

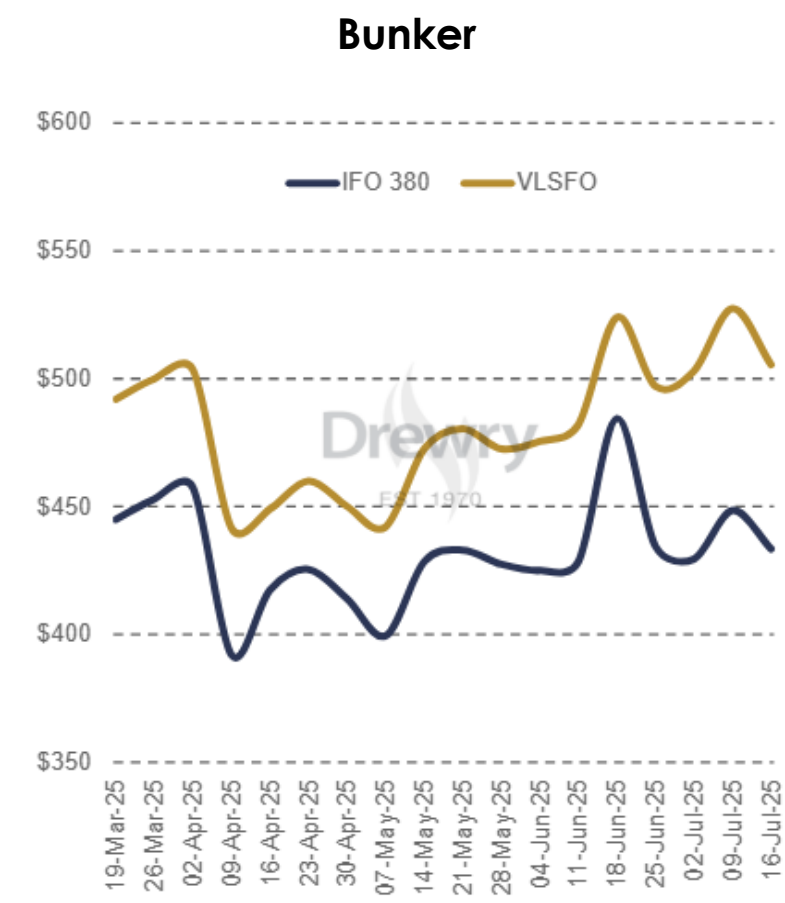
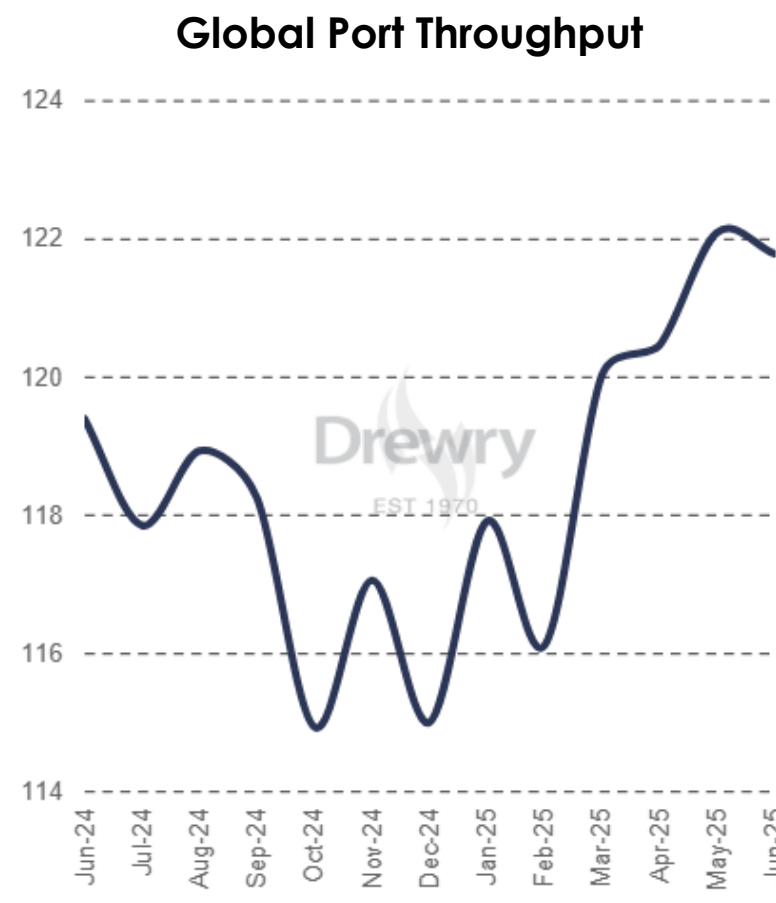
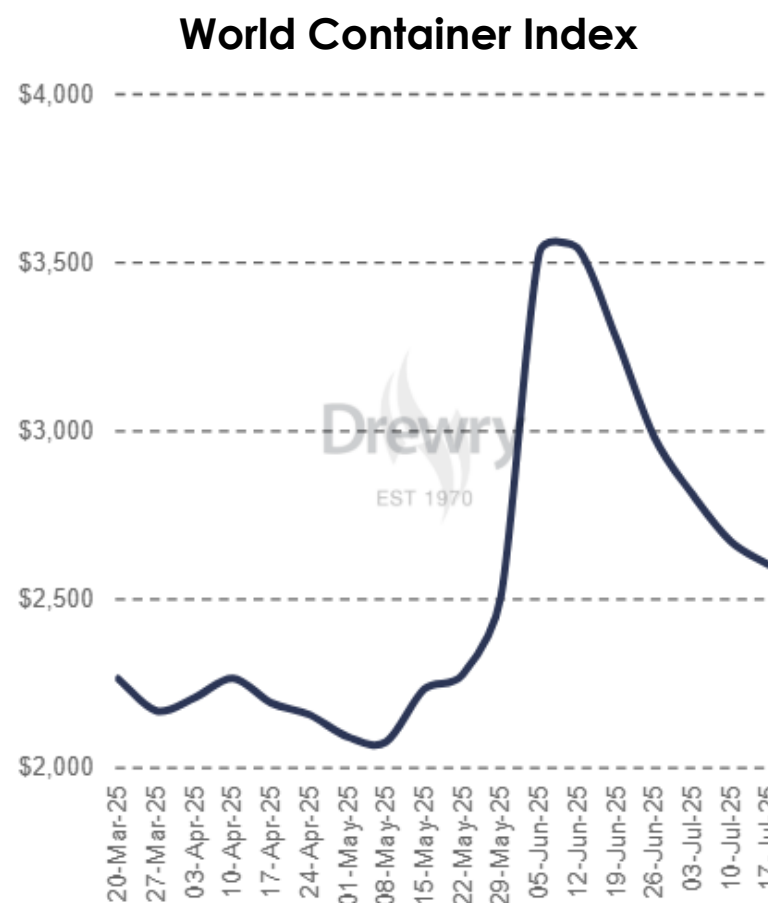


# GLOBAL TRANSPORTATION MARKET REPORT

## JULY 2025



# Global Ocean Trends

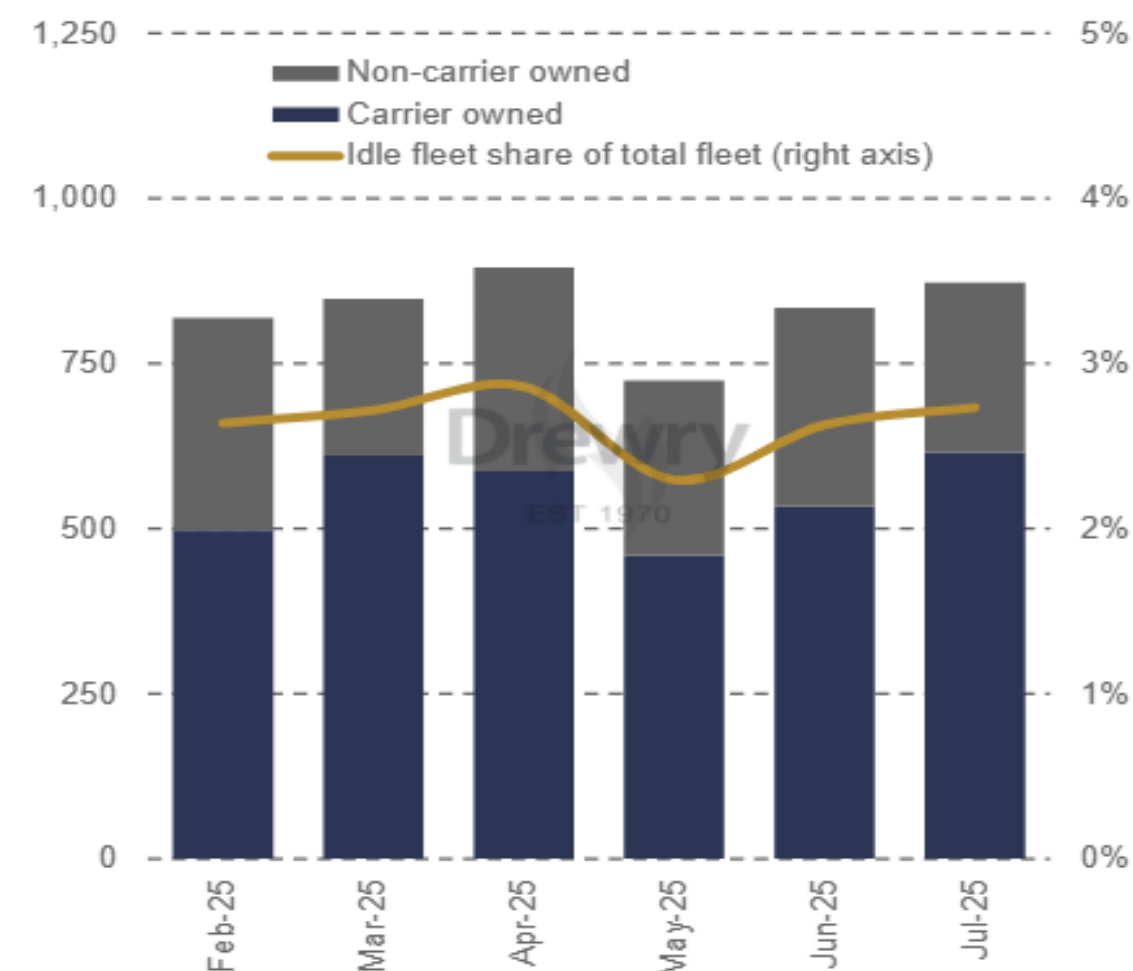
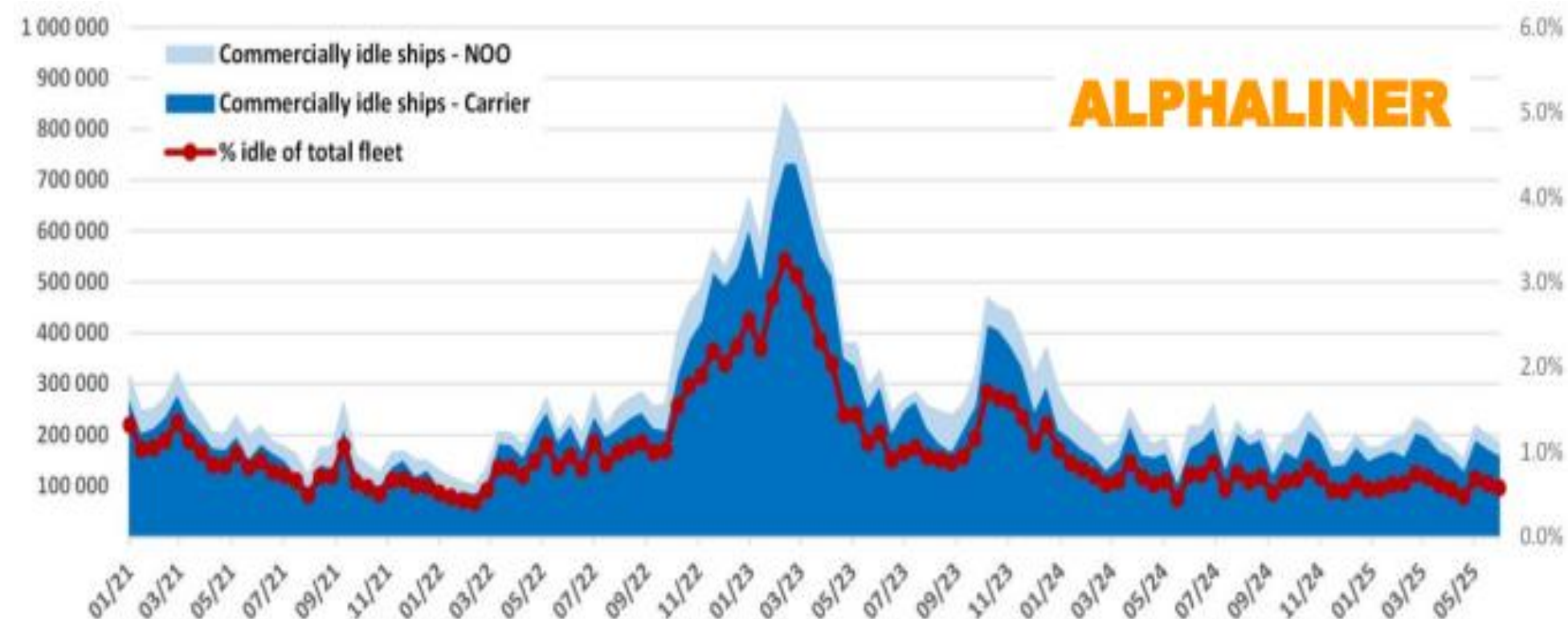


- Spot rates are expected to decline as capacity constraints ease and peak season surcharges are reduced
- The global container ship fleet expanded by 1.18 million TEUs in the first half of 2025, marking a 3.8% increase
- Ongoing uncertainty surrounding U.S. tariffs—now delayed until Aug. 1—is contributing to volatility in trade flows and prompting frontloading of shipments
- Carriers are actively redeploying and manipulating capacity on head haul trades in response to weaker rates and increased availability



# Capacity and Idle Fleet

- Nearly 65 container vessels have been commercially idle in recent weeks, with total idle capacity increasing to 161,295 TEUs
- Demand for larger vessels remains steady, reflecting a continued trend of shippers frontloading cargo to get ahead of potential tariff increases
- Carriers have taken delivery of eight vessels so far in July, including three over 15,000 TEUs for MSC and Evergreen



# Ocean Trade Lanes

- As China-India trade expands, carriers are adding capacity, putting downward pressure on rates. More Chinese container lines are increasing their presence in the Indian market as trade between the two Asian economies grows rapidly—despite ongoing tensions over long-standing border disputes.
- Global container shipping remains volatile amid trade and geopolitical uncertainty. Blank sailings on key East-West routes are down 56% in July but projected to increase by 25% in August.
- The U.S. has extended its tariff pause with China to Aug. 1, allowing more time for trade negotiations. While this has eased short-term pressure, limited lead time and frontloading activity may constrain volumes into August.

	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

## MSC

- **Egypt-South Turkey Shuttle:** Weekly intra-Mediterranean service connecting Abu Qir, Iskenderun and Mersin
- **West Med–Greece/Turkey Service:** Reinstated with a revised rotation including Gioia Tauro, Piraeus, Tekirdag and additional ports
- **Port of Spain Feeder:** Revived loop linking Cristobal, Colon, Port of Spain and Cartagena
- **Pakistan Feeder:** Expanded to include Colombo, now rotating Colombo-Mundra-Port Qasim
- **Slot Agreement:** MSC to take slots on ServiPort's Florida-Honduras service

## CMA CGM

- **MEDWAX and EURAF 5:** Adjusted West Africa loops. Lekki added to MEDWAX; San Pedro and Dakar added to EURAF 5
- **Bijagos Shuttle 2:** Seasonal West Africa loop supporting cashew exports from Guinea-Bissau
- **ISX (Irish Sea Express):** Zeebrugge added to the rotation

## Maersk

- **SLB North Sea:** Marsaxlokk call reinstated on the North Europe-East Med loop
- **Germany-Baltic Shuttles:** Several intra-Europe loops, including E15 and E20, discontinued or rerouted

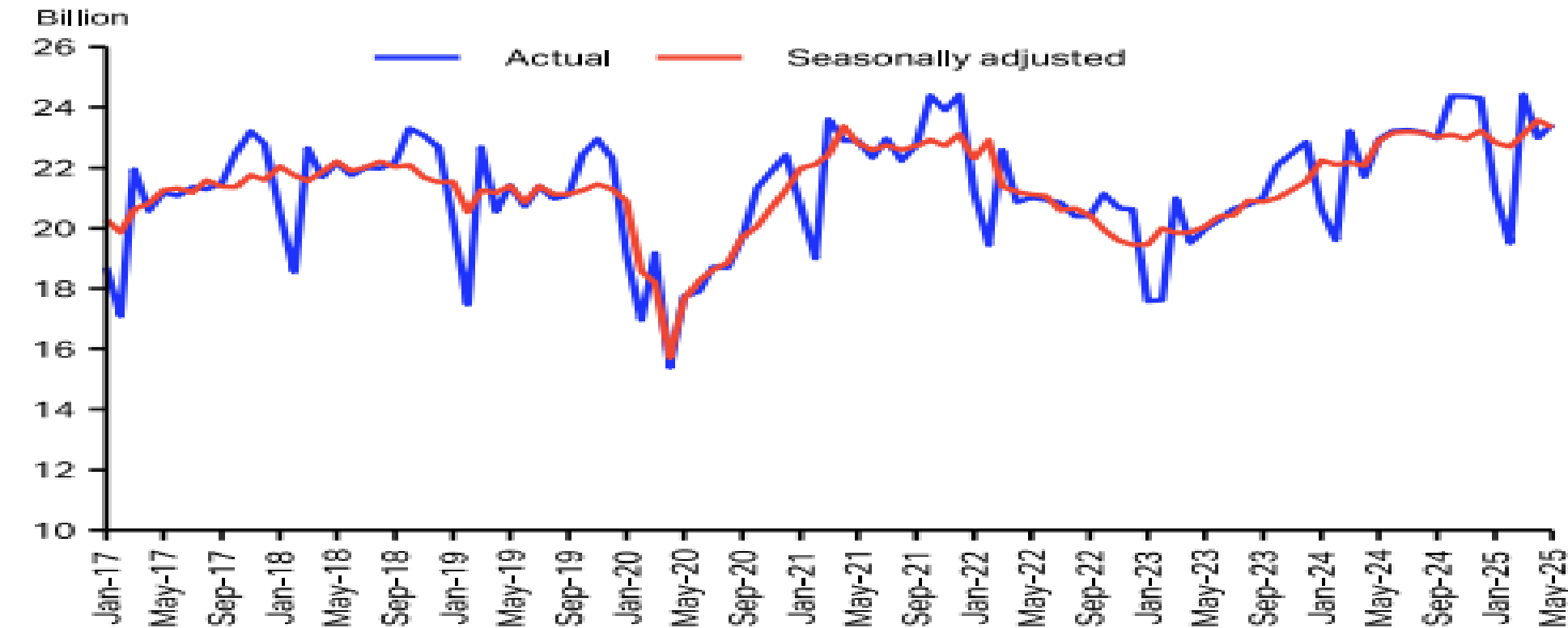
## Hapag-Lloyd

- **Citrus Connect:** Active through September for citrus exports from South Africa to Europe



# Air Freight Overview

- Global air freight volumes have grown modestly in recent months. In response to the removal of de minimis exemptions and new tariff announcements, capacity is being redeployed across trade lanes.
- High levels of uncertainty continue to hinder supply chain planning and optimization; a further loss of momentum in the coming months cannot be ruled out
- Ongoing military conflicts in the Middle East and Ukraine continue to affect global trade, particularly with respect to restricted airspace



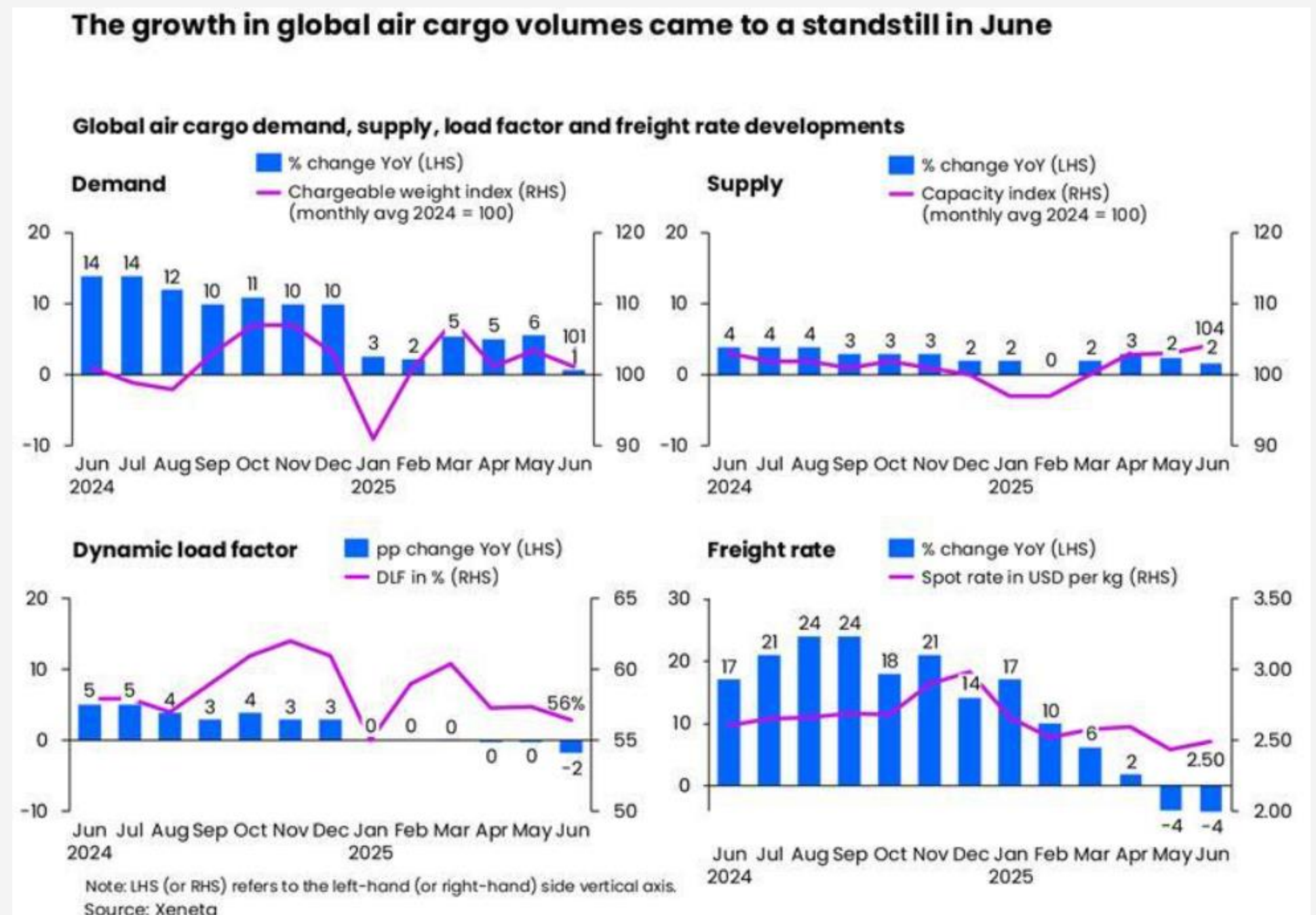
World share <sup>1</sup>		May 2025 (% year-on-year)				May 2025 (% year-to-date)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0%	2.2%	2.0%	0.1%	44.5%	3.2%	3.3%	-0.1%	45.2%
Africa	2.0%	-2.1%	2.7%	-2.0%	42.2%	-4.1%	4.1%	-3.5%	41.1%
Asia Pacific	34.2%	8.3%	5.7%	1.1%	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

- Despite disruptions from de minimis rule changes and new U.S. tariffs in the first half of 2025, air cargo demand still grew 3% year over year. However, ongoing uncertainty pertaining to both topics suggests the industry may not perform as well in the second half.
- Most airfreight contracts are denominated in local currencies, so the depreciation of the U.S. dollar (down approximately 5% across several indices) has softened the apparent decline in spot rates based on U.S. currency.
- In June, the global dynamic load factor for air cargo fell two points year over year to 56%, reflecting a continued downward trend. The dynamic load factor, as reported by Xeneta, measures capacity utilization based on both the volume and weight of cargo flown relative to available capacity.





# Air Trade Lanes

- **Asia-U.S. demand dipped** following the July 4 holiday in the U.S., with spot rates increasing slightly and frontloading activity slowing
- **The Asia-Europe trade grew** in both tonnage and rates, with shipments from Malaysia and Vietnam increasing by more than 10%
- **Europe-North America (Canada) tonnage shot up by 10%**, but rates remain stable
- **European air cargo capacity improved**, driven by expanded summer passenger flight schedules, particularly to southern Europe
- **Air cargo volumes may decline** as consumers cut back on non-essential purchases. In an uncertain environment, shippers are increasingly favoring shorter-term contracts.
- **A recent spike in crude oil and jet fuel prices**—driven by conflict in the Middle East—has not yet translated into higher rates. Air cargo pricing remains more closely tied to market dynamics than input costs.

	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	



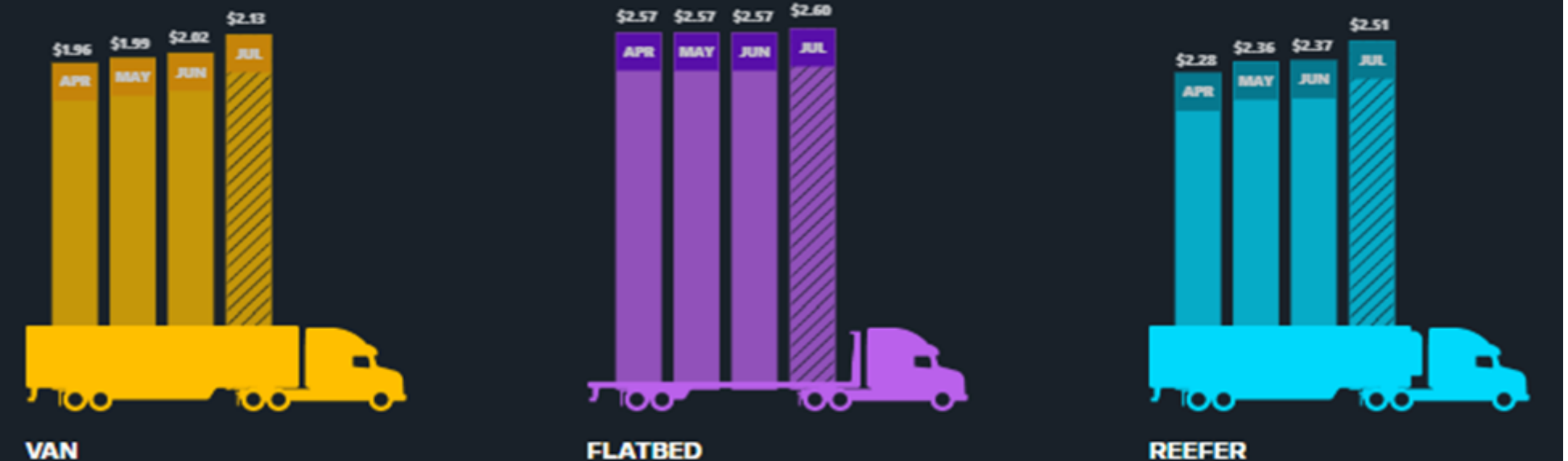
# North American Transportation

- The U.S. market remains relatively flat, with truckload rates down roughly 1% month over month but up about 1% year to date
- Truck utilization is steady, but small carriers continue to face pressure from rising operating costs
- Flatbed is still outperforming other modes year over year, but momentum is slowing due to weakened demand in the construction and industrial sectors
- Dry van volume is down 0.9% year over year and contract pricing appears to have stabilized

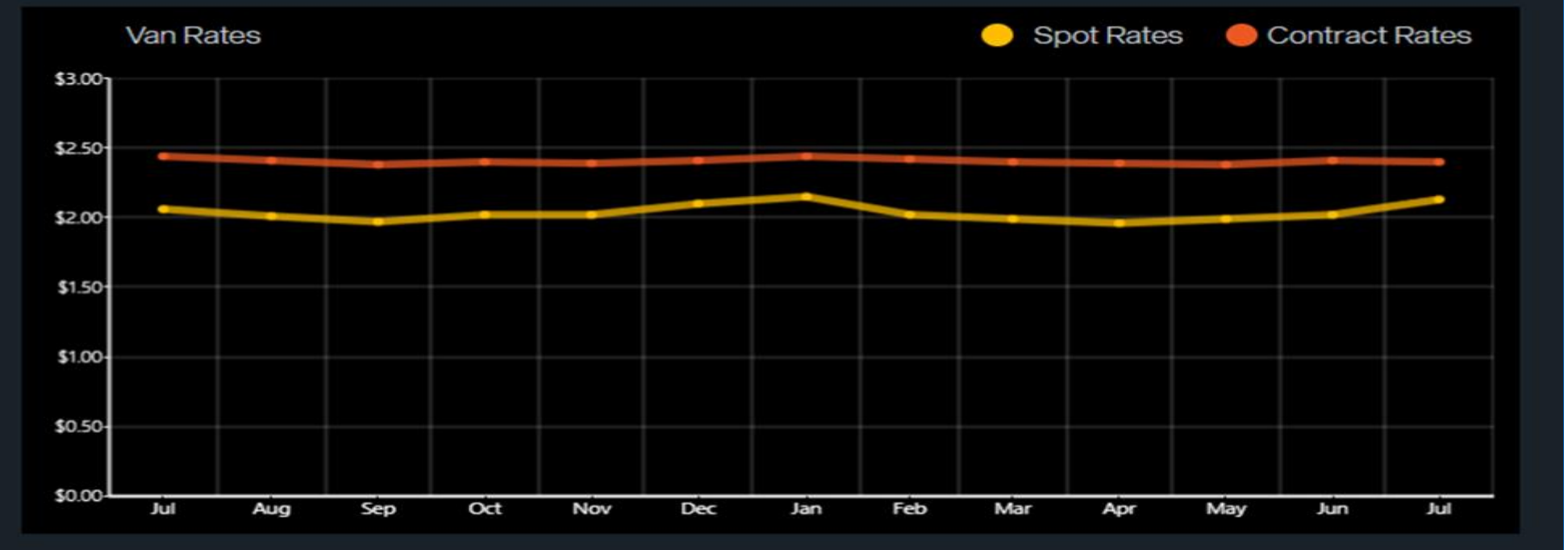


## National Spot Rates

Capacity tightens but van, reefer rates stand still

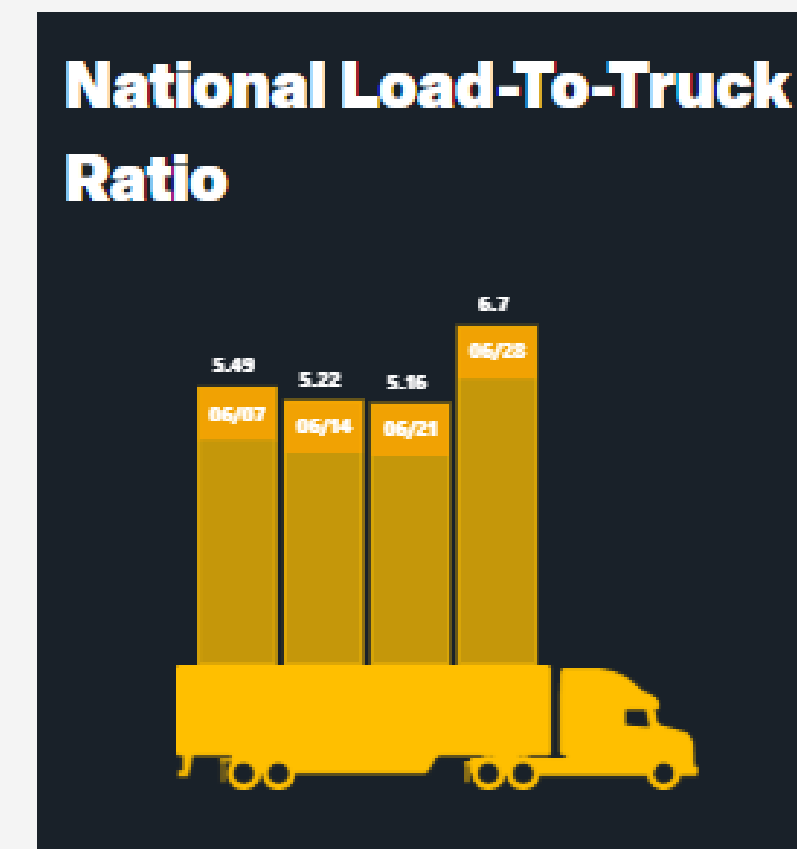
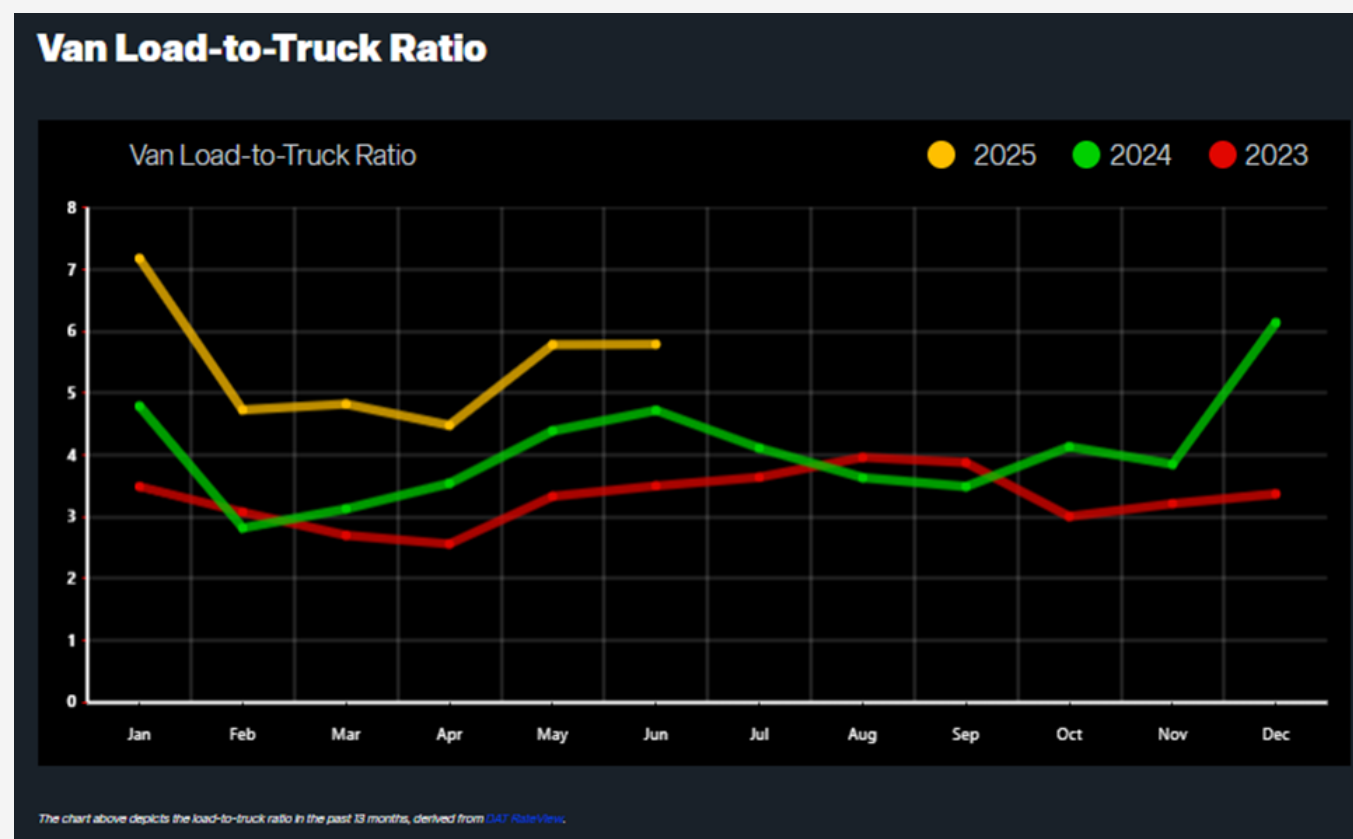


## Van Rates



# North American Transportation

- Spot rates are gaining momentum and increasing slightly, while contract rates are down by a modest amount. Overall, rates are still expected to edge up by a small amount through the end of the year.
- Hurricane season is now underway. While the peak typically occurs between September and October, early-season storms have the potential to disrupt regional capacity and create short-term volatility.





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