Freight Expectations

Supply Chain & Logistics Update

Carriers drive rate increases despite soft demand

Red Sea route remains on hold: what it means for shippers

Service reliability at risk on India Ocean routes

MONTHLY NEWSLETTER FROM UNSWORTH

NOVEMBER 2025

At A Glance
Monthly Market Update

- We have seen rate increases implemented across all major carriers, even though underlying market demand remains relatively subdued.
- The introduction of blank sailings from mid-October through to the end of the year appears designed to manage available capacity.
- Ongoing congestion across European ports continues to create scheduling challenges and extended lead times.
- Despite the headline move by CMA CGM to reintroduce Asia–Europe sailings via the Red Sea, the broader return of large-scale containership traffic remains a distant prospect.
- Carriers are navigating a changing market, marked by multi-year overcapacity and persistently low freight rates.
- Service reliability at risk on India ocean routes.
- Webinar: Major Changes to French Customs are Coming — Is Your Business Ready? Join us on Thursday, 6th November at 14:00, offering vital information on what's changing, when it will happen and how you can act now to safeguard your European trade flows.

From the Managing Director

As we move into November, it's clear the global shipping market continues to keep us on our toes. Airfreight rates from Asia are creeping up despite softer overall demand, and we're seeing some volatility on major trade lanes — Europe congestion remains a factor, and the Red Sea situation shows no signs of easing after more than 700 days.

We're also watching India closely — operational disruptions and blank sailings are affecting schedules, while investment in ports and the launch of the new national container line signal longer-term shifts in the region.

For UK shippers, the key remains flexibility: securing reliable carriers, exploring alternative routing, and keeping a close eye on market shifts as we approach 2026 contract season.

Of course, it's not all about market pressures! With Black Friday just around the corner, many of our clients are finalising peak shipments, so we're focused on helping everyone navigate these crucial weeks smoothly.

On a celebratory note, we're proud to share that we've been shortlisted for the BIFA Awards in the Staff Development category, and two of our apprentices are finalists in the Apprentice of the Year category — a testament to the incredible talent and dedication across our team.

As always, we are here to keep your shipments moving smoothly so don't hesitate to get in touch.

Thomas Kuehn

MANAGING DIRECTOR

FREIGHT RATES

Carriers Drive Rate Increases Despite Soft Demand

From China to the UK, rates are looking US $1,700 for a 40-ft container (with 20-ft rates in the US $1,100 ballpark).

We have seen rate increases implemented across all major carriers, even though underlying market demand remains relatively subdued. The introduction of blank sailings from mid-October through to the end of the year appears designed to manage available capacity and sustain higher freight rates as the industry approaches 2026 contract negotiations in December.

Interestingly, further rate hikes have already been announced for November — a move that has raised eyebrows among shippers. With most Christmas inventory already on the water to ensure pre-holiday arrival, and Chinese New Year not until mid-February, these increases seem premature and reflective of carriers' continued efforts to stabilise yields in a softer market.

Meanwhile, ongoing congestion across European ports continues to create scheduling challenges and extended lead times. As a result, many of our UK clients are currently favouring direct calls into the UK to mitigate delays and maintain reliability within their supply chains.

OCEAN FREIGHT

2026 Ocean Contracts Poised for Better Terms

With market conditions shifting, shippers are regaining leverage for 2026 ocean freight contracts, creating opportunities to secure better rates and greater flexibility in the year ahead.

For the first time since mid-2024, the Drewry East-West Contract Rate Index recorded a year-on-year decline of 3 % to September.

While this may seem modest, it signals a notable reversal from the sustained rate increases of the past few years. Although the index remains roughly 25 % above the pre-pandemic benchmark of December 2019, shippers are now being presented with stronger negotiation power.

With contract tenders for 2026 on the horizon, shippers should be preparing for improved terms beyond just lower headline rates. Smart contract language now is essential: think longer payment terms, stricter service-quality commitments, greater protection from surcharges (such as detention and demurrage), and trigger clauses to review rates if the market softens further.

This change comes as inflationary pressures on freight rates - driven by Red Sea diversions, tariff uncertainty and front-loading of goods - begin to ease, giving carriers less unilateral strength in negotiations.

OCEAN FREIGHT

Red Sea Route Remains on Hold: What It Means for Shippers

CMA CGM has begun limited trial sailings via the Red Sea, but a full return of large-scale container traffic remains distant.

Despite the headline move by CMA CGM to reintroduce Asia–Europe sailings via the Red Sea, the broader return of large-scale containership traffic remains a distant prospect.

The French carrier is deploying ultra-large container vessels on what appears to be cautious trial voyages — but the scale of activity remains a fraction of the pre-crisis levels across major trade corridors.

For UK importers and exporters, this signals that the major pressures, diversions and cost-impacts caused by Red Sea inactivity are still in play.

Routing via the longer Cape of Good Hope alternative continues to affect transit times and cost base. Until security and insurance conditions improve substantially, the risk remains elevated and routing options will continue to require close monitoring.

In practical terms, if you're planning shipments from Asia or routing via the Suez, be prepared for longer lead-times, potential cost premiums and fewer choices in direct sailings. Now is a good time to review your contingency routing strategy and ensure you're locked in with carriers that can offer flexibility around this ongoing uncertainty.

OCEAN FREIGHT

Overcapacity Keeps Pressure on Carriers

Carriers are navigating a changing market, marked by multi-year overcapacity and persistently low freight rates.

Despite the hype around recovery, the orderbook for new vessels remains at historic highs, new-build deliveries continue apace, and scrapping of older tonnage is barely at a pace to keep up. Analysts warn that overcapacity may average around 18%–27% annually over the next few years unless decisive action is taken.

For UK shippers, the message is clear: while capacity is ample on paper, volatility remains. Expect carriers to intensify measures such as blank sailings, service consolidations and tighter contract terms to protect yields. As such, negotiating your next 2026/27 ocean-freight contracts should not only focus on headline rates but also on flexible surge capacity, carrier service reliability and risk mitigation.

Service Reliability at Risk on India Ocean Routes

Major schedule disruptions are cropping up on India's ocean trade lanes as carriers implement blank sailings due to "operational constraints," particularly on services connecting India and the Mediterranean. These cancellations and rerouted vessels are undermining service reliability, extending transit times, and injecting uncertainty into routes that many importers and exporters depend on.

For UK shippers sourcing from India or routing goods via Indian transhipment hubs, this means you may face delays, tighter capacity, and rising spot cost premiums. It's more important than ever to lock in dependable carriers, build in buffer times, and explore alternative routes or origin points to protect your supply chain continuity in the face of these disruptions.

AIR FREIGHT

Rising Airfreight Pressures & a "Peakless" Q4 in Focus

Recent reports suggest rates on major corridors like Asia-to-Europe and transpacific are climbing again, even as expectations for a traditional peak season remain muted.

Airfreight rates on major trade lanes — particularly Asia-Europe — have climbed again this month, with spot prices up around 13%. Despite this, the industry is bracing for a "peakless" Q4, as demand remains steady but unspectacular.

What's Driving the Rate Increases

- Tighter capacity as airlines adjust schedules and manage yields
- E-commerce and retail restocking ahead of the holidays
- Lingering supply chain bottlenecks in Asia

However, softer consumer demand and cautious inventory strategies are keeping overall volumes below traditional peak-season levels.

What It Means for UK Shippers

- Plan ahead – secure airfreight capacity early if timing is critical.
- Use air tactically – prioritise urgent or high-value goods.
- Stay flexible – expect schedule changes and route adjustments.
- Mix modes – combine air and sea to balance cost and speed.

The Bottom Line

The final quarter of 2025 is shaping up to be volatile rather than busy. With rates inching higher but no strong surge in volumes, agility and early planning remain key for UK importers and exporters.

Get in touch

Our team is ready to review your specific supply-chain needs and implement fast, seamless routing solutions.

EU CUSTOMS COMPLIANCE

Webinar: Major Changes to French Customs are Coming — Is Your Business Ready?

Major updates to Regime 42 are coming — and they'll significantly alter how British imports are processed in France. These changes will impact import VAT procedures, customs declarations, and the way goods move through EU borders.

Businesses that aren't prepared risk delays, compliance issues, and supply chain disruption.

Join the experts from Unsworth UK and PCL France for an essential webinar that breaks down exactly what's changing, when it will happen, and how you can take action now to safeguard your European trade flows.

Click here to register

Don't miss it—register early to secure your spot.

What you will take away from this free webinar?

- The full impact of the customs reforms, who they affect, and what the changes mean
- How to maintain compliant, including updated documentation processes, VAT handling, and record-keeping best practices.
- How to future-proof your operations

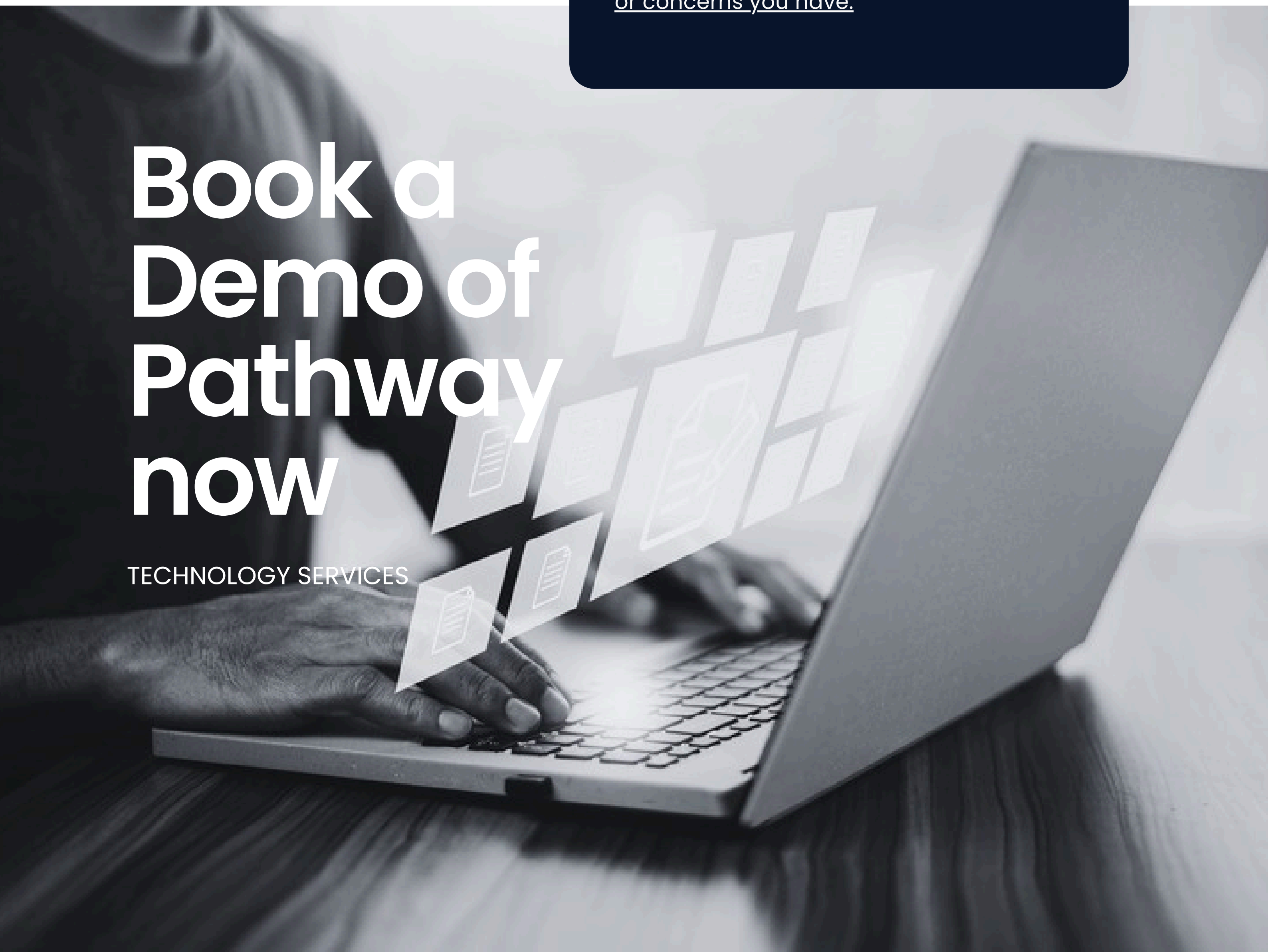
Thursday 6th November at 11:00

Speak to our team today

No two logistics challenges are the same. I understand this and I'm here to tailor solutions to meet your specific needs. I can work closely with you to develop strategies that address your unique challenges effectively and efficiently, offering guidance that allows you to plan and adjust logistics strategies accordingly.

Want to get in touch.

Click here if you want to get in touch with me about any queries or concerns you have.



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