

Freight Expectations



Supply Chain & Logistics Update

Spot freight rates are continuing to decline gradually

Lower freight rates may be partially offset by changing carrier surcharges

Ocean carriers are continuing to prioritise schedule reliability



At A Glance Monthly Market Update

- Spot freight rates continue to soften across Asia–Europe trade lanes, although carrier capacity discipline is preventing sharper price declines.
- Capacity remains healthy across most major trade lanes, with carriers continuing to manage vessel deployment carefully to balance supply and demand.
- Fuel surcharges are offsetting some freight savings, as rising bunker fuel costs continue to influence overall shipping costs despite easing base rates.
- Capacity remains healthy across key trade lanes, with equipment availability stable and no widespread container shortages currently impacting exports.
- Peak season demand is becoming more balanced, with importers seeing a longer, more consistent shipping season rather than the traditional late-year surge.
- Schedule reliability is improving on core trade lanes, but regional congestion and network disruption continue to affect transit times, making forward planning and flexible routing essential.

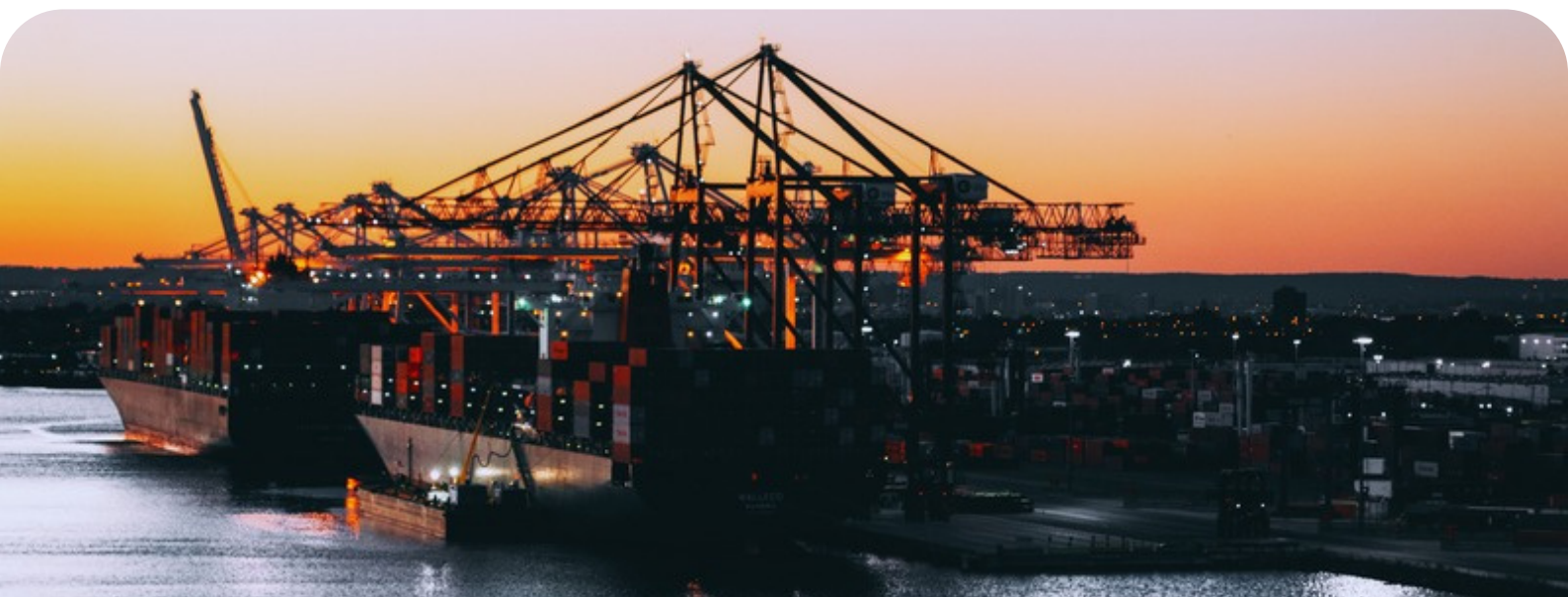
Ocean Freight Global Market Overview

Overall market conditions continue to stabilise as carriers maintain disciplined capacity management and spot freight rates gradually soften across the Asia–Europe trade lane. While pricing is easing, fuel surcharges, evolving peak season demand and ongoing operational disruption mean importers should continue planning shipments well in advance.

Freight rates continue to ease gradually on Asia–Europe services, with Shanghai to Northern Europe falling to \$4,677 per FEU and Mediterranean services to \$5,630 per FEU. Carrier capacity discipline and blank sailings are preventing sharper declines, while rising bunker fuel costs are offsetting some of the savings through additional fuel surcharges. The pricing gap between Northern Europe and the Mediterranean also remains significant, making routing decisions increasingly important.

Capacity remains healthy across most major trade lanes, with carriers continuing to manage vessel deployment carefully to balance supply and demand. Schedule reliability is improving on core east–west services, although regional congestion and network disruption continue to affect transit times and operational performance on some routes.

Equipment availability remains stable across key export origins, with no widespread shortages currently impacting shipments. However, continued schedule volatility and changing carrier networks mean early bookings and flexible routing remain the best way to secure capacity and minimise disruption during the peak shipping season.



Spot Freight Rates Continue to Ease

Asia → UK (Northern Europe)*

Spot rate: \$4,677/FEU

Trend: Softening

Asia → Mediterranean*

Spot rate: \$5,630/FEU

Trend: Gradually softening

Container spot freight rates continued to edge lower over the past week as peak season demand began to soften across the major east-west trade lanes. While rates are declining, the pace has remained relatively gradual, reflecting a more balanced market than many expected.

Rather than allowing significant overcapacity to develop, carriers are continuing to carefully manage vessel deployment through measures such as blank sailings and controlled capacity additions. This disciplined approach is helping to support freight rates, despite additional ships entering the market and demand beginning to moderate.

For UK importers, the easing in rates is welcome news, but the market remains far from weak. Freight costs continue to sit well above historical norms, and carriers are expected to adjust capacity where necessary to prevent more significant rate declines. Importers should continue monitoring the market closely and book shipments in good time as conditions evolve.

Key takeaways

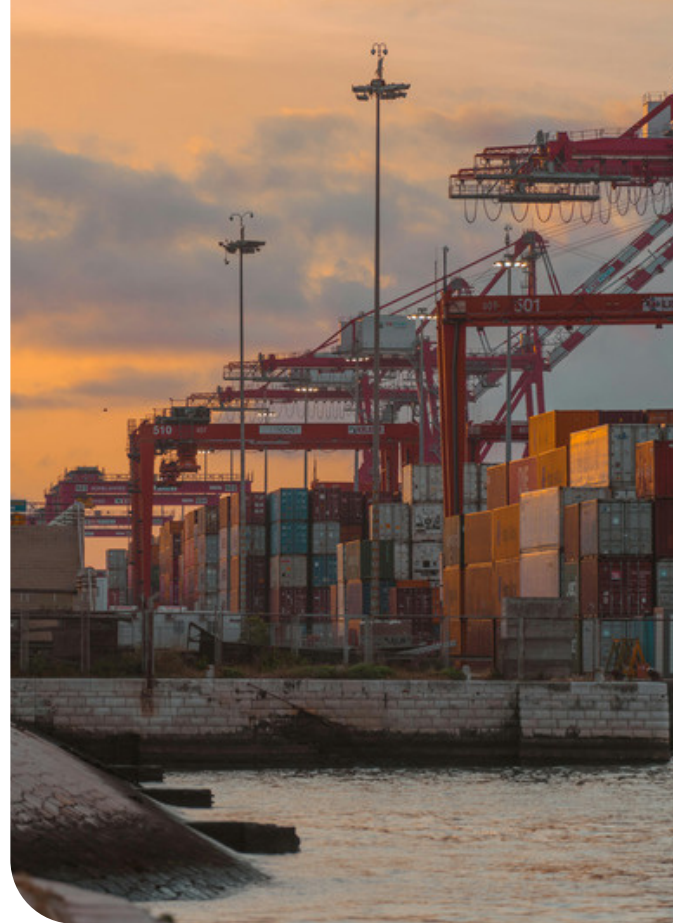
- Spot freight rates are continuing to decline gradually.
- Carriers are actively managing capacity to support market pricing.
- **Lower freight rates may be partially offset by changing carrier surcharges, making total transport costs more variable.**

**Note that rates are correct at time of publishing.*



Fuel Surcharges Offset Falling Freight Rates

- ***Carriers are introducing new fuel surcharges on key trade lanes***
- ***Rising bunker fuel prices are leading to additional carrier surcharges***
- ***Fuel costs are reducing the impact of falling freight rates***
- ***Importers should continue monitoring total landed costs***



While container spot freight rates have continued to ease, rising bunker fuel prices are increasing operating costs for ocean carriers. As a result, several shipping lines have introduced or revised fuel surcharges to recover higher fuel expenses, limiting the savings importers may see from lower freight rates.

Although the base cost of shipping has softened in recent weeks, these additional surcharges mean total transport costs remain more volatile than headline freight rates alone suggest. With fuel prices closely linked to ongoing geopolitical tensions in the Middle East, surcharge levels may continue to change as market conditions evolve.

For UK importers, the focus should remain on the overall landed cost of shipments rather than freight rates in isolation. Monitoring carrier surcharges alongside freight pricing will provide a clearer picture of total shipping costs and help businesses budget more accurately.

Key takeaways

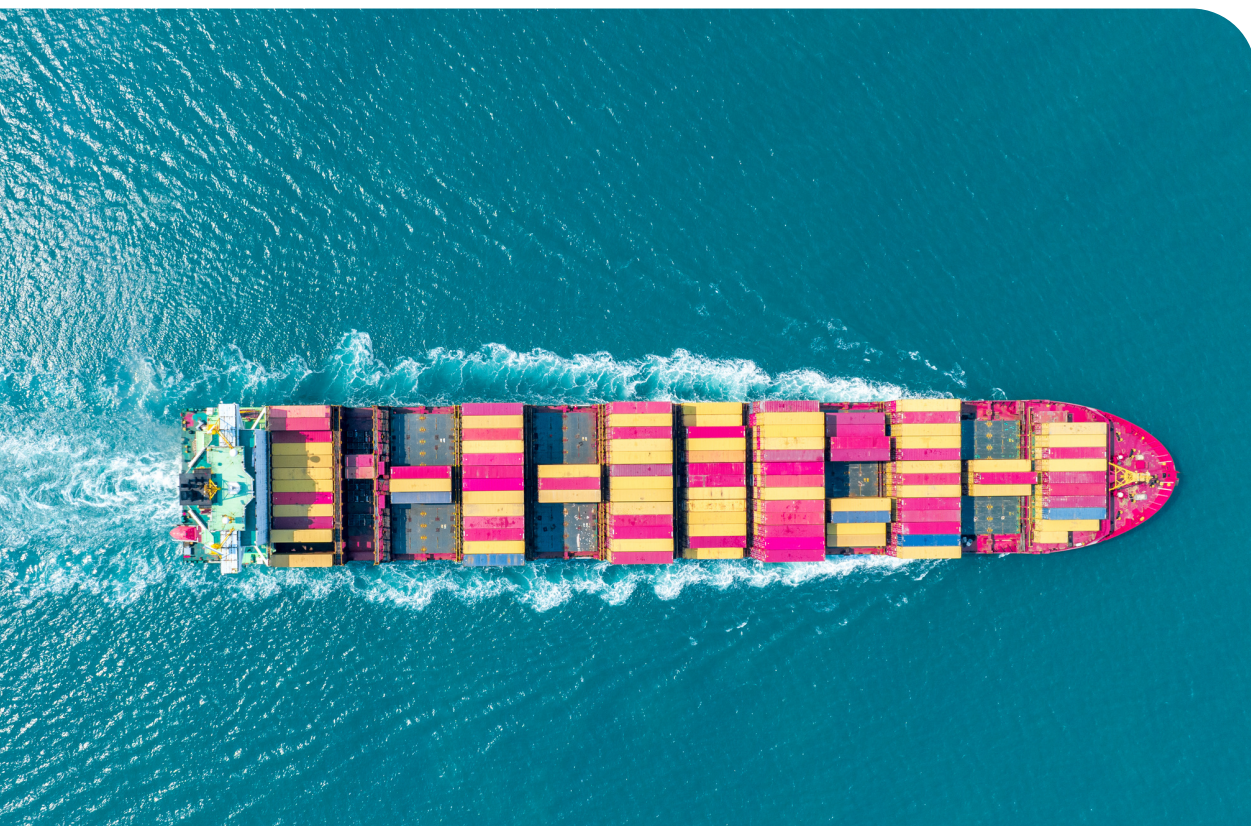
- Rising bunker fuel prices are driving additional carrier fuel surcharges.
- Lower freight rates may not translate into equivalent savings on total shipping costs.
- Reviewing both freight rates and surcharges remains essential when planning shipments.

Schedule Reliability Improves on Core Trade Lanes

Ocean carriers are continuing to prioritise schedule reliability on their busiest east-west trade lanes, concentrating vessel capacity and operational resources on core services. While this has helped improve reliability on major routes, it has come at the expense of many regional networks, where delays and schedule disruption remain significantly higher.

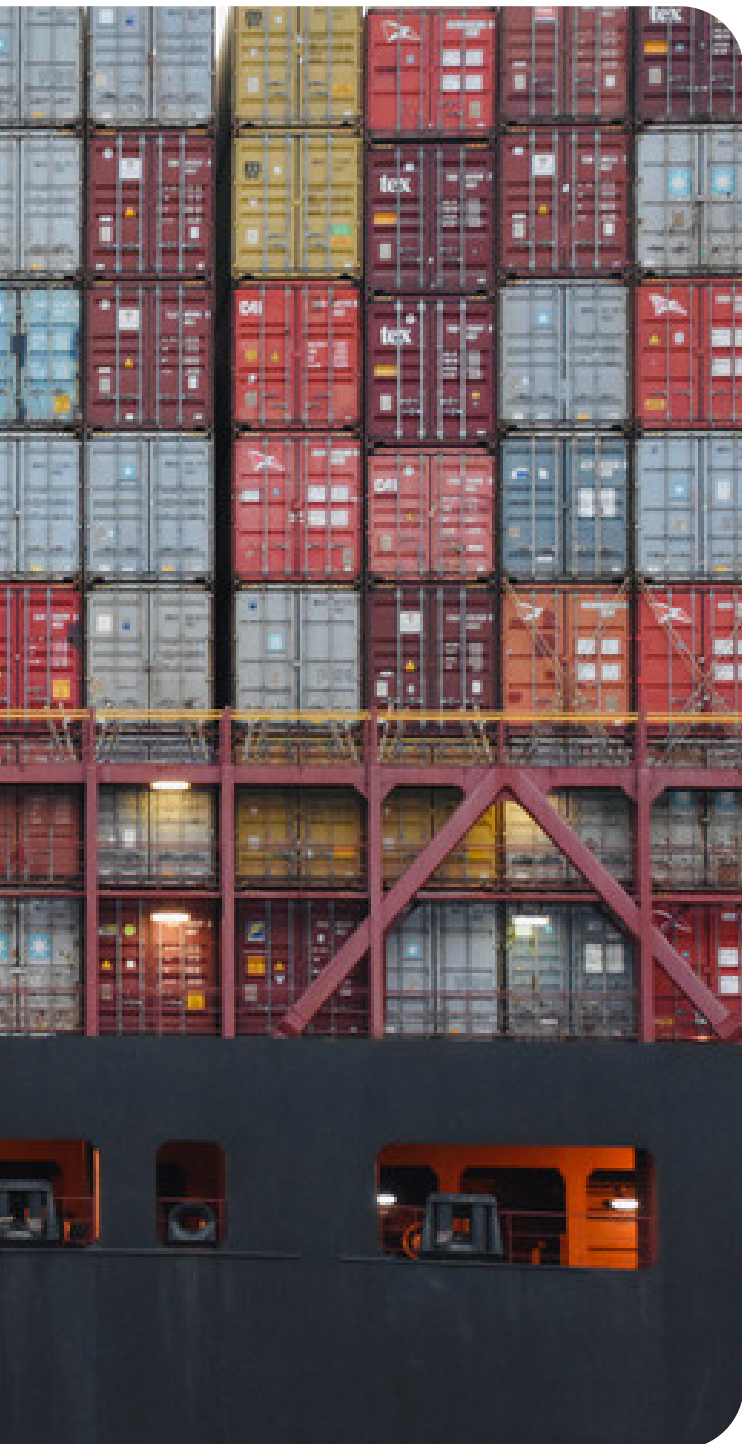
Although overall schedule reliability improved slightly during the second quarter, performance remains below pre-pandemic norms. Trade lanes connected to the Middle East, Africa and the Indian Subcontinent continue to experience the greatest operational challenges, as carriers balance network efficiency with ongoing geopolitical disruption and longer voyage times.

For UK importers, the key takeaway is that not all shipping routes are recovering at the same pace. Cargo moving on major Asia-Europe services may benefit from improved network stability, but shipments involving regional connections or transshipment ports could still face additional delays. Planning ahead and selecting the most appropriate routing remains essential.



Changing Demand Patterns Are Reshaping Peak Season

- *Peak season demand is becoming less predictable*
- *Import volumes are arriving in multiple waves throughout the year*
- *Flexible planning is becoming increasingly important*



The traditional peak season pattern is continuing to evolve, with import demand now spread across several periods rather than one concentrated surge. This most likely reflects a structural shift in global supply chains, driven by changing retail buying patterns, geopolitical uncertainty and importers bringing shipments forward to reduce risk.

Rather than experiencing a single summer peak followed by quieter market conditions, carriers are seeing freight demand remain elevated for longer. This extended demand cycle is making capacity planning more challenging and reducing the predictability of freight rates and available vessel space.

For UK importers, relying on traditional shipping calendars is becoming less effective.

Key takeaways

- Peak season demand is becoming more spread out across the year.
- Freight rates and capacity may remain volatile for longer than expected.
- Early planning and flexible booking strategies remain key to securing reliable transport.

Air Freight Rates Ease as Fuel Costs Rise

Air freight markets are entering a more balanced phase, with spot rates beginning to soften on several key trade lanes as additional capacity returns. However, rising jet fuel prices and ongoing geopolitical disruption continue to increase operating costs, limiting the pace of any wider rate reductions.

For UK importers, market conditions remain mixed. While easing rates may present cost-saving opportunities, capacity and pricing continue to vary significantly by route. Early booking and flexible routing remain the best way to secure space and manage costs as airlines continue to adjust their networks

Dynamic Pricing Keeps Air Freight Costs Volatile

Airlines are increasingly adopting dynamic pricing models, adjusting rates in real time to reflect demand, capacity and network utilisation. Rather than relying on fixed pricing, carriers are responding more quickly to market conditions to maximise aircraft yield, resulting in more frequent fluctuations in air freight rates.

This means pricing opportunities may exist, but they can disappear quickly. Securing capacity early and remaining flexible with routing and departure dates will help businesses manage costs in an increasingly dynamic air freight market.



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.](#)

Book a Demo of Pathway now

TECHNOLOGY SERVICES

