

Freight Expectations



Supply Chain & Logistics Update

Fuel costs and surcharges push freight rates upward

Salalah disruption escalates as drone strike shuts key Gulf hub

Air charter rates surge as disruption tightens capacity



At A Glance Monthly Market Update

- Container freight rates on Asia–Europe trades are showing renewed upward momentum, with Shanghai to North Europe pricing now around \$2,500–\$2,600 per FEU, and Mediterranean levels exceeding \$3,400.
- Operations at the Port of Salalah remain suspended following a drone strike, removing one of the Gulf’s key alternative hubs at a time when carriers are already diverting away from higher-risk areas.
- Asia–Middle East capacity drops sharply. Ongoing disruption and routing constraints continue to restrict available space across the trade.
- Reduced access to key Gulf hubs—traditionally critical transit points—is forcing airlines to cut or reroute services, tightening available capacity across major trade lanes.
- Air freight services through Dubai are beginning to stabilise following the partial reopening of regional airspace, with Emirates resuming both passenger and freighter operations.
- The EU’s Import Control System 2 (ICS2) is now fully enforced, requiring detailed pre-arrival safety and security data for all shipments moving from the UK into the EU.



From the Managing Director



I'm delighted to share some fantastic news as we head into April. Earlier this month, we attended the WCAworld Worldwide Conference in Singapore, where we were honoured to be named Best European Partner for the fourth time running!

This is a significant achievement for our team and a reflection of the strong relationships we've built across our global network. Recognition at this level reinforces our commitment to delivering consistent, high-quality service to our clients, wherever they operate.

Turning to the market, March has been defined by continued disruption across the Middle East, which is now having a noticeable impact on global supply chains into April. Ongoing security concerns are forcing carriers to reroute vessels, avoid key transit points, and rely more heavily on alternative hubs such as Oman and India.

As a result, we are seeing increased pressure on inland transport, longer transit times, and reduced schedule reliability across affected trade lanes.

As always, our focus is on helping you navigate these challenges with clear communication, flexible solutions, and proactive planning. If you have any questions or require support with your shipments, please don't hesitate to get in touch with the team.



Thomas Kuehn

MANAGING DIRECTOR

Ocean Freight Global Market Overview

Fuel costs and surcharges push freight rates upward despite soft demand

Container freight rates on Asia–Europe trades are showing renewed upward momentum, with Shanghai to North Europe pricing now around \$2,500–\$2,600 per FEU, and Mediterranean levels exceeding \$3,400. Carriers are also targeting higher FAK rates of approximately \$3,500 per FEU from April, signalling further increases in the short term.

However, the primary driver behind these increases is rising fuel costs rather than demand, with emergency bunker surcharges now being applied—adding an estimated \$300–\$500 per FEU to overall shipment costs.

While capacity on the trade remains relatively stable, ongoing disruption and longer routing are reducing effective availability, keeping upward pressure on both rates and transit times. Shippers should expect continued volatility through April, with total landed costs rising as surcharges stack on top of base freight rates.



Salalah disruption escalates as drone strike shuts key Gulf hub

Attack on Oman's main transshipment port highlights growing risks to "safe haven" routing strategies across the region.

Operations at the Port of Salalah remain suspended following a drone strike, removing one of the Gulf's key alternative hubs at a time when carriers are already diverting away from higher-risk areas. The port, widely used as a safer routing option outside the Strait of Hormuz, has been forced offline after damage to infrastructure and ongoing security concerns.

The disruption is having immediate ripple effects across regional supply chains, with carriers suspending or adjusting services and vessels delayed or repositioned. Some operators have already halted port calls entirely, further tightening capacity and reducing routing options for cargo moving through the Gulf.

Salalah's closure is particularly significant given its role as a major transshipment and bunkering hub linking Asia, Europe, and the Middle East. With alternative ports also facing congestion and security risks, forwarders are seeing increased delays, higher costs, and reduced schedule reliability across affected trade lanes.

The concept of "safe ports" is becoming increasingly uncertain. Shippers should expect continued disruption, with further pressure on capacity, routing flexibility, and transit times across Gulf supply chains.

Speak to our team

[Get in touch if you have any questions or concerns.](#)



Asia–Middle East capacity drops sharply

Ongoing disruption and routing constraints continue to restrict available space across the trade.

Capacity on Asia–Middle East trades remains significantly reduced, despite some carriers beginning to cautiously reintroduce services following earlier suspensions. Some lines have resumed limited bookings and vessel movements through the Strait of Hormuz remain extremely restricted, with most operators still avoiding the region or relying on indirect routings.

Earlier service suspensions and ongoing security risks have removed a large portion of available capacity from the market, and this has not yet been fully restored. Even where bookings have reopened, services are subject to change at short notice, with carriers continuing to prioritise safety and operational flexibility.

As a result, space remains tight and highly unpredictable, with forwarders reporting reduced availability, longer transit times, and increased reliance on alternative ports and inland transport solutions. This is contributing to ongoing delays and volatility across the trade, despite signs of a gradual return of some services.



AIR FREIGHT MARKET OVERVIEW

Air charter rates surge as disruption tightens capacity

Disruption is pushing air freight charter pricing back to pandemic-era levels, with capacity sharply reduced across key hubs.



Air cargo charter rates have surged to levels last seen during the Covid period, as ongoing conflict in the Middle East disrupts capacity and distorts global air freight networks. Reduced access to key Gulf hubs—traditionally critical transit points—is forcing airlines to cut or reroute services, tightening available capacity across major trade lanes.

The impact is being felt globally, with rates rising sharply week-on-week and capacity in affected regions dropping significantly at the peak of disruption. Airlines are prioritising contracted cargo, issuing short-validity pricing, and requiring earlier bookings, reflecting a much tighter and more controlled market environment.

At the same time, capacity is being redeployed onto alternative routes, particularly Asia–Europe lanes, as carriers bypass the Gulf and respond to shifting demand patterns. This is driving further rate pressure while also extending transit times and reducing schedule reliability.

With fuel costs also increasing and network disruption ongoing, air freight is once again becoming a premium, capacity-constrained solution. Shippers should expect elevated pricing, limited availability, and continued volatility across air cargo markets in the short term.

Air freight slowly stabilises via Dubai

Capacity returns to the market, but strong demand is pushing rates up and limiting available space

Air freight services through Dubai are beginning to stabilise following the partial reopening of regional airspace, with Emirates resuming both passenger and freighter operations and cargo flows returning to more consistent levels. Transit cargo is now moving more smoothly across the network, with additional road feeder services introduced into key Gulf markets to support onward distribution.

However, despite improving network stability, market conditions remain tight. Strong demand for imports from the Far East is continuing to push rates up on a weekly basis, with space becoming increasingly restricted across key lanes. This is creating a more competitive booking environment, particularly for short-notice shipments.

While capacity is gradually returning, availability remains constrained and subject to change, with airlines prioritising confirmed bookings and operational flexibility. Shippers should continue to plan ahead and secure space early, as elevated demand and limited capacity are expected to persist in the near term.



ICS2 enforcement tightens controls on UK–EU shipments

The EU's Import Control System 2 (ICS2) is now fully enforced, requiring detailed pre-arrival safety and security data for all shipments moving from the UK into the EU. This includes more comprehensive information on goods, shippers, and consignees, all of which must be submitted before cargo reaches the EU border.

As a result, customs processes are becoming increasingly data-driven, with greater scrutiny on shipment information and reduced tolerance for errors. Shippers should ensure data accuracy and completeness at origin, as incomplete or incorrect filings can lead to delays, additional checks, or refused entry at EU borders.

France VAT changes increase import costs

The removal of France's Regime 42 means UK businesses can no longer defer import VAT when clearing goods into the EU via France. As a result, VAT is now payable at the point of entry, increasing upfront costs and reducing the attractiveness of French gateways for EU distribution.

Carbon costs begin to impact EU imports

The EU's Carbon Border Adjustment Mechanism (CBAM) is introducing new reporting requirements for certain goods entering the EU, with carbon-related costs set to follow. While still being phased in, this is adding another layer of compliance and cost consideration for importers, particularly for carbon-intensive products.



Take control of your supply chain 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.](#)

A grayscale photograph of a person's hands typing on a laptop keyboard. The laptop screen is visible on the right. Overlaid on the image are several semi-transparent, white rectangular cards or documents, some of which appear to be floating or being interacted with, suggesting a digital workspace or data visualization.

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TECHNOLOGY SERVICES