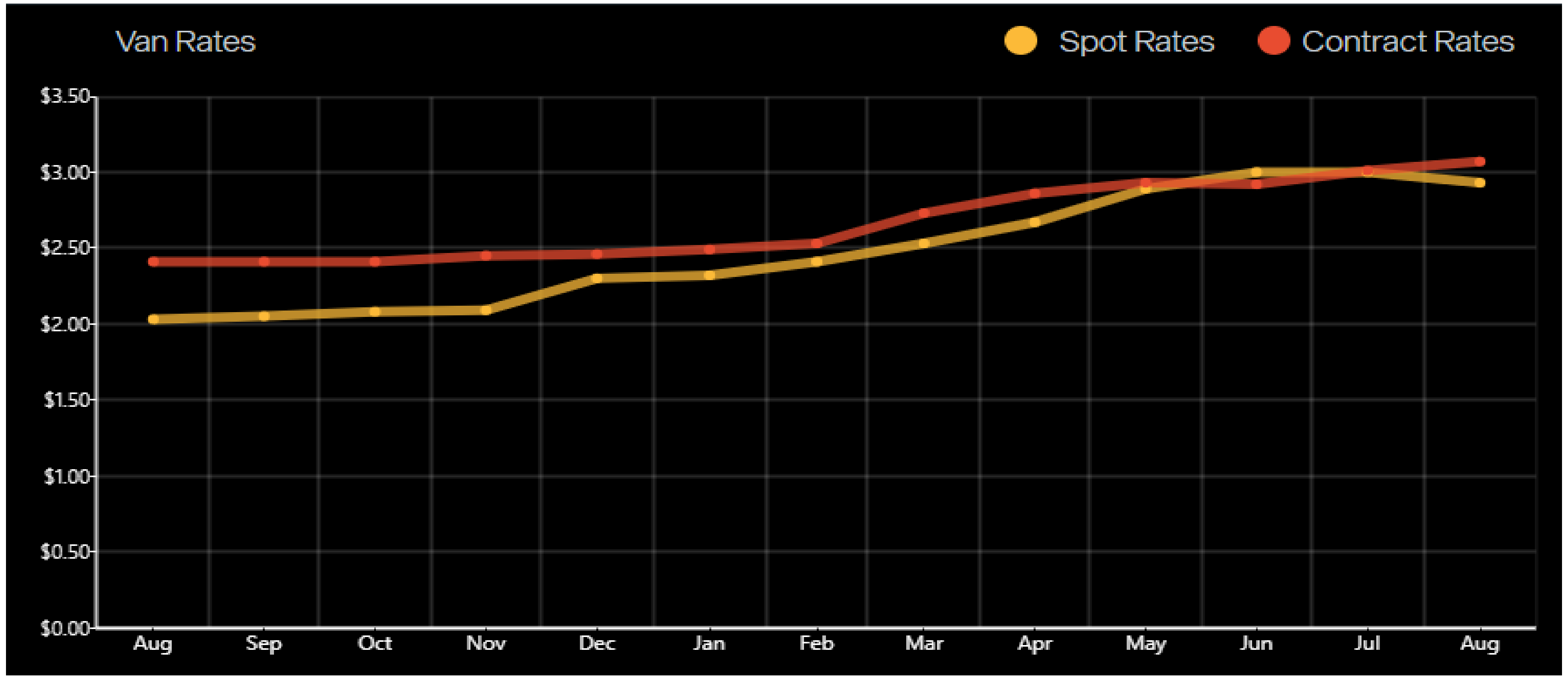
Green	Available space; quick booking turn time.
Yellow	Capacity well utilized; some space available.
Red	Demand higher than supply; space agreements challenged.

Trade Lane	Status
AP to US	Red
US to AP	Yellow
Europe to AP	Yellow
AP to Europe	Red
Europe to US	Yellow
US to Europe	Yellow

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

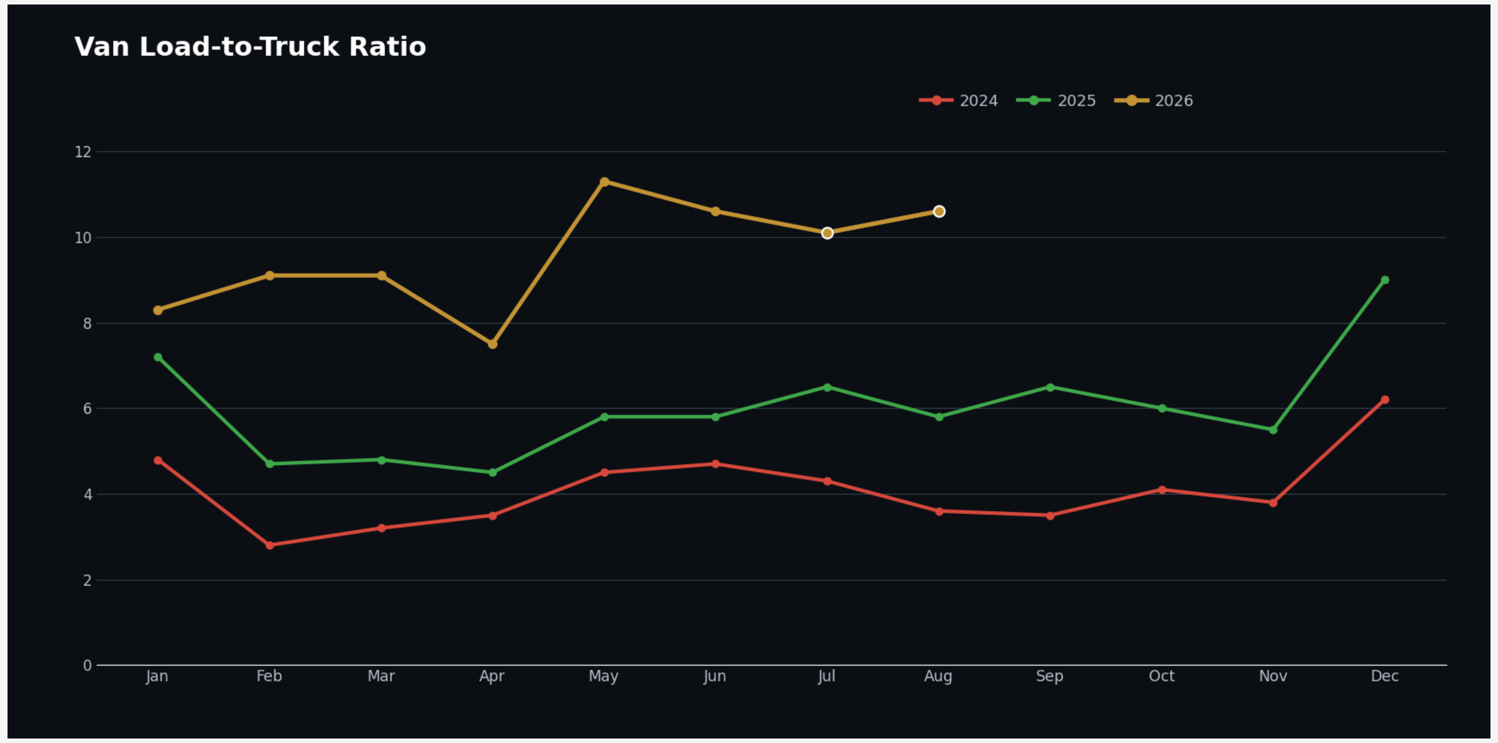
North American Transportation

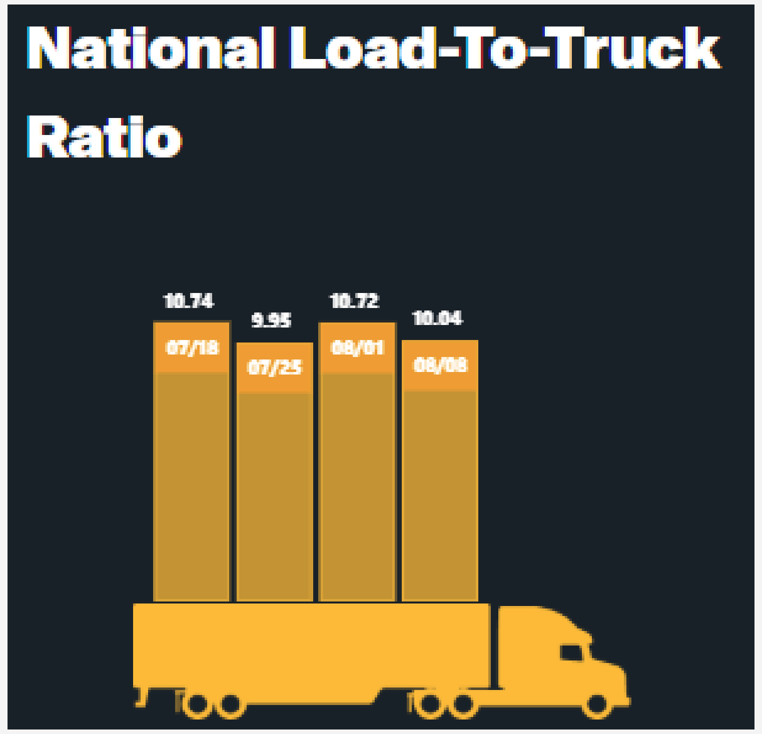
- Truckload capacity remains structurally tight. Truck posts are down 26% year-over-year despite August's seasonal demand pullback.
- Spot rates compressed in August after briefly surpassing contract rates in June
- After a 10-week decline, diesel climbed to $5.35/gallon in early August, renewing cost pressure ahead of contract season
- Flatbed remains the strongest segment on sustained industrial and data-center demand, even as van and reefer rates eased
- Peak and hurricane season both point to tightening capacity into September



North American Transportation

- **Midwest** capacity remains among the tightest in the country. Great Lakes, Ohio River and Lower Midwest origins posted the smallest rate declines in early August (down just 1.6–2.4% week-over-week), continuing to outperform the broader dry van pullback.
- In the **Northeast**, Upper Atlantic rates are among the weakest in the network
- Visa revocations and English-language proficiency enforcement activity is reducing the commercial driver pool, effectively reducing **Mexico cross-border** capacity. Laredo–Bajío lanes are notably tighter compared to the rest of the cross-border network.
- For the **South and Gulf Coast** region, origins from the Southeast and Carolinas are running at network-leading rates that are 50% higher compared to a year ago. Produce season, energy shipments and cross-border volume demands are keeping capacity tight for truckload and refrigerated trailers.
- California remains the highest-priced dry van origin in the country despite a pullback this week. At approximately $6 per gallon, diesel pricing in the **West Coast** region is the highest in the nation, keeping all-in costs elevated even as capacity has loosened modestly.





Turn insight into action with AIT

Partner with a global network of experts on logistics plans tailored to your business

International Air
Kent Thompson
kthompson@aitworldwide.com

Ocean
Nathalie Pals
npals@aitworldwide.com

North American Domestic Product
Fred Johnson
fjohnson@aitworldwide.com

AIT® WORLDWIDE LOGISTICS