

MONTHLY CONTAINER SHIPPING BAROMETER



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TRADE WAR PAUSE ALLOWS BUSINESS TO RESUME

The reduction in customs duties between the United States and China has provisionally revived ordering on the Asia-US corridor and, with it, the container shipping business. The absence of visibility continues to perturb the sector, however.

Main developments

Provisional calm in China-US trade war

On 12 May, the United States and China announced that they had agreed to pause their trade war for 90 days. In reply to the prohibitive 145% duties imposed by the United States, China riposted with 125% duties on US products. Since 14 May, however, tariff levels fell to 30% and 10% respectively. Measures against the European Union have also been paused until 9 July 2025, with increases in duties limited to 10% in the interim. Some products have been exempted from this increase, however, notably those which are already paying additional sectoral duties.

Before the 12 May agreement, the concerned parties on both sides were waiting. The extra customs duties were at such levels that trade was virtually paralysed. After the agreement, however, there was a rush of orders, which will need to be processed as quickly as possible, given the uncertainty about the period after the 90-day pause. The shipping companies, meanwhile, have brought in additional capacity and increased rates on transpacific routes.

Port congestion returns

In Europe, port congestion is not the result of excessive activity but of a drop in cargo-handling speeds arising from strike action and go-slows. The launch of the new shipping alliances in February has also necessitated a period of adaptation. It is not always easy to reconfigure quayside operations and there have been a number of disputes with port authorities and terminal operators regarding vessel operating windows.

In the United States, China represents about 35% of import volumes in the ports of Los Angeles and Long Beach. Following the 90-day pause on additional customs duties, a deluge of containers is expected from mid-June on. Some temporary offloading to east coast ports via the Panama Canal, as was the case during the post-Covid boom, cannot be excluded.

Tax on Chinese-built vessels reduced

In April, the Office of the US Trade Representative (USTR) presented the broad lines of the tax it plans to impose on Chinese-built ships and ships operated by Chinese companies from 14 October. The original text has been considerably toned down after, as expected, it attracted a highly unfavourable response from the shipping companies as well as from all other parties involved in international trade, particularly US shippers. Opposition was expressed discreetly but, apparently, fairly efficiently. The surcharge per container should now be around \$200, instead of the \$1,000 suggested in the initial draft. The impact it will have on the relevant parties will nevertheless be far from negligible:

- The shipping companies are reformatting their services to reduce their exposure to the new taxes as much as possible. They have also begun preparing their customers for the likelihood of this new surcharge.
- US chargers (mainly retail importers and agri-food exporters) are exerting pressure on the authorities via congress and lobbying bodies, since they have understood that, ultimately, the surcharge will fall on them at the expense of their competitiveness.

Special offers on Suez passage rates

The Egyptian authorities are directing promotional offers at container shipping companies, which represent the shipping market segment which brings them the highest returns. In mid-May, they announced they were offering a short-term 15% reduction on canal passage rates for large container carriers. A few ships returned to the canal but there was no general return. It should be said that the current lull in hostilities is still fragile and attacks on ships' GPS systems have been reported.

Concerns grow over Russian "ghost fleet" in the Baltic

The situation in the Baltic has a relatively limited impact on the container shipping market, given the relatively low volume of containers transiting through this area, which is served mainly by feeders. It is nevertheless crucial from the naval point of view. It is an essential zone, notably, for Russia's ghost fleet, which, according to some experts, represents 10% of the total world tanker fleet in service. Safety questions are being asked about the activity of this fleet, which is operating completely outside international standards. The ships are old, little or badly maintained and represent a real danger to navigation. On 20 May, the Council of the European Union adopted a 17th round of sanctions against Russia, which includes measures against its ghost fleet.

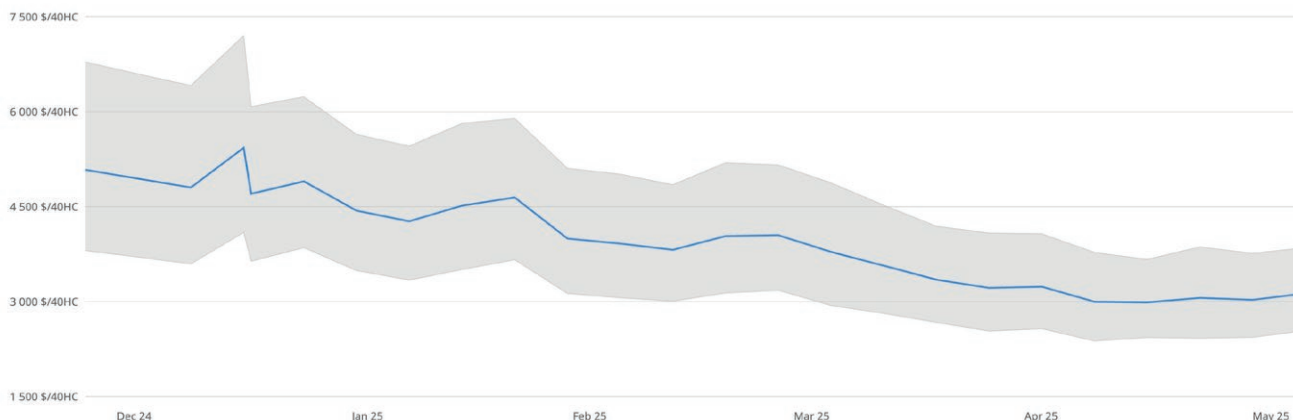
“The ships are old, little or badly maintained and represent a real danger to navigation”

Prices

Asia-Europe

Shanghai - Le Havre

3 M 6 M 12 M 24 M YTD ALL Price : \$/40HC ☒ Low - High ☐ Min - Max



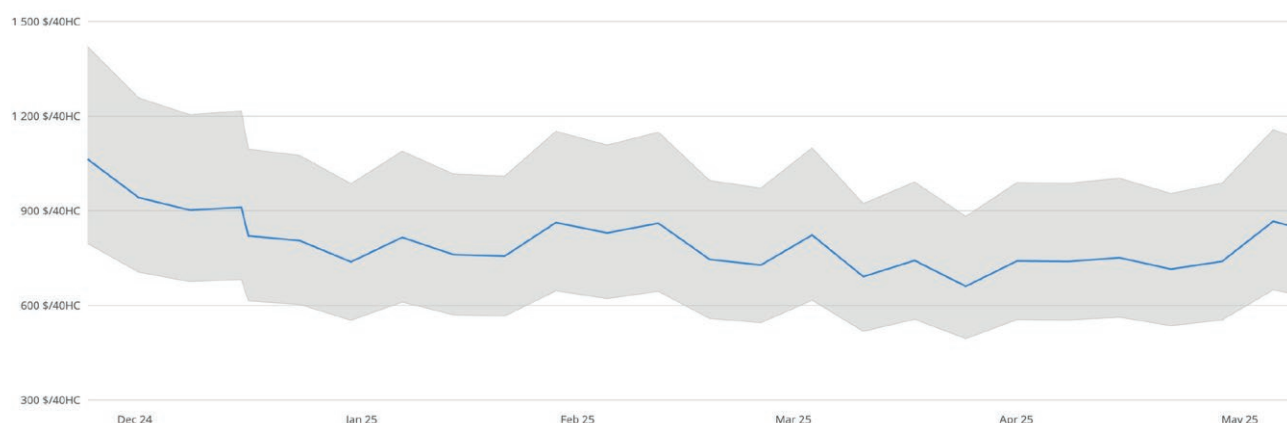
Port-to-port rates (spot and contract combined) billed for direct sailings from Shanghai to Le Havre, THC included, for a 40' HC DRY container carrying dry, non-dangerous goods. NB: diagram shows median not average rates. Source [Uapply](#)

On the Asia-Europe corridor, we can see that great efforts have been made by all the alliances to maintain some sort of discipline, with widespread use of sailing cancellations, which had the effect of keeping freight rates slightly above operating costs. These measures are carefully calculated and the market is holding up, so long as a large-scale return to the Suez Canal continues to remain a distant and uncertain prospect.

Europe-Asia

Rotterdam - Shanghai

3 M 6 M 12 M 24 M YTD ALL Price : \$/40HC ☒ Low - High ☐ Min - Max

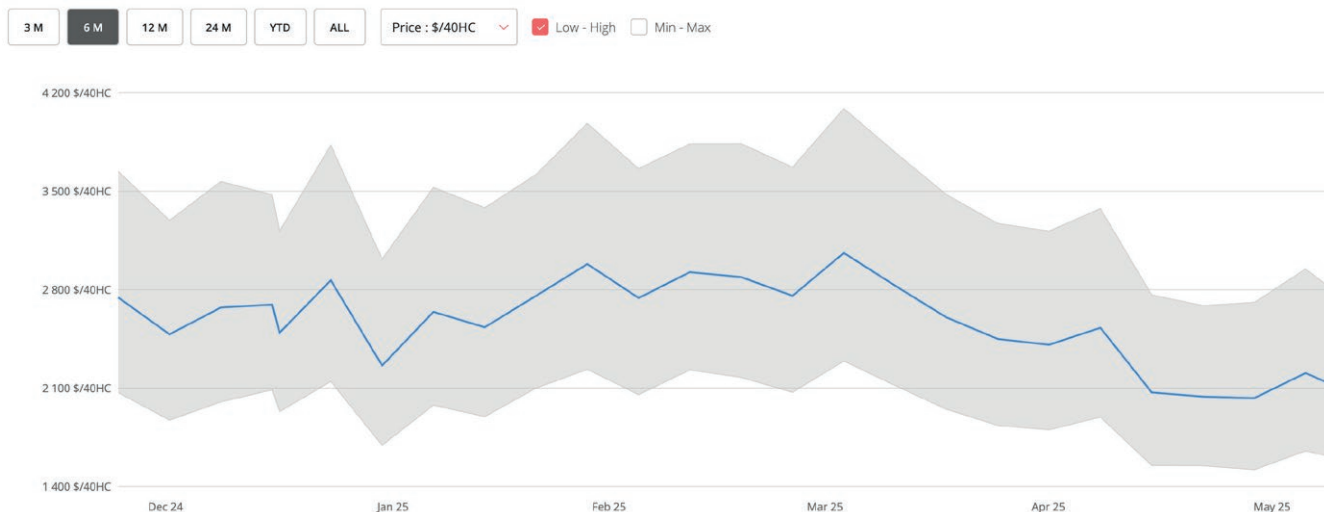


Port-to-port rates (spot and contract combined) billed for direct sailings from Rotterdam to Shanghai, THC included, for a 40' HC DRY container carrying dry, non-dangerous goods. NB: diagram shows median not average rates. Source [Uapply](#)

On the Europe-Asia corridor, freight rates remained low in the dry cargo segment, where full containers remain in competition with empties. Only a few niche markets escaped the trend. In the reefer market, on the other hand, there were further increases in rates and cargo volumes, as reefers continue to be in demand from European exporters, particularly after the recent recovery in in European pork exports to China. In the meantime, the dispute over Chinese electric cars is causing less of a stir in Europe.

Transatlantic

Antwerp - New York

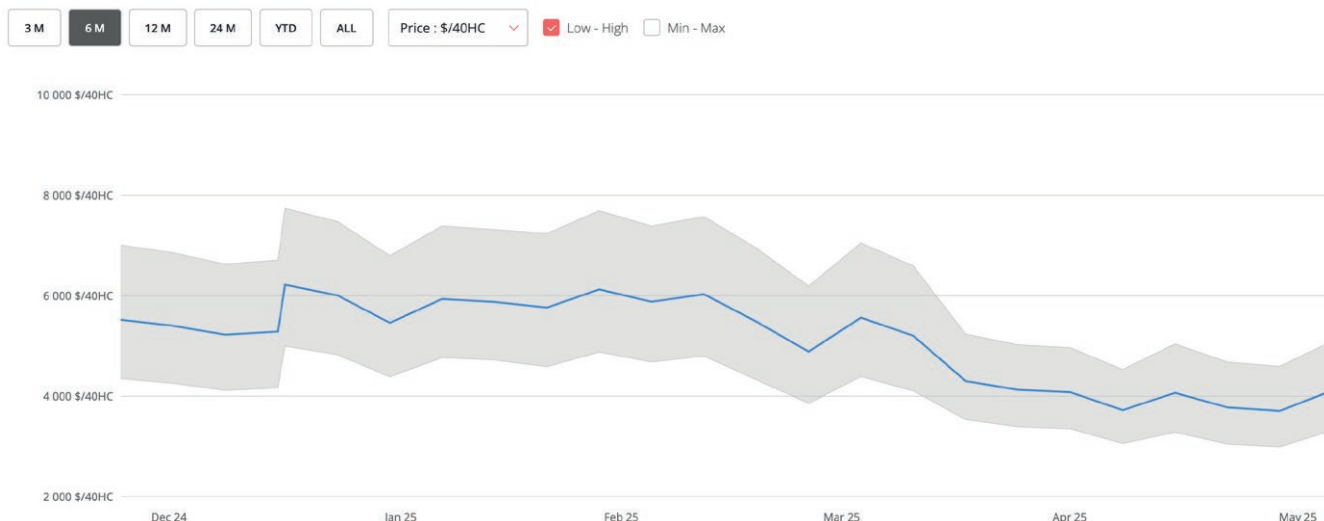


Port-to-port rates (spot and contract combined) billed for direct sailings from Antwerp to New York, THC included, for a 40' HC DRY container carrying dry, non-dangerous goods. NB: diagram shows median not average rates. Source | [Upply](#)

Spring is generally a weak season in the transatlantic market. Following the resurgence of the trade war, an increase in activity might have been expected. Indeed, if no agreement is found between the United States and Europe, additional customs duties should be re-applied in July. Contrary to what has happened in the transpacific market, however, this possibility has not triggered an order boom. US importers seem to be more confident that an agreement will be found by the two leading Western economic blocs.

Transpacific

Shanghai - Long Beach



Port-to-port rates (spot and contract combined) billed for direct sailings from Shanghai to Long Beach, THC included, for a 40' HC DRY container carrying dry, non-dangerous goods. NB: diagram shows median not average rates. Source | [Upply](#)

The transpacific freight market registered a “technical” recovery at the end of the month as a result of the provisional truce over US customs duties, which led, in turn, to a temporary recovery in orders. Importers rushed to restock and even to over-stock, just as they did last winter when they sought to get their orders in before the resumption of the trade war announced after the US elections.

Services

The level of reliability on east-west services increased 1.7 points month on month in April to 58.7%. This was “the highest level recorded since November 2023”, according to Sea Intelligence’s monthly liner performance report, which is based on data from 60 shipping companies operating on 24 different routes. Year on year, the level increased 6.5 points. Maersk had the highest score with a reliability rate of 73.4%, followed by Hapag Lloyd with 72.3%. The two founders of the Gemini alliance are continuing on their course towards a reliability rate of 90%. MSC came third with a reliability rate of 60.7%.

The improvement in service regularity has not prevented the shipping companies from continuing to pursue a blank sailing strategy. British consultancy Drewry estimates that 56 sailings are due to be cancelled between 2 June and 6 July. Its survey covered 701 services, which means that the cancellation rate was 8%, compared with 9.5% in May and 11.6% in April.

Suez Canal

According to Linerlytica, **CMA CGM** plans to return to the Suez Canal with its Medex service from the Indian sub-continent, the Middle East and the Mediterranean at the end of June. It will adapt its fleet, reducing the number of ships in the service

Compared to 2024 figures, the number of blank sailings is stable, with an 8% cancellation rate also recorded on east-west services in May 2024. In the weeks to come, 45% of cancellations will concern eastbound transpacific lines from North America to Asia, 34% Asia-Europe and Asia-Mediterranean lines and 21% transatlantic lines between Europe and North America.

Observers expect a fall in cancellation rates in the weeks to come for a variety of reasons. In the first place, the two companies in the Gemini alliance, Maersk and Hapag Lloyd, aim to achieve a reliability rate of 97% in July, which should of itself reduce the number of blank sailings. In addition, the first additional customs duties should come into effect this summer. This could reduce cargo volumes to the United States and enable shipping companies to better programme their services.

Transpacific

MSC modified its services on 5 May in response to a fall in demand. The Empire and Pelican services have been suspended. To compensate, the itineraries of other services have been modified. Its America Service now calls at Laem Chabang, Haiphong, Vung Tau, Singapore, New York, Baltimore, Savannah, Jacksonville and Colombo before returning via Singapore. Its Amberjack service departs from Yantian for Xiamen, Ningbo, Shanghai, Busan, Manzanillo, Kingston, New York, Baltimore, Savannah, Charleston, and Kingston before returning via Busan. Its Emerald service calls in Singapore, Vung Tau, Haiphong, Yantian, Kaohsiung, Cartagena, Charleston, Savannah, Norfolk, New York and Boston. Its Lone Star Service now calls in Singapore, Vung Tau, Yantian, Ningbo, Shanghai, Busan, Mobile, Houston, Tampa, Miami and Freeport.

from 10 to 7. The service will call at the ports of Piraeus, Malta, Genoa, Marseilles, Barcelona, Jeddah, Khalifa, Jebel Ali, Karachi, Mundra, Nhava Sheva and Colombo before returning via Jeddah.

Cosco SL and **OOCL** have suspended their SEA3, which calls in Kaohsiung, Xiamen, Shenzhen and Long Beach.

The **Premier Alliance**, which comprises HMM, ONE and Yang Ming, has brought into operation its PS5 after several postponements. It calls in Qingdao, Ningbo, Long Beach, Oakland and Kobe. Other services have been revised. The PS4 has dropped its call in Ningbo and now covers Xiamen, Shenzhen, Kaohsiung, Keelung, Los Angeles, Keelung and Kaohsiung. As for the PS6, it no longer calls in Qingdao. Its itinerary now takes in Shanghai, Ningbo, Kwangyang, Busan, Los Angeles, Oakland, Busan, Kwangyang and Incheon.

Korean shipping company **KMTC** has made its debut in the transpacific market. It has joined the service operated by SeaLead and T.S Lines which takes in the ports of Busan, Qingdao, Shanghai, Ningbo, Busan and Long Beach.

The increase in cargo volumes before the expected US customs tariff increases has encouraged the two Gemini partners, **Mærsk** and **Hapag Lloyd**, to increase capacity. They have added the TP9 service to serve Xiamen, Busan and Long Beach. Similarly, **CU Lines** has returned to the transpacific market with a six-ship service calling in Shenzhen, Ningbo, Qingdao and Long Beach. These are opportunistic ventures, however, which could be dropped when US customs tariffs are applied.

Europe - Asia

The **Premier Alliance** has added a call in Felixstowe to its Asia-Europe service. The British port is now the first port of call in Europe from Asia. The service's new itinerary now covers Shanghai, Ningbo, Kaohsiung, Shenzhen, Ho Chi Minh, Singapore, Felixstowe, Rotterdam, Hamburg, Le Havre, Algeciras, Singapore and Kaohsiung.

Ocean Alliance, which comprises CMA CGM, CoscoSL and Evergreen, has added a call in Balboa to its Round The World service, which will now call in Port Klang, Ho Chi Minh, Xiamen, Kaohsiung, Hong Kong, Shenzhen, Balboa, Colon, Savannah, New York, Norfolk and Baltimore before returning via the Cape of Good Hope.

MSC has decided to cancel the connection between its Swan service between Asia and North America and its Sentosa service between Asia and Europe. The Swiss-Italian shipping company has preferred to merge its Sentosa service and its Clanga loop between Asia and the Middle East. The Swan service now takes in Busan, Ningbo, Shanghai, Xiamen, Shenzhen, Singapore, Sines, Le Havre, Rotterdam, Gothenburg, Aarhus, Hamburg, Antwerp, Port Klang, Singapore and Shenzhen. The Sentosa and Clanga services call in Qingdao, Shanghai, Ningbo, Guangzhou, Singapore, Karachi, Dammam, Hamad, Bahrain, Colombo, Port Klang, Singapore, Ho Chi Minh, Ningbo, Shanghai, Busan, Long Beach, Oakland and Yokohama.

Black Sea

ONE has extended its service network to the Black Sea. It has set up a partnership with Arkas under which it has brought a ship into the latter's Greece Black Sea Service between Piraeus, Istanbul, Burgas, Varna and Izmit. ONE also has slots on the Turkey Poti Service between the ports of Istanbul and Poti

and on the Turkey Romania Service between the ports of Istanbul and Constanta. This return to the Black Sea is being made ahead of a possible end of the war between Russia and Ukraine. Operators are opting to return to the market now via services from Turkey and Greece.

Mediterranean - United States

Hapag Lloyd has withdrawn from the service it operates with Arkas and Turkon between the eastern Mediterranean and the United States ports and has withdrawn the ship it has been providing for the service. The latter will be replaced by an Arkas vessel on the loop, which takes in Mersin, Istanbul, Izmit, Gemlik, Aliaga, New York, Norfolk and Savannah.

MSC has added a call in the port of Las Palmas to its Mediterranean-US service. The loop now calls in Gioia Tauro, Naples, Livorno, Genoa, New York, Boston, Norfolk, Baltimore, Savannah, Charleston, Las Palmas, Malaga and Valencia.

India - Pakistan

The conflict between India and Pakistan over Kashmir has caused some collateral damage to shipping services. India and Pakistan have refused to accept direct shipping links between them. Shipping companies have revised their services to serve the two markets separately.

ONE has modified the TIG service it operates with Samudera and the TIP service it provides with X Press. The former serves Pakistan and the latter mainly India. The new TIG loop covers Singapore, Karachi, Dammam, Jebel Ali, Port Qasim, Colombo, Singapore and Laem Chabang. The TIP loop takes in Singapore, Port Klang, Pipavav, Mundra, Nhava Sheva, Colombo, Singapore and Laem Chabang. Similarly, **CMA CGM** has dropped the Karachi call from its Epic service from Europe, its Medex service from the Mediterranean, its Indamex service from the United States and its AS1 service from Asia.

Pakistan is now served by the PIKEX (Pakistan Express) service). CMA CGM has added a call in Port Qasim and another in Colombo to replace the one in Sohar. The loop now covers Jebel Ali, Khalifa, Karachi, Port Qasim, Colombo and Karachi.

For its part, **Hapag Lloyd** has opened a weekly direct shuttle service to Salalah, Port Qasim and Karachi. It comes in addition to the Gemini alliance's PKS service between the ports of Salalah, Jebel Ali, Khalifa, Salalah, Karachi and Port Qasim.

Meanwhile, **Mærsk** is changing its Mawinga service from east Africa to the Indian sub-continent. Port Qasim in Pakistan is now connected to Gemini's PKS service, while the Mawinga service covers Salalah, Mombasa, Nhava Sheva and Mundra.

Operations

Industrial action

The Belgian port of Antwerp suffered industrial action for the third time since the start of the year after the Belgian unions refused the federal government's proposals on retirement reform. After two days of strike action in January and one in February, a new day of action affecting all industries took place on 20 May. On the port side, the personnel operating the locks giving access to the port's terminals stopped work. The towage

sector also suffered, with the result that it was able only to provide a 70% service on 20 May. In the meantime, there were no days of strike at French ports.

Manzanillo, the biggest port in Mexico, was affected by a four-day strike by customs officers from 12 to 16 May. This result in some blockages, delays and logistics disruption.

Port congestion

According to UK consultancy Drewry, port congestion got worse at the major north European hub ports in May. Antwerp, Rotterdam, Hamburg and Bremerhaven were the ports most affected. Congestion was not limited to Europe, however.

Drewry indicated that the situation was similar in Shenzhen, Los Angeles and New York, where the number of container ships waiting to berth has increased since the second half of April.



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The "Services" and "Operations" sections of this barometer are produced in collaboration with Hervé Deiss, who is a journalist specialized in maritime transport and port issues.



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