

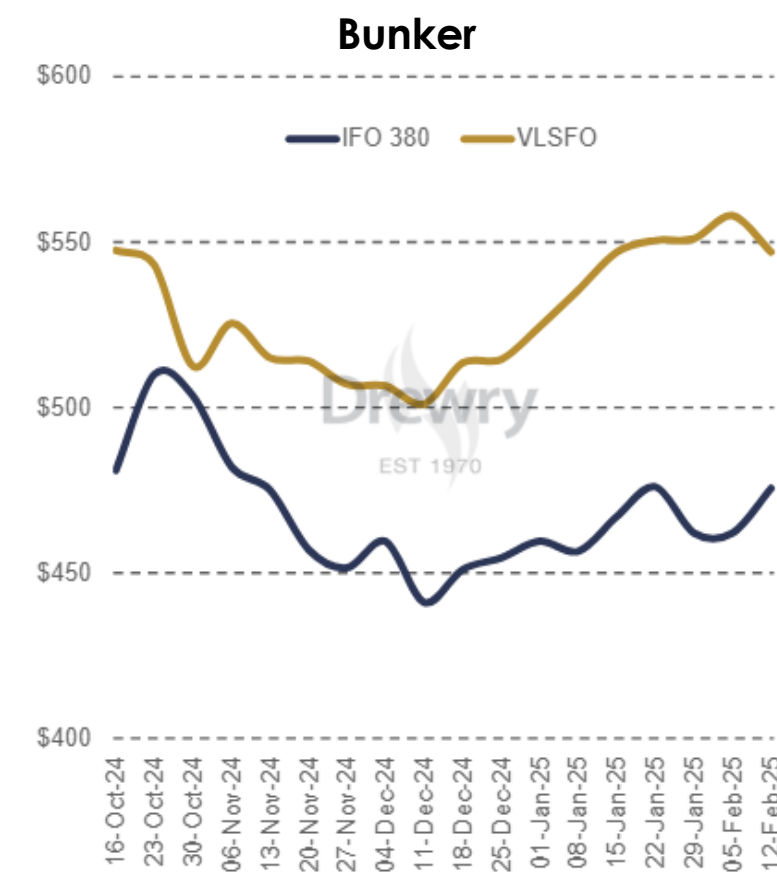
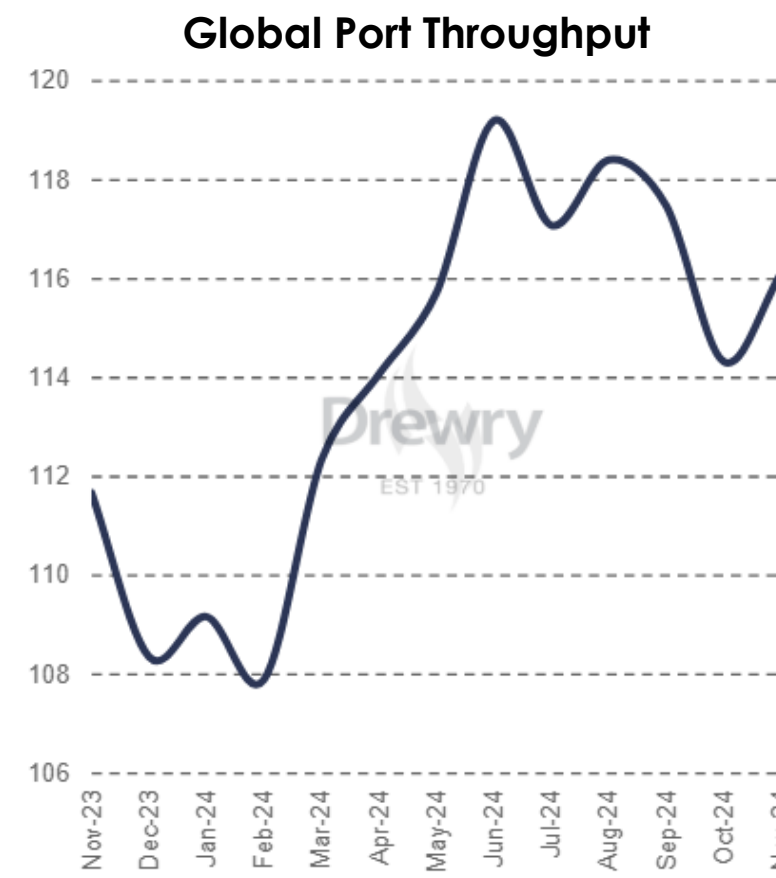
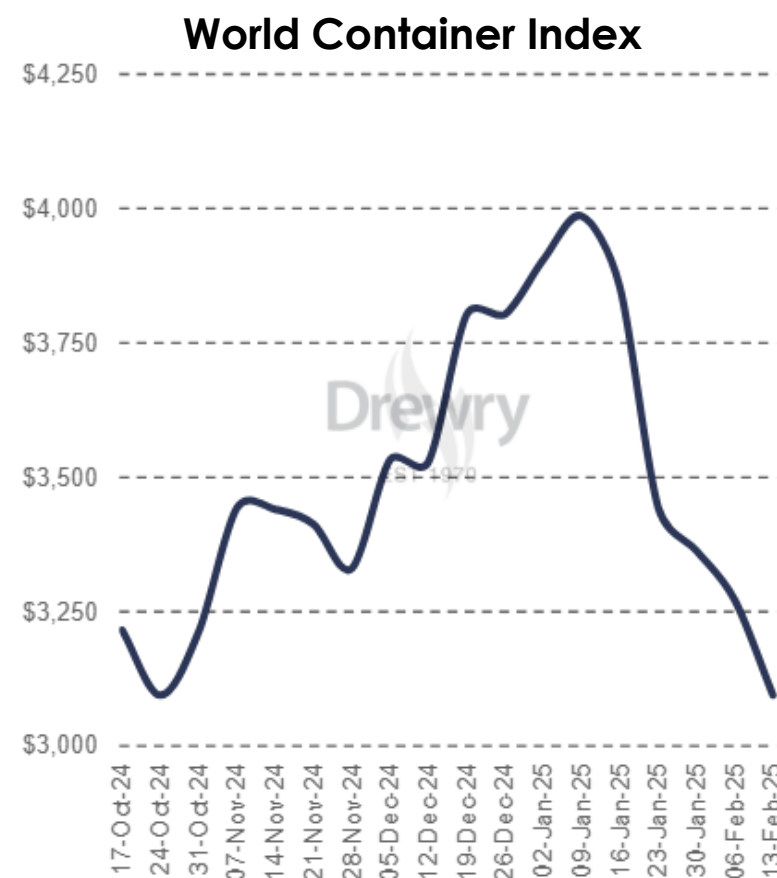


# GLOBAL TRANSPORTATION MARKET REPORT

## FEBRUARY 2025



# Global Ocean Trends



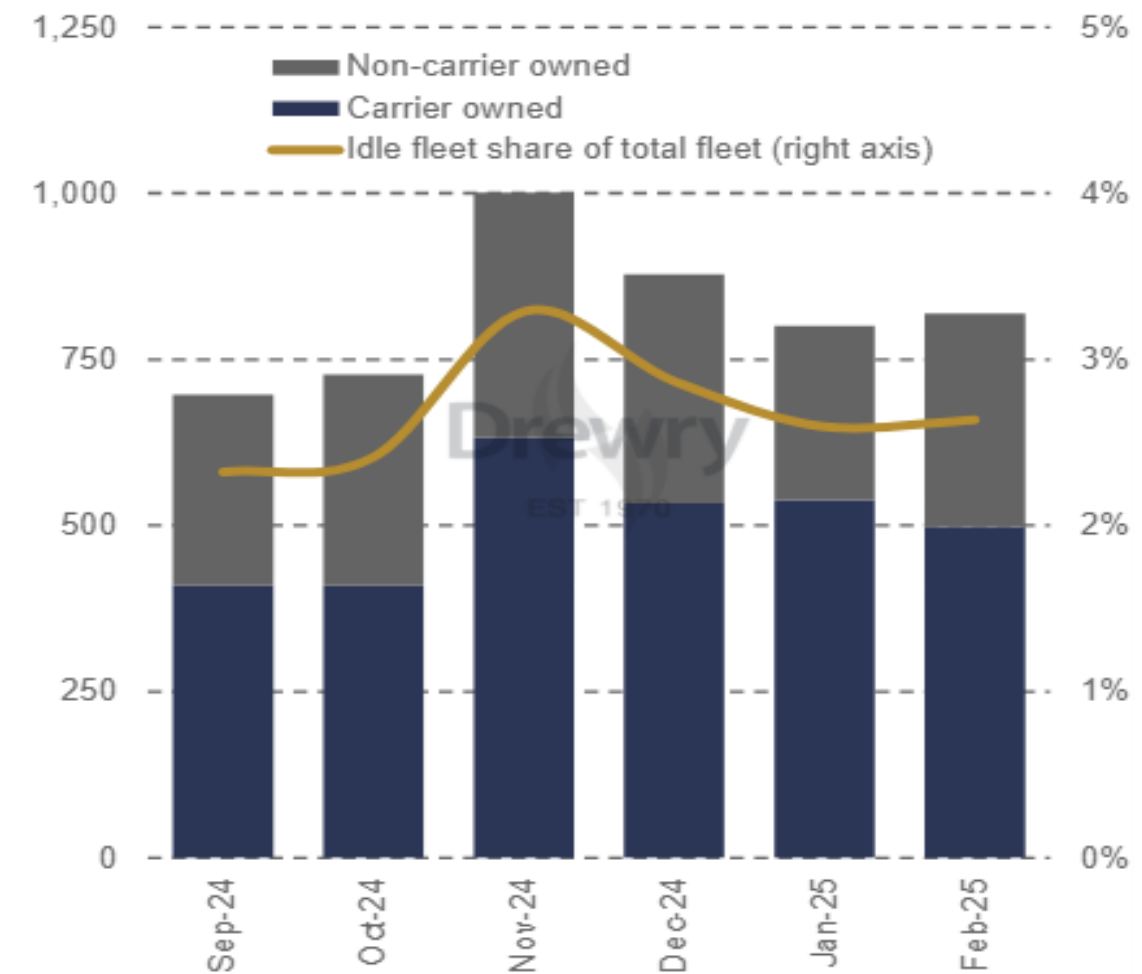
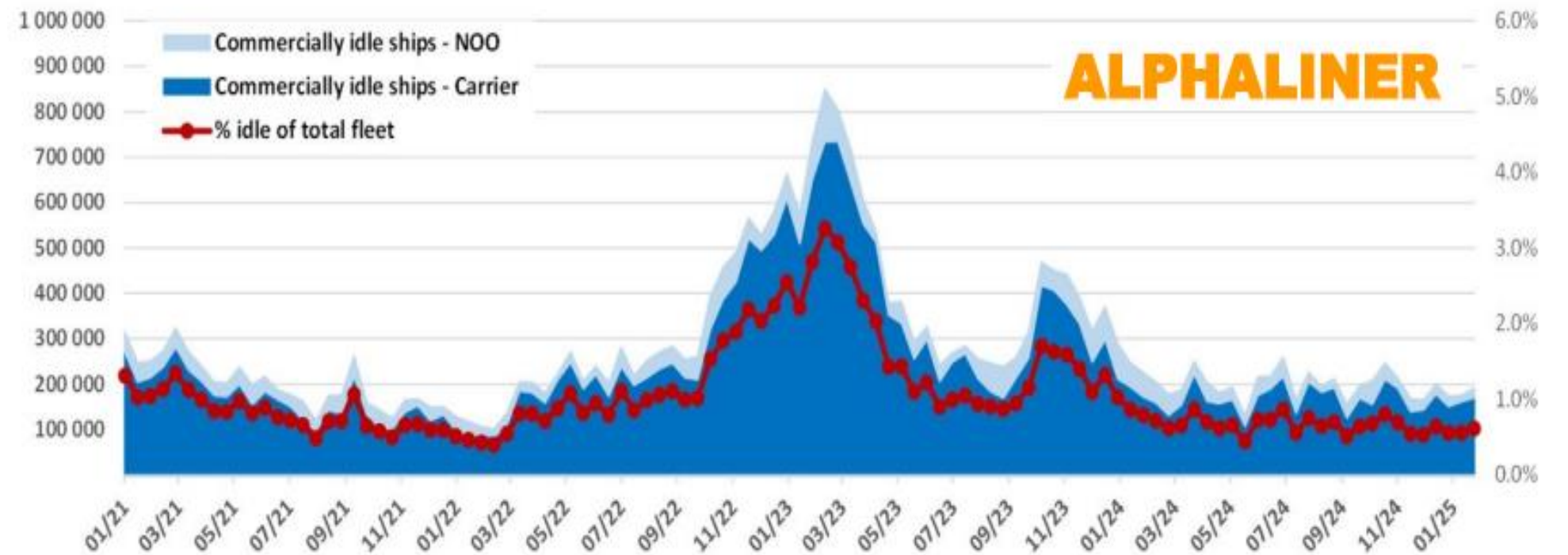
- Effective, Feb. 9, the Federal Maritime Commission approved the Premier Alliance for U.S. operation, ruling that the agreement between HMM, Ocean Network Express (ONE), and Yang Ming complies with all statutory requirements
- The 2025 shift from three mega alliances to four is underway: one alliance will continue with no changes, two alliances are being reshaped, and one large carrier (MSC) will stand alone without an alliance partnership
- The Suez Canal Authority continues to urge shipping lines to return the canal as Red Sea disruption dissipates, however, most carriers have not yet considered any large-scale re-routing of vessels in the short term
- Analysts are closely monitoring the impacts on trade lanes as the U.S. government targets freight origins around the globe with import tariffs

# Capacity and Idle Fleet

- In January, 65 ships worldwide were recorded as commercially idle
- The idle fleet remained at just 0.6% of the total container capacity of the fleet
- Carriers received delivery of 29 vessels in January – nine of which were 12,000 TEUs or larger – to MSC, Maersk, Evergreen and OOCL



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



# Ocean Trade Lanes

- In the wake of the Premier Alliance merger, MSC becomes the only independent carrier large enough to operate as a standalone network. Note, MSC will share some capacity with the Premier Alliance on the trade lane between Europe and Asia, broadening the network coverage for both parties.
- Emissions-related surcharges on the mainline Asia-Europe trade have generally doubled this year as carriers manage the European Union's strict decarbonization measures
- If Red Sea disruption continues to abate, more shipping lines may resume using the Suez Canal in the coming months, decreasing the number of Cape of Good Hope diversions. With a steady procession of new vessels being delivered to carriers, this means potentially significant changes to the market dynamics on the westbound Far East trade.
- The Trump administration's 10% tariff on goods from China will likely have an impact on cargo demand. The administration also announced, and then suspended, 25% tariffs on goods imported by the United States from Mexico and Canada.
- New U.S. tariffs will likely stem the flow of imports to Mexico from China
- Transatlantic trades are likely to be affected in the coming months, as the Trump administration has suggested that EU goods will also be subject to tariffs

	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	

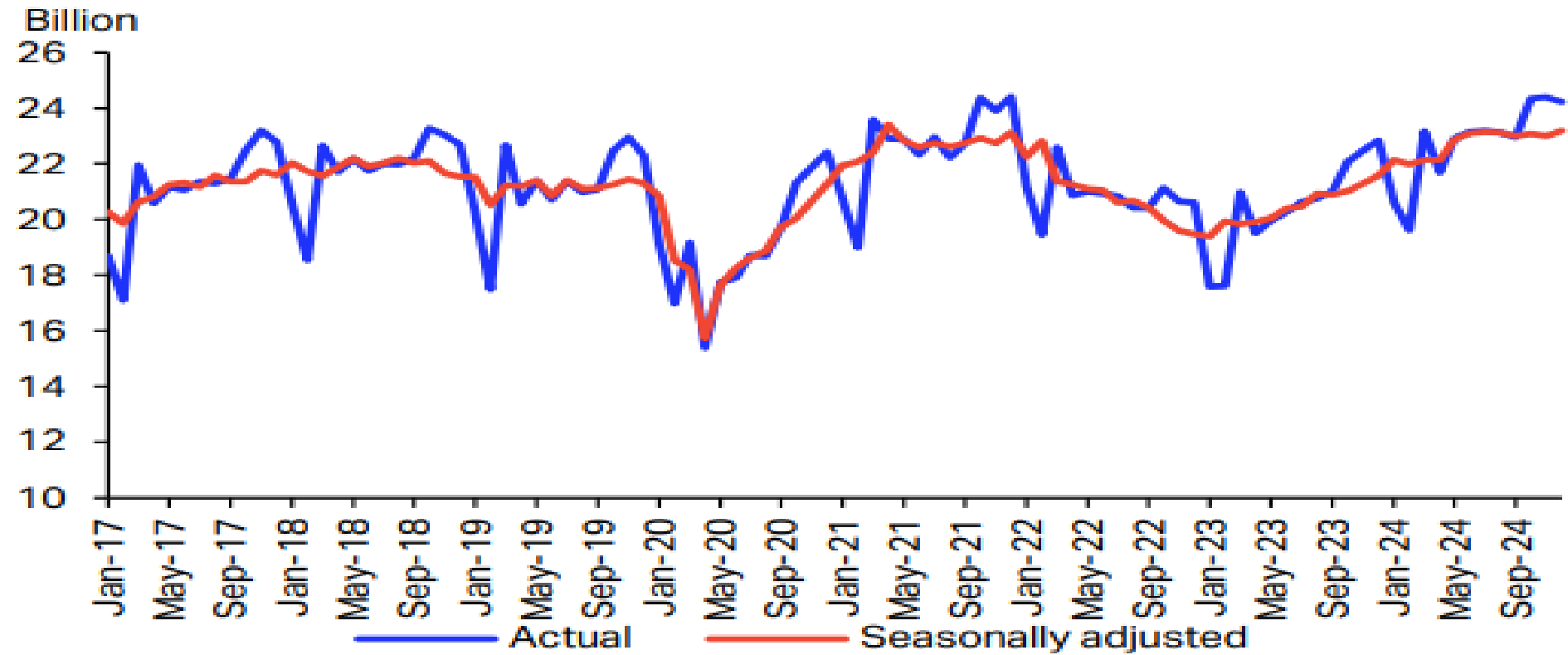
Trade Lane	Status
N Eur to AP	
MED to AP	
US to N Eur	
US to MED	
MED to US	
N Eur to US	
US to ISC	
Med to ISC	

# Ocean Carrier Updates

- Just ahead of the start of the Maersk and Hapag-Lloyd's service between Northern Europe and India, the companies announced an additional call at Hamburg
- In mid-March, Interasia Lines (IAL) will join TS Lines and Yang Ming on the latter's joint Japan-Taiwan-South China-Northern Vietnam service, referred to as *JTK3* and *JKX*, respectively. IAL, which will join as a vessel provider, is set to market this loop as *JHS*.
- In January, Singapore carrier SeaLead Shipping introduced a dedicated service from the Red Sea to Western India (*RESIM*) connecting Nhava Sheva, Jeddah, Ain Sokhna, and Nhava Sheva.
- MSC plans to adapt its Spain-Mauritania-Senegal service (supporting melon exports from Mauritania and Senegal to the Southern European market) with the addition of two new calls: Valencia, Spain and Sète, France. Sète will serve both the French and Italian marketplaces.
- In March, Hapag-Lloyd will offer a new intra-America weekly service between Cartagena and the U.S. Gulf, specifically, Tampa and New Orleans. The new loop will be provided through slots on Maersk's *North America Shuttle 2* service.
- MSC has added India to two Asia-ECSA services, with its *New Santana* loop receiving an eastbound Mundra call and its *Carioca* service adding the Southwestern India container port of Vizhinjam, where MSC has been rapidly building a presence since the facility opened in December.

# Air Freight Overview

- Growth for global air cargo demand was lower than expected in January—just 2% year on year. Fears of a trade war, with tariffs impacting volumes and growth forecasts, may be premature.
- Airfreight rates could soften, along with demand, following the U.S. suspension of an exemption for de minimis shipments. Costs for e-commerce goods may rise as a result.
- The drop-off in air cargo demand out of the Asia Pacific region after the peak season was not as severe as expected



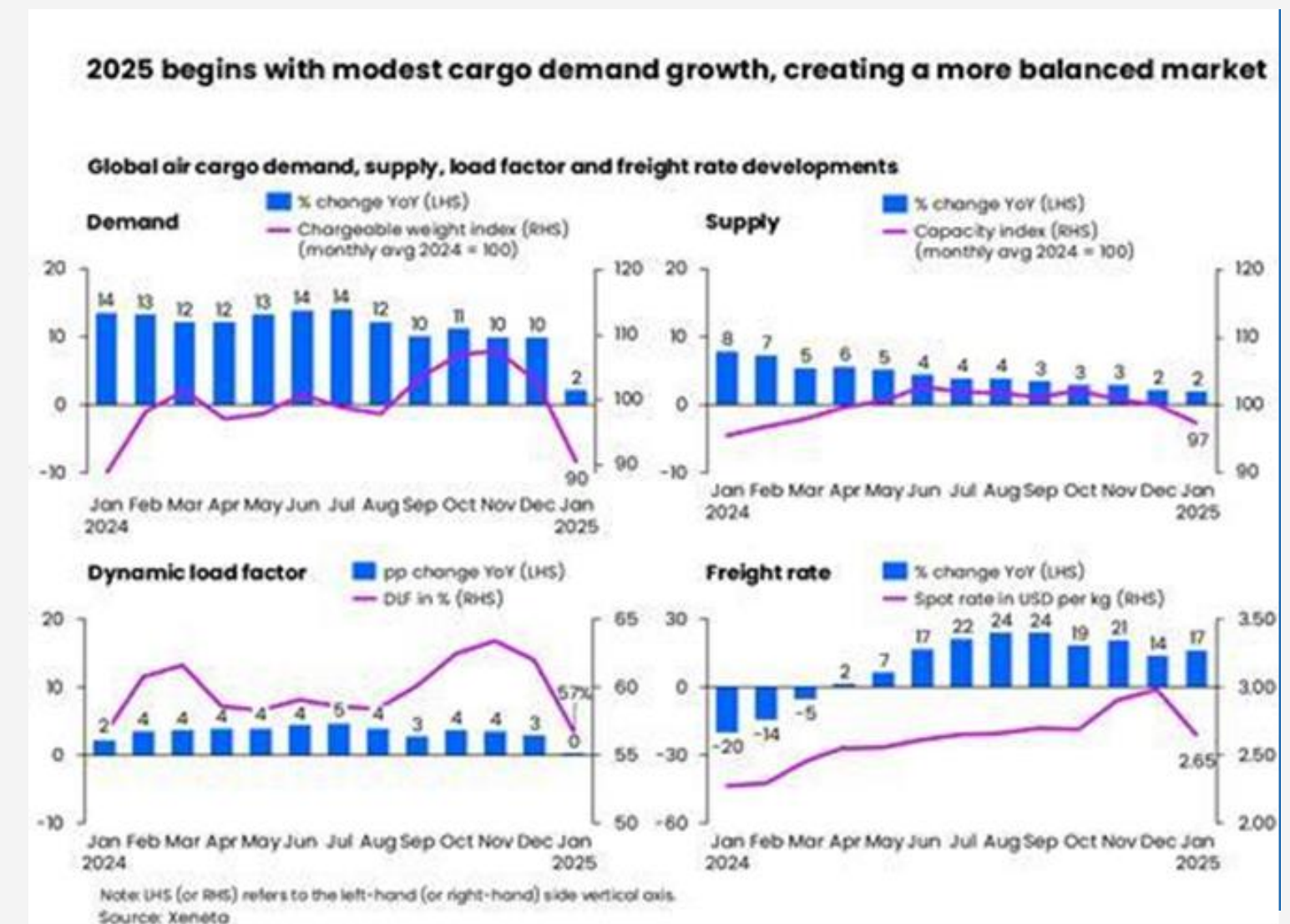
	World share <sup>1</sup>	December 2024 (% year-on-year)				December 2024 (% year-to-date)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>6.1%</b>	<b>3.7%</b>	<b>1.0%</b>	<b>47.3%</b>	<b>11.3%</b>	<b>7.4%</b>	<b>1.6%</b>	<b>45.9%</b>
Africa	2.0%	-0.9%	1.8%	-1.1%	41.5%	8.5%	13.6%	-2.0%	41.8%
Asia Pacific	34.2%	8.4%	6.4%	0.9%	49.1%	14.5%	11.3%	1.3%	47.2%
Europe	21.5%	5.1%	3.7%	0.8%	56.7%	11.2%	7.8%	1.6%	53.7%
Latin America	2.9%	10.9%	8.4%	0.8%	33.5%	12.6%	7.9%	1.5%	36.6%
Middle East	13.6%	3.3%	0.2%	1.4%	47.3%	13.0%	5.5%	3.1%	46.9%
North America	25.8%	5.3%	2.1%	1.3%	42.1%	6.6%	3.4%	1.2%	40.3%
<b>International</b>	<b>87.3%</b>	<b>7.0%</b>	<b>5.2%</b>	<b>0.9%</b>	<b>52.5%</b>	<b>12.2%</b>	<b>9.6%</b>	<b>1.2%</b>	<b>51.3%</b>
Africa	2.0%	-0.8%	1.5%	-1.0%	42.8%	8.5%	13.4%	-1.9%	42.9%
Asia Pacific	30.6%	7.9%	8.8%	-0.4%	54.5%	14.4%	14.8%	-0.2%	54.5%
Europe	21.0%	5.2%	3.6%	0.9%	58.1%	11.3%	8.2%	1.6%	55.6%
Latin America	2.5%	12.0%	10.1%	0.6%	37.5%	11.7%	9.3%	0.9%	40.8%
Middle East	13.6%	3.4%	0.1%	1.5%	47.6%	13.0%	5.5%	3.1%	47.3%
North America	17.5%	10.7%	5.4%	2.5%	51.5%	9.3%	6.4%	1.3%	48.0%

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

- January's drop in air demand was a surprise following the double-digit monthly increases throughout last year. However, the earlier Lunar New Year reduced volumes out of China, impacting the month's data.
- Analysts are monitoring market sentiment in response to U.S. tariffs on China, also taking China's probable retaliation into account. An escalation could diminish predicted air market growth for 2025.
- Cross-border e-commerce demand has been the primary driver of global air cargo volumes since Q3 2023. The end of the de minimis exemption could both reduce consumer demand and disrupt operations. The combination may exert a significant impact on China-U.S. airfreight.
- Cross-border e-commerce shipments to the United States accounted for 25% of China's total global sales in 2024 – and more than 50% of cargo capacity from China to the United States



# Air Trade Lanes

- A strategic shift in freighter capacity towards Asia-related trades contributed to moderate rate growth from Northeast Asia. Spot rates from Northeast Asia to Europe increased 19%, while rates to North America grew 14%.
- Freighters operators are expected to see continued demand growth despite the United States' introduction of new tariffs on goods from China
- The U.S. administration is considering potential tariffs on EU nations, which would impact demand on the transatlantic trade lanes
- Asia-Europe volumes were extremely buoyant throughout much of 2024, including most of the fourth quarter. However, volume dropped sharply from mid-December, suggesting that the market should not expect stability on the lane.
- Rates from Middle Eastern and South Asia origins, which were highly elevated throughout 2024 due to regional ocean freight supply chain disruptions, fell somewhat in the past three months, and have continued to slide in 2025

	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	



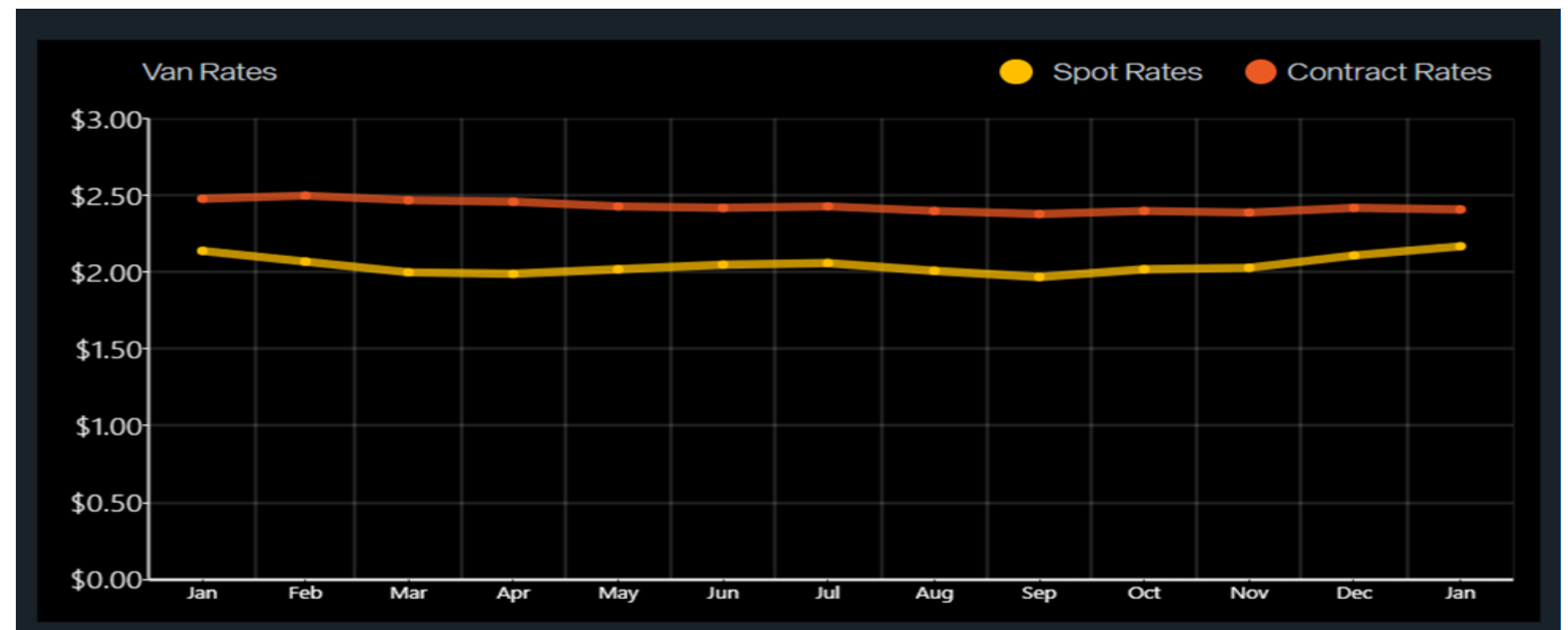
# North American Transportation

- Truckload rates are flat and only fluctuated ~1% MoM. Rates remain down 1% YoY.
- Capacity also remains flat
- Expect rates to grow no more than 3% in 2025, with any increase likely towards the second half of the year
- FTL demand remains soft and with additional capacity coming into the market, we expect spot rates to decrease further in Q2
- In the coming months, we anticipate a slight increase in organic demand as restocking begins to resume after the overstocking in 2024



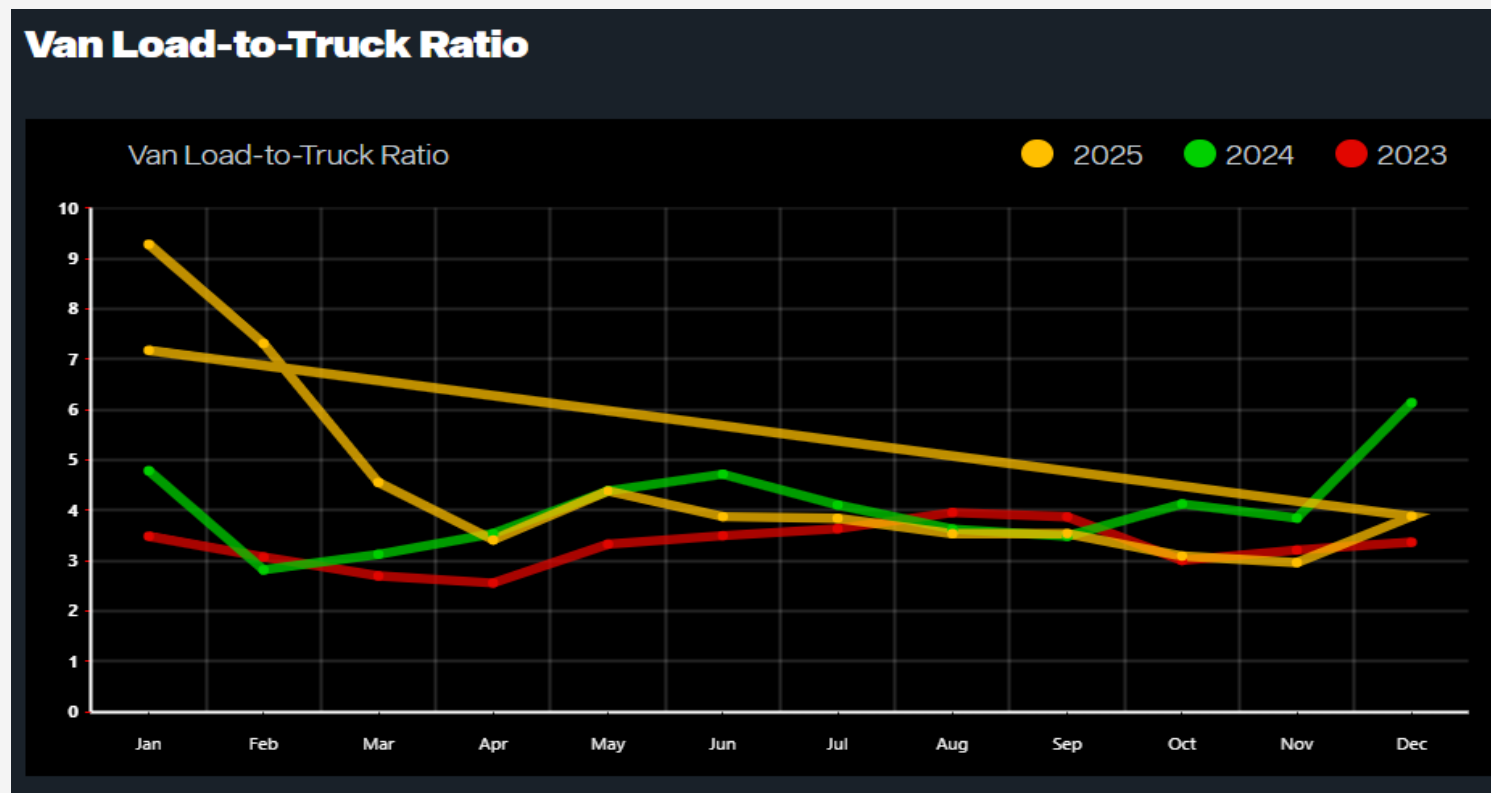
## National Spot Rates

Rates and volume take mid-winter slide



# North American Transportation

- Dry-van rates are up slightly from last quarter – about 2% YoY. If this increase is attributable to seasonal demand, it would be the first time in several years. Alternately, capacity exit (due to weather, holidays, etc.) may be an element – if not the primary factor – that explains the upward price pressure.
- The spot market remains opportunistic



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