

MARKET UPDATE AUGUST 2025

FJT LOGISTICS
Your Freight Solutions Partner



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TABLE OF CONTENT

Air Freight

- Market Outlook
- Global Air Cargo Capacity
- Q3 2025 – What to Expect ?

Ocean Freight

- Market Outlook
- Market Pulse
- Cancelled Sailings
- Global Port Throughput Index(PTI)
- Market Rates
- Capacity vs Demand – Major Trades
- Schedule Reliability
- Melbourne Port Focus

FJT Bulletins

- Asia Pacific
- Europe



AIR FREIGHT



Air Freight Market Outlook – August 2025

Despite global economic headwinds and rising trade tensions, air freight demand remains resilient across key trade lanes.

Global air cargo demand rose 3.1% year-to-date through June, though June itself saw only a modest **0.8%** increase. Asia Pacific and intra-Asia routes are driving growth, with belly cargo volumes rebounding for the first time since mid-2022. Cross-border e-commerce continues to surge, especially in emerging markets.

Air freight capacity is expanding, with **July volumes up 5% YoY**, and stable cargo load factors through H1 2025. Freighter capacity remains flat, as airlines face delivery delays and focus on optimizing existing networks. This shift reflects a strategic rebalancing rather than expansion.

Golden Week in China is approaching, expected to spike demand and intensify competition for space. → Customers are advised to **book early**, explore **flexible routing**, and **coordinate closely** to maintain reliability and manage costs.

Major airlines are expanding their freighter fleets and networks.

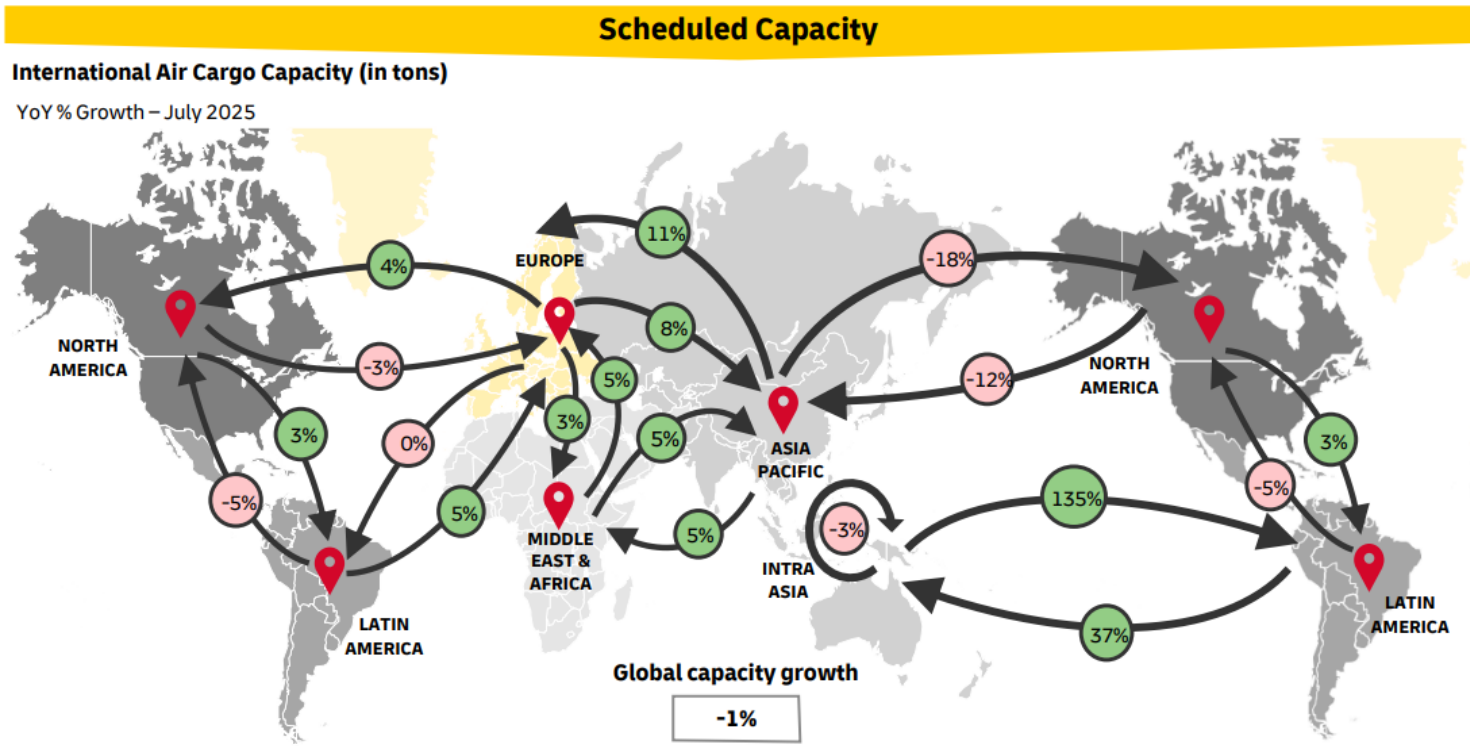
Emirates and Air Canada are adding aircraft and converting passenger planes, while United and Lufthansa are launching new routes.

Asia and Europe remain key targets for service expansion.

Rates: Global air cargo rates rose 1% in early July, with Asia Pacific and North America seeing 2% month-over-month increases. Rates in Europe and MEAP declined slightly, and overall rates are still 40% lower than last year. Asia-Europe lanes are showing signs of recovery, especially toward South Asia.

Regulation & News: Airlines are investing in e-commerce platforms and digital booking tools to streamline operations. ICAO is tightening safety rules, focusing on lithium batteries and dangerous goods. Meanwhile, U.S. and EU regulators are increasing cargo security oversight amid ongoing geopolitical disruptions.

Global Air Cargo Capacity



Source: Seabury; excl. domestic flights;

Air Freight Market Outlook – 2025 Q3 (What To Expect)

Geopolitical Factors

U.S. trade policy is shifting sharply, with tariffs up to 50% starting August 1, raising costs and uncertainty. Middle East tensions are keeping oil prices high, adding inflationary pressure and supply chain risk. Protectionist policies are spreading globally, slowing trade and increasing shipping costs.

Economic Growth

Global GDP is steady at 2.4%, but manufacturing is soft due to weak demand and excess inventory. Diverging interest rate policies—tight in the U.S., easing elsewhere—are fueling currency volatility. Inventory destocking continues, dampening transport demand.

Demand

Air freight is slightly rebounding, with volumes up 0.6% in 2025, led by e-commerce and tech shipments. Asia Pacific is driving growth, forecasted to hit 7.1 million tons.

Capacity

Air cargo capacity growth has slowed to -1.0% YoY as airlines respond to demand and fuel costs. Capacity and Demand are now balanced but we should expect low single digit growth through Q3.

Rates

Air freight rates will stay elevated through Q3, with Asia Pacific to U.S. lanes. Asia Pacific and MESA to Europe routes are seeing the steepest declines.

OCEAN FREIGHT



Ocean Freight Market Outlook – August 2025

US Tariffs and Trade Policy

The US has implemented an 18% average import tariff with plans to increase to 40% transshipment surcharges to prevent circumvention. New tariff regulations apply to goods loaded on August 7th or later or entering the US after October 5th. Trade discussions are ongoing with key partners, most notably China and Mexico, as companies navigate the evolving trade landscape.

Shipping Capacity Growth

The shipping industry experienced 7% year-over-year fleet growth, aligning with historical averages to meet rising demand and demand spikes. This expansion also helps address capacity constraints from congestion and Suez Canal diversions. Despite full orderbooks and ambitious growth plans, the industry faces headwinds from global trade uncertainties.

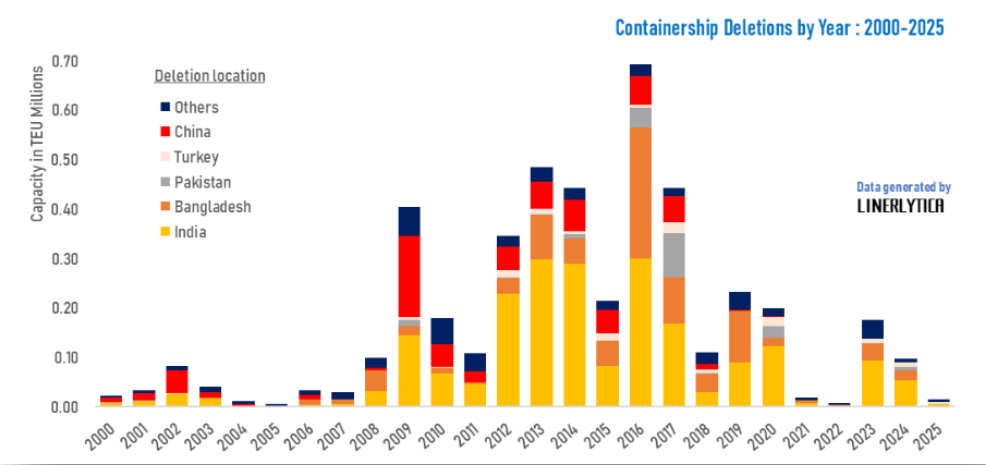
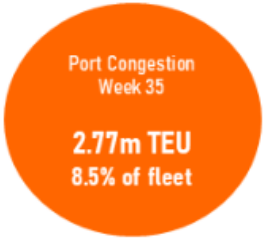
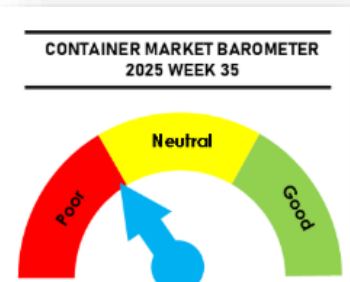
Market Demand Trends

Market demand showed strong 9% year-to-date growth through May, but 2025 volumes have flattened significantly into May, driven by declining Asia-North America trade volumes. While tariffs may slow global trade flows, globalization trends suggest continued long-term growth potential as markets develop and evolve.

Freight Rate Dynamics

Shipping rates experienced a dramatic 51% year-over-year decline in the Shanghai Containerized Freight Index, bringing spot rates back to 2023 levels across many trade routes. The summer peak season was shorter than expected, though Q4 peak season approaches. While carrier capacity management could potentially halt the rate decline, carriers have not yet implemented drastic capacity reduction measures.

Market Pulse

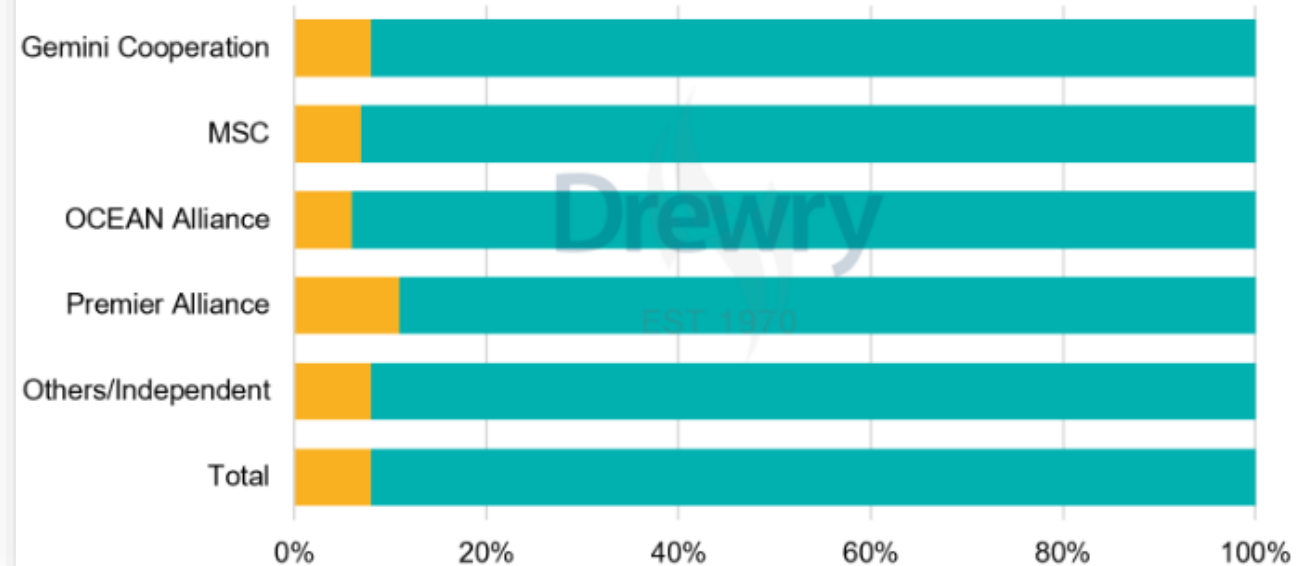


Container shipping must scrap as much capacity in the next 4 years as it did in the past 25 years combined.

Only 12 containerships (8,465 TEU) have been scrapped this year, plus 6 vessels lost or converted. But with orderbooks swelling rapidly, the industry needs to remove at least 4.5 million TEU by 2030—equivalent to all demolitions since 1999—to maintain fleet balance.

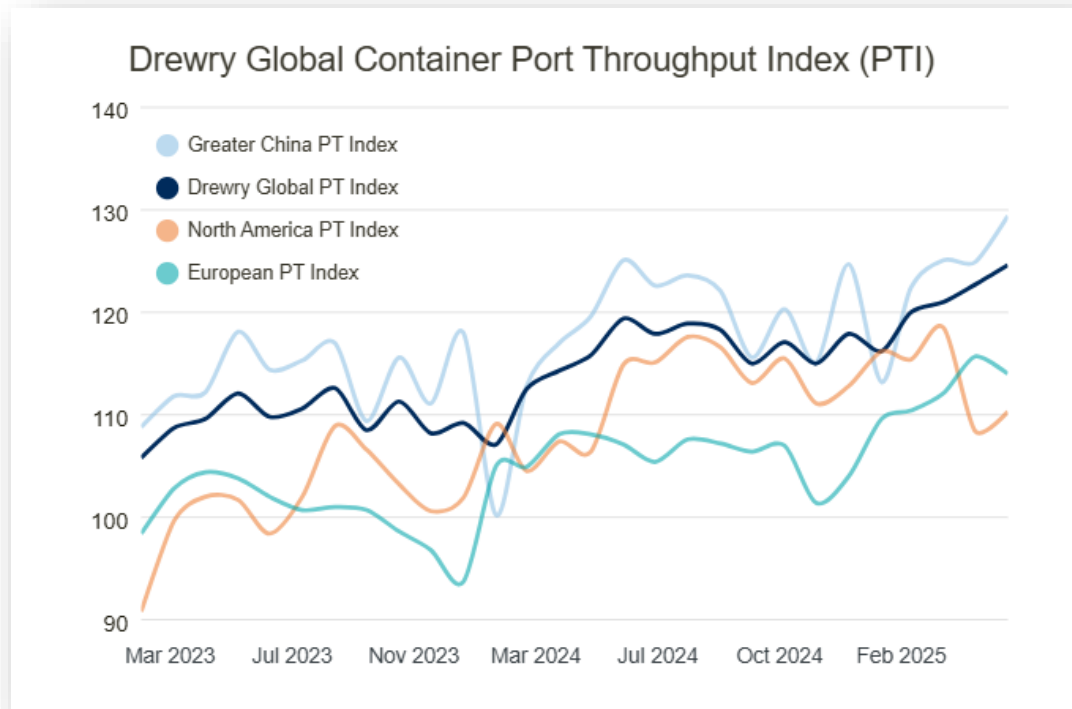
Drewry cancelled vs scheduled sailings (Wk 37 to 41)

■ % Cancelled Sailings ■ % Actual Sailings as Scheduled



- Across the major East-West trades: Transpacific, Transatlantic and Asia-North Europe & Med, **43** cancelled sailings have been announced between week 37 and week 41, out of a total of **724** scheduled sailings, representing **8%** cancellation rate.
- During this period, **60%** of the blank sailings will occur on the Transpacific Eastbound, **29%** on the Asia-North Europe and Med and **11%** on the Transatlantic Westbound trade.

Global Port Throughput Index (PTI)

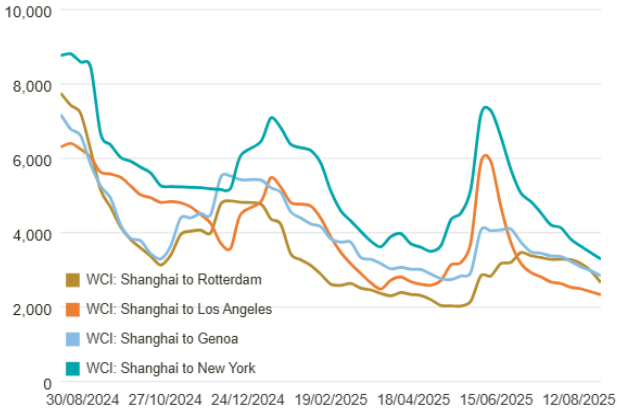


- The Global Container Port Throughput Index went up **1.6%** in June compared to May. This was **4.4%** higher than June last year. The 12-month growth rate slightly increased to **6.4%**.
- The Greater China Container Port Throughput Index softened by **3.6%** in June 2025, reaching 129.4 points. The largest ports in the region continue to experience robust growth, with the top 5 ports up **7.4%** YoY on average in June. Ningbo in particular had a good quarter, with volumes surging **9.5%** YoY. Hong Kong continues to slide down by **8.2%** YoY.

Drewry World Container Index (WCI) - 28 Aug 25 (US\$/40ft)



Drewry WCI: Trade Routes from Shanghai (US\$/40ft)



Container Shipping Market Update

Global container shipping rates continued their downward trajectory this week, marking the 11th straight week of decline according to Drewry's World Container Index. This extended decline follows a volatile period that began with US tariff announcements in April, which initially drove rates sharply higher through early June before triggering the current sustained downturn.

Transpacific Routes Under Pressure

Shipping costs between Asia and the US West Coast fell 3% this week to \$2,332 per forty-foot container on the Shanghai-Los Angeles route, while East Coast rates dropped 5% to \$3,291 per container for Shanghai-New York shipments. The early peak season driven by accelerated US retail purchasing has concluded, with retailers now moderating their procurement activities in response to economic headwinds and higher tariff-related costs. This measured pullback in demand is expected to drive further rate reductions on these key trade lanes.

Asia-Europe Market Faces Capacity Surplus

European routes experienced steeper declines, with Shanghai-Rotterdam rates falling 10% to \$2,661 per container and Shanghai-Genoa dropping 5% to \$2,842 per container. While European ports continue experiencing delays and demand remains relatively robust, an oversupply of available shipping capacity is exerting downward pressure on pricing across these routes.

Outlook Remains Challenging

Market fundamentals point toward continued weakness, with Drewry forecasting a deteriorating supply-demand balance in the second half of 2025 that will likely compress spot rates further. The timing and severity of future rate movements will largely depend on potential additional tariffs from the Trump administration and any capacity adjustments resulting from US sanctions on Chinese-flagged vessels - both factors that remain highly uncertain at this time.

Capacity vs Demand – Major Trades

Market development on key regional tradelanes, 2025

for top 13 regional tradelanes

Origin	Destination	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Asia to ...	Asia	R				R	R	R		R	R	
	North America	R					R	R			G	
	Europe	R					R	R				
	Middle East	R				G		R	R			
	Latin America WC	G		G	G	G	R					
	Latin America EC	G		G	G	G	R					
	Africa	R		G	G	G	G			R		
	Oceania	R								R	R	
	East Med	R						R	R	R		
East Med to ...	Europe	R										
Europe to ...	North America	R	R			R	R	R				
	Asia		G	G	G	G	G	G	G	G	G	G
North America to ...	Asia	G	G	G	G	G	G	G	G	G	G	G
Latin America to ...	North America	R										

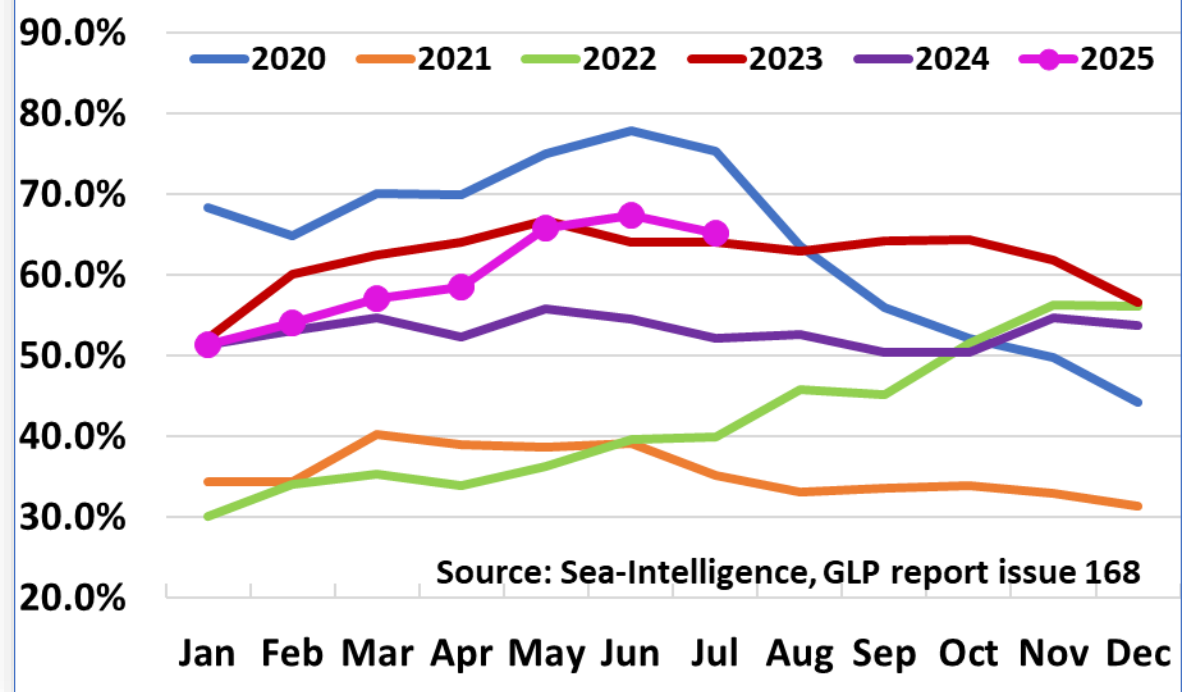
Forecast

- Strong coming seasonal demand with Golden Week in China and Year end Holidays
- Carriers expecting to reduce capacity to enable General Rate Increases at the year end.
- Rates are fluctuating: Oceania shows tight space and rising rates with carriers prioritizing high yield shipments

R Demand > Capacity **A** Demand, Capacity balanced **G** Demand < Capacity

Schedule Reliability

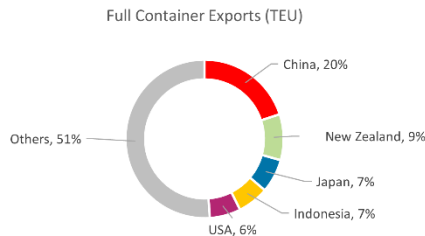
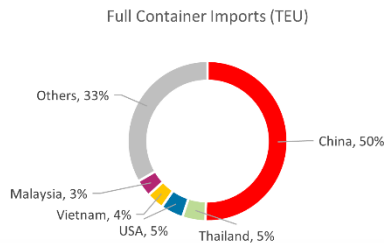
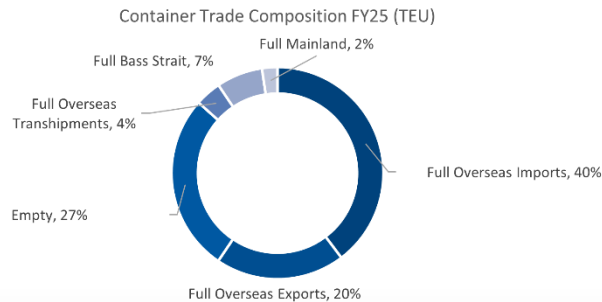
Fig. 1: Global Schedule Reliability



Source: Sea-Intelligence, GLP report issue 168

- In July 2025, schedule reliability declined for the first time since Jan-25 dropping by 2.2 points to 65.2%. On Year over Year, the reliability was up by 13 points.
- Maersk was the most reliable top-13 carrier with a 80.6% reliability, followed by Hapag Lloyd (74%). Next 6 carriers average between 60-70% range and the remaining carriers between 50-60% range, HMM having the lowest reliability of 50.7%.

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



Port of Melbourne achieves record trade performance in FY25

Port of Melbourne handled \$154 billion in trade value and 3.39 million TEU in FY25—both all-time records. The port processes over 9,200 TEU daily and manages one-third of Australia's container trade, 21% more than any other Australian port.

Furniture leads imports (9% of total, up 23% year-on-year), while wheat dominates exports at 6% of container share.

China remains the largest trading partner, accounting for 50% of imports and 20% of exports. Southeast Asia is emerging as a key region, growing from 19% to 27% of exports since FY20. With container trade expected to double over 30 years, the port has invested nearly \$1 billion in infrastructure since 2016.

A proposed fourth terminal and nine other projects feature in the Draft 2055 Port Development Strategy, due for publication by December 2025.



FJT BULLETINS



Port Congestion Update

Current Situation (August 2025):

Major Chinese ports remained under pressure. The average waiting times of around 2.19 days in Shanghai, 2.13 days in Ningbo, 1.25 days in Qingdao and 1.14 days in Yantian; Port Klang in Malaysia faced berth congestion and Singapore's yard utilization reached 95 %, with vessels waiting around 1.19 days.

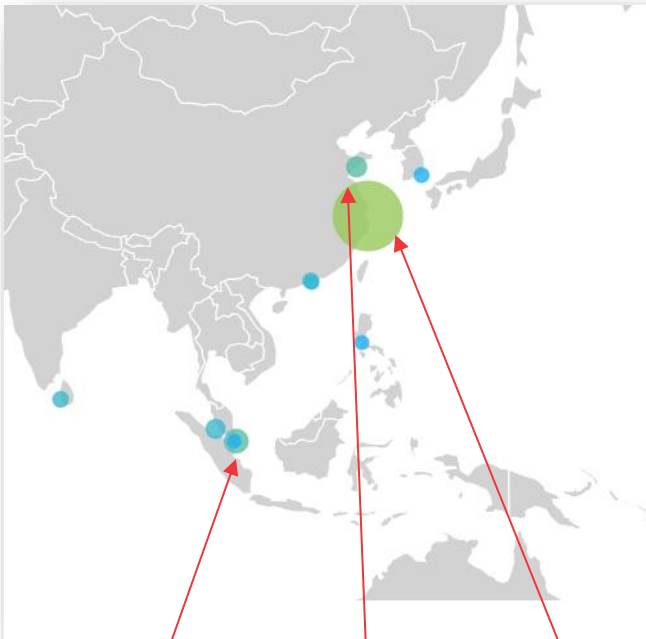
The typhoon season and poor weather in south-eastern China caused wharf closures. Transshipment hubs such as Singapore and Port Klang remained critical bottlenecks. Hubs operating at close to full capacity, leading to extended transit times to onward destinations

Global supply chains were still affected by congestion in northern Europe and adverse weather. The northern European ports remain heavily congested, Singapore remains busy though showing slight improvement, and Chinese hubs see vessel bunching due to weather

Forecast for September 2025:

- Congestion at Asian ports and transshipment hubs will persist through September. Transshipment delays in Singapore and Port Klang could last 2–3 weeks.
- Weather will remain a risk: typhoon season continues into September and may prompt further port closures in China.

Current APAC Containership Port Congestion



Singapore	Qingdao	Shanghai/Ningbo
TEU at Anchorage: 153,829.5	TEU at Anchorage: 108,434.5	TEU at Anchorage: 729,248.5
TEU at Port: 391,481	TEU at Port: 130,387	TEU at Port: 550,920.5
Ships at Anchorage: 21	Ships at Anchorage: 24.5	Ships at Anchorage: 138
Ships at Port: 64	Ships at Port: 26.5	Ships at Port: 91
Queue to Berth Ratio: 0.33	Queue to Berth Ratio: 0.92	Queue to Berth Ratio: 1.52

Blank Sailings

48 blank sailings (7%) announced across major corridors (weeks 31-35)
China-Australia: 6.6% cancellation rate in June
Carriers using targeted cancellations to stabilize rates amid softening bookings

Forecast: Elevated cancellations continue through mid-September to maintain 6-7% rates

Empty Container Availability

Equipment shortages at Singapore/Port Klang due to feeder delays
China/East Asia to Australia: adequate supply
Southeast Asia to Australia: normal but tight due to blank sailings

Forecast: 2-3 week transshipment delays will pressure availability

Vessel Space

Asia-Australia corridor volatile with scarce space and frequent rollovers
Vessels overbooked despite weak peak season

Forecast: Tight capacity through mid-September; selective cancellations continue

Current Rates (August 2025)

China-Australia: Stable with new rate hikes

- ANL: +\$500/TEU (Aug 15)
- Maersk: +\$300/TEU PSS (Aug 4)
- MSC: +\$300/TEU GRI (Aug 15)

Trans Pacific: Down 3.3% amid weak peak season
Carriers using blank sailings to support pricing

Rate Outlook by Lane

China/East Asia to Australia: Up/firm, moderate GRI risk
Southeast Asia to Australia: Flat to slightly up via rate restoration
Trans Pacific: Continued pressure from capacity oversupply

September 2025+ Forecast

China-Australia rates likely to increase if capacity rationing continues
Fortnightly GRIs expected to offset rising costs/congestion
Autumn outlook: Moderately bullish with persistent volatility
Long-term: Additional capacity may pressure rates down, dependent on global economics and carrier discipline

European Port & Inland Operations

After the usual summer lull, EU export volumes are expected to rebound strongly from September, driven by the new US-EU trade agreement and sustained demand in key sectors like pharma, automotive, and machinery.

Global schedule reliability has dipped to 65.2%, marking the first decline this year, though Gemini cooperation remains stable at 92%.

New Terminal Handling Charges (THC) will take effect from October 2025, reflecting inflationary pressures and cost reviews for 2026.

Weather disruptions are anticipated across Europe, with strong winds in the north and storms in the south. Germany will transition to a secure container release process from 1 October. Rotterdam and Bremerhaven face temporary service impacts due to terminal maintenance and roadworks, while Koper is experiencing high yard density and rail constraints, prompting calls for faster import unit pickups.

Global Tariff Shifts

Rising tariffs are reshaping global commerce, prompting strategic pivots from EU businesses. The **EU-US Joint Statement** introduces a more stable trade framework:

- US tariffs reach **up to 50%** on steel, aluminium, copper
- EU secures a **15% cap** on exports in key sectors: automotive, pharma, semiconductors

De Minimis Exemption Ends

As of **29 August**, duty-free treatment for parcels under \$800 is revoked
Major EU carriers suspend US shipments due to customs uncertainty
→ Businesses should pause low-value shipments, upgrade customs systems, and consider US-based warehousing

Current Europe Containership Port Congestion



Gibraltar (Algeiras/Tangier)

TEU at Anchorage: 75,361
TEU at Port: 71,282.5
Ships at Anchorage: 19
Ships at Port: 11.5
Queue to Berth Ratio: 1.65

Southampton

TEU at Anchorage: 26,414
TEU at Port: 40,506.5
Ships at Anchorage: 4.5
Ships at Port: 4
Queue to Berth Ratio: 1.13

Hamburg/Bremerhaven

TEU at Anchorage: 57,368
TEU at Port: 169,371
Ships at Anchorage: 6
Ships at Port: 24.5
Queue to Berth Ratio: 0.24



THANK YOU

For more information please contact:
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