

MARKET UPDATE MARCH 2025

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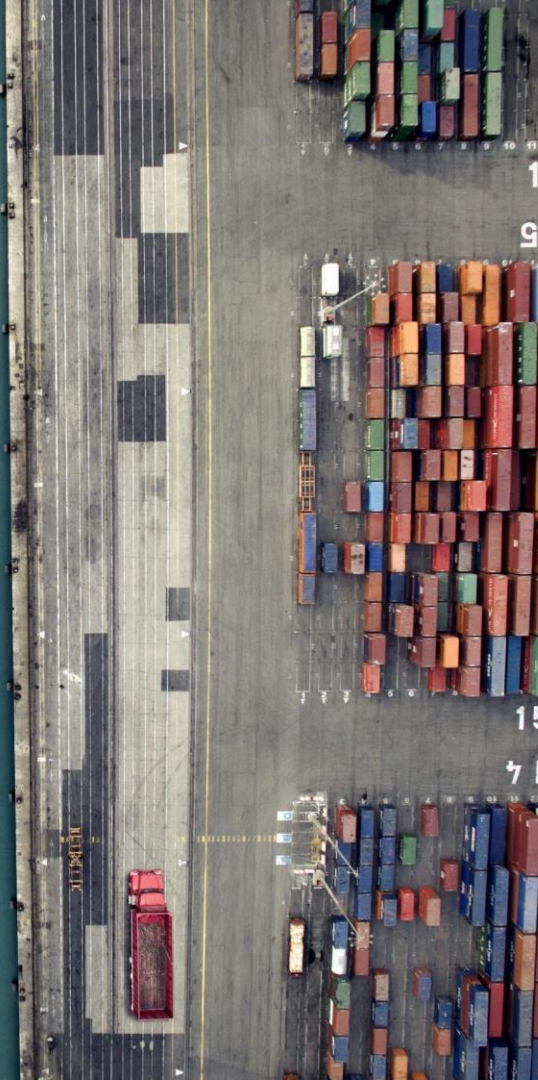
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AIR FREIGHT



Air Freight Market Outlook – March 2025

Demand Trends

March Volumes bounced back, mainly due to Asia, South and Central America regions. We noticed a recovery in the major exporting countries in Asia from HK, China, S. Korea, Japan or Vietnam.

Capacity Developments

Volatility of the freight rose early 2025 with multiple freighter flights cancelled during Lunar New Year. Global capacity growth slowed down due to geopolitical events and trade policies but now is still growing at a moderate pace, with passenger aircraft contributing significantly to it as airlines prepare for summer season.

Regulation / News

Trump administration, in addition to adding tariffs to goods from Canada, Mexico and China, suspended access to Section 321 customs de minimis entry process for shipments under \$800 from those countries – often ecommerce packages. De facto, the demand will take a hit and air freight rates could plummet.

European Commission has introduced reforms to simplify Carbon Border Adjustment Mechanism and sustainability reporting rules, easing compliance for businesses, including Chinese companies operating in or exporting to the EU

OCEAN FREIGHT



Ocean Freight Market Outlook – March 2025

TPM 2025 ended : What we learned ?

- 1. U.S. Proposes Port Fees on Chinese-Built Ships and Operators to Counter China's Shipping Dominance
Since then, CMA CGM has pledged to invest \$20 bn for US Shipping expansion over the next 4 years.*
- 2. CK Hutchison HK has reached a massive deal with Blackrock and MSC to sell 80% of its port division including 2 terminals in Panama for \$22.8 bn which have been under fire from Trump Administration.*

Global Demand Outlook

Global container trade projections indicate robust growth of 3.6% annually between 2024-2028. During 2025-2028, the market is forecasted to expand by approximately 6.1 million TEU each year, with the Asia Pacific region driving this growth.

Global Capacity Outlook

Suez Canal route remains inactive with no indications of imminent resumption.

European port congestion intensifying, constraining available vessel capacity.

Potential schedule disruptions for Asia-bound vessels over the next two months may reduce April-May capacity.

Global fleet experiences 2.65 million TEU (8.4%) capacity reduction due to port congestion.

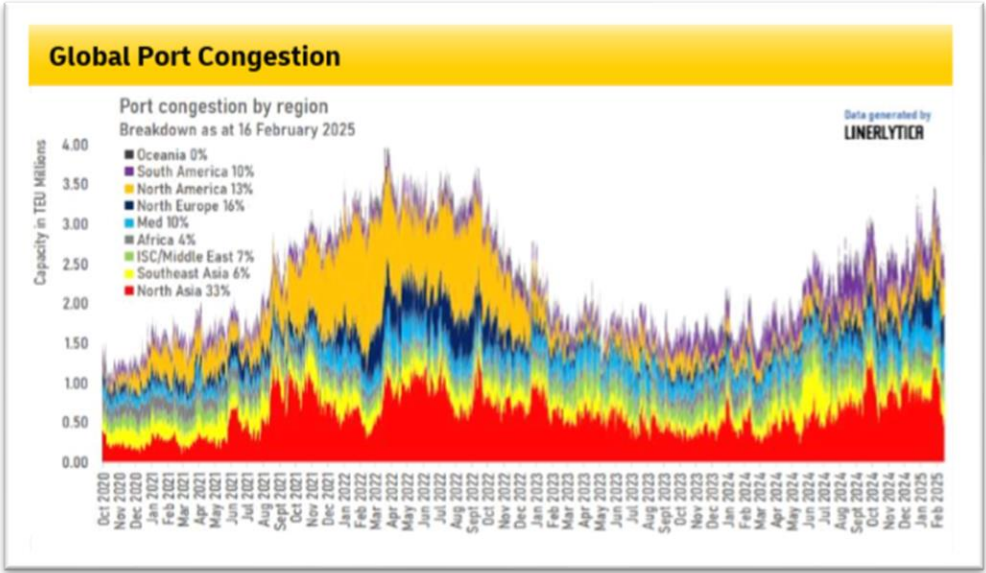
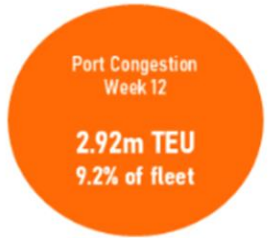
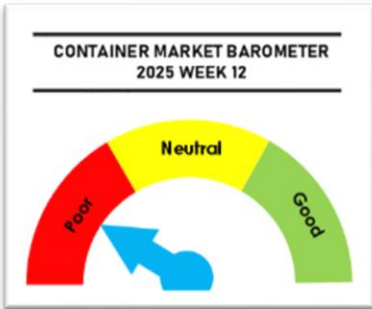
New Alliance implementation causing minimal operational disruptions.

Regulations & News

EU's electronic security screening system (ICS2 Release 3) scheduled to launch for ocean, road, and rail transport on April 1, 2025.

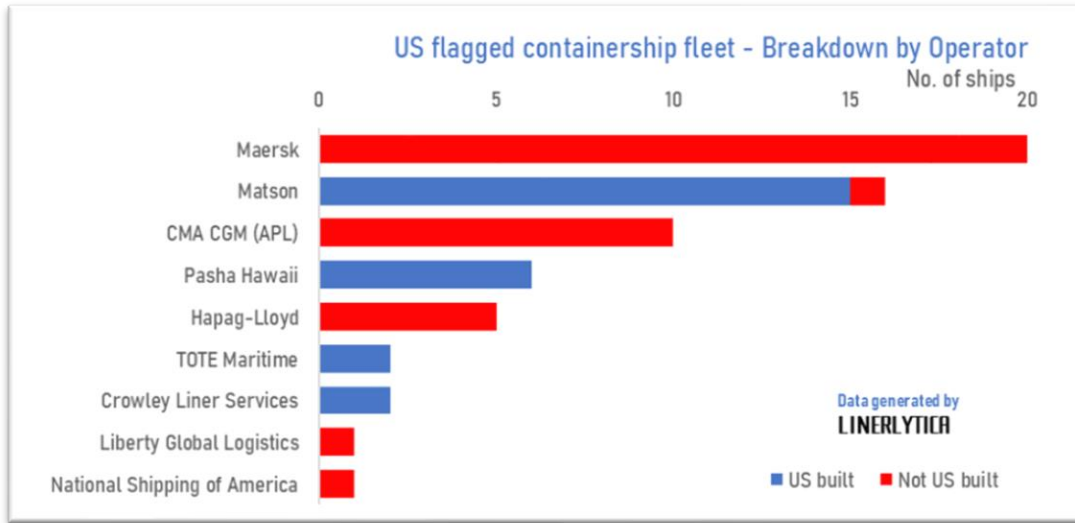
India establishing Bharat Container Line featuring 100 vessels to decrease dependence on foreign carriers, alongside a USD 2.9 billion Maritime Development Fund.

Proposed SHIPS for America Act seeks to strengthen US shipping industry by mandating 10% of Chinese cargo transportation on US-flagged vessels with priority access at US ports, featuring gradual implementation through 2029.



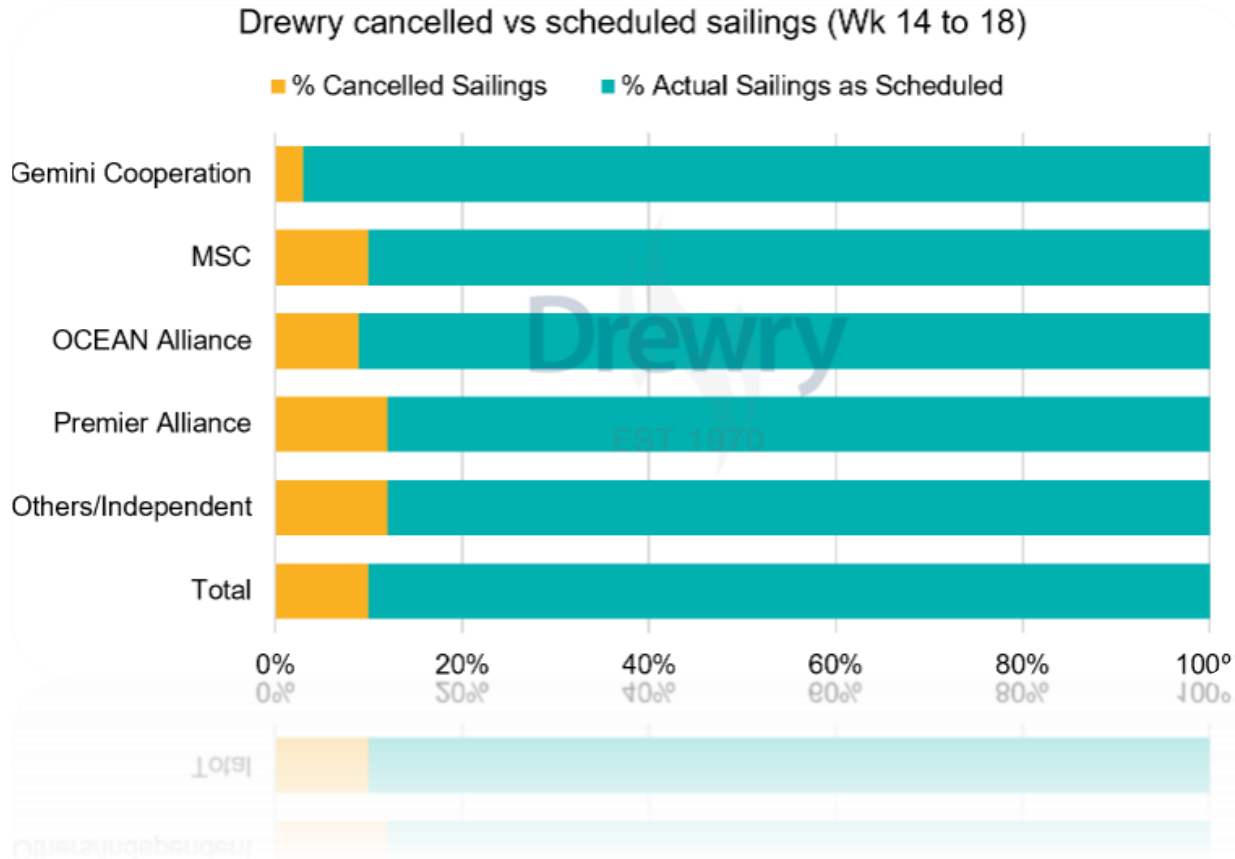
- Currently, 8.4% of the global shipping fleet, representing 2.65 million TEU (Twenty-foot Equivalent Units), is tied up in port congestion.
- While Asia's overall situation shows improvement, Chinese ports are still operating below full capacity following the Chinese New Year.
- Meanwhile, delays are worsening at major ports in Southeast Asia and the Middle East, with Singapore and Jebel Ali among the most affected hubs.

US Shipbuilding Revival Efforts Face Steep Obstacles



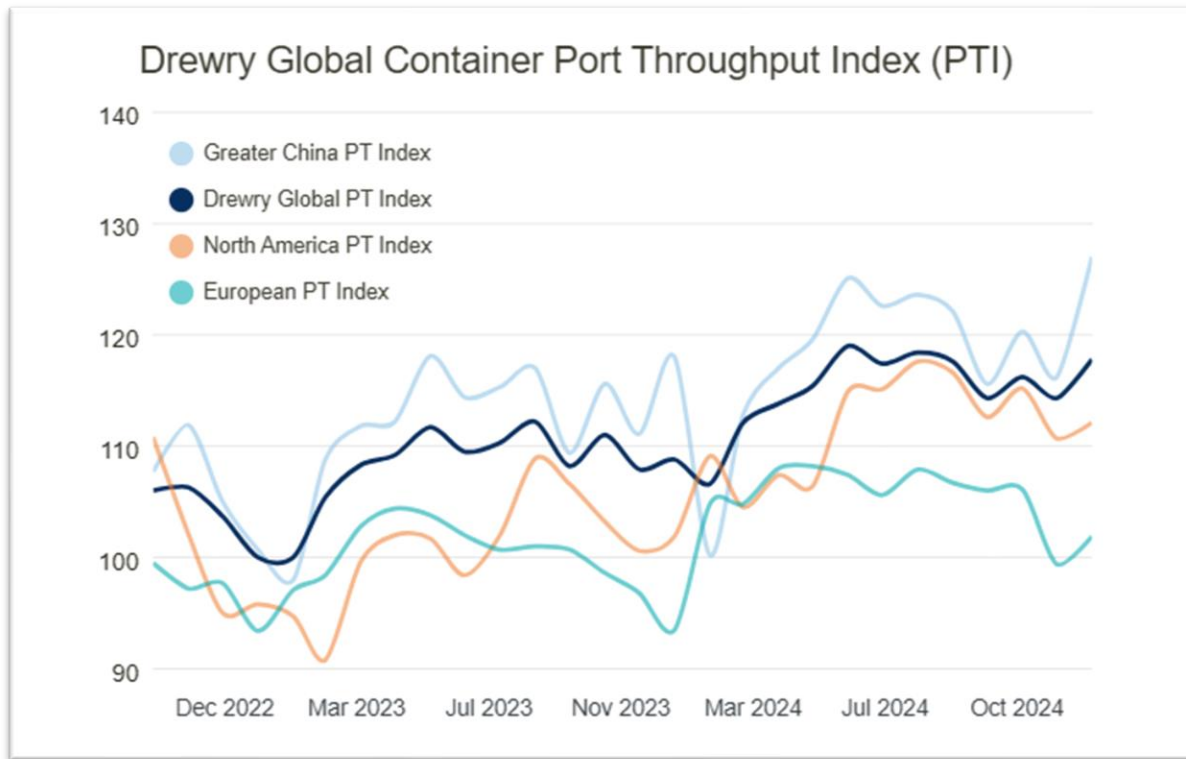
- US attempts to revitalize domestic shipbuilding will likely falter despite USTR proposals for levies on Chinese vessels and incentives for US-built ships.
- The current US-flagged containership fleet comprises just 63 vessels (0.9% of global capacity), with only 25 built domestically for Jones Act trades.
- The remaining 38 foreign-built ships, operated mainly by Maersk, CMA CGM and Hapag-Lloyd, serve in national security programs (MSP/VISA) providing emergency access to the US government.
- Due to prohibitive costs making US-built vessels globally uncompetitive, USTR proposals are unlikely to attract interest beyond existing operators.

Cancelled Sailings Tracker



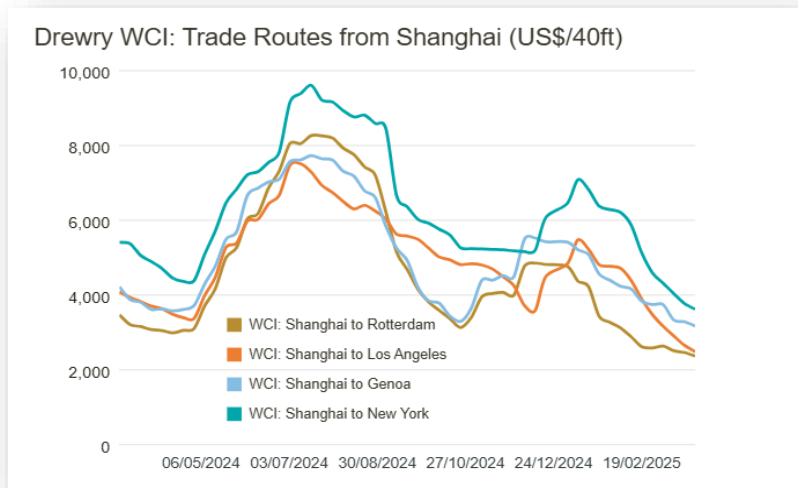
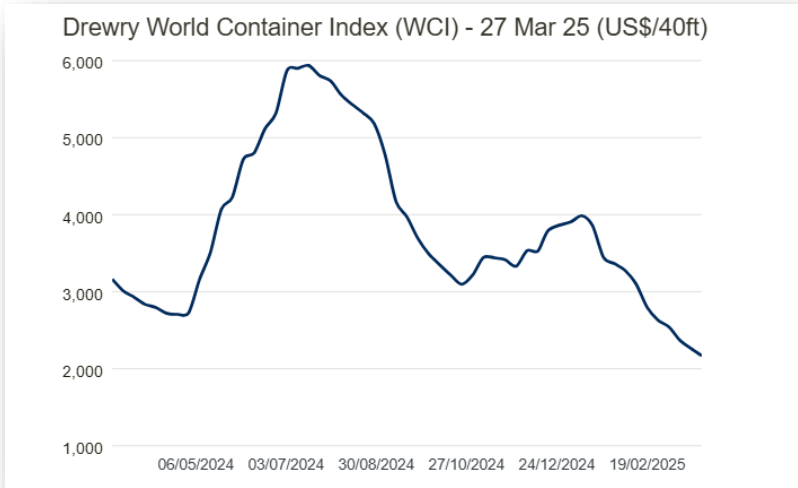
- Across the major East-West trades: Transpacific, Transatlantic and Asia-North Europe & Med, **68** cancelled sailings have been announced between week 14 and week 18, out of a total of **713** scheduled sailings, representing **10%** cancellation rate.
- During this period, **47%** of the blank sailings will occur on the Transpacific Eastbound, **25%** on the Asia-North Europe and Med and **28%** on the Transatlantic Westbound trade.

Global Port Throughput Index (PTI)



- The Global Container Port Throughput Index went up **3.0%** in January compared to December, reaching 117.8 points. This was **8.3%** higher than January last year. The 12-month growth rate slightly increased to **6.2%**. Drewry predicts the index will drop **2.1%** in February 2025.
- The Greater China Container Port Throughput Index rose sharply by **9.4%** in January 2025 compared to December, reaching 127.0 points. This was **7.6%** higher than January last year. Chinese ports started 2025 strongly. Shanghai, the world's biggest container port, handled a record 5.0 million containers in January, up **21.3%** from December and **11.1%** from last year. Ningbo also set records with a **22.1%** increase from December.

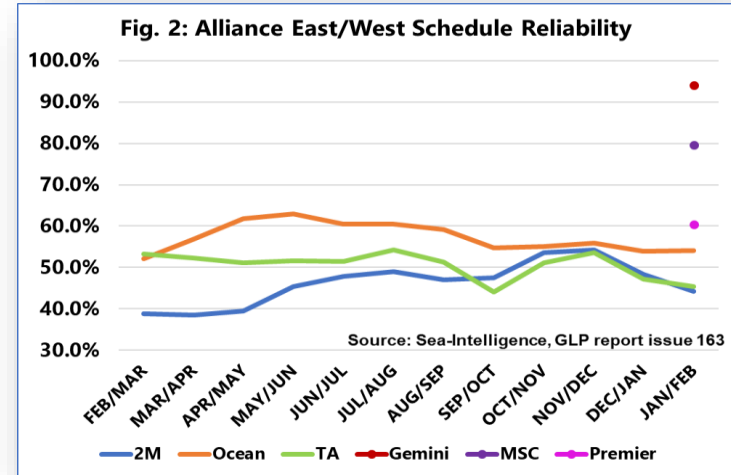
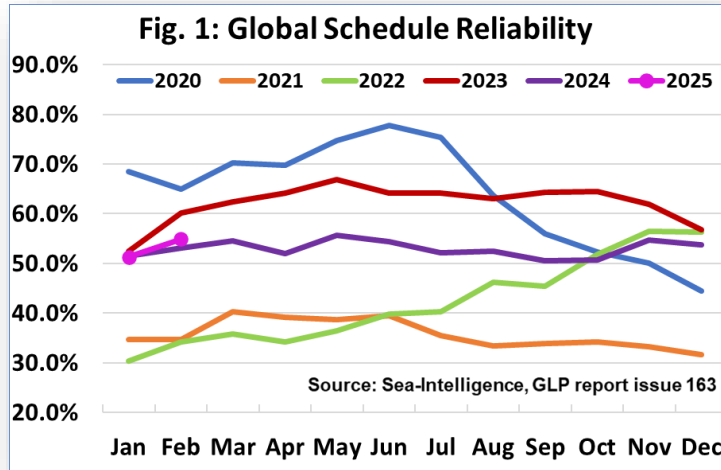
Market Rates



- Drewry World Container Index decreased **4%** end of March, **79%** below the previous pandemic peak in September 2021 and the lowest since January 2024. However, the index was **53%** higher than the average in 2019 (pre pandemic).
- The average YTD composite index closed at \$3,053 per 40ft container, \$167 higher than the 10-year average of \$2,886 (inflated by the exceptional 2020-22 Covid period).

Note: Surcharges related to e.g., equipment & space availability are not reflected in WCI & SCF; 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



- In February 2025, global shipping reliability improved to 54.9%, up 3.6% from January and 1.8% from last year. Maersk led with 60.2% reliability, followed by MSC (57.4%) and Hapag-Lloyd (57.3%). Two new shipping alliances launched: Gemini Cooperation and Premier Alliance, while 2M and THE Alliance are being phased out. Ocean Alliance continues operating, and MSC remains significant as an independent carrier.
- February measurements only covered departure ports, as no vessels from new alliances completed full trips. Gemini ranked best at 94.0% reliability, followed by MSC (79.6%) and Premier Alliance (60.4%). The existing alliances scored lower: Ocean Alliance (54.1%), THE Alliance (45.3%), and 2M (44.2%). Full performance evaluation will only be possible when networks are completely implemented in July 2025.

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



FJT BULLETINS



Port Congestion Update

China to Australia:

March 2025: The Port of Brisbane experienced significant disruptions due to Tropical Cyclone Alfred, leading to canceled port calls and vessel delays. These interruptions extended sailing intervals on the China-Australia route by 7 to 10 days.

April 2025 Forecast: While operations at Brisbane are expected to normalize, shippers should remain vigilant for potential weather-related disruptions, as adverse conditions have previously impacted major Chinese ports, causing berthing delays.

China to Global Destinations:

March 2025: Global port congestion intensified, with 8.4% of the global fleet (approximately 2.65 million TEU) tied up due to various factors. Asian ports, particularly in China, experienced improved conditions post-Chinese New Year but remained below full operational capacity.

April 2025 Forecast: Port congestion is anticipated to persist, influenced by ongoing labor disputes in Europe and potential weather-related disruptions in Asia. Shippers should monitor developments closely and plan for possible delays.

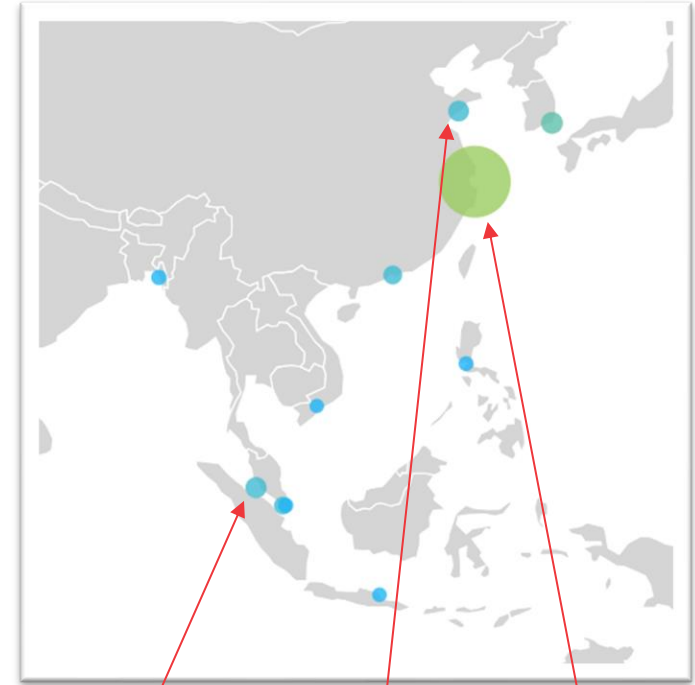
Vessel Space and Capacity

March 2025:

The Port of Brisbane experienced significant disruptions due to Tropical Cyclone Alfred, leading to extended sailing intervals on the China-Australia route by 7-10 days.

April 2025 Forecast: Operations are expected to normalize post-cyclone. However, shippers should remain vigilant for potential weather-related disruptions, as adverse conditions have previously impacted major Chinese ports, causing berthing delays exceeding one week.

Current APAC Containership Port Congestion



Port Klang
TEU at Anchorage: 95,384.5
TEU at Port: 94,432
Ships at Anchorage: 275
Ships at Port: 27
Queue to Berth Ratio: 1.02

Qingdao
TEU at Anchorage: 92,802
TEU at Port: 167,798.5
Ships at Anchorage: 18.5
Ships at Port: 21
Queue to Berth Ratio: 0.88

Shanghai/Ningbo
TEU at Anchorage: 658,816.5
TEU at Port: 556,401
Ships at Anchorage: 143.5
Ships at Port: 95.5
Queue to Berth Ratio: 1.50

Blank Sailings

China to Australia

March 2025: Several blank sailings were announced by major carriers in response to schedule disruptions and softening demand:

- CAT Service: Blank in Week 12
- A3/JKN Services: Blank sailings in Weeks 12 and 17
- JKN Service: Additional blank in Week 14
- A3S Service: Suspended in Week 12, resulting in a capacity cut of approximately 10,000 TEU

These adjustments are largely aimed at realigning weekly capacity and dealing with ripple effects from weather disruptions (e.g. Cyclone Alfred in Australia).

April 2025 Forecast: While no full list of blank sailings has yet been published for April, industry analysts anticipate further capacity adjustments due to persistent volatility in the network. Shippers should expect continued blank sailings across several Asia–Australia services, depending on demand and operational stability.

Equipment Availability

China to Australia:

March 2025: The Port of Brisbane experienced significant disruptions due to Tropical Cyclone Alfred, leading to delays and extended sailing intervals on the China-Australia route by 7–10 days. These disruptions have impacted the timely return of empty containers to China, potentially affecting availability.

April 2025 forecast: As operations normalize post-cyclone, the backlog is expected to gradually clear. However, shippers should remain vigilant and plan shipments in advance to mitigate potential delays.

European Port Operations

North Continent:

Rotterdam / Bremerhaven – steady performance with healthy levels of yard density.

Antwerp – congested line up due to phase in / out of vessels plans, combined with late arrivals from previous ports

Mediterranean:

Algeciras terminal sees a peak in container moves in week 15, however performance is steady with no restrictions

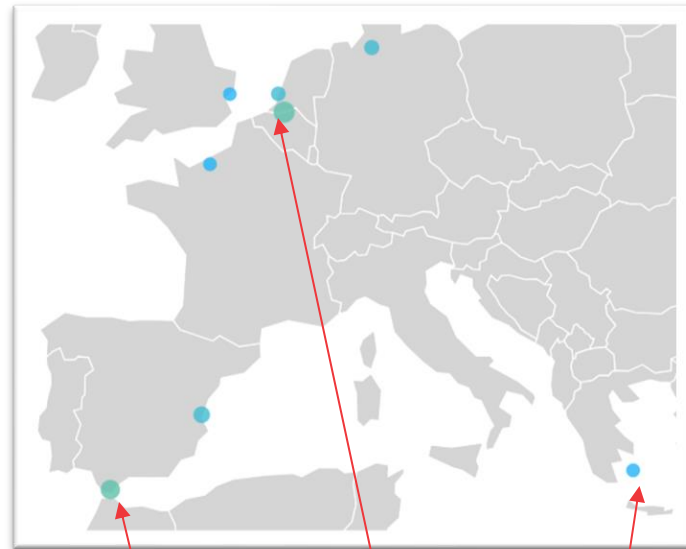
Tangier – vessel lineup recovering after bad weather end of march

Spain – sees an increase in yard density in both Valencia and Barcelona

Customs Update

The 3rd release of the EU's Import Control System 2 (ICS2) has now been updated to include road and rail carriers from 1st April 2025. Traders moving goods into the EU by rail or road will have to make sure that their hauliers adapt to new requirements regarding the Entry Summary Declaration (ENS). The ENS has the following mandatory data: HS codes of goods, Consignee EORI number, information about the buyer and the seller

Current Europe Containership Port Congestion



Gibraltar (Algeciras/Tangier)

TEU at Anchorage: 115,468.5
TEU at Port: 51,807
Ships at Anchorage: 27
Ships at Port: 7.5
Queue to Berth Ratio: 3.60

Antwerp

TEU at Anchorage: 139,070.5
TEU at Port: 125,355
Ships at Anchorage: 19.5
Ships at Port: 23
Queue to Berth Ratio: 0.85

Piraeus

TEU at Anchorage: 43,914
TEU at Port: 49,924.5
Ships at Anchorage: 13.5
Ships at Port: 13
Queue to Berth Ratio: 1.04



THANK YOU

For more information please contact:
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