



# Declining Ocean Freight Prices – What happened to Peak Season?

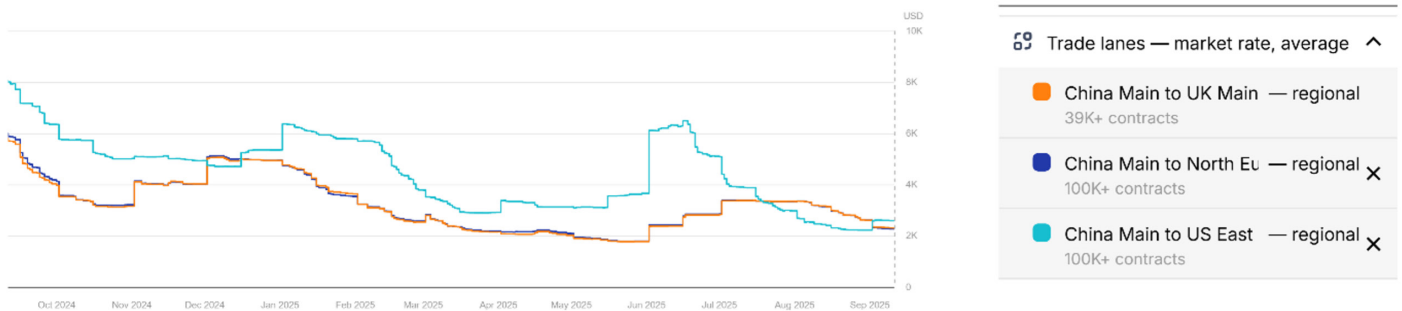
Global ocean freight faces headwinds as economic cooling and trade tensions reshape traditional shipping dynamics.

## Peak Season Weakness

The normal price rises associated with ‘Peak Season’ (typically August - October) have not materialised this year. In fact, 40HC Container pricing is actually down circa 60% year-on-year on the key China to Northern Europe, UK and US East Coast trade routes.

Market Average<sup>+</sup> for Short-term<sup>+</sup> contracts, 40' HC<sup>+</sup> container type and THC None<sup>+</sup> from China Main<sup>+</sup> to UK Main, North Europe Main, US East Coast Main<sup>+</sup> trade lane  
Sep 10, 2024 - Sep 10, 2025

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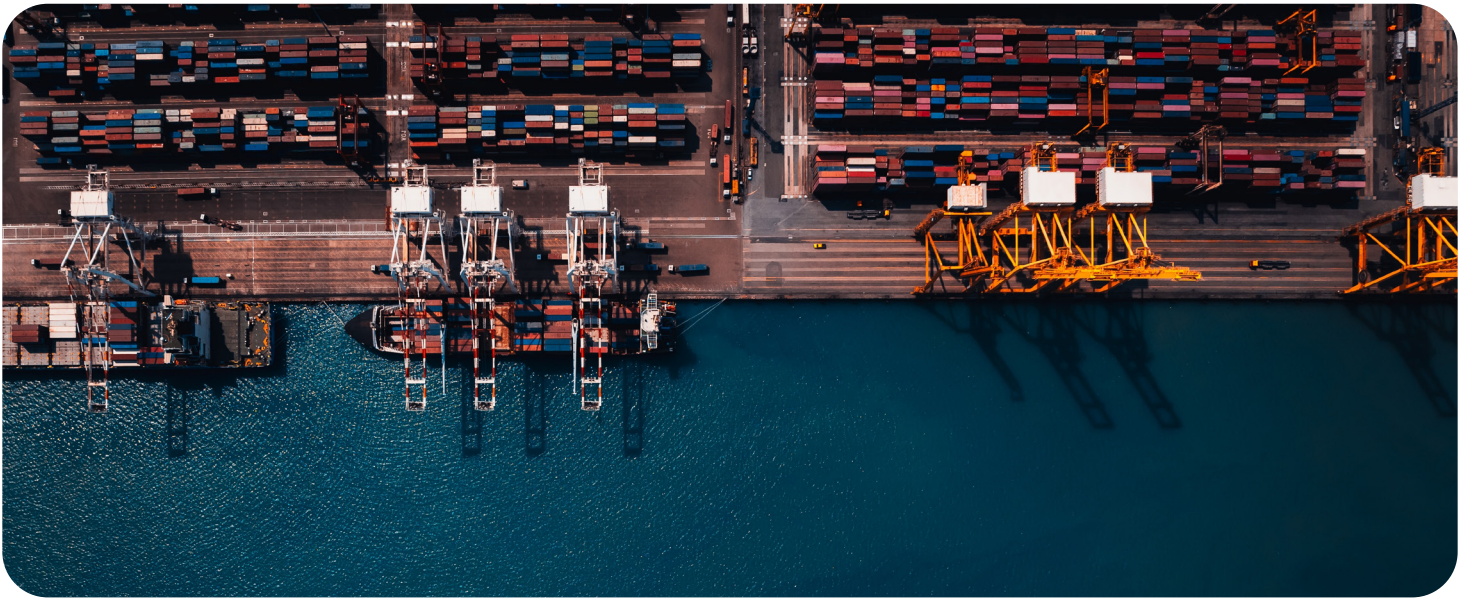
The decline is expected to continue in the coming weeks despite upcoming Chinese Golden Week.

## Tariff Threats Impacting US Imports

U.S. importers frontloaded shipments to avoid potential tariffs, leading to elevated inventory levels. This has resulted in a downturn on the Transpacific Eastbound route during this traditional busy time.

Although the US tariff exemption for China has been extended again, the November 10 deadline is fast approaching with a lack of any definitive agreement and seemingly worse political relations. This leaves future trading conditions unclear.

On a more positive note, the customs agreement with the European Union has contributed to a more stable market environment, with no major fluctuations in volume or freight rates between the EU and the USA.



## Northern Europe Softening Demand, Over Capacity and Red Sea Disruptions

The situation with Northern Europe is less straightforward, with a number of factors impacting container rates ex-China:

- **Economic Slowdown:** trade tensions and cooling in the global economy have negatively impacted consumer demand
- **Overcapacity:** this has been coupled with shipping lines adding extra capacity to meet anticipated needs
- **Red Sea Disruption:** the situation remains unresolved, with no significant changes expected end of the year. Many businesses even pulled forward cargo shipments in anticipation of further disruption and longer transit times.

## Container Shipping Outlook

In the current geopolitical environment it's increasingly difficult to know what the future holds, but from a shipping perspective this will include:

- Trade tensions intensifying
- Excess vessel capacity persisting
- Demand softening globally
- Carriers revising profit forecasts downward
- Peak season expectations significantly reduced

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- Generating savings even when prices increase
- Providing strategic guidance through market uncertainty

**The Sea Freight GSG will continue to update you on market developments and are always happy to assist with any queries you may have.**