

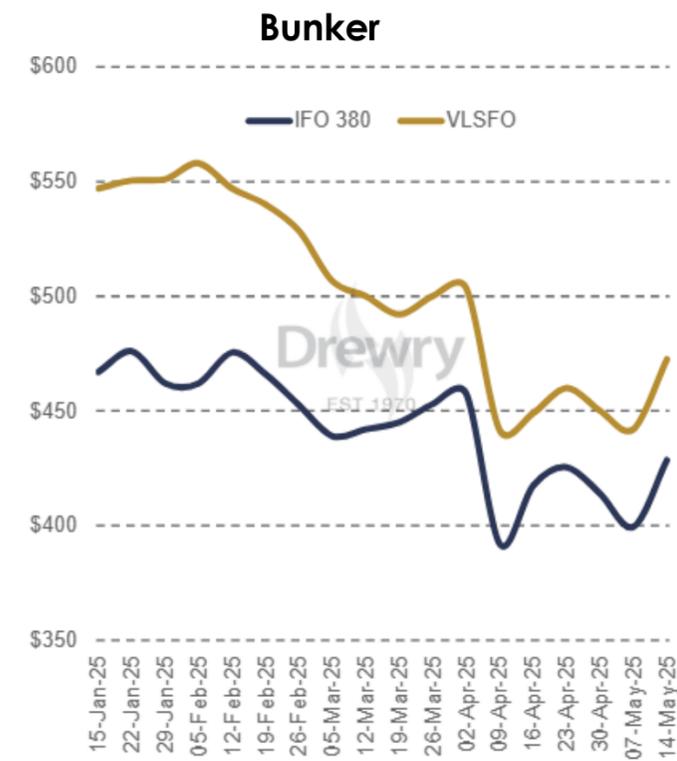
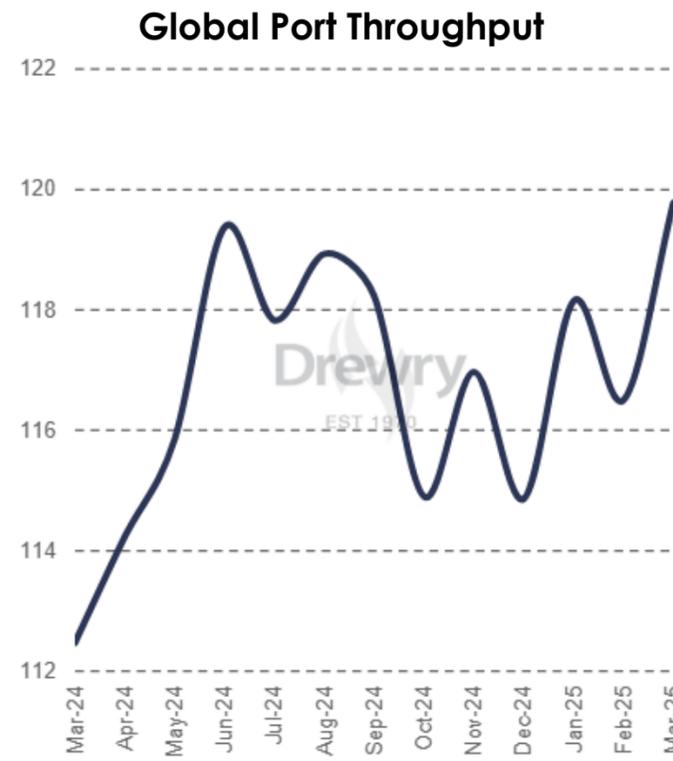
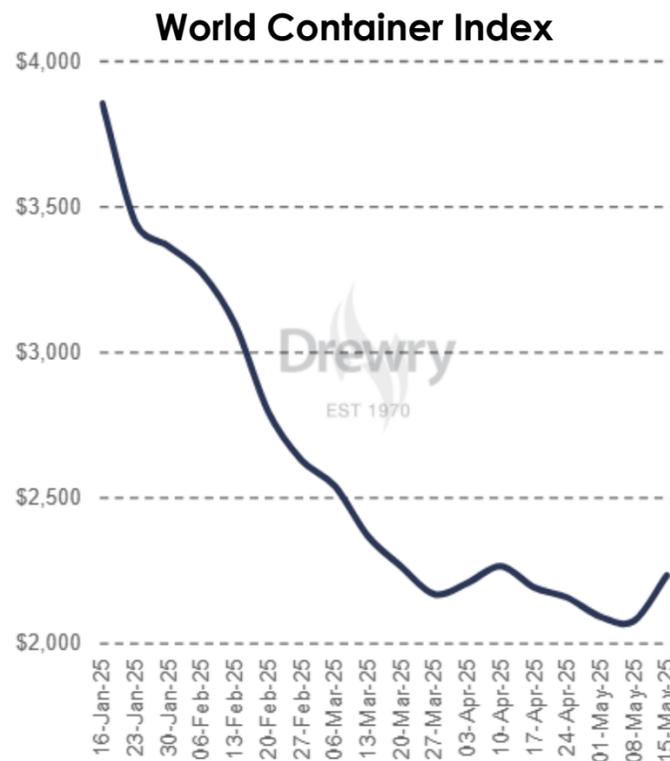


# GLOBAL TRANSPORTATION MARKET REPORT

## MAY 2025



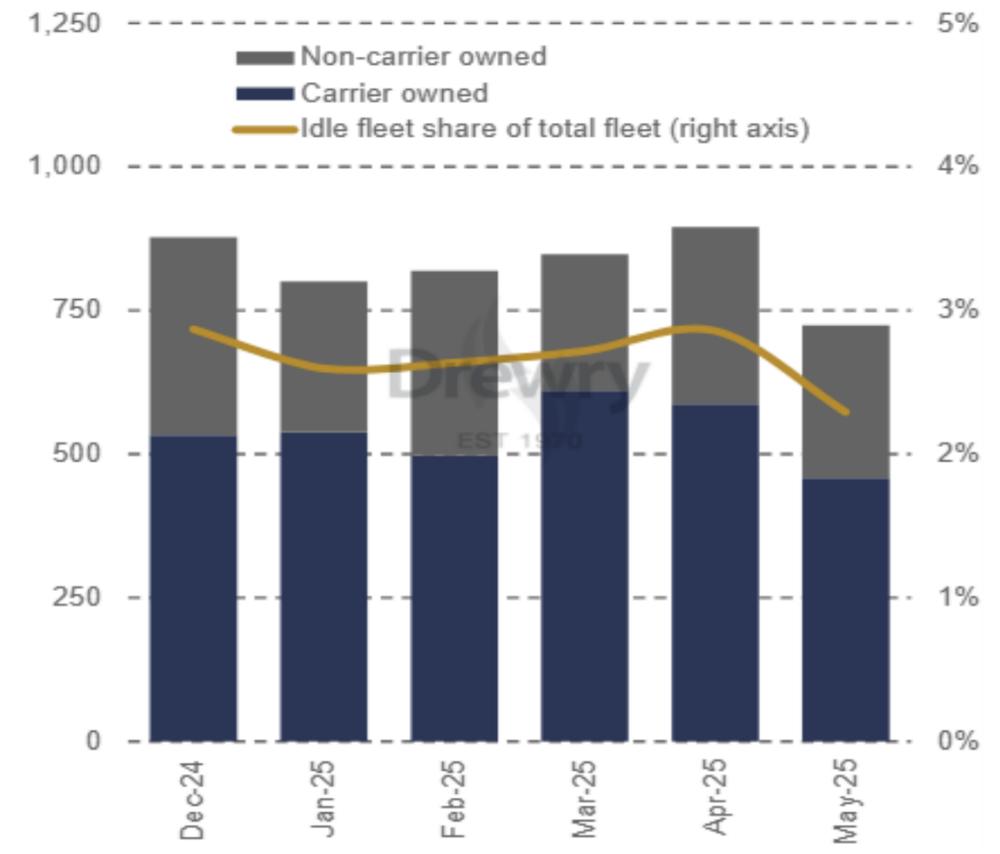
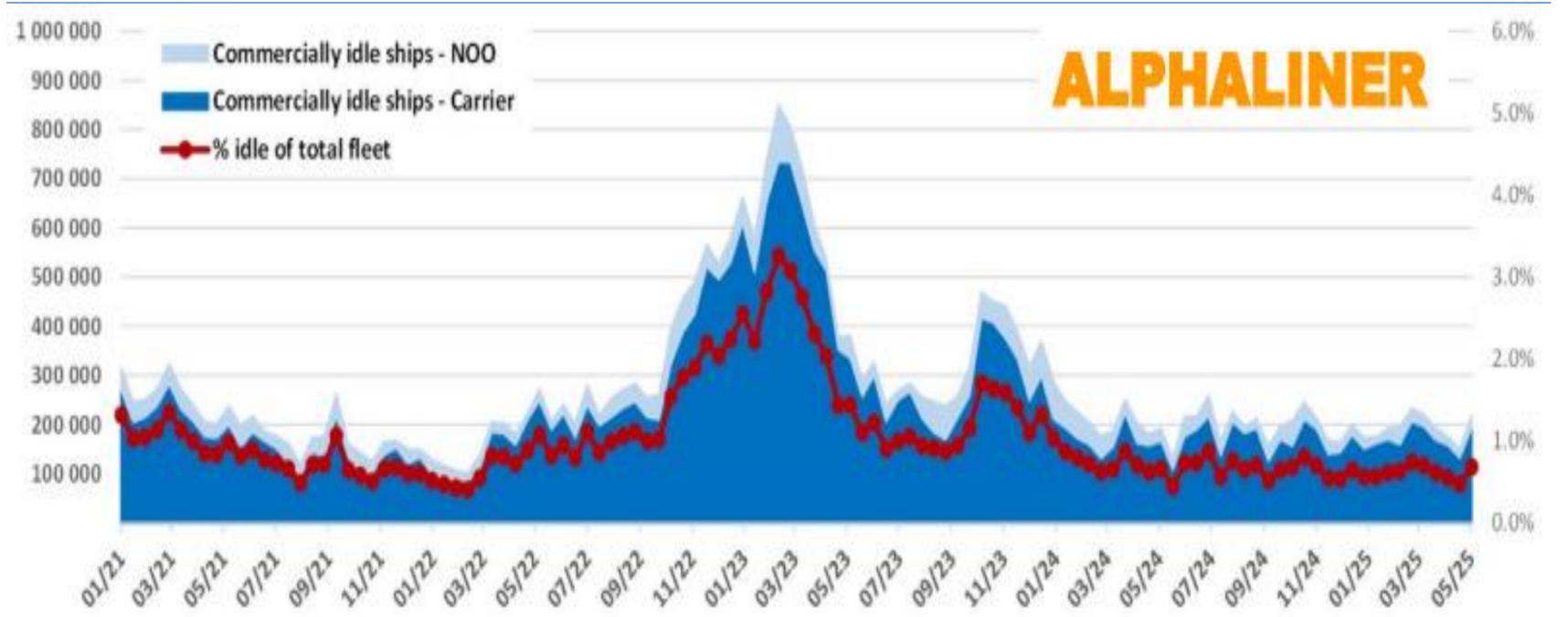
# Global Ocean Trends



- Forecasts for 2025 global GDP have trended downward to -1%. Global economies are revising outlooks due to recent political developments, which in turn are influencing estimates for freight markets around the world.
- Blank sailings from Asia-Pacific are increasing. Some analysts believe U.S. tariff concessions may be insufficient to fully restore demand.
- Delays are expected to continue at congested ports in Europe, particularly in Antwerp, Hamburg, Bremerhaven, Algeciras, and Valencia.
- Spot rate volatility remains persistent in the global market.

# Capacity and Idle Fleet

- Commercially idle container vessels increased from 61 to 66, with total idle capacity rising from 150,778 TEU to 217,799 TEU since the previous month.
- Most vessels are inactive due to operational reasons (e.g., service reassignments), not a lack of demand.
- Carriers received five new vessels in May, including two 10,000+ TEU ships for MSC.



# Ocean Trade Lanes

- Chinese-built vessels will be subject to costly fees per U.S. voyage under a new action published by the U.S. Trade Representative. However, carriers have a 180-day window to replace their container ships with fee-exempt vessels. COSCO and other Chinese carriers are leveraging alliance partners to avoid the fees.
- Disruptions in East-West trade lanes may lead to congestion and potential capacity shortages for both vessels and equipment.
- U.S. bookings for container transport from China surged nearly 300% following the pause in tariffs.
- Rates are expected to rise due to the backlog of cargo on head haul trades to the U.S.

	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	

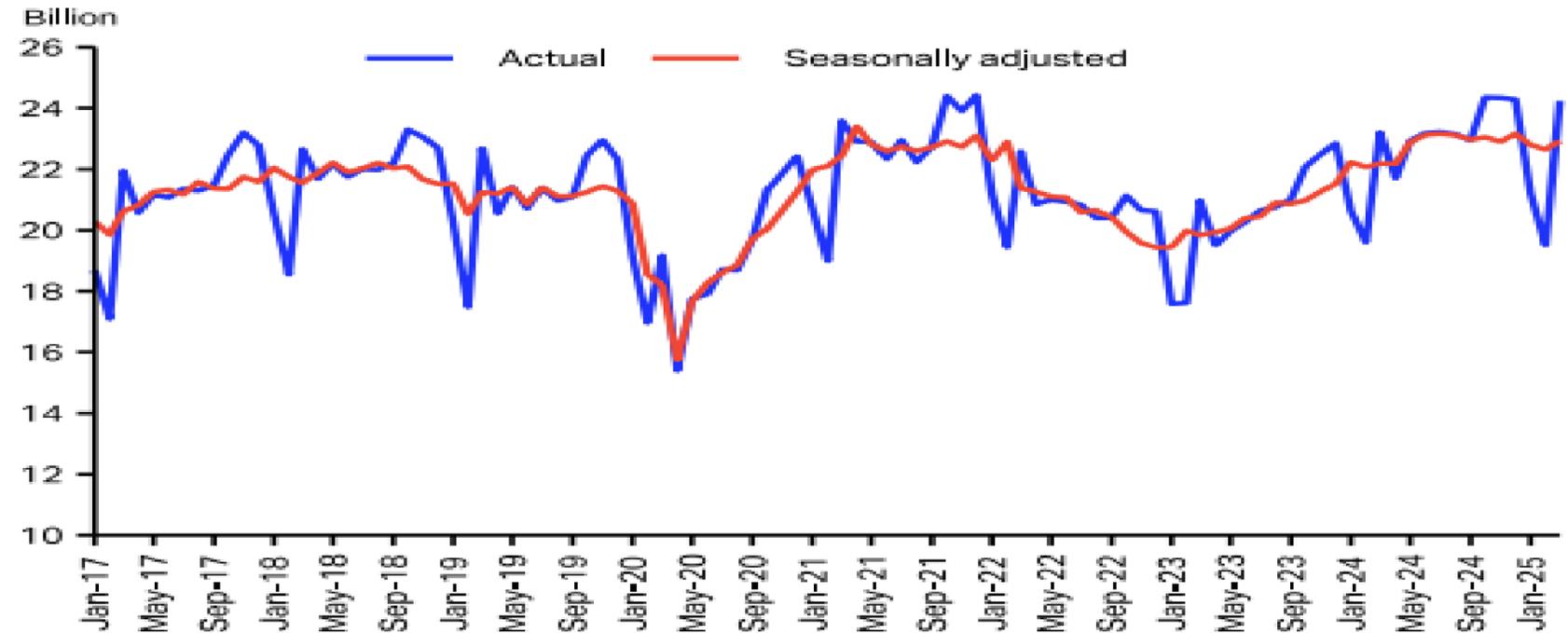
Trade Lane	Status
N Eur to AP	
MED to AP	
US to N Eur	
US to MED	
MED to US	
N Eur to US	
US to ISC	
Med to ISC	

# Ocean Carrier Updates

- MSC and ZIM suspended two Asia–U.S. East Coast loops due to weak demand.
- MSC restructured its East–West pendulum services, launching the new “Sentosa–Clanga” loop, which combines routes across the Middle East, Far East, and U.S. West Coast. Essentially, it is a split of the “Swan–Sentosa” pendulum. “Swan” is now a dedicated Far East–North Europe loop. “Sentosa–Clanga” combines Far East–Middle East–USWC routes, deploying larger vessels (up to 15,600 TEU).
- SITC, CNC, and CK Line implemented several regional service updates across Asia and the Middle East. The “CJV7,” “VTX2,” and “CPX4” loops have been readjusted to rebalance coverage across China, Japan, the Philippines and Vietnam.
- COSCO, OOCL and ONE shifted their U.K. call on the North Europe–ECSA loop from London Gateway to Felixstowe due to delays.
- CNC (CMA CGM) added a third vessel and Port Kelang to the “SYM1/RSY/YSX” Singapore–Yangon loop. The “BMX” loop has also been modified to include South Korea and Xiamen, while removing Shanghai.
- CK Line launched the “BRX” Busa–Vladivostok shuttle, with Pohang to be added later in May.
- CMA CGM split the “LMX” Turkey–Middle East service into two loops. Loop 1: Middle East–Turkey–Lebanon. Loop 2: Intra–Middle East shuttle.
- GFS and ONE launched the “ST2” loop: Spain–Turkey–Egypt–Western Mediterranean. ONE introduced “UKE,” a U.K. East Coast shuttle operated via BG Freight Line.

# Air Freight Overview

- Air cargo tonnage from the Asia-Pacific region – especially China and Hong Kong – declined sharply due to changes in U.S. “de minimis” rules.
- A 6% growth in airfreight is forecasted for 2025.
- Following recent trade talks, the U.S. reduced its overall tariff rate on Chinese imports from 145% to 30% and China reduced its rate to 10%. Additional agreements were reached for de minimis shipments.
- Capacity on the Asia Pacific-North American trade lane is beginning to recover, but it is still lagging compared to last year.



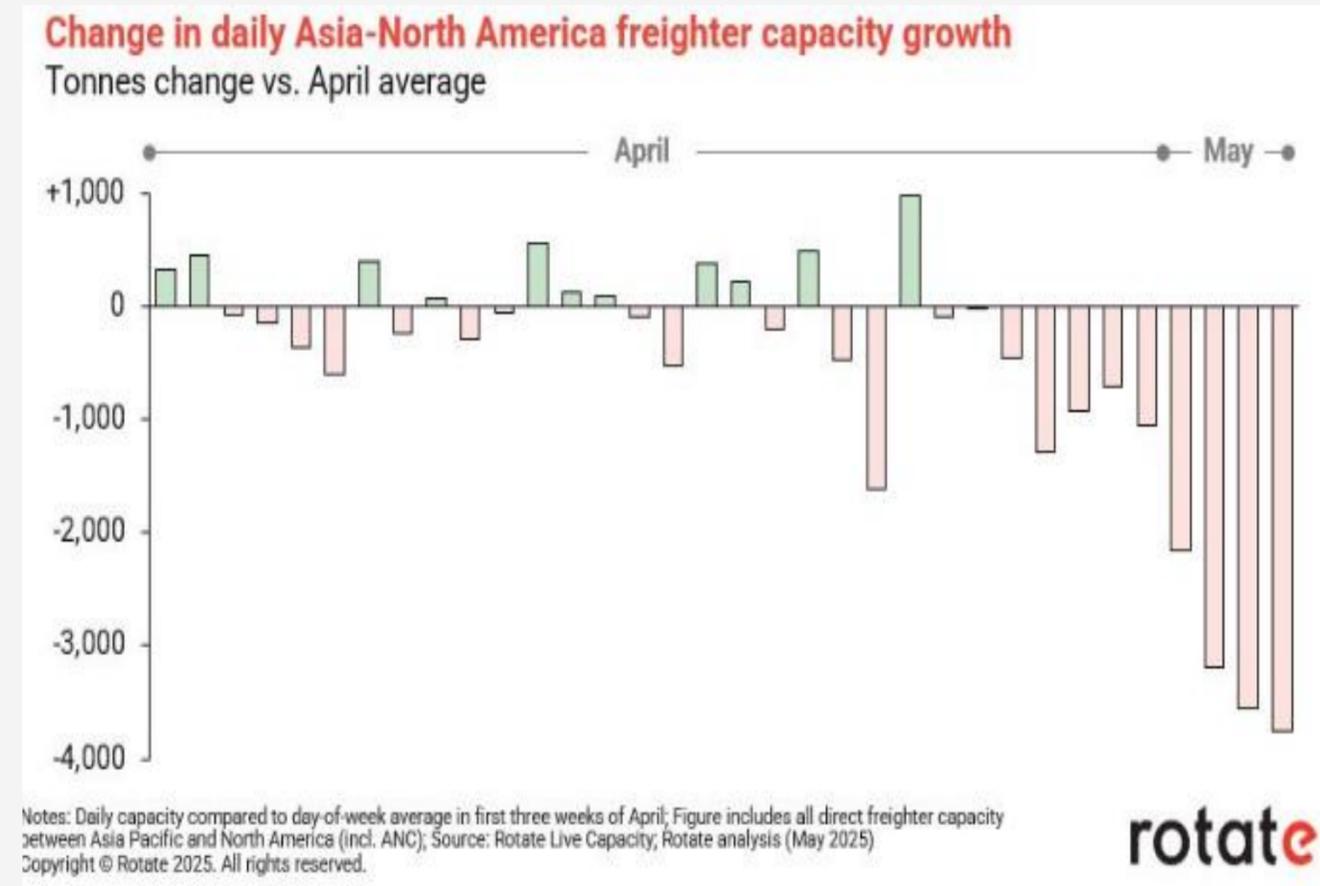
	World share <sup>1</sup>	March 2025 (% year-on-year)				March 2025 (% year-to-date)			
		CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>4.4%</b>	<b>4.3%</b>	<b>0.1%</b>	<b>47.5%</b>	<b>2.4%</b>	<b>3.2%</b>	<b>-0.4%</b>	<b>45.6%</b>
Africa	2.0%	-13.4%	10.8%	-10.4%	37.1%	-8.9%	4.0%	-5.6%	39.5%
Asia Pacific	34.2%	9.3%	7.6%	0.8%	48.6%	7.2%	7.3%	0.0%	45.3%
Europe	21.5%	4.4%	2.8%	0.9%	59.6%	1.7%	2.3%	-0.4%	56.9%
Latin America	2.9%	5.6%	5.2%	0.1%	39.5%	7.6%	7.8%	-0.1%	36.5%
Middle East	13.6%	-3.3%	0.9%	-2.0%	47.6%	-7.7%	-1.4%	-3.0%	43.9%
North America	25.8%	3.7%	2.6%	0.5%	40.7%	2.6%	0.4%	0.9%	41.4%
<b>International</b>	<b>87.3%</b>	<b>5.5%</b>	<b>6.1%</b>	<b>-0.3%</b>	<b>53.7%</b>	<b>3.1%</b>	<b>4.6%</b>	<b>-0.7%</b>	<b>50.8%</b>
Africa	2.0%	-13.4%	10.5%	-10.5%	38.1%	-9.0%	3.3%	-5.5%	40.9%
Asia Pacific	30.6%	9.6%	11.3%	-0.8%	55.2%	7.5%	10.3%	-1.4%	51.5%
Europe	21.0%	4.5%	2.0%	1.5%	62.1%	1.7%	1.8%	-0.1%	59.2%
Latin America	2.5%	5.8%	4.7%	0.5%	45.0%	6.8%	7.9%	-0.4%	40.9%
Middle East	13.6%	-3.2%	0.8%	-2.0%	48.0%	-7.6%	-1.4%	-3.0%	44.3%
North America	17.5%	9.5%	6.1%	1.5%	51.0%	7.3%	2.8%	2.1%	49.7%

Note 1: % of industry CTK 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

- Transpacific cargo capacity has dropped significantly as volume declined following the U.S. decision to end the de minimis exemption for packages from China, with carriers operating 40 fewer freighter flights per day compared to April.
- The dramatic capacity shift is equal to 4,000 tons per day, or 40% of the previous month's capacity.
- Political tensions between India and Pakistan are causing rerouting and delays.
- Lufthansa Cargo suspended services to Ben Gurion International Airport due to ongoing rocket attacks against Israel.



# Air Trade Lanes

- International flights are being rerouted to avoid Pakistani airspace, resulting in longer travel times. As tensions between India and Pakistan escalate, delays and layovers are increasingly likely. The situation is affecting flights originating from both Europe and the Asia-Pacific region.
- WorldACD data indicates that more than 95% of the Week 18 air cargo tonnage decline is attributable to Japan's Golden Week as well as the International Workers' Day holiday in many countries.
- Week 18 tonnage declines by lane:
  - Asia-Pacific to U.S. **↓10%**
  - China to U.S. **↓10%**
  - Asia-Pacific to Europe **↓4%**
  - China to Europe **↓3%**
- These figures highlight a significant disparity in market performance, suggesting that the changes to the China-U.S. de minimis rules are already having a substantial effect.

	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

- The U.S. freight market remains flat with no data to suggest significant fluctuations in the near future.
- Manufacturing volume (PMI) dropped in recent weeks due to political impacts and global market conditions. Expectations for the rest of the year are unclear as U.S. tariff policy continues to be unpredictable.
- Volume surges from the end of April and into May have been attributed to a temporary rush of imported inventory before new tariffs went into effect.

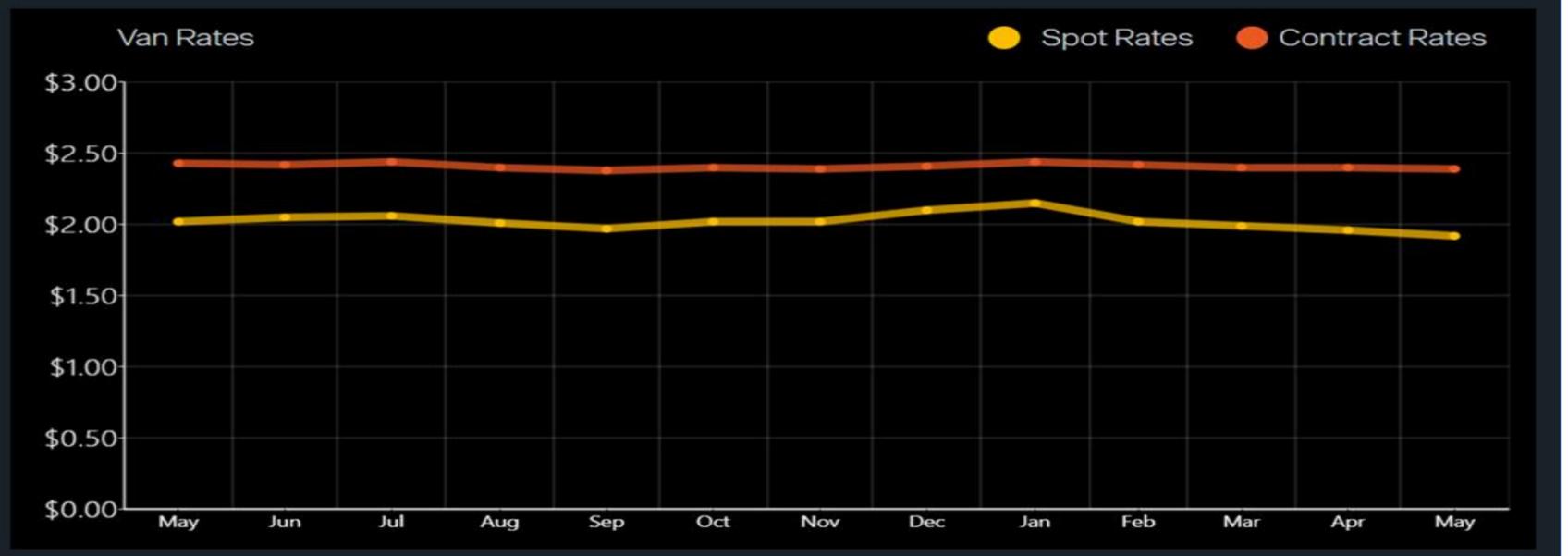


## National Spot Rates

Truckload markets loosen



## Van Rates

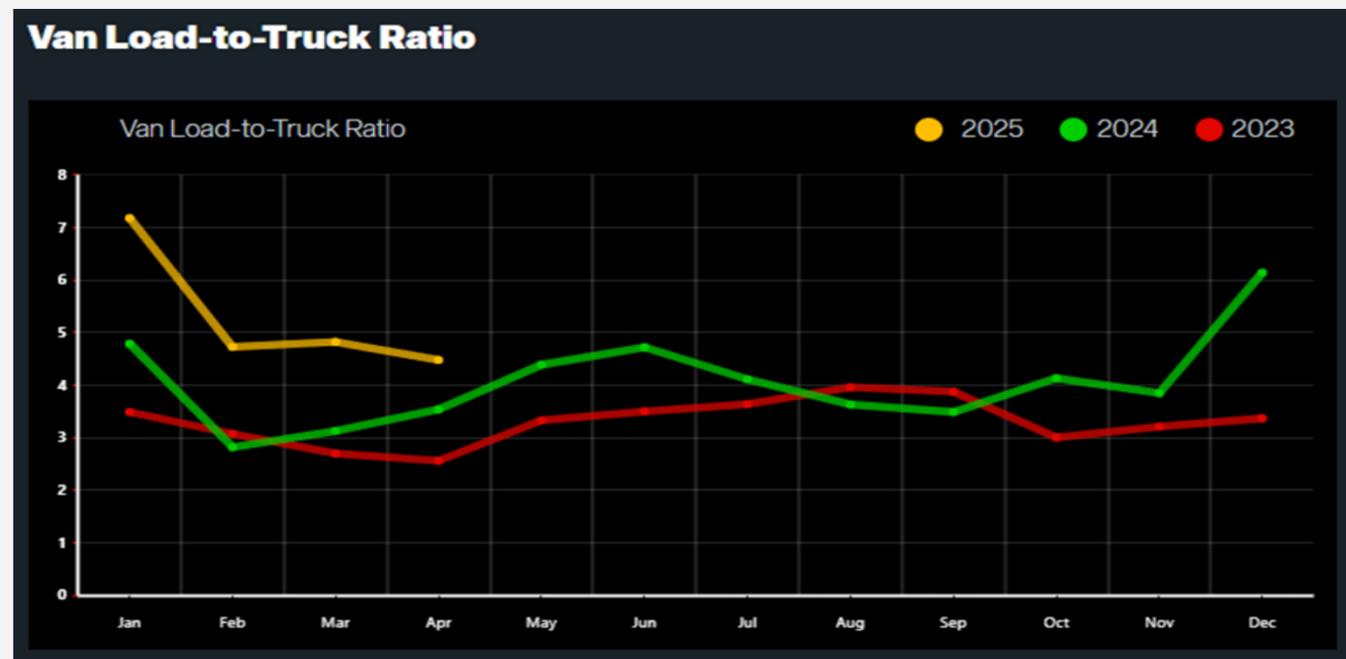


# North American Transportation

**Southwest:** Traffic dropped 21.2% since Q4 (40.1% YoY contraction).

**Midwest:** Volumes fell 6.9% since Q1 and 13.9% YoY; spending is also down 5.5% compared to Q1 and 15.3% YoY.

**West and Northeast:** Recorded a 3.6% increase in traffic, the largest gain in the Northeast in years.



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