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Freight Expectations

Supply Chain & Logistics Update

Red Sea Reopening: A Turning Point for Shippers?

Port Congestion: A Growing Concern for Shippers

Global Schedule Reliability Slips Again

MONTHLY NEWSLETTER FROM UNSWORTH

DECEMBER 2025

At A Glance
Monthly Market Update

- The Red Sea corridor may be on the verge of a real reopening. But carriers have to choose between risking the still-uncertain security environment or remaining routed around the Cape and potentially losing competitive ground.
- Global port congestion has now emerged as “one of the most significant operational challenges” for the maritime supply chain.
- Global schedule reliability slips again with global vessel schedule reliability falling to 61.4% in October, down from the 65–67% range seen from May through September.
- The industry is heading toward significant overcapacity in 2026, driven largely by the buying sprees of major carriers. We’re being warned that fleet capacity is looking to be well beyond projected demand growth.
- Operations at Port of Colombo are gradually returning to normal after being knocked offline by widespread flooding triggered by Cyclone Ditwah.
- Ports across Southeast Asia are reopening after severe flooding forced widespread operational shutdowns, but the service return is far from smooth.

From the Managing Director

The tentative reopening of the Red Sea has certainly caught everyone's attention — a bold move by carriers, but one that still comes with risks as the situation remains fragile.

At the same time, schedule reliability continues to slide, and several major ports in Europe and Asia are feeling the pressure from congestion and longer wait times. Flooding across Sri Lanka and Southeast Asia added further strain, with Colombo and key ASEAN ports only now working through sizeable backlogs.

Looking ahead, the industry's vessel-ordering spree means overcapacity is shaping up to be one of the defining themes of 2026. That could bring more competitive rates for shippers, but also more volatility as carriers adjust their strategies.

Through all of this, our focus remains the same: keeping you informed, helping you stay agile and making sure your supply chain keeps moving as smoothly as possible.

As this is our final market update of the year, I want to thank you for your continued trust and partnership throughout 2025. On behalf of the entire team, I wish you a very restful holiday season, and we look forward to supporting you again in the New Year.

Thomas Kuehn

MANAGING DIRECTOR

FREIGHT RATES

Red Sea Reopening: A Turning Point for Shippers?

For now, the situation remains fragile, and any renewed incident could shift the market again. Shippers should watch this space closely—trade flows through the Red Sea may normalize, but confidence won't return overnight.

The Red Sea corridor may be on the verge of a real reopening. With the Houthis announcing a pause in attacks as the Gaza ceasefire holds, CMA CGM has taken a bold first step—sending the 17,859 TEU CMA CGM Benjamin Franklin through the Red Sea, marking the first ultra-large container vessel to return after nearly two years of diversions.

For shippers, this could signal major change ahead. A safe Red Sea route cuts roughly two weeks off Asia–Europe sailings, dramatically reducing transit times and operating costs. But carriers now face a strategic dilemma: risk the still-uncertain security environment, or remain routed around the Cape and potentially lose competitive ground.

If additional lines follow CMA CGM's lead, capacity on the Asia–Europe trade could rebound quickly—placing downward pressure on freight rates. Insurers, however, are expected to keep premiums elevated until multiple successful transits confirm conditions are truly stable

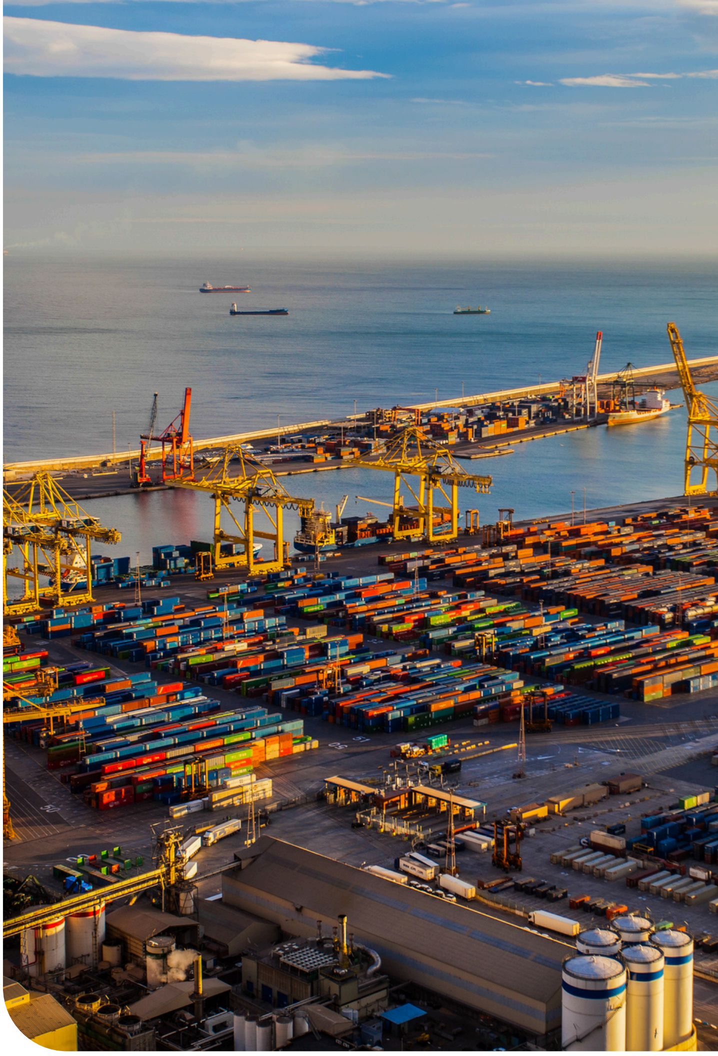
[Click here to speak to our team](#)

We're here to help

OCEAN FREIGHT

Port Congestion: A Growing Concern for Shippers

Global port congestion has now emerged as "one of the most significant operational challenges" for the maritime supply chain.



At many major ports worldwide, vessels are facing extended wait times for berths — often far beyond the historical norm. This is creating a ripple effect: delays in vessel turnaround times, bottlenecks in yard operations and container yards running at high utilisation.

For shippers, that translates into higher risk of delays — and potentially higher freight costs. Congestion tends to push up demand for available capacity, which puts upward pressure on freight rates.

What this means for you now

- Plan for longer lead times — even if nominal sailing times remain unchanged, time at port may add days to transit.
- Expect rate volatility: shortage of berth slots and tighter capacity can lead to rate increases.
- Consider buffer stock or alternate routing/port strategies, especially for time-sensitive cargo, to avoid disruption.

OCEAN FREIGHT

Global Schedule Reliability Slips Again

Global vessel schedule reliability fell to 61.4% in October, according to Sea-Intelligence — down from the 65–67% range seen from May through September.

While still far above the pandemic low of 30% in January 2022, it remains well below the pre-pandemic norm of 70–80% (average 77%) and even further from the historical high of 86% in June 2016.

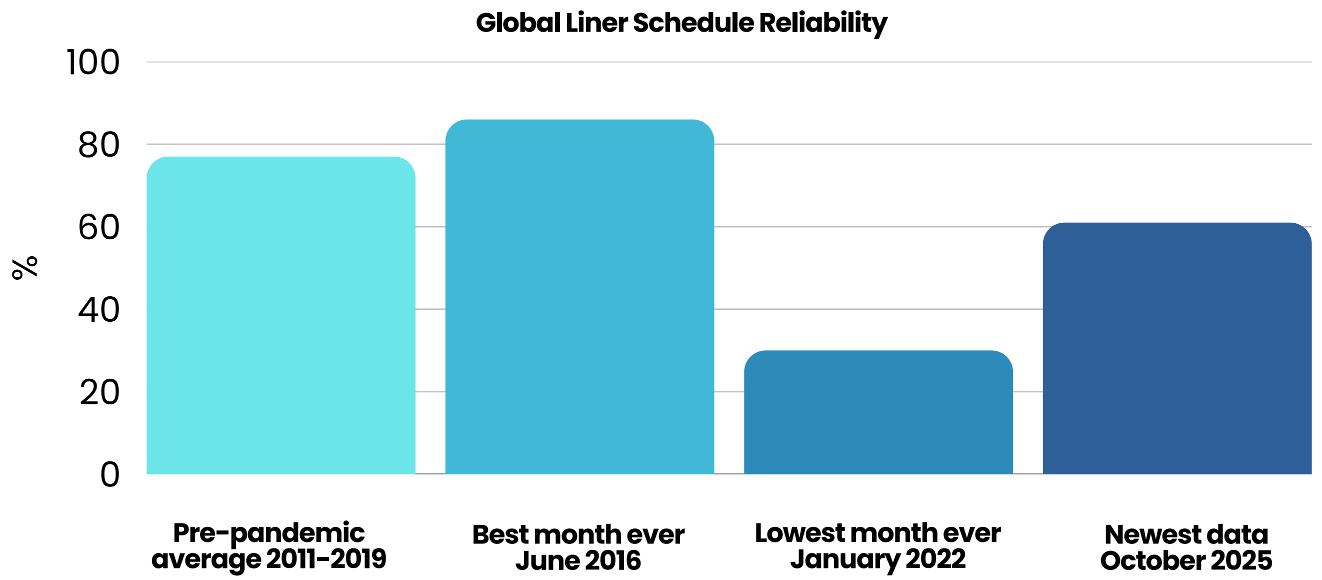
The October decline was driven primarily by Asia–North Europe and East Coast South America–Europe trades, which saw some of the steepest drops. **A few key takeaways:**

- Costs rising with EU ETS expansion: With EU ETS shipping charges rising from 70% to 100% of full implementation in 2026, Hapag-Lloyd expects its ETS surcharge to increase ~45%.
- Operational disruptions persist: HMM reports congestion and long waits at Rotterdam (ECT/RWG) and Hamburg (CTB).
- Red Sea update: Day 737 of the crisis — no new developments.

New surcharges incoming:

- Maersk PSS (from 21 December):
- India → US East/Gulf Coast: USD 2,000–2,500 per container
- Pakistan/Middle East → US East/Gulf Coast: USD 1,000 per container
- Reefers: USD 2,000–3,500, depending on origin

Overall reliability is softening just as surcharges and emissions-related costs increase, meaning shippers should plan for continued schedule variability and upward cost pressure into early 2026.



Source: Sea Intelligence

OCEAN FREIGHT

Oversupply on the Horizon in 2026

Analysts call carriers' aggressive fleet-expansion programs 'buying power redefined,' but this could lead to structural overcapacity by 2026.

The industry is heading toward significant overcapacity in 2026, driven largely by the buying sprees of major carriers—most notably MSC. Analysts warn that the volume of new builds hitting the water, combined with a slowdown in scrapping older ships, will push total fleet capacity well beyond projected demand growth.

This imbalance is expected to place downward pressure on freight rates as carriers compete to fill vessels. While this may create more favourable pricing conditions for shippers, it could also mean a return to familiar tactics from carriers: blank sailings, service reshuffles, and attempts to artificially tighten supply.

For shippers, the takeaway is clear: 2026 is shaping up to be a market where capacity is abundant, bargaining power shifts further toward cargo owners, and rate volatility becomes a central theme once again.

Get in touch

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

OCEAN FREIGHT

Colombo Port Recovers After Flood Disruption

Operations at Port of Colombo are gradually returning to normal after being knocked offline by widespread flooding triggered by Cyclone Ditwah. The storm made landfall on 28 November 2025, unleashing torrential rains and causing severe floods and landslides across Sri Lanka, including heavy inundation in the capital and along the Kelani River.

Marine terminals, including those operated by South Asia Gateway Terminals (SAGT), were forced to suspend operations as flooding made conditions unsafe.

By early December the port had taken steps to resume cargo handling and bunkering, though backlogs remain as workers clear accumulated container and vessel queues.

For shippers relying on Colombo as a trans-shipment hub or gateway to South Asia, the disruption caused by Cyclone Ditwah may result in lingering schedule uncertainty. It will be important to monitor updated ETAs and confirm bunker availability and vessel schedules as port operations normalise.

Flooded ASEAN Ports Reopen with Ongoing Delays

Ports across Southeast Asia are reopening after severe flooding forced widespread operational shutdowns, but the return to service is far from smooth. The heavy rains that swept through the region caused multi-day closures at several key terminals, leading to vessel queues, disrupted berthing windows and yard congestion that will take time to unwind.

As operations resume, ports are now working through accumulated backlogs of ships and containers, and this recovery phase is expected to create further schedule slippage. Carriers are already warning that onward connections and trans-shipment flows may remain unstable while terminals clear the congestion.

Closing Out 2025 Together

Our team is here to support you right through the holiday period and into 2026, helping you plan with confidence, overcome bottlenecks and take advantage of new opportunities as the market evolves. If you'd like to review your supply-chain strategy, talk through upcoming shipments or simply get clarity on what to expect in the months ahead, we're only a call or message away.

Thank you once again for your partnership this year. We wish you a restful break, a successful start to the New Year, and we look forward to working closely with you in 2026.

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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