

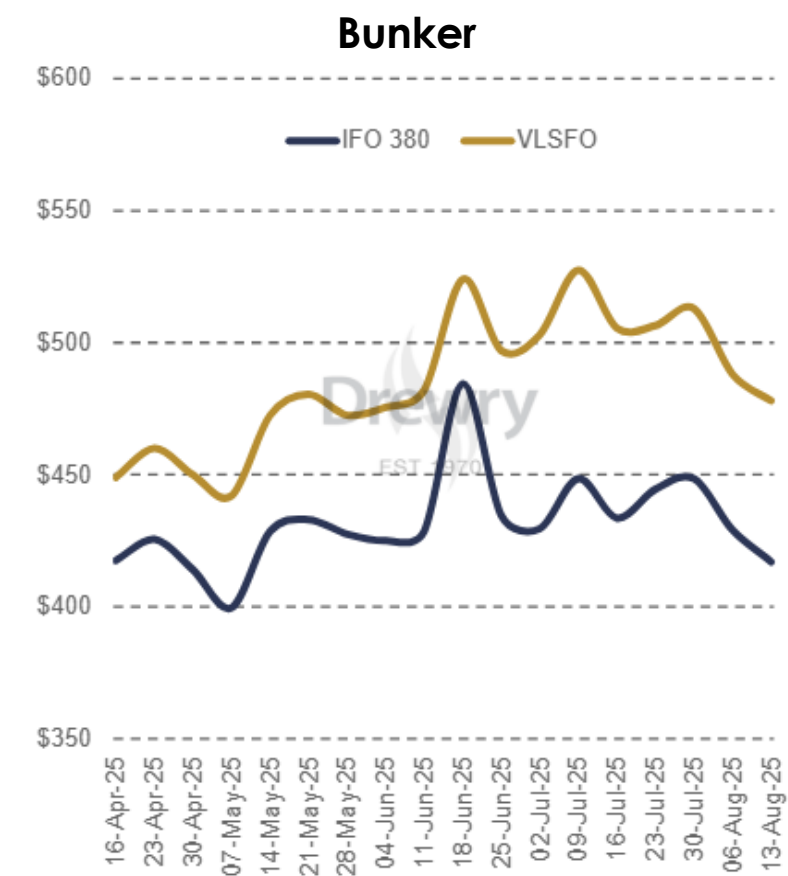
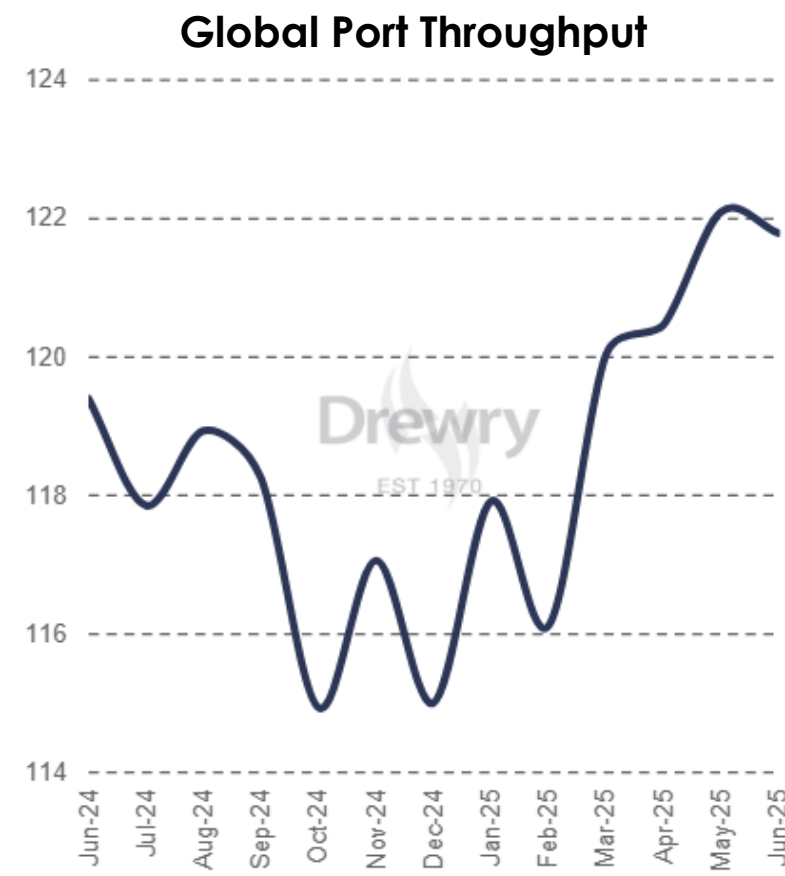
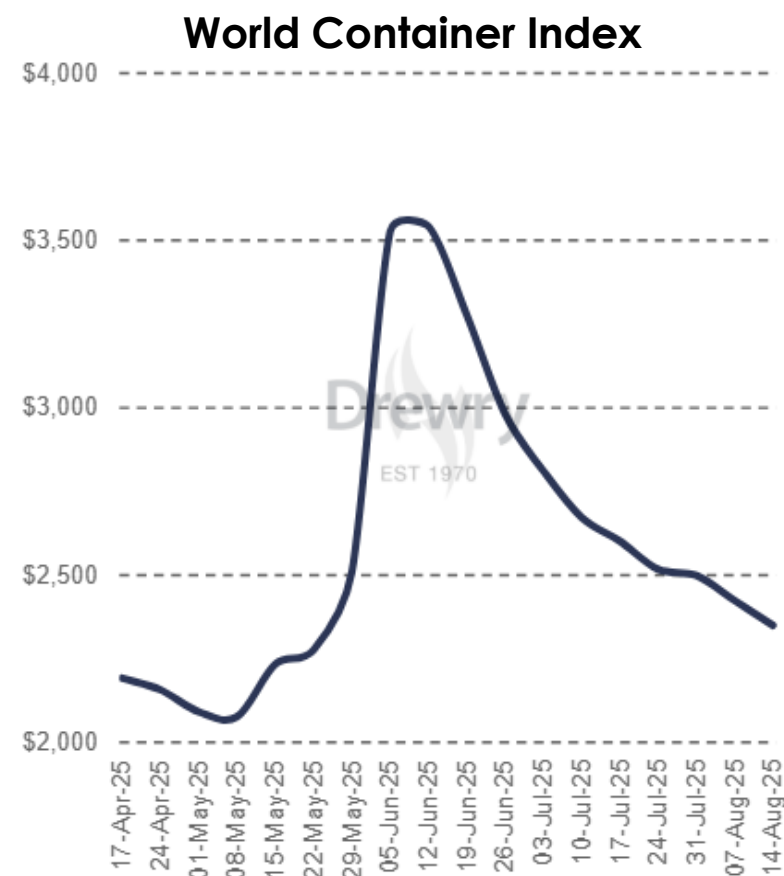


# GLOBAL TRANSPORTATION MARKET REPORT

## AUGUST 2025



# Global Ocean Trends



- High tariffs on Chinese goods and a temporary 90-day reprieve for other countries have created unstable pricing, particularly on East-West trade lanes
- Several carriers are reorganizing service loops and expanding into new lanes (e.g., COSCO/OOCL's China-Mexico service; Maersk's revised Asia-Bangladesh loops), likely in response to rate pressures and shifting demand
- Carriers report strong demand outside the United States, helping offset rate declines in North America. This suggests regional rate resilience in Asia, Europe and Latin America.

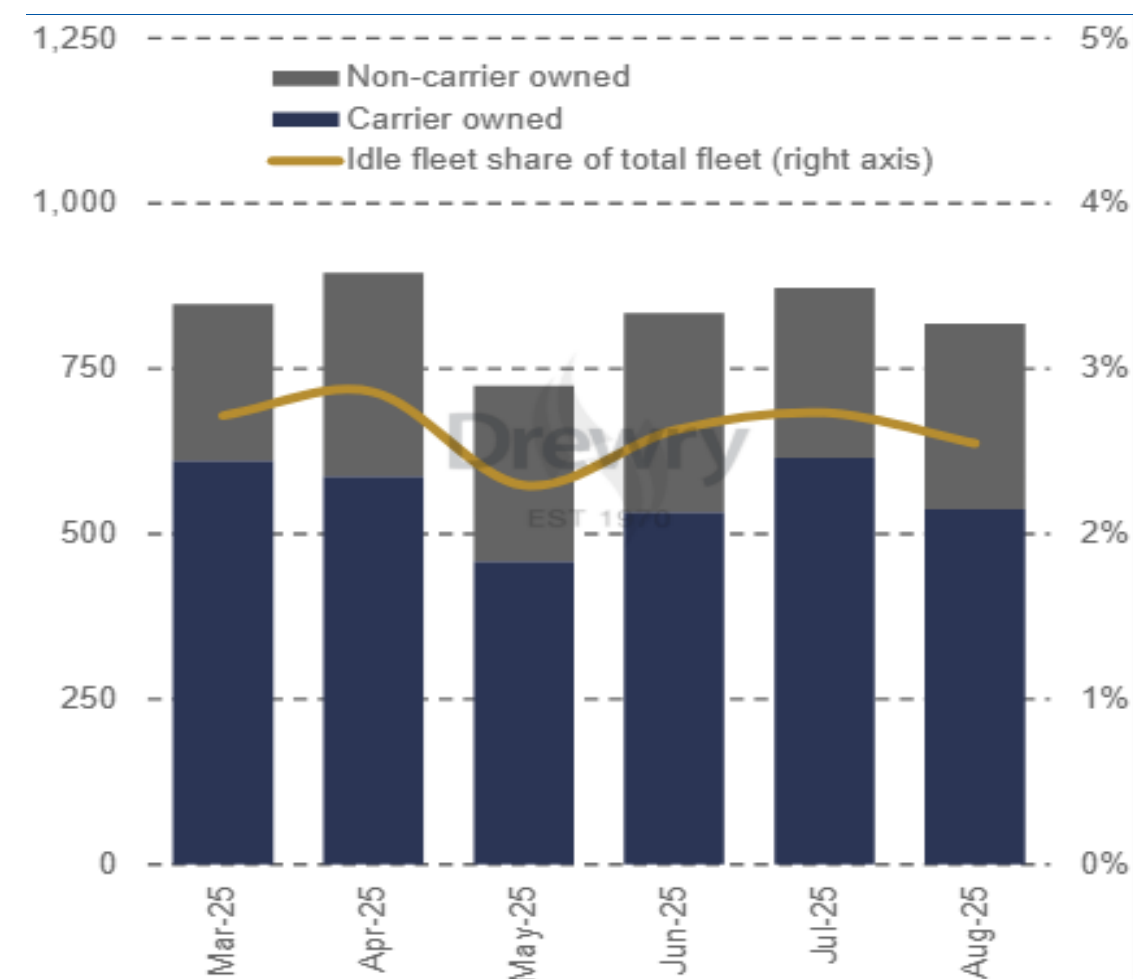
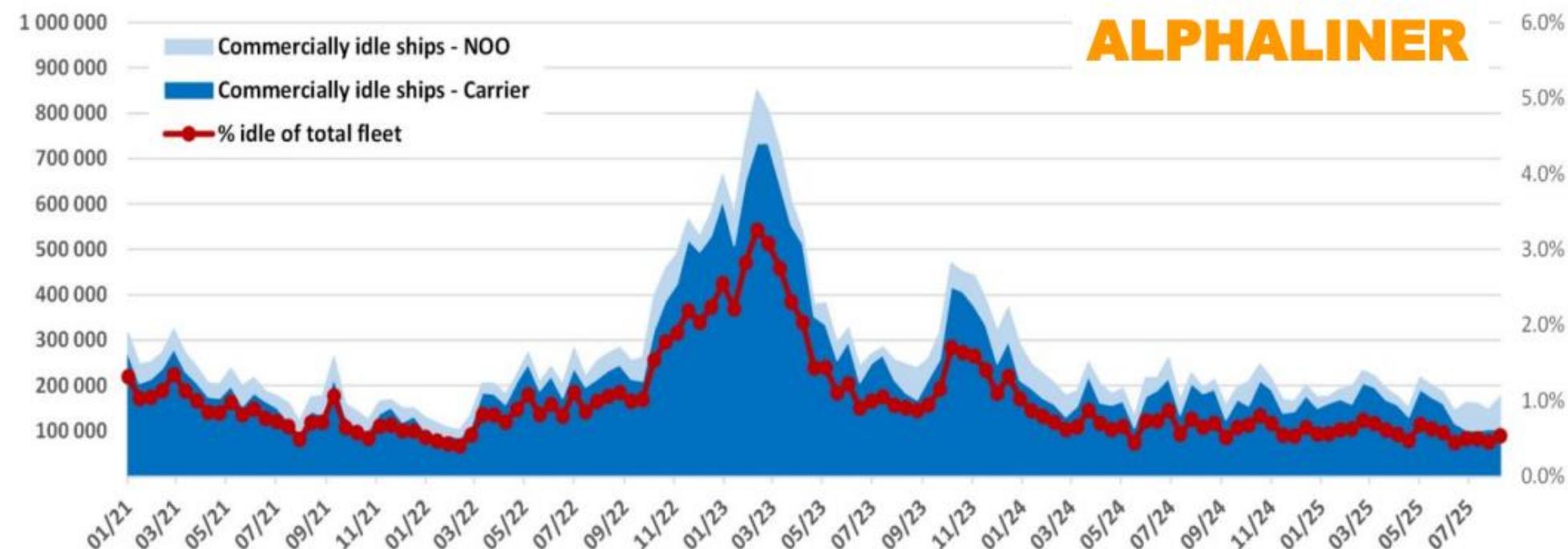


# Capacity and Idle Fleet

- The commercially idle fleet increased slightly by 28,000 TEUs
- The idle percentage remains exceptionally low at 0.5% of the 32 million TEUs represented by the total global fleet
- 15 new ships were delivered in August, including six 15,000+ TEU vessels for COSCO, Evergreen, Maersk, MSC, and OOCL



Commercially idle capacity (teu) and proportion of total cellular fleet (%)



# Ocean Trade Lanes

- Global container shipping remains under pressure due to trade policy changes, shifting demand and rising capacity imbalances. While recent tariff developments haven't triggered a sense of urgency like past cycles, carriers continue adjusting services.
- Europe's base ports faced challenges this summer due to labor shortages, tonnage redistribution, blank sailings and Red Sea disruptions
- Extreme weather disrupted barge traffic in North Europe. A summer heatwave lowered water levels in the Rhine and Danube, reducing capacity to 30-50% and prompting surcharges up to 100%. Recent rain improved conditions in southern Germany, but shallow waters in the north still limit vessels to 70% capacity.
- Between weeks 33 (Aug. 11-17) and 37 (Sept. 8-14), carriers blanked 43 of 720 scheduled East-West sailings—a 6% cancellation rate. Most occurred on transpacific eastbound routes (49%), followed by Asia-North Europe and Mediterranean (33%) and transatlantic westbound (19%).

	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

## Maersk and Hapag-Lloyd

- Far East-East Mediterranean AE15 / SE3 Loop
  - Kwangyang (South Korea) has been added to the rotation
  - Updated rotation: Qingdao, Kwangyang, Ningbo, Tanjung Pelepas, Port Said, Yarimca, Ambarli, Singapore

## Wan Hai Lines

- New FM1 Far East-East Med Loop via Suez
  - Service begins Sept. 12 with the WAN HAI 513
  - Rotation: Shanghai, Ningbo, Nansha, Shekou, Port Kelang, Jeddah, Aqaba, Sokhna, Alexandria, Izmit, Istanbul

## MSC

- USWASA Express Service
  - South Africa-U.S. East Coast loop revised to include West African ports Lome and San Pedro
  - Updated rotation: New York, Baltimore, Savannah, Freeport, Lome, Durban, Coega, Cape Town, San Pedro
- Expanded Koala Service
  - Melbourne added to the China-Indonesia-Australia loop
  - Updated rotation: Shanghai, Hong Kong, Jakarta, Fremantle, Adelaide, Melbourne

## CMA CGM

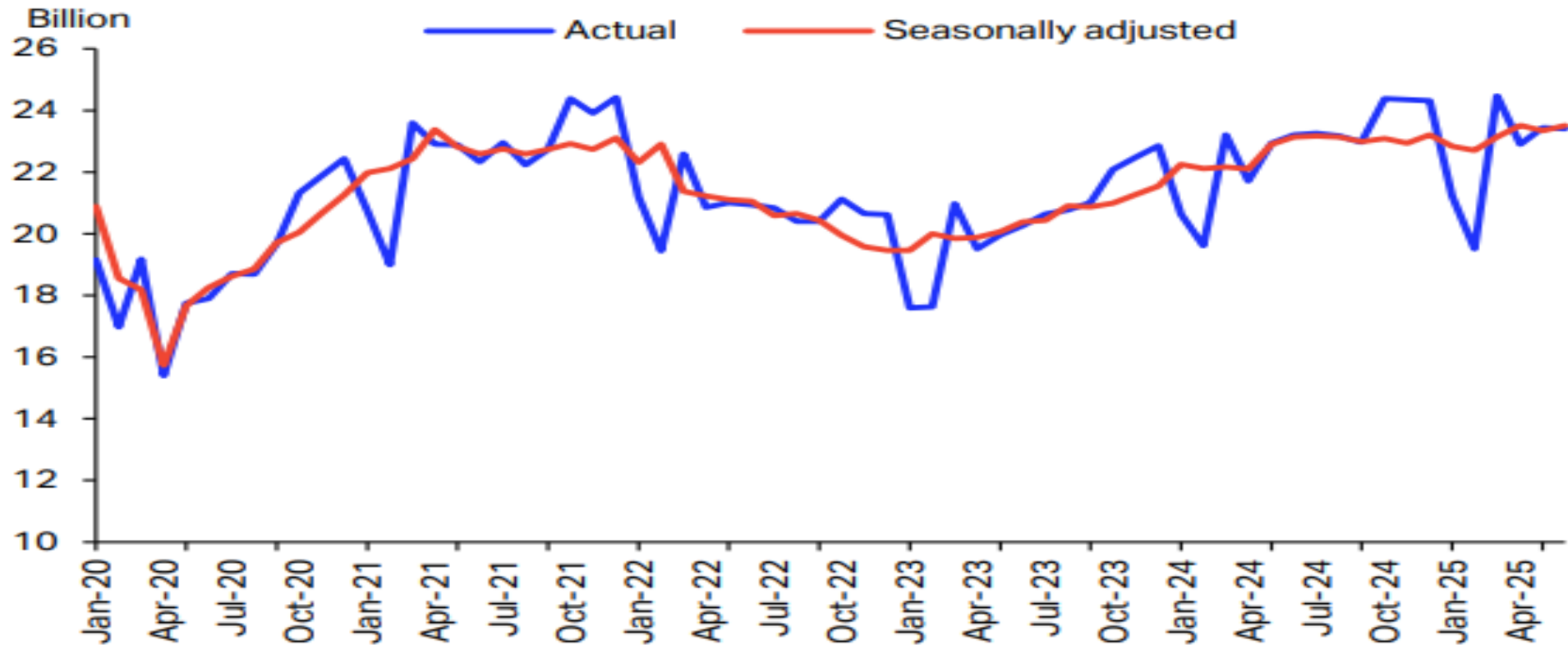
- Revised BIGEX Western India-Middle East Loop
  - Shuaiba, Jubail and Jebel Ali removed; Sohar added
  - Updated rotation: Mundra, Nhava Sheva, Abu Dhabi, Umm Qasr, Sohar
- Updated PIKEX Loop
  - Eastbound Karachi call removed; Sohar added

## Swire Shipping and MELL (PIL)

- Upgraded China-PNG-Australia Service (NAX/ANA)
  - Now includes weekly calls to Lae via two loops
    - Loop 1: Shanghai, Ningbo, Nansha, Hong Kong, Lae, Port Moresby, Townsville
    - Loop 2: Shanghai, Ningbo, Nansha, Hong Kong, Lae

# Air Freight Overview

- Global air freight volumes rose nearly 5% year-over-year, driven by trade uncertainty
- Asia-Pacific volumes saw the highest growth; North America experienced slight increases
- Military conflicts in the Middle East and Ukraine continue to affect the market
- U.S. trade policy changes are the primary drivers of major trade lane disruptions and rate shifts



	World share <sup>1</sup>	May 2025 (% year-on-year)				May 2025 (% year-to-date)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0%	2.2%	2.0%	0.1%	44.5%	3.2%	3.3%	-0.1%	45.2%
Africa	2.0%	-2.1%	2.7%	-2.0%	42.2%	-4.1%	4.1%	-3.5%	41.1%
Asia Pacific	34.2%	8.3%	5.7%	1.1%	46.1%	8.2%	7.5%	0.3%	45.4%
Europe	21.5%	1.6%	1.5%	0.0%	51.8%	2.5%	2.3%	0.1%	55.0%
Latin America	2.9%	3.1%	3.5%	-0.2%	36.1%	7.1%	6.9%	0.1%	36.9%
Middle East	13.6%	3.6%	4.2%	-0.3%	46.3%	-3.6%	1.1%	-2.1%	44.3%
North America	25.8%	-5.8%	-3.2%	-1.1%	38.2%	1.2%	-0.4%	0.6%	40.5%
International	87.3%	3.0%	2.6%	0.2%	50.6%	4.0%	4.6%	-0.3%	50.7%
Africa	2.0%	-2.0%	2.7%	-2.1%	43.4%	-4.1%	3.3%	-3.3%	42.6%
Asia Pacific	30.6%	8.2%	7.6%	0.3%	54.5%	8.3%	10.1%	-0.9%	52.5%
Europe	21.0%	1.6%	0.8%	0.4%	54.0%	2.5%	1.8%	0.4%	57.2%
Latin America	2.5%	3.2%	1.5%	0.7%	40.4%	7.2%	6.6%	0.2%	41.4%
Middle East	13.6%	3.7%	4.1%	-0.2%	46.7%	-3.5%	1.1%	-2.1%	44.7%
North America	17.5%	-3.9%	-3.9%	0.0%	46.4%	4.8%	1.5%	1.6%	48.7%

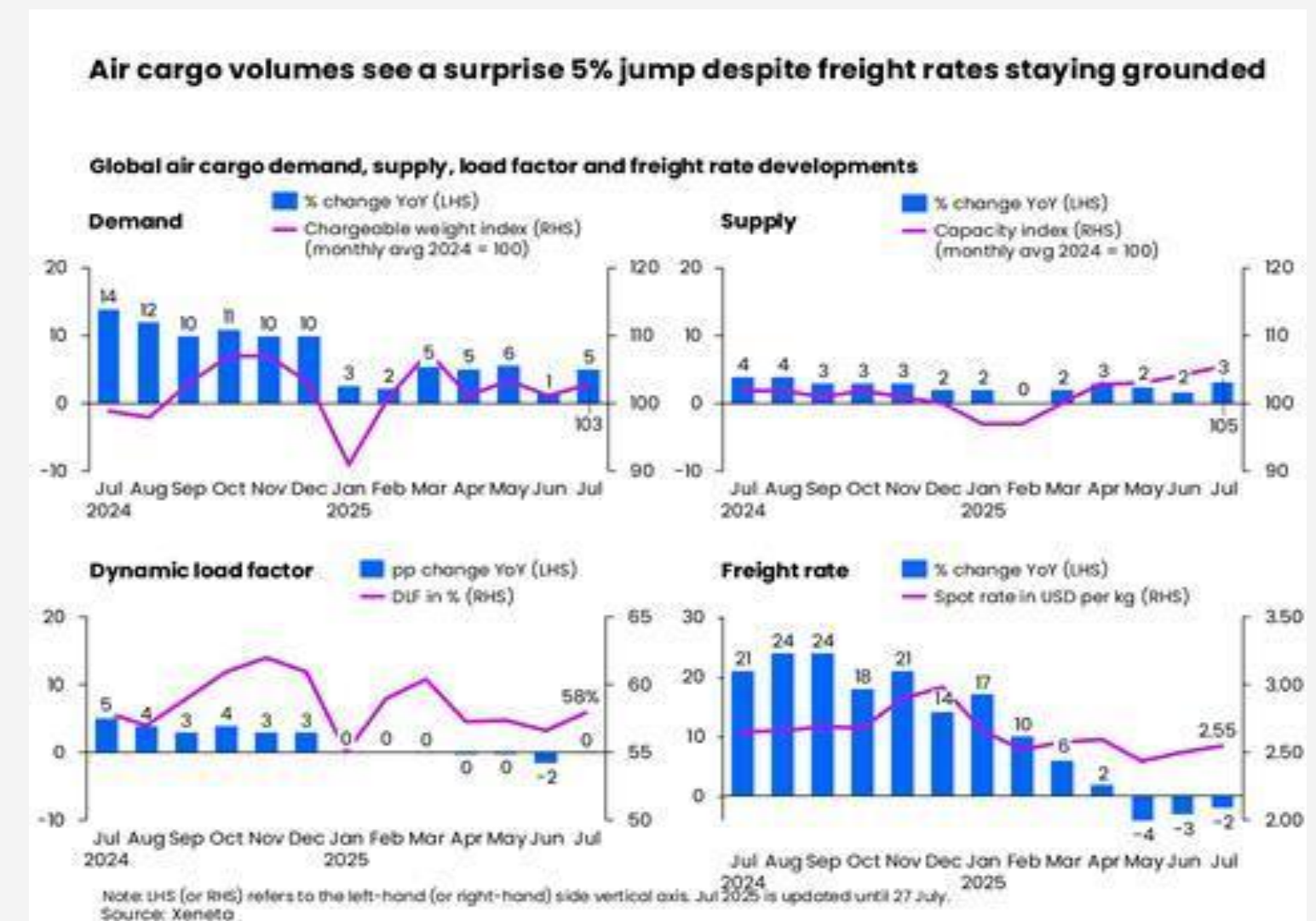
Note 1: % of industry CTKs in 2024

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

- Recent volume growth is largely attributed to frontloading and tariff avoidance
- U.S. tariff impacts are driving short-term demand; however, long-term forecasts suggest this will subside because the surge is a reaction, not recovery
- Capacity is increasing at slower rates compared to previous years; the late-summer load factor spike is a result of shippers' frontloading activities
- Shippers are prioritizing speed over cost, paying more to avoid delays and tariff exposure



# Air Trade Lanes

- Asia-Europe trade lanes saw the largest recent growth, driven by tech, pharma and luxury goods
- Intra-Asia demand remains strong, supporting growth from Asia-Pacific (AP) origins despite North American declines
- North America-Europe exports grew recently but are slowing
- AP-U.S. volumes may drop further as tariff levies and de minimis exemptions take effect
- Jet fuel prices fell overall this year but rose nearly 8% month-over-month, due to Middle East tensions

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

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



# De Minimis – A Quick Guide for Navigating Exemptions

Effective Aug. 29, 2025, the U.S. government will eliminate the de minimis exemption for low-value imports. The \$800 duty-free threshold will be removed for all countries, with China receiving an extension until Nov. 9.

This change is expected to significantly impact e-commerce, especially for direct-to-consumer shipments from China and small brands. Nearly 68% of affected U.S. imports originate from China and Hong Kong.

## Cost increase impacts

- **Duties:** Will be applied based on the product's country of origin
- **Processing fees:** The U.S. government will assess additional charges
- **Brokerage fees:** Consumers must now engage a customs house broker to import previously exempt goods

For context, Amazon has already increased prices on nearly 1,000 formerly exempt products—some by as much as 29%.

## Strategic response options

- **Shift to ocean freight:** Bulk shipping allows for cost distribution across more units and avoids last-minute air freight surcharges
- **Domestic warehousing:** U.S.-based inventory positions goods closer to consumers and shields against tariff volatility
- **Partner with compliance experts:** Importers should work closely with customs brokers to stay informed and protect their supply chains
- **Alternative routing:** Some companies are exploring bulk imports to Mexico before final delivery to the United States, though this strategy may evolve with future tariff developments

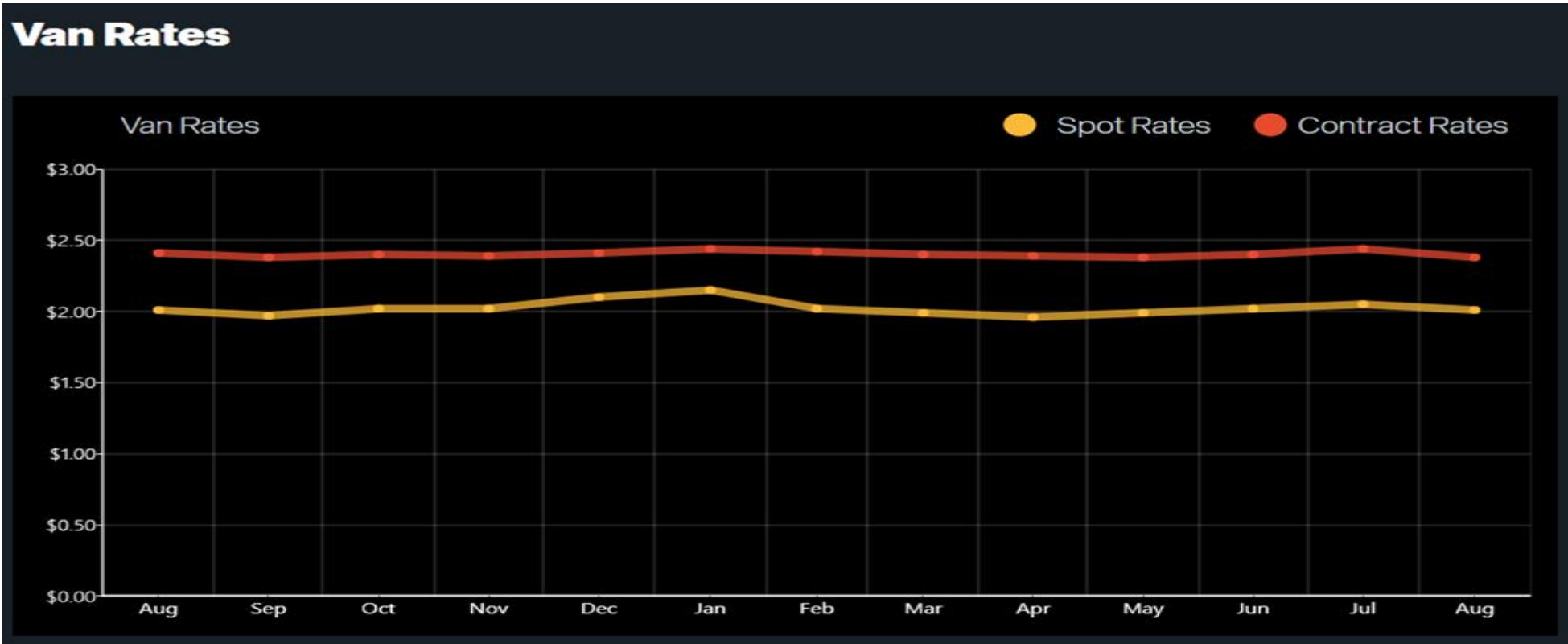
## Impact of de minimis exemption removal on e-commerce (Aug. 2025)

- **Cost increases:** Higher costs per shipment, especially for China-based goods
- **Operational complexity:** Customs filings now required on every order
- **Logistics disruption:** Shift to ocean freight and U.S. warehouses
- **Supply chain repositioning:** Rerouting through Southeast Asia and Mexico
- **Carrier and customs strain:** Increased demands and delays



# North American Transportation

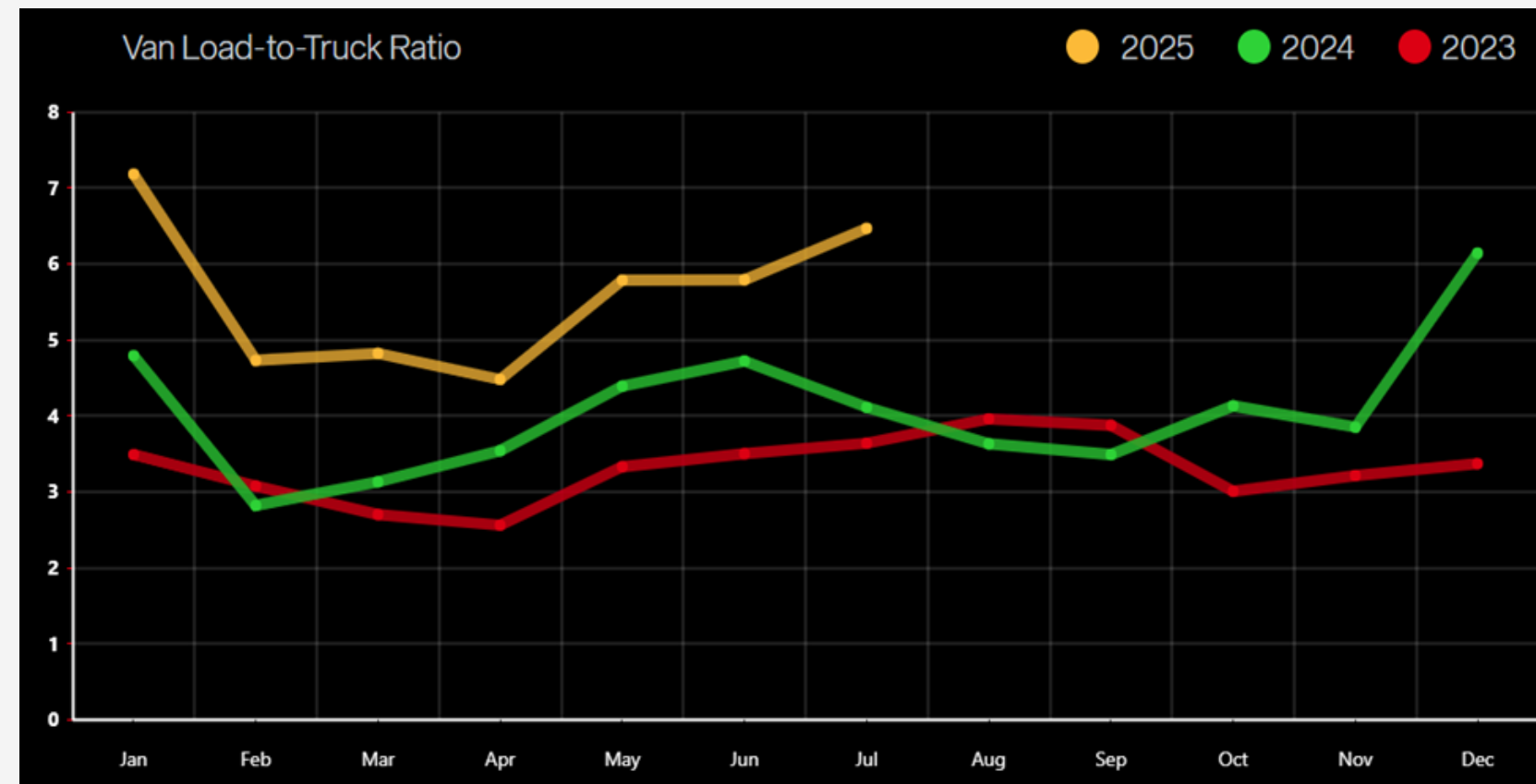
- The U.S. freight market remains muted, with flat tonnage and regional declines
- Year-end outlooks remain stable, with rates and volumes expected to remain stagnant
- Analysts cite consumer spending and tariff impacts as key factors
- Operating costs may drive rate changes later in 2025





# North American Transportation

- Spot rates may rise due to carrier cost increases, not demand recovery
- Reduced truck orders and rising costs are tightening capacity, supporting rate stability during seasonal surges





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