MONTHLY CONTAINER SHIPPING BAROMETER

April 2025 |

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CONTAINER
FREIGHT RATE FALL-OFF REMAINED LIMITED IN APRIL

Overall, the container shipping market kept a relatively cool head in April, thanks, notably, to China's carefully measured response to the trade war started by Donald Trump.

Main developments

Tariff debate focuses on China-US relations

US president Donald Trump has monopolised media attention as he has blown hot and cold on international relations, without tangible results in the geopolitical sphere.

From an economic point of view, however, the trade war, but more particularly the uncertainty created by his sudden changes of position, are starting to have their first effects on logistics chains. China rejected Donald Trump's claim that negotiations on customs duties were at an advanced stage, labelling it ironically as "fake news". It also demonstrated its determination to resist US pressure by refusing to take delivery of aircraft it had ordered from Boeing. Trade between the United States and China, which are major players in the transpacific trades, was therefore seriously impeded.

The truce announced from 14 May could give trade a slight boost, after a first quarter which was boosted by early ordering to beat the huge tariff increases due to be introduced by China and the United State, but much uncertainty remains. It is too early yet to know if China's satellites could avoid the debacle by serving as alternative suppliers to the United States but, given the scale of China's output, this looks to be an impossibility in the short term.

The end of the month of April was marked by a clear lull in activity for tractor operators in the American ports of Los Angeles and Long Beach and the time spent by containers in customs-bonded terminals in American ports looks like continuing to increase. Many importers could be tempted to hold back their deliveries for a time so as to avoid revealing the increase in the cost of their goods resulting from the imposition of additional customs duties.

As regards the US's commercial relations with the rest of the world, the additional 10% tariff has been accepted almost with relief, as attention has focused on the 90-day "pause" granted by the Trump administration prior to the possible introduction of additional "reciprocal" customs duties.

First indications regarding the taxation of Chinese ships

In February, Donald Trump revealed that he planned to tax ships built in China or operated by Chinese companies. We now know more about this measure, which goes well beyond a simple tax on Chinese ships, since it seeks to combat "China's unreasonable acts, policies, and practices to dominate the maritime, logistics, and shipbuilding sectors", according to the terms used by the Office of the United States Trade Representative (USTR). On 17 April, after a year of investigation which began under the Biden administration, the office unveiled the measures it proposed to take and invited concerned parties to submit their comments before 8 May 2025.

The US trade administration is proposing to introduce the following taxes on 14 October 2025 after a 180-day transitional period:

- **A tax on shipping services run by Chinese operators and shipowners:** this fee would be calculated according to ships' net tonnage and would be imposed on any ship operated or own by Chinese entity. There would be no charge during the first 180 days, with a charge of $50 per ton thereafter, which would increase gradually over the three following years. The maximum charge would be $1m.
- **A tax on shipping services run by other operators using ships built in China:** this fee would be based on the highest amount produced by one of two possible calculation methods, one based on ships' net tonnage and the other, on the number of containers transported. Again, no fee would be charged during the first 180 days, with the fee thereafter gradually rising over the following three years to a possible maximum of $1.5m. Some Chinese-built ships would not be subject to the tax, however. The proposed measure also indicates that an operator can obtain an exemption for up to three years if it orders and takes delivery of a ship of equivalent size built in the United States.

In both cases, the fees will be charged for each round trip or series of American port calls up to five times per year for any one ship. Originally, the measure provided for fees to be paid for each port call but protests from the industry were taken into account on this point.

The USTR also suggested imposing additional customs duties on STS cranes and other cargo-handling equipment from China, including containers and some chassis.

The modifications already made to the USTR's proposals should allow additional costs per container to be brought down to about $300 per 40' container, compared to the $1,000-2,000 operators had initially thought they would have to pay. As things stand, not many shipping companies would be able to avoid paying these fees on the basis that they have no Chinese ships in their fleets. In any case, those that can make this claim would be unable to cover the needs of the entire market. Such would be the case for Wan Hai in the transpacific market.

If this taxation plan is implemented, however, the big shipping companies could consider reviving old legal entities to obtain exemptions which would give them a competitive advantage on the American market. This would mean obtaining ad hoc authorisation from the US Federal Maritime Commission, which will certainly keep a close eye on such operations. One thing is sure, however. Even if the additional costs will ultimately be passed on to customers, it is impossible to imagine that the big shipping companies will not explore all possible avenues to minimise the impact of the measures envisaged by the USTR.

In the meantime, some shipping companies have been signalling their willingness to cooperation with the US authorities. After CMA CGM's promise to invest nearly $20bn in the US shipping and logistics sectors over the next four years, Japan's Mitsui O.S.K. Lines (MOL) announced that it would be opening an office in Washington via its US subsidiary, MOL (Americas) LLC.

Situation in the Red Sea

It is now clear that there will be no large-scale return of container shipping traffic to the Red Sea during the first half of 2025, but the situation could evolve. On 6 May, President Donald Trump announced that the United States would cease bombing the Houthis in Yemen, claiming that they had agreed to stop attacking American ships in the Red Sea. Subsequently, the sultanate of Oman claimed that it had negotiated this ceasefire agreement, which was also welcomed by Qatar and Kuwait in separate statements, in which, according to Reuters, they expressed the hope that it would be a first step towards the restoration of freedom of navigation in the area.

More time will be needed before operating conditions allow a large-scale return of merchant shipping to the Red Sea, but it is the first time for several months that this has started to look like a real possibility.

DSV finalises its acquisition of DB Schenker

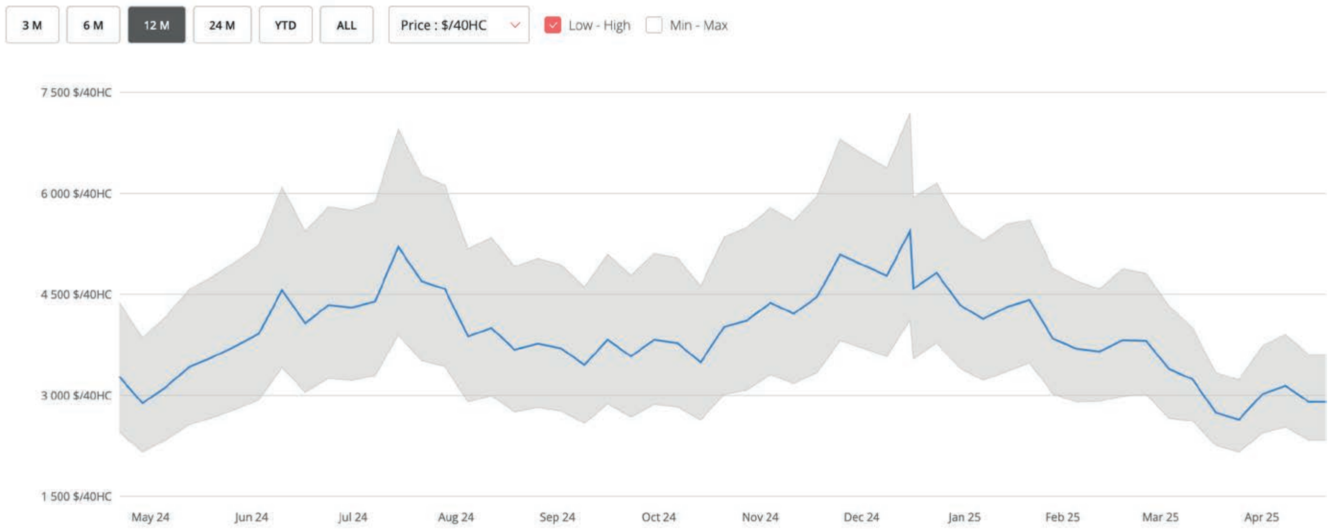
Geopolitical considerations are so prominent at present that we could almost forget that corporate life is continuing. On 30 April, a major international transport operation was completed, as DSV officially took over DB Schenker. This transaction has created a new number one maritime forwarding group, ahead of Kuehne+Nagel and DHL Global Forwarding.

Prices

With demand disorientated, most of the big shipping companies are looking to maintain market tension by cancelling services, even without warning (which is new), mainly in the transpacific market. Only the Gemini alliance is meeting its reliability commitments for the time being.

Asia-Europe

Shanghai - Le Havre



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 | Upply

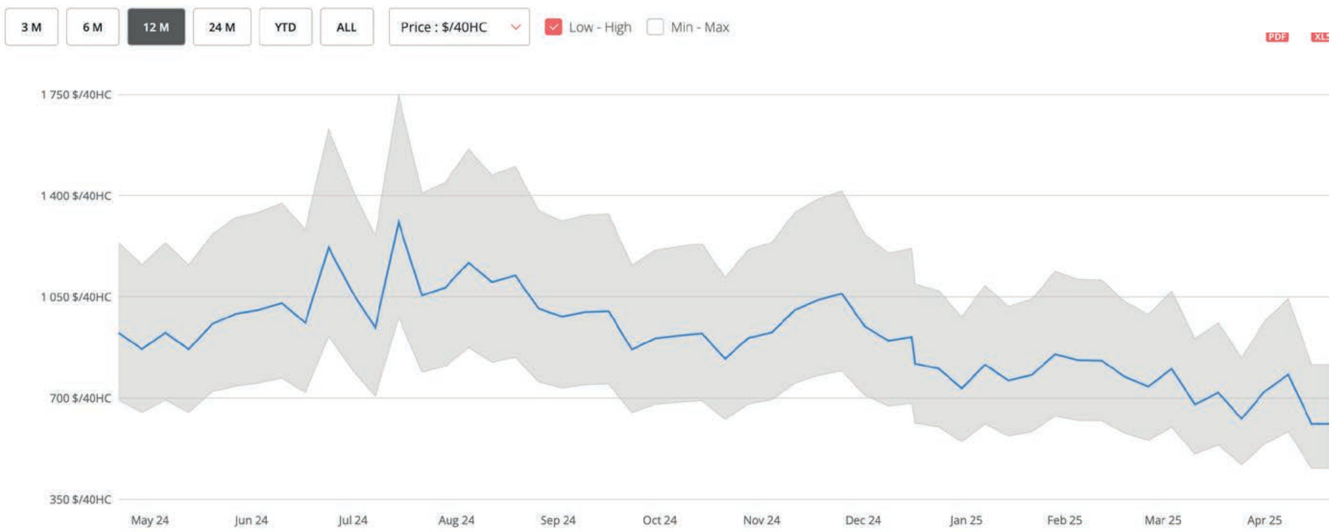
Rates for voyages round the Cape of Good Hope stayed in the $2,500-3,000 per 40' container range, which left operators with a small margin, even if this is tending to diminish. Logistics chains have adapted to the lengthening of routes and the panic reaction which pushed up rates initially has passed. The reconfiguration of the shipping alliances in February 2025 and plentiful capacity has also helped to pushed prices down, despite demand holding up better than expected.

What then is the operating break-even point? A number of inflationary factors remain, particularly in relation to port cargo-handling costs, the "greening" of shipping fleets and investment in security and safety. We estimate that these additional costs, which we put at $1,000 per 40' container 15 months ago, stand today at around $300-400.

At the same time, the rationalisation of services round the Cape of Good Hope on a long-term basis has brought down the additional cost the route represents by comparison with the Suez Canal. The difference was around $1,000/40' at the start of 2024 but is more like $600-700 today. The operating break-even point on the Cape of Good Hope route is now around $2,000-2,100/40', according to our estimates. Freight rates on the downstream market (rates applied by freight forwarders to small end customers) are not much different. The shipping companies are barely making a profit on this route and risk seeing rates plunge if there is a large-scale return to the Suez Canal.

Europe-Asia

Rotterdam - Shanghai

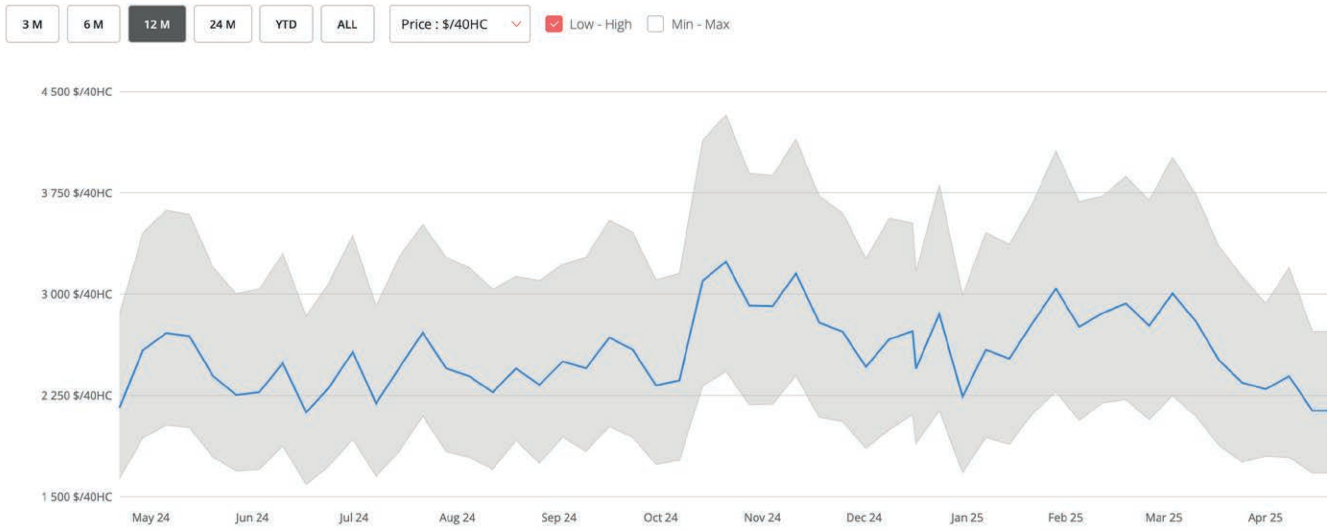


Port-to-port rates (spot and contract combined) billed for direct sailings from Rotterdam to Shanghai, THC included, for a 40' HC DRY container carrying dry, non-dangerous goods. NB: diagram shows median not average rates. Source | Upply

Dry container rates have never been so low in the recent past. Fortunately for operators, reefer rates are providing the market with some relief.

Transatlantic

Antwerp - New York

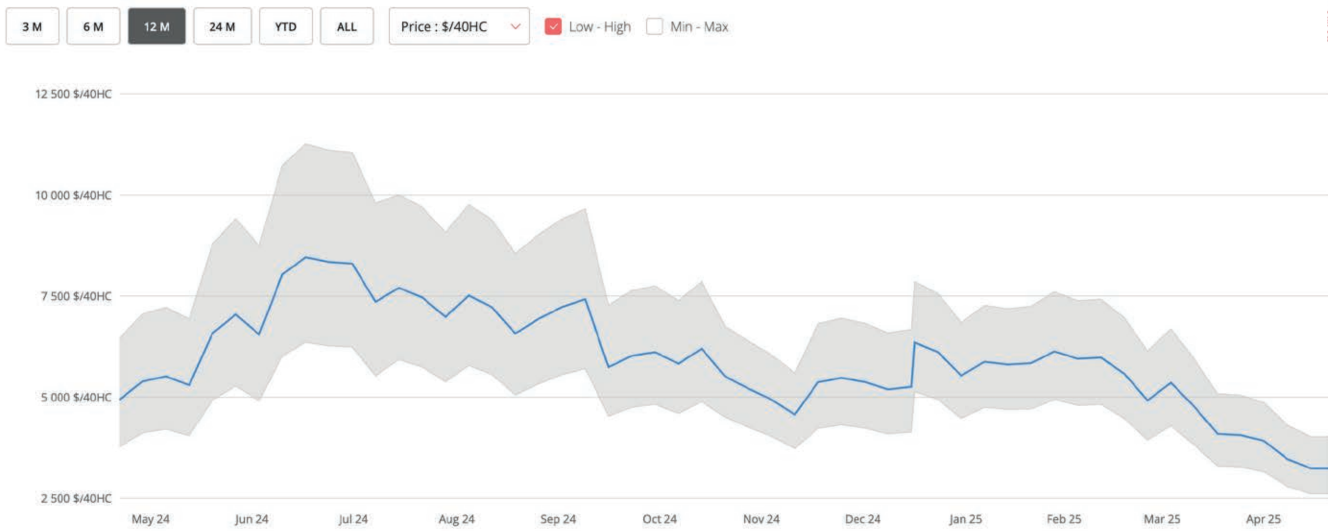


Port-to-port rates (spot and contract combined) billed for direct sailings from Antwerp to New York, THC included, for a 40' HC DRY container carrying dry, non-dangerous goods. NB: diagram shows median not average rates. Source | Upply

For now, the market is holding up, thanks to the 90-day transition period prior to the possible introduction of "reciprocal" customs duties between the United States and the European Union. Freight rates have waned slightly, but this trend has been slowed by early loadings for the transatlantic market peak season, as operators prepare for the possibility that agreements are not concluded before the end of the 90-day truce. Hapag-Lloyd was the first company to announce that it was introducing "peak season" surcharges from mid-May for cargo destined for Canada and Mexico.

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

Freight rates are continuing to fall for the time being but this should not last, since the market has been flooded by cancellations and postponements of reservations. A major turnabout in the US-China trade war could change the situation, however.

Services

The shipping companies are continuing to pursue and even reinforce their “blank sailings” strategies. Out of 713 voyages identified by Drewry, 83 departures, representing 11.6% of all sailings, were cancelled during the first three weeks of May, compared to 68 sailings, representing 9.5% of all sailings, in April. This trend is due to the US-China trade war and reflects the effect of falling demand on services. The transpacific eastbound market was most affected, accounting for 53% of all cancellations. Next came the Asia-Europe and Asia-Mediterranean markets, which accounted for 29% of cancellations and, finally, the eastbound transatlantic market, with 18% of cancellations.

Service reliability improved for the second consecutive month, according to Sea Intelligence’s monthly report. In March, east-west service reliability rose three points to 57.5%. The consultancy noted that this was the highest level since November 2023, which is to say since the Houthis started attacking ships in the Bab-El-Mandeb Strait. Even though the shipping companies are continuing to go round the Cape of Good Hope, they have returned to a reliability level which is comparable to the one they had when the Suez Canal was operating normally. Maersk achieved the highest reliability level in March at 66.9%, followed by Hapag Lloyd with 64.3% and MSC with 61%.

Following the arrival of the new alliances in February, Sea Intelligence opted to use a new transitional method to measure service performance. It pointed out, however, that the real reliability levels of the new alliances would not be able to be evaluated until July 2025, when their services would be fully deployed.

Gemini, which comprises Mærsk and Hapag Lloyd, registered a reliability level of 90.3% and thus kept its promise to achieve a level of at least 90%, while MSC scored 75.8%. The new services of these ocean shipping companies, operated individually or in cooperation with others, have improved their reliability since the start of the year. Premier Alliance and Ocean Alliance had lower scores, at 53,2% and 54,9% respectively.

These figures indicate that, at first sight, the new services are offering greater reliability. The survey was carried out, however, in March and does not, therefore, take account of the impact of the new customs duties announced by the Trump administration, which led to the cancellation of many sailings in April. It will be necessary, moreover, to see if the efforts made for the launch of the new alliances is confirmed in the longer term.

Round the world

CMA CGM and **COSCO**’s round-the-world service has cancelled its call in Kaohsiung. The service now calls in Singapore, Shenzhen, Ningbo, Shanghai, Qingdao, Busan, Manzanillo (Mexico), Balboa, Colon, Cartagena, Kingston, Caucedo before returning to Singapore.

Europe - Asia

Ocean Alliance, which comprises CMA CGM, COSCO, OOCL and Evergreen is dropping the call in Xiamen from its Evergreen-operated CES service. It will be repaced by a call in the port of Guangzhou. The loop now takes in Tianjin, Ningbo, Shanghai Guangzhou (Nansha), Shenzhen (Yantian), Singapore, Colombo, Antwerp, Hamburg, Rotterdam and Port Klang.

MSC is adding calls in the ports of Goteborg and Aarhus to its Swan Sentosa service between Europe, Asia and the west coast of the United States. This poses a problem for the Maersk group since the container terminal in the Danish port of Aarhus is currently managed by APM Terminals. MSC has never hidden its intention to establish itself in the port. The loop will now cover Sines, Le Havre, Rotterdam, Goteborg, Aarhus, Hamburg, Antwerp, Port Klang, Singapore, Laem Chabang, Ho Chi Minh, Busan, Long Beach Oakland, Yokohama, Ningbo, Shanghai, Xiamen, Shenzhen, Singapore before returning to Sines.

Mediterranean-Asia

Tailwind Shipping, a company operating for the Lidl retail group, is extending its Asia-Mediterranean service to the Port Klang hub. The service will now call at Qingdao, Ningbo, Shenzhen, Colombo, Port Klang, Barcelona and Koper.

Mediterranean-India

X Press is joining **Arkas** and **Turkon** on their service between the Mediterranean and India. The Singaporean company is to take slots on the service which calls at Istanbul, Izmit, Mersin, Aqaba, Jeddah, Nhava Sheva, Mundra before returning via Aqaba and Alexandria.

Transpacific

The announcements made by the new Trump administration have had a major impact on the transpacific market, causing both postponements and cancellations, as well as reconfigurations to take account of the possible diversification of sourcing towards other south eastern Asian countries.

Premier Alliance (Hyundai, ONE and Yang Ming) has delayed the start of its PN4 (Pacific North 4) service, which should call in Ningbo, Shanghai, Vancouver and Tacoma. The service had been due to start in May, but the alliance is no longer giving a date for its launch. Premier Alliance has also delayed the start of its PN5 service.

ZIM has suspended its Central China Express service between Shanghai and Ningbo and Los Angeles. It has also extended its e-commerce service to Hai Phong, which now calls at the port of Ho Chi Minh, Hai Phong, Shenzhen and Los Angeles.

Hapag Lloyd has indicated that demand for its Asia-US services has fallen 30%. At the same time, the volume of goods from Vietnam, Cambodia and Thailand has increased strongly, thanks to the fact that they are subject to lower tariffs than China. The company has decided not to cancel services but to operate them with smaller ships to ensure they remain profitable.

MSC has turned its Pearl and Shikra services into a single service, according to Alphaliner. The Pearl service operates between the Far East and the west coast of the United States, while the Shikra service operates between Asia and India. The new service will serve all three regions under the name Pearl-Shikra. It will call at the ports of Ho Chi Minh, Hai Phong, Guangzhou, Hong Kong, Shenzhen, Xiamen, Long Beach, Oakland, Busan, Tianjin, Qingdao, Ningbo, Shenzhen, Singapore, Nhava Sheva, Karachi, Mundra, Vizhinjam before returning to Ho Chi Minh. MSC is also cancelling its Orient service, which was particular in that it served Portland directly from Asia.

Finally, **Ocean Alliance** is cancelling its PSX service, which is operated by COSCO and OOCL but has only made three round trips, according to the consultancy, Dynamar.

Transatlantic

In May, the AT2/TAE2 service operated by **ONE** and **Evergreen**, on which CMA CGM, Cosco, OOCL and Yang Ming have slots, has dropped its Rotterdam in favour of Southampton. The new loop takes in the ports of Le Havre, Southampton, Antwerp, Bremerhaven, Charleston and Savannah.

CMA CGM and **ONE** have also announced that their Europe-US West Coast service will also avoid calling in Rotterdam, with the Dutch port again replaced by Southampton. The service will now call at Southampton, Le Havre, Hamburg, Antwerp, Miami, Cartagena, Balboa, Los Angeles, Oakland, Balboa and Caucedo.

Europe – India

Premier Alliance (ONE, Hyundai and Yang Ming) is replacing its London call by one in Southampton on its Europe-India service. From now on, the service will call at Southampton, Rotterdam, Hamburg, Antwerp, Karachi, Hazira, Mundra, Nhava Sheva and Colombo.

Asia – India

The service operated by CMA CGM, Emirates Shipping, Global Feeder Shipping, KMTC and RCL between South East Asia, India and the Middle East has been closed. But, conversely, Bengal Tiger, Evergreen, RCL and Wan Hai are opening a service between South East Asia and India. It will call at Port Klang, Singapore, Ho Chi Minh, Laem Chabang, Singapore, Port Klang, Chennai and Visakhapatnam. ONE will have slots on the ships, enabling it to continue offering a service between Asia and India.

Operations

Port congestion

According to DHL's May 2025 shipping barometer, there is a great deal of congestion at the main European ports, particularly Rotterdam, Antwerp and Hamburg, "largely due to changes in global carrier alliances". The trade war has also disrupted operations by generating a short-term increase in freight volumes.

> **"There is a great deal of congestion at the main European ports"**

At Rotterdam, the congestion goes back several weeks. The unions staged a one-day strike at the Hutchison terminal in February. In March, APM Terminals' operations were disrupted by industrial action. An agreement reached between the unions and employers has still not received final approval, according to Nieuwsblad Transport, and sporadic action is continuing to disrupt activity. The average wait to get into the terminals in Rotterdam is currently running at about seven days. At the same time, in southern Europe, activity at ports in the Iberian Peninsula has been disrupted by weather conditions. In South Asia and China, port operations have also been affected by weather conditions.

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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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