

MARKET UPDATE FEBRUARY 2025

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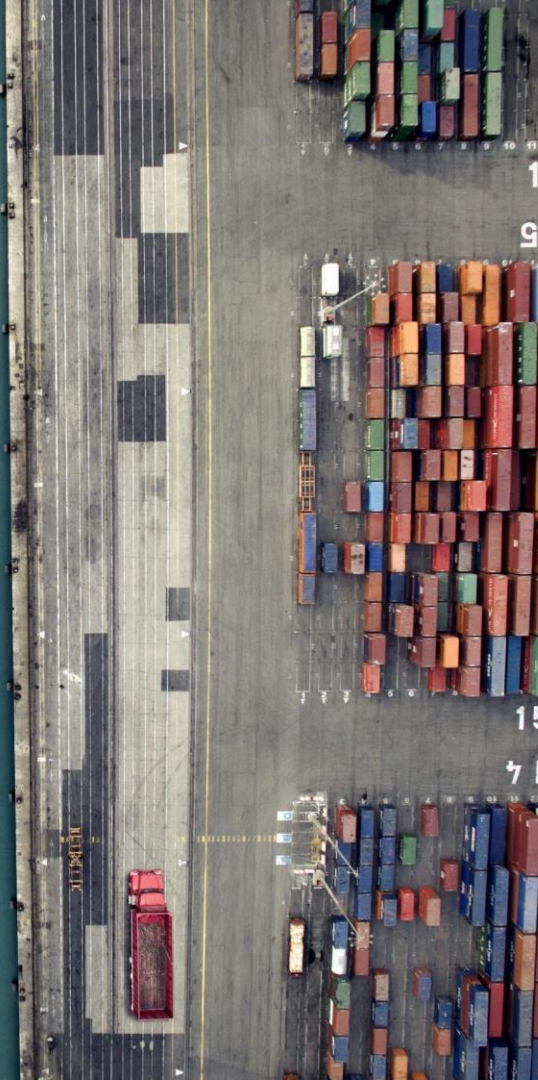
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AIR FREIGHT



Air Freight Market Outlook – February 2025

Demand Trends

The global air cargo market showed strong performance through the end of 2024, with Asia-Pacific and Americas-based carriers leading the momentum. The e-commerce sector has been a significant contributor to this growth. While there was a temporary dip in demand from Asia-Pacific in early January 2025, the market is now seeing renewed activity as businesses accelerate shipments before the Lunar New Year celebrations.

Capacity Developments

Cargo capacity has expanded notably, with a 6% increase in January 2025 compared to the previous year. The trade route between Asia-Pacific and Latin America has experienced a particularly strong capacity growth.

Looking ahead, the air cargo industry appears well-positioned for 2025, with e-commerce continuing to drive capacity utilization.

European Air Cargo Performance

The European air freight sector demonstrated remarkable strength throughout 2024. The region's major aviation hubs experienced significant volume increases, with Vienna Airport emerging as a standout performer after recording an impressive 22% growth. Trade flows into the European Union remained particularly robust, highlighted by a 20% year-over-year increase in cargo movement between Asia-Pacific and EU destinations compared to 2023.

Asian Market Outlook

The Asian air cargo market shows promising signs for 2025, particularly in the e-commerce sector, which maintains its growth trajectory despite potential headwinds from US trade policies and enhanced cargo inspection measures. However, the market faces ongoing challenges as cargo capacity constraints persist, creating continued pressure on the balance between supply and demand in the region.

Global air cargo rates and volumes

Average global air cargo rates increased by +4% week-on-week (WoW) in Week 4 (Jan. 20-26) to \$2.52/kg, marking an +11% year-on-year (YoY) increase. Tonnages from the Asia-Pacific rose +2% WoW, now +6% YoY, though still -8% below the Week 49 peak.

OCEAN FREIGHT



Ocean Freight Market Outlook – February 2025

Market Conditions & Economic Indicators

The shipping market faces mixed signals: shippers accelerated deliveries due to potential US tariff increases, though activity was expected to slow after Lunar New Year. December's data shows controlled global goods inflation, with uneven growth across regions. While the US leads among developed economies and India dominates emerging markets, global business sentiment has weakened.

Critical Maritime Regulatory Shifts Reshape Global Shipping

EU tightens emissions control with ETS coverage jumping from 40% to 70% in 2025, hiking surcharges. The EU's ICS2 (Import Control system) Release 3 security screening launches April 1st for sea and land transport, while U.S.-China tensions escalate as USTR scrutinizes Chinese shipbuilding dominance (17% of U.S.-bound vessels).

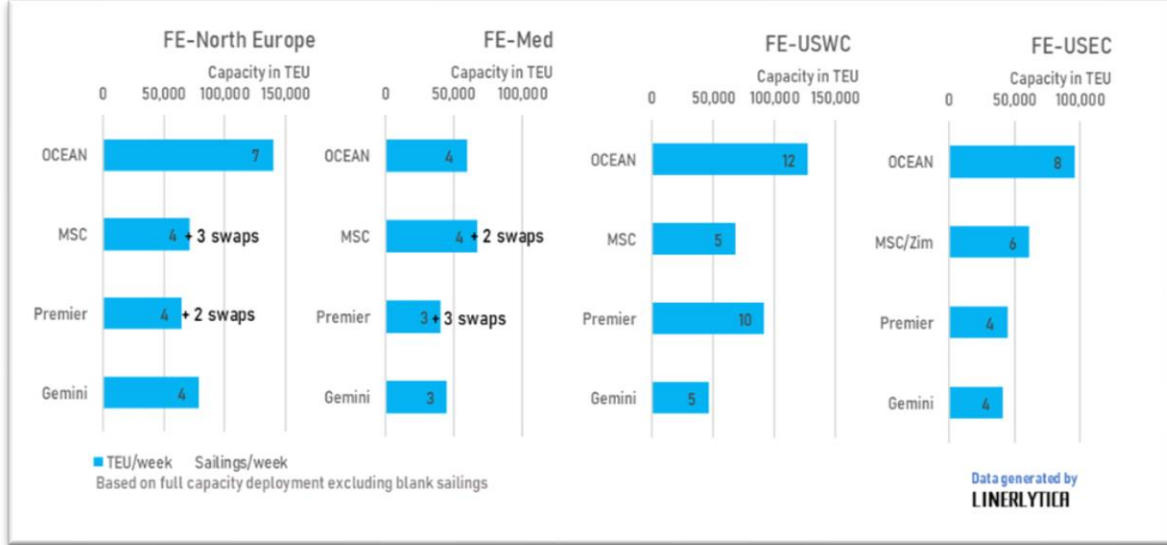
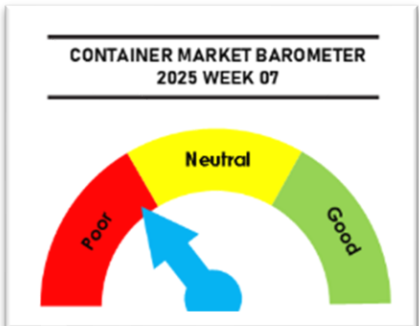
De Minimis Exemption Update

Effective Tuesday, February 4, an additional 10% tariff has been imposed on goods from China and Hong Kong under President Trump's executive order, which also eliminates the de minimis rule for Chinese-origin goods. In response, China swiftly announced a series of retaliatory measures against the U.S. Meanwhile, tariffs on Canada and Mexico have been deferred for 30 days after President Trump reached a last-minute agreement with Mexican President Claudia Sheinbaum and Canadian Prime Minister Justin Trudeau. Steel & Aluminium tariffs are announced going from 10% to 25%, with previous agreements with Australia being terminated.

Suez Canal Update

As of February 4, 2025, the Suez Canal is experiencing a return to stability following previous disruptions caused by attacks in the Red Sea. The Houthis have pledged to honor the Gaza ceasefire reached last month and have suspended attacks on commercial shipping in the region. Despite this, major shipping lines remain cautious, prioritizing security before resuming regular operations.

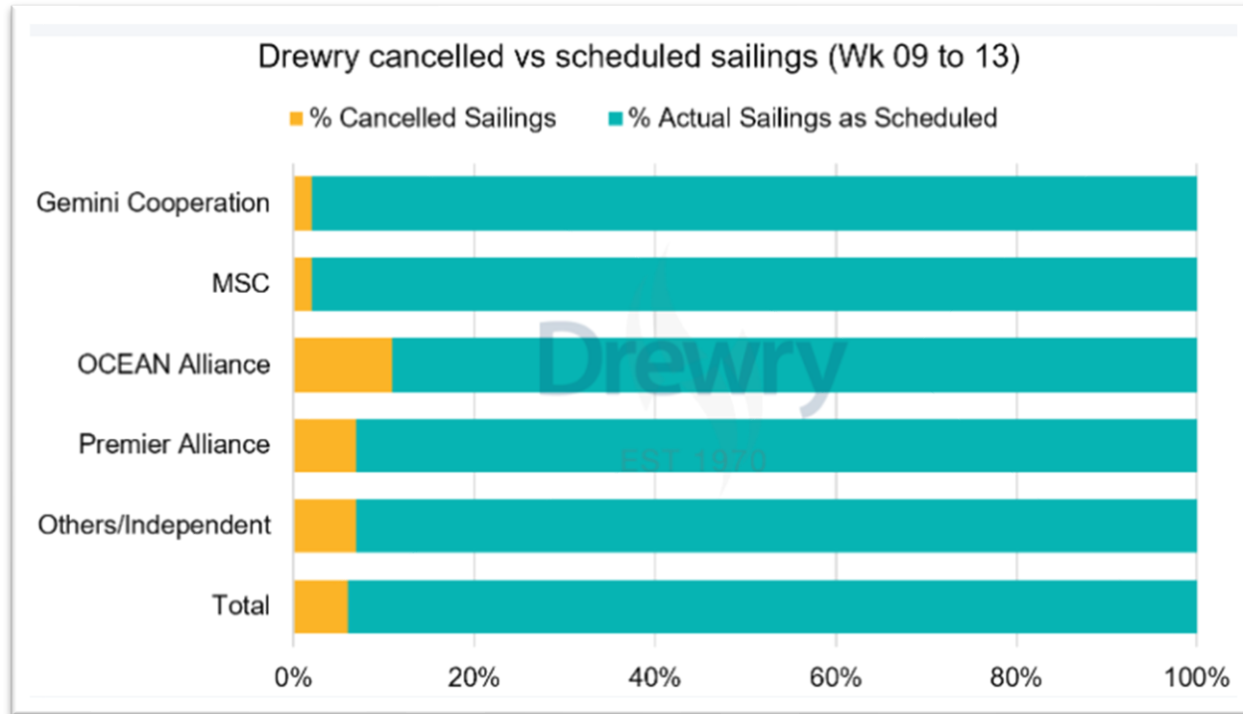
Market Pulse



Despite operating independently after the February 2025 alliance reshuffle, MSC will maintain stronger market coverage than the Gemini Cooperation on East-West trades.

Through its own services and strategic partnerships with Premier Alliance and Zim, MSC will match or exceed Maersk and Hapag-Lloyd's weekly sailing frequencies across all major routes, with only one USWC Mustang service pending vessel allocation.

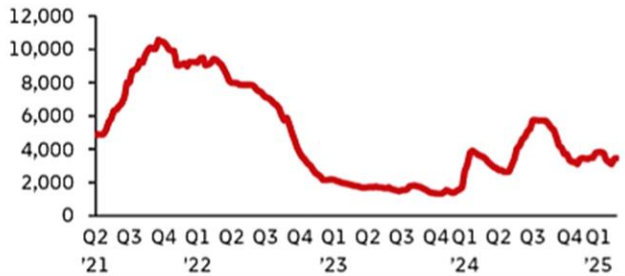
Cancelled Sailings Tracker



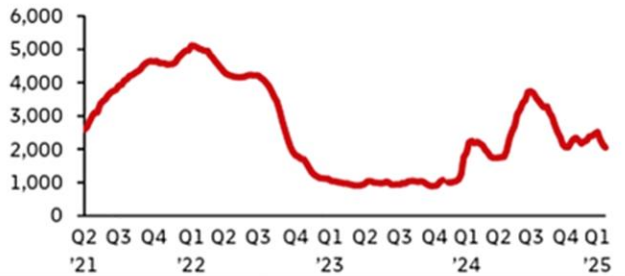
- Across the major East-West trades: Transpacific, Transatlantic and Asia-North Europe & Med, **43** cancelled sailings have been announced between week 9 and week 13 (2025), out of a total of **716** scheduled sailings, representing **6%** cancellation rate.
- During this period, **44%** of the blank sailings will occur on the Transpacific Eastbound, **35%** on the Asia-North Europe and Med and **21%** on the Transatlantic Westbound trade.

Market Rates

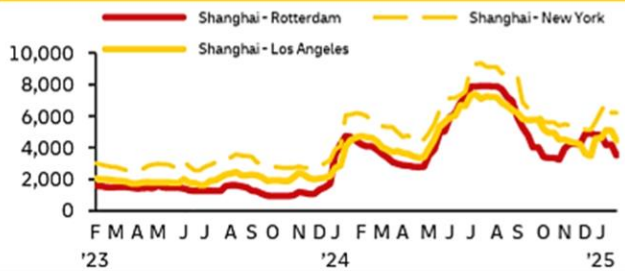
World Container Index (WCI)



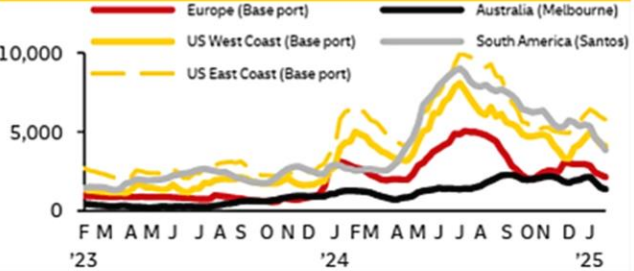
Shanghai Containerized Freight Index (SCFI)



WCI Deep Dive Key Trades



SCFI Deep Dive Key Trades



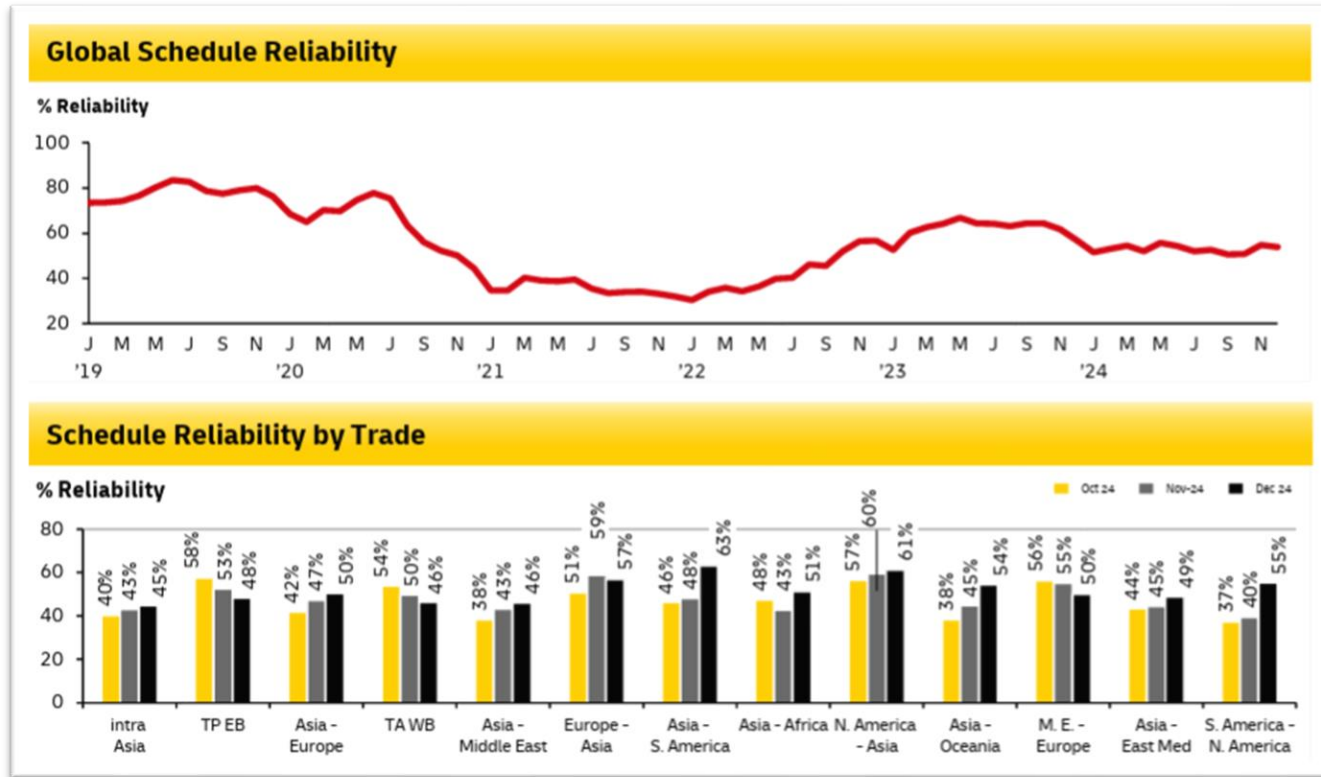
- SCFI decreased by 17% and WCI by 12% since 2025 start.

- Freight Rates have continued to decline in spite of the stronger volumes and capacity utilization seen during CNY

- Volatility remains with the new reshuffling and the developments of the alliances and Red Sea.

Note: Surcharges related to e.g., equipment & space availability are not reflected in WCI & SCFI; Drewry, in USD/40ft container, including BAF & THC both ends, 8 individual routes, excluding intra-Asia routes; Shanghai Shipping Exchange, in USD/20ft ctnr & USD/40ft ctnr for US routes, including BAF, EBAF, CAF, PSS, WRS, PCS & SCS/SCF/PTF/PCC, excl. THC, 15 routes from Shanghai

Schedule Reliability



- Throughout the Y2024, reliability remains between the range of 50-55%
- Chinese Base Ports hit a 3 months congestion high before Lunar New Year & with the concerns of the US import Tariffs
- Global port congestion remains around 10-10.5% of global fleet
- There is no normalization yet with the new alliance shakeup that's happening now

References : intra Asia = Asia - IBPC, TP EB = Asia-NAWC, Asia-Europe = Asia-North Europe, Asia-AML A = Asia-WCSA, AMNO-Asia = Transpacific WB, Asia-East Med = Asia-Med



FJT BULLETINS



Port Congestion Update

As of February 2025, several factors are influencing port congestion between China, Australia, and global destinations:

China to Australia:

- **Yantian Port, Shenzhen:**
Significant congestion occurred due to exporters rushing to ship goods ahead of the Lunar New Year (February 10, 2025).
Waiting times for vessels increased, with delays averaging 2–4 days.
Causes included high export volumes and weather-related port disruptions.
- **Shanghai Port:**
As a major hub, Shanghai experienced congestion with over 450 vessels in port and average delays of two days.
Contributing factors included high export demand, preparation for Chinese New Year, and infrastructure strain.
- **Australian Ports (Melbourne, Brisbane, Fremantle):**
Industrial actions by the Maritime Union of Australia (MUA) disrupted port operations, contributing to longer berthing delays.
Ongoing wage negotiations and overtime bans significantly slowed the handling of bulk commodities and containers.

Forecast for February 2025:

- **China to Australia:**
A post-Chinese New Year lull may temporarily ease congestion at Chinese ports.
However, weather disruptions, such as cyclones in Western Australia, and ongoing labor disputes at Australian ports may prolong congestion.
The latest news are the Maritime Union of Australia (MUA) and stevedoring company DP World Australia have reached an 'in-principle agreement' on a new enterprise deal for its workers.

Current APAC Containership Port Congestion



Qingdao

TEU at Anchorage: 89,384
TEU at Port: 123,472.5
Ships at Anchorage: 11.5
Ships at Port: 22.5
Queue to Berth Ratio: 0.51

Singapore

TEU at Anchorage: 96,953
TEU at Port: 336,565
Ships at Anchorage: 19.5
Ships at Port: 56
Queue to Berth Ratio: 0.35

Shanghai/Ningbo

TEU at Anchorage: 412,616.5
TEU at Port: 454,491.5
Ships at Anchorage: 92.5
Ships at Port: 70.5
Queue to Berth Ratio: 1.31

Blank Sailings Update

Forecast for February 2025:

As the Chinese New Year holiday concludes in mid-February, manufacturing and export activities in China are expected to resume, leading to an increase in shipping demand. Carriers may adjust their schedules, accordingly, potentially reducing the number of blank sailings and reinstating regular services to accommodate the post-holiday surge in shipments.

Container Availability & Vessel Capacity

Container Pricing: Supply chain professionals anticipate that container prices will rise in February 2025, driven by factors such as tariffs, geopolitical risks, and structural overcapacity. These disruptions are expected to keep demand and supply dynamics volatile well into 2025.

Equipment Availability: While the global container shortage is expected to ease as we move out of 2024, challenges may persist in specific regions and routes. Temporary shortages in areas like Asia could continue due to logistical inefficiencies and the need for repositioning containers.

Carrier Alliances Restructuring: The formation of new shipping alliances, such as the Premier Alliance between Ocean Network Express (ONE), HMM, and Yang Ming Marine Transportation, set to commence in February 2025, may lead to service adjustments and impact vessel space availability during the transition period. These changes could create temporary disruptions in routing and scheduling, particularly on key trade lanes.

Potential Rate Decrease: DP World's deputy CEO indicated that sea freight prices could decrease by 20-25% over the next two to three months if attacks in the Red Sea are curtailed, allowing for quicker passage via the Suez Canal.

European Port Operations

European ports remain busy with the reshuffling of carriers into the new alliances, adjusting the vessel line up and the schedules.

North Continent:

Rotterdam – Labor dispute remains unsolved, leading to strikes though no dates have been confirmed
Disputes in France involving French ports – Le Havre sees 2-5 days delay
German ports see between 2-5 days delay too with a very high yard utilization and busy berth line up

United Kingdom:

Southampton, London and Felixstowe have between 1-2-5 days delay with a busy berth line up and high vessel utilization.

Mediterranean:

Fos Sur Mer, France is impacted as Le Havre by the strikes of workers.
Piraeus sees a normal activity and Genoa / La Spezia have a busy berth line up.
No issues on Spain ports currently.

Current Europe Containership Port Congestion



Rotterdam	Antwerp	La Spezia
TEU at Anchorage: 109,341.5	TEU at Anchorage: 83,047	TEU at Anchorage: 41,214
TEU at Port: 218,961	TEU at Port: 146,705.5	TEU at Port: 9,858
Ships at Anchorage: 14.5	Ships at Anchorage: 13	Ships at Anchorage: 4
Ships at Port: 34.5	Ships at Port: 29.5	Ships at Port: 2
Queue to Berth Ratio: 0.42	Queue to Berth Ratio: 0.44	Queue to Berth Ratio: 2.00



THANK YOU

For more information please contact:
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