

# Ocean Freight Market Update - August 2025

August 27, 2025



CastleGate Forwarding



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# Overview

## Economy & Demand

- The Global Supply Chain Pressure Index eased to 0.07 in July 2025, down from an upwardly revised 0.14 in June, pointing to further stabilization in global supply chains.
- US annual inflation held steady at 2.7% in July, while core inflation - excluding food and energy - unexpectedly rose to a five-month high.
- The IMF warns that escalating trade tensions could shave 0.2 percentage points off global GDP in 2025, driving a projected 0.23% decline in container demand.

## Operational Outlook

- Global port congestion reached 8.3% at the end of last week, with major hubs in Asia and Europe still struggling to ease bottlenecks.
- Industry consolidation has intensified, as the top 10 global shipping lines have expanded their combined market share from 55% in 2010 to 85% in 2025.
- After a surge of front-loading ahead of the extended tariff pause, cargo demand is expected to stay subdued - particularly on Transpacific routes - despite the onset of the traditional peak season.

## Ocean Freight Rates

- Ocean freight rates remain under significant pressure, with major indices recording at least ten consecutive weeks of declines - though the pace of the drop is expected to slow.
- Benchmark container rates on the Asia-US West Coast trade have fallen to their lowest levels since the onset of the Red Sea crisis.
- With new vessel deliveries adding fresh capacity, the near-term rate outlook remains bearish; shippers are encouraged to remain flexible amid schedule risks and secure competitive contracts while conditions are favorable.

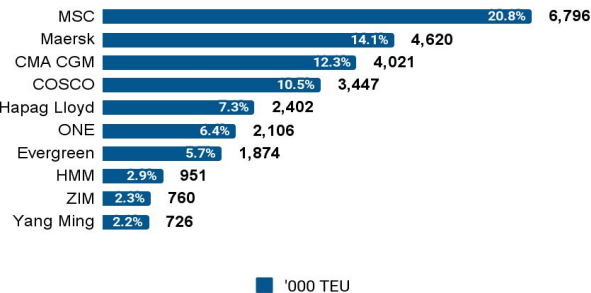
## News / Regulations

- The United States and Saudi Arabia have formally rejected the International Maritime Organization's proposed Net-Zero Framework (NZF), arguing it would drive up trade costs.
- The US has extended the deadline on Chinese imports by another 90 days, as China prepares to send a trade negotiator for the first round of tariff talks.
- Beginning October 14, 2025, US Customs and Border Protection will impose new fees on Chinese-owned, operated, and built vessels.

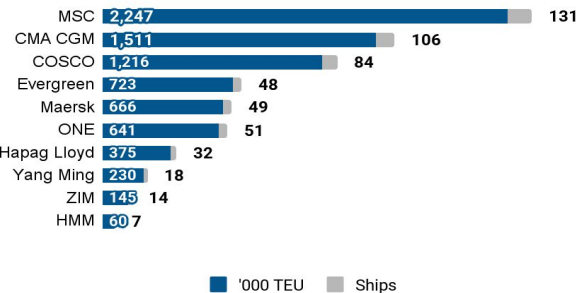


# Market Development

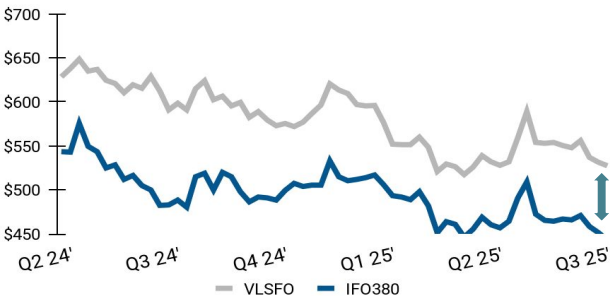
Top Carriers Market Share and Capacity



Orderbook by Top Carriers



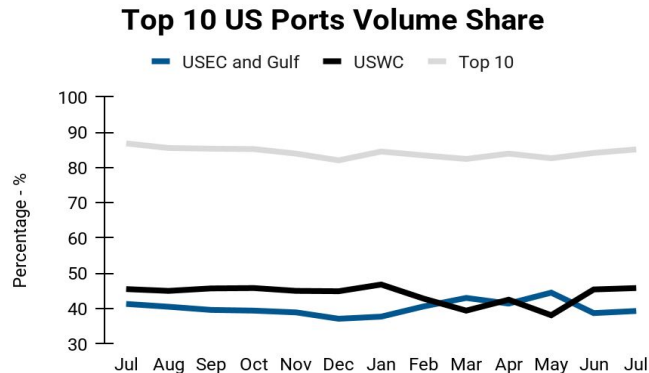
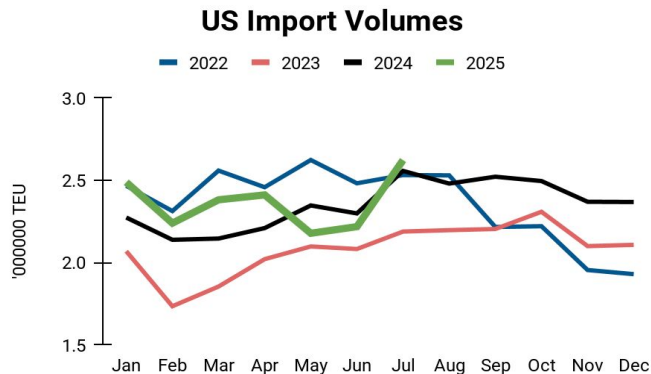
Bunker Prices



- The containership orderbook has climbed to a record 10.4 million TEU, driven by a surge of new orders over the past 12 months, lifting the orderbook-to-fleet ratio to 31.7% - its highest level since 2010.
- So far this year, only 12 containerships have been scrapped, while another six have been either lost at sea or repurposed for alternative uses.
- The top 10 ocean carriers collectively have 540 vessels on order, representing more than 7.8 million TEU of additional capacity.
- By the close of the 34th week of the year, global bunker prices extended their overall downward trend, with the average scrubber spread narrowing to \$85.

Source: Alphaliner, Ship&Bunker

## Demand and Capacity



Trade Lane	Status
China to USEC	Demand > Capacity
China to USWC	
SE Asia to USEC	
SE Asia to USWC	

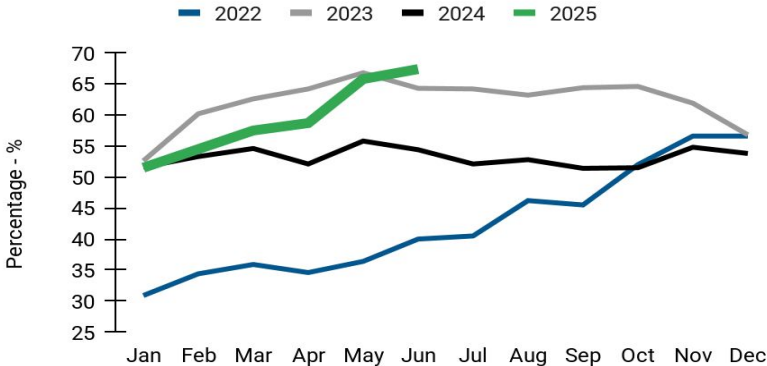
  

Demand < Capacity
Demand = Capacity
Demand > Capacity

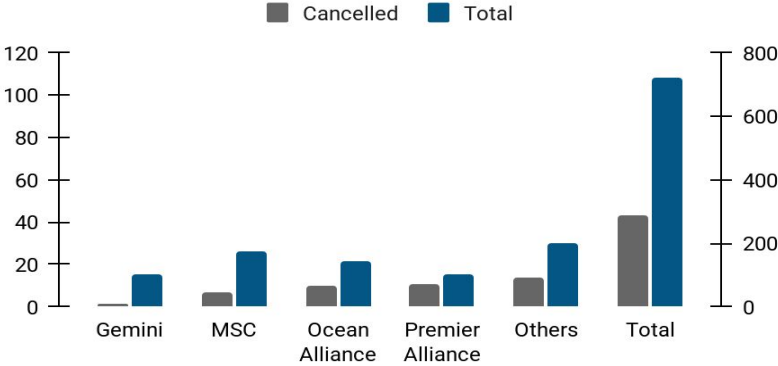
- US container import volumes climbed to 2,621,910 TEUs in July, up 18.2% from June and the highest monthly total since the record set in May 2022.
- The top two imported commodity groups were consumer-focused goods: HS-94 (Furniture, Bedding, etc.) and HS-39 (Plastics and Articles Thereof).
- Among the top five ports on each coast, the East and Gulf Coasts accounted for 39.3% of July's total container imports, while the West Coast's share rose sharply to 45.4%.

# Schedule Reliability and Cancelled Sailings

Global Schedule Reliability



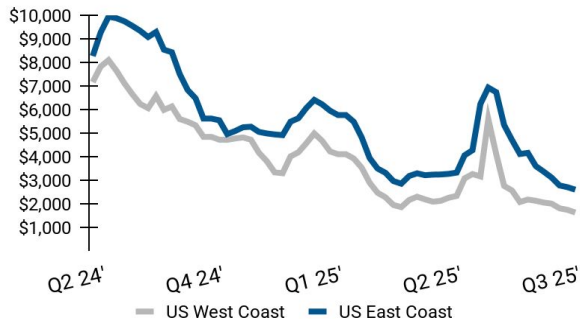
Cancelled vs Actual Sailings WK 35- 39



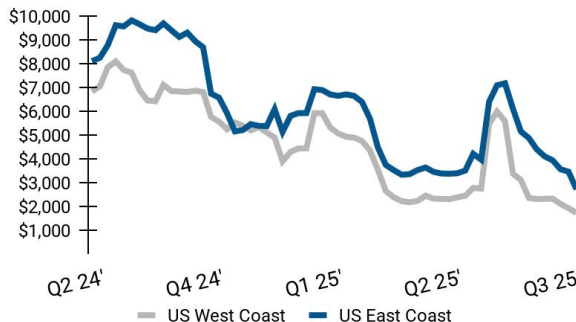
- Global schedule reliability continued to improve in June, reaching 67.4% - the highest level since November 2023.
- Among the top 13 carriers, Maersk led with 81% reliability, followed by Hapag-Lloyd at 76.5%.
- Blank sailings on major East-West routes held steady at 6% through week 39, with the Transpacific Eastbound trade disproportionately impacted, accounting for 60% (26 sailings) of all cancellations.

# Ocean Freight Rates

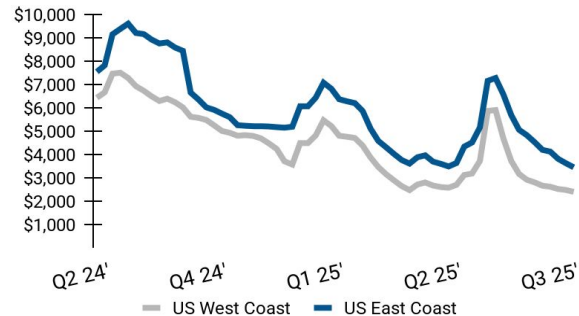
## Shanghai Containerized Freight Index



## Freightos Baltic Index (FBX)



## World Container Index (WCI)



- Freight rates continued their downward trajectory, with the Shanghai Containerized Freight Index (SCFI) declining for the 11th consecutive week.
- Far East–U.S. trade lanes remain under intense pressure, as East Coast rates fell 72% year-over-year and West Coast rates dropped 75%, according to the Freightos Baltic Index.
- Drewry's World Container Index (WCI) fell another 4% last week - its 10th straight weekly decline - though the pace of the drop has eased considerably.

Source: SCFI- Shanghai Shipping Exchange, FBX- Freightos Terminal, WCI- Drewry

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