OCEAN FREIGHT MARKET UPDATE

SEPTEMBER 2025

DHL Global Forwarding

Executive summary

Growing demand is met by faster growing capacity and trade volatility

US tariffs are mostly set after months of uncertainty; at highest levels since 1930s, they dampen but do not halt global trade; growing fleet and, for now, slower reaction to capacity mgmt. create rate pressure

US tariffs — **18%** avg.

- **18% average US import tariffs**, next to **40% transshipment surcharge** to avoid circumvention
- Goods are **subject to tariffs** if **loaded** on **Aug 7** or later, or if **entering** the US after **Oct 5**
- **Discussions** for some countries still **ongoing** – most notably, **China and Mexico**

Capacity — **+7%** YoY[1)]

- **7% YoY fleet growth** in line with historical average, used to meet **demand** (and demand **spikes**), next to partially covering capacity tied up during **congestion** and in **Suez** diversion
- **Orderbooks are full** and growth **ambitions appear steep** in light of global trade headwinds

Demand — **+9%** YTD[2)]

- **9% YTD** market demand **growth** (until May) has been **strong**, but **2025 volumes** are sequentially **flat into May**, driven by significant **decline in Asia-North America** volumes
- Tariffs may slow down global trade, but not stop it - globalization is here to stay

Rates — **-51%** YoY

- **-51% YoY SCFI[3)] decline** is reflected in spot rates that are **back to 2023 levels** on many trades
- **Summer peak season** has been **short-lived**, but **Q4 peak season** is around the corner
- Carrier **capacity management could halt** decline, but **carriers** for now in wait and see position

Sources: DHL Global Forwarding; 1) Year over year; 2) Year to date: cumulative Jan-May 2025 volume vs. cumulative Jan-May 2024 volume; 3) Shanghai Containerized Freight Index

US tariffs

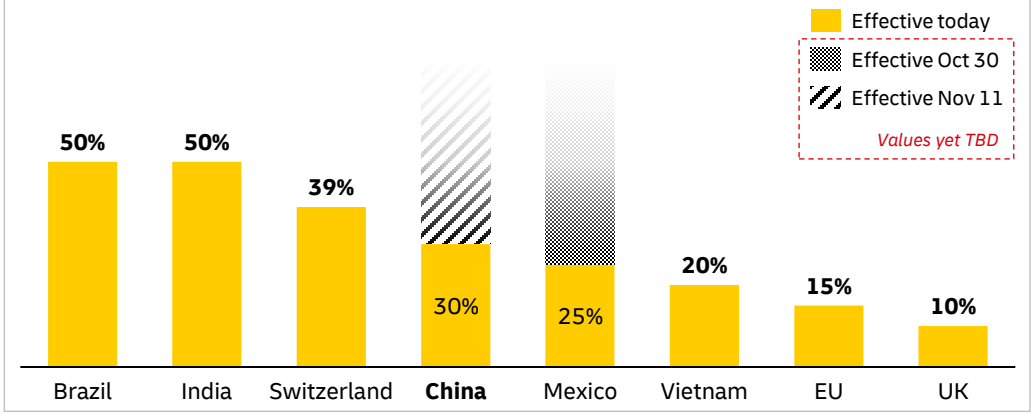
Status quo – for now: Deals were reached, but China remains as the large unknown

After months of uncertainty, US import tariffs have now come into effect; during ongoing negotiations with China, a 30% tariff applies which explains the lack of growth despite recurring deadline extensions

Applicable tariffs

- After **months of uncertainty**, US tariffs have come into **effect**
- This brings **tariff rates** for US imports to an **average of approx. 18%**, ranging from 10-50%
- Goods are **subject to new tariffs** if **loaded** on **Aug 7** or later, or if **entering** the US after **Oct 5**[1)]
- **Transshipment penalties of 40%** on top of duty have been established to **avoid circumvention** of tariffs
- Next to country-specific tariffs, **product-specific tariffs** of **25-50%** apply particularly on **metals and machinery**
- **Deadline** for China tariffs was extended into **November**, **peak season** should **not** be **impacted**
- Despite extension, a **30% flat tariff still applies**, so **demand** into US has remained **flat**

Effective import tariffs, 2025
in % on import value, key US trading partners



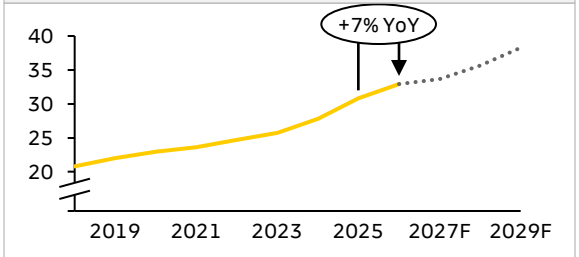
- Almost all **imports** are **subject to 10-50% duty**, depending on the **origin**; there are some **product-specific duties** that apply instead, **irrespective** of the **origin**
- So far, **uncertainty around tariffs** has **slowed global trade** - **full impact** on shipping and **supply chains** to be seen now that rates have come into effect **globally**
- After tariff go-live, the **IMF**[2)] **increased 2025 trade growth forecast** back to **2.6%**, but **reduced 2026** forecast down to **1.9%** from 2.5% previously

Sources: DHL Global Forwarding; IMF; 1) Different rules for certain products and origins, e.g., 25% of India tariffs apply for entries after Sep 16 already; 2) International Monetary Fund

Capacity
Flat today – flooded soon?

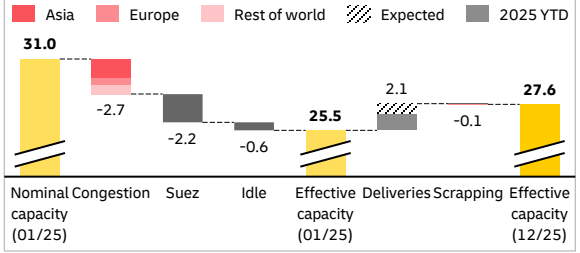
While nominal capacity continues to grow, effective capacity is impacted by Suez diversion and port congestion around the world, particularly in Asia and Europe

Nominal capacity development, 2018-2029
in mnTEU[1)]



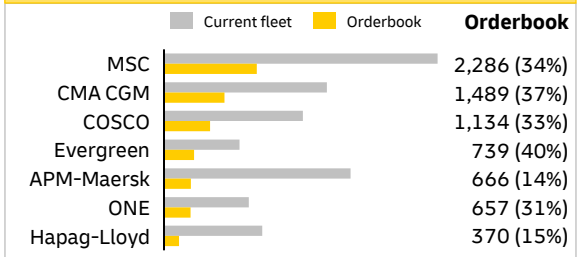
- **Nominal capacity has been growing** by approx. **6%** YoY since 2018, **unstopped** by Covid
- **2025** growth of **7%** is slightly higher than long-term average, and **growth rates** are expected to hold up in upcoming years

Effective capacity development, 2025
in mnTEU



- **Nominal capacity** is **reduced** by almost **20%,** largely due to **congestion** and **Suez diversion**
- Nominal 2025 growth of **7%** hence turns into **slightly higher effective growth** of **8%**, covering less than half of the non-available capacity

Orderbook by carrier, 08/2025
in kTEU (% of today's fleet)



- Most **top carriers** have orderbooks for next 4-5 years in range of **30-40%** of their **current fleet**, with Maersk and Hapag as notable exceptions
- Orderbooks exceed expected nominal **growth of 20-25%** over same period

- **Capacity increase** is currently used to meet **demand** (and demand **spikes**), next to partially covering for **congestion** and **Suez** diversion
- If either **demand growth** were to **slow** down, **congestion** is eased, or **Suez** routes reopen, **carriers** can **manage capacity, e.g.** through **scrapping** or **slow steaming** – more details on **next page**

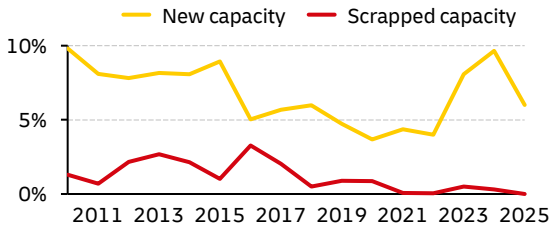
Sources: DHL Global Forwarding, Alphaliner, Drewry, Linerlytica; 1) 20-Foot Container Equivalent Unit

Deep dive: Capacity management

Carriers have hardly scrapped any capacity recently, but this may change soon

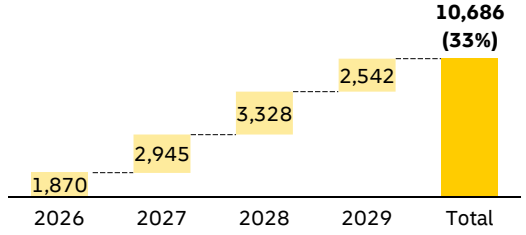
Number of 2025 demolitions is second-lowest over past 20 years, only outdone by 2022, given Suez deviation and congestion; to match reduced demand growth, scrapping is expected to pick up shortly

Share of scrapped capacity, 2010-2025
in % of nominal TEU



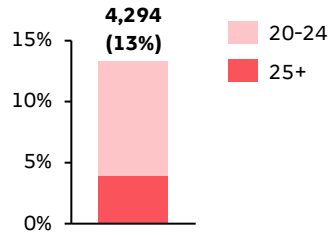
- Share of **new capacity** ranges between **4-10%**
- Share of **scrapped capacity** has fallen and remained **below 1%** of capacity **since 2018**
- **Demand and capacity** are gradually returning to be **balanced** after post-Covid spike and Suez

Expected fleet expansion, 2026-2029
in kTEU (% of today's fleet)



- **New ships** are expected to **add 1/3 of today's capacity** to global fleet over **next 4 years**
- This is **in excess of expected demand** growth of 20-25%, so continued fleet expansion is **likely** to be met with **increased scrapping**

Scrapping potential, by fleet age
in kTEU



- Typical **ship scrapping age** has historically been **between 20 and 30 years**
- Today, **13% of global fleet** are in this age bracket, which could **close the gap** between fleet expansion and demand growth

- In the **last few years, hardly any** ships were **scrapped**, as post-Covid spike and Suez diversion made capacity indispensable
- Carriers are expected to make **capacity cuts** to **prevent freight rate decline**
- This may happen soon as **fleet is reaching** typical **scrapping age** and **fleet expansion exceeds** expected **demand** growth

Sources: DHL Global Forwarding, Alphaliner

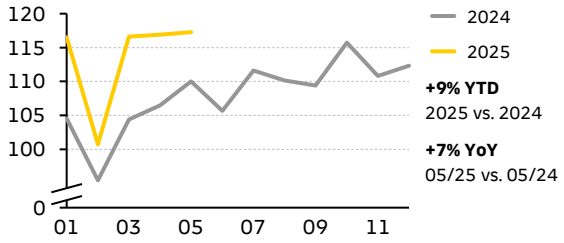
Demand

Tariffs slow growth, but globalization is here to stay

Most recent data from May 2025

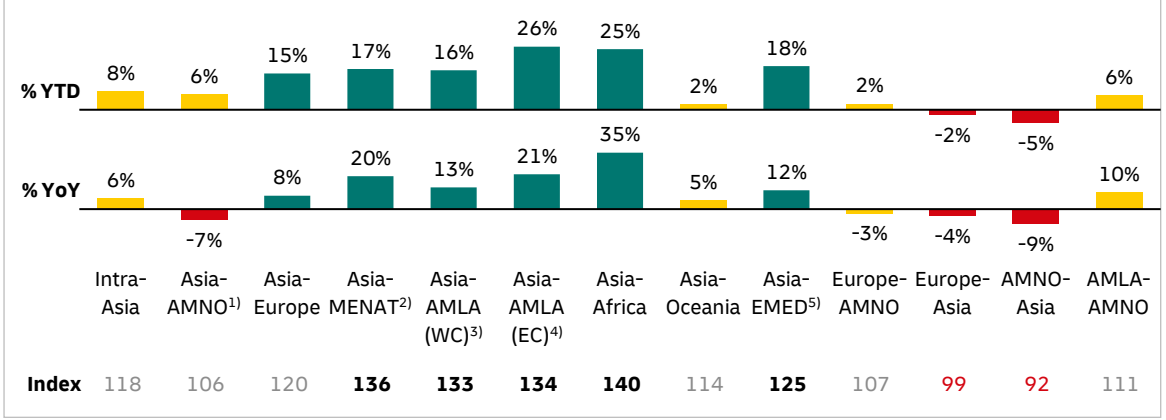
Demand development is in line with capacity, but US tariffs announced in April are impacting growth rates; Asian exports surging to other destinations, such as Middle East, North Africa, or Latin America

Demand, 2024-2025, indexed to avg. 2023 volume
excl. non-container volumes/commodities



- **Demand development** of 7% YoY and 9% YTD over last 12 months roughly **in line with capacity**
- **Growth has tapered off** a bit in **recent months** given announcement of and subsequent **uncertainty around US tariffs**

Key trades, 05/2025
% YTD (01-05/2025 vs. 01-05/2024), % YoY (05/2025 vs. 05/2024), indexed to avg. 2023 volume



- Overall **growth is positive**, but **2025 volume growth** is flat, driven by overall **second-largest trade Asia-AMNO** declining by **-7% YoY**
- **Asian exports** are surging to **other destinations - particularly Middle East, North Africa**, or **Latin America**
- This indicates that **tariffs** may **slow down global trade**, but not stop it: **globalization is here to stay**, with **MENAT** as **strongest O/D region** despite recent war

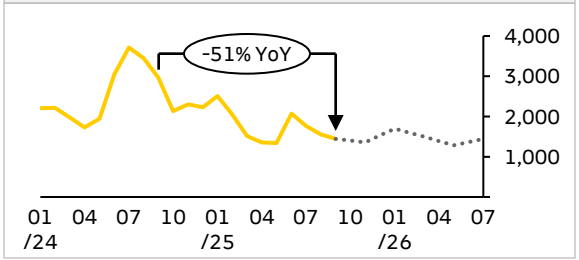
Sources: DHL, Accenture Cargo; 1) North America; 2) Middle East, North Africa, Turkey; 3) Latin America (West Coast); 4) Latin America (East Coast); 5) East Med

Freight rates

Long-term rates, service and capacity are stable, as spot rates continue to drop

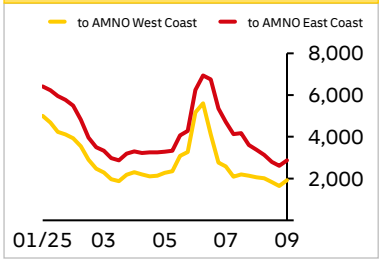
Early summer increases on Trans-Pacific trades have almost completely reversed; with lack of demand growth, drop to 2023 lows is possible if carriers do not resort to aggressive capacity management

Shanghai Containerized Freight Index (SCFI)
in USD, weighted average of rates ex Shanghai



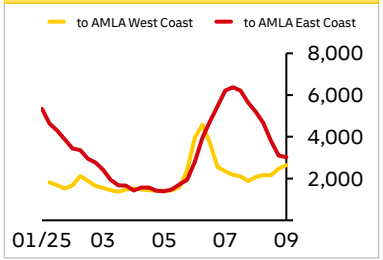
- After a **short summer peak**, **rates are falling** again, driven by **weak TPEB**[1], resulting in **YoY decline** of **-51%**
- **Futures** foresee a **slight rate increase** towards the **end of 2025**, thereafter **further decline**

Rates to North America, 2025
in USD/FEU[2]



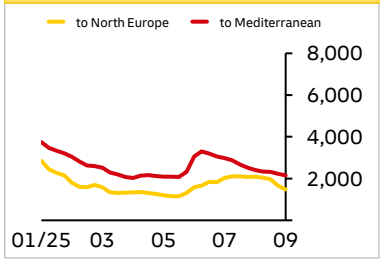
- Rates fell for **12 weeks** but appear to bottom as capacity mgmt. comes into effect
- **Little relief** from recent 90-day China **tariff extension**

Rates to Latin America, 2025
in USD/TEU



- **East Coast** rates are **normalizing after spike** from US-bound capacity diversion
- **West Coast** rates **gradually climbing** after capacity mgmt.

Rates to Europe, 2025
in USD/TEU



- **FEWB**[3] rates has had a **stable** year so far, with **solid demand** and **consistent volumes**
- **Rates** are gradually **reducing** as peak season is over

- **Rates** continue to **drop**, with **TPEB** reaching **2023** lows, while **FEWB** has been proven an anchor of **stability** this year
- Expected slight **rate increase** in Q4 is driven by **upcoming peak season**, but **lack of demand growth** would subsequently again lead to rate **decline into 2026**
- Aggressive carrier **capacity management** can **halt rate decline**, as demonstrated on **Asia-AMLA WC** trade, but carrier **motivation** appears **less on TPEB**

Sources: DHL Global Forwarding, SCFI, Linerlytica; 1) Trans-Pacific Eastbound: Asia-North America; 2) 40-Foot Container Equivalent Unit; 3) Far East Westbound: Asia-Europe

Deep dive: Capacity vs. Demand

Capacity surplus reduces rates and utilization

G Capacity exceeds demand
Capacity and demand balanced
R Demand exceeds capacity

Capacity from new ships entering the market meets flat volumes, creating a surplus in capacity; short-term demand may change given volatility around US trade policy, so caution is advised when planning

Market development on key regional tradelanes, 2025
for top 13 regional tradelanes

Origin	Destination	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Forecast	Sep	Oct	Nov
Asia to ...	Asia	R				R	R	R			R	R	
	North America	R					R	R				G	
	Europe	R					R	R					
	Middle East	R				G		R	R				
	Latin America WC	G		G	G	G	R						
	Latin America EC	G		G	G	G	R						
	Africa	R		G	G	G	G				R		
	Oceania	R									R	R	
	East Med	R						R	R		R		
East Med to ...	Europe	R											
Europe to ...	North America	R	R			R	R	R					
	Asia		G	G	G	G	G	G	G		G	G	G
North America to ...	Asia	G	G	G	G	G	G	G	G		G	G	G
Latin America to ...	North America	R											

Observations
based on DHL Global Forwarding expertise

- **Strong upcoming seasonal demand** with China Golden Week and year-end holidays drives **vessel utilization** up
- **Carriers** are expected to strategically **reduce capacity and blank sailings** to drive **General Rate Increases** (GRIs), although recent **attempts have failed**
- **Freight rates** are **fluctuating**
  - **Intra-Asia and Oceania** show **tight space and rising rates**; carriers prioritize high-yield shipments
  - **FEWB and TPEB** trades with **declining** and/or **flat volumes**
  - **Rates into Latin America remain volatile and elevated** given growing but unpredictable demand and **successful capacity mgmt**.

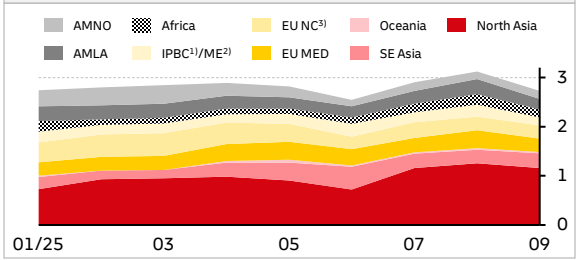
Source: DHL Global Forwarding

Deep dive: Port congestion

Berthing delays are key opponent to schedule reliability

While schedule adherence has been increasing under reshuffled 2025 alliances, port congestion is the key hindrance to achieving adequate reliability, and demand spikes further increase the issue

Port congestion, by region, 2025
in mnTEU



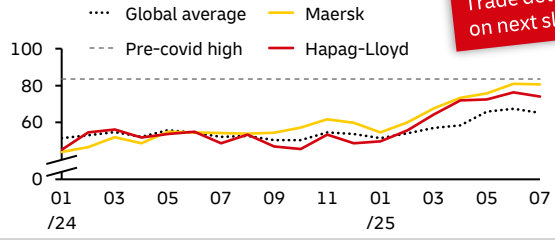
- **Port congestion continues** high in 2025, with **highest level** since early **2023 in August**, driven by **Asia and Europe**
- Notable **exception** is **North America**, which is region with **least congestion** after Oceania

Port congestion, key ports

- **Shanghai and Ningbo** are reducing **backlog** from **recent nature-driven closures** (fog, typhoon)
- **North Europe** congestion is **more structural** due to **landside issues** (e.g., **barge capacity** given low Rhine water levels, **rail** shortages)
  - **Rotterdam** with berthing delay of **5+ days**
  - Situation at alternatives **Antwerp** and **Hamburg** is even worse
- Port of **Genoa** with major **road/rail** shortages
- All **Mexican** Pacific ports with delays of **5+ days** driven by **high demand** and **bad weather**; similar situation in Central America

Schedule reliability, global, 2024-2025
measured by vessel arrival ±1 day of schedule

Trade details on next slide



- Carriers achieved a **substantial improvement** in schedule reliability this year, but there is still a **significant gap to pre-Covid highs** of 80-85%
- Among top carriers, **Gemini Cooperation** (comprised of **Maersk** and **Hapag**) is top of class measuring port-to-port reliability per loop
- From a shipper perspective, **perceived reliability** is usually **5-10% less** due to omitted calls, feeder dwell times, schedule changes, and rolled cargo

- **Congestion** is typically result of **volatile demand** meeting a rather **fix port and landside capacity**
- **All regions but North America** are reaching or surpassing **2022 congestion levels**
- If **US trade dispute with China** were resolved, **congestion could worsen** further

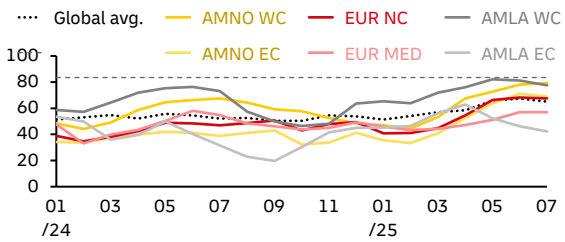
Sources: DHL Global Forwarding, Linerlytica, Sea Intelligence; 1) Indian subcontinent (India, Pakistan, Bangladesh and Sri Lanka); 2) Middle East; 3) North Continent, incl. UK

Deep dive: Schedule reliability

Peak season is key test for schedule reliability

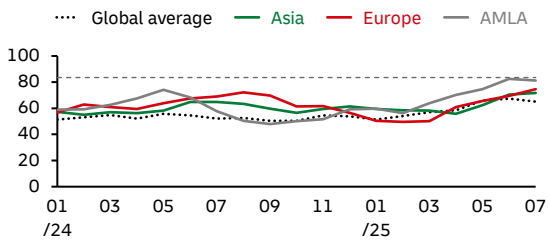
Reliability generally increasing in line with global average for most trades, with exception Asia to Latin America EC; ex Asia, it remains to be seen if increased reliability can be sustained through peak season

Schedule reliability, ex Asia, 2024-2025
Vessel arrival ±1 day of schedule



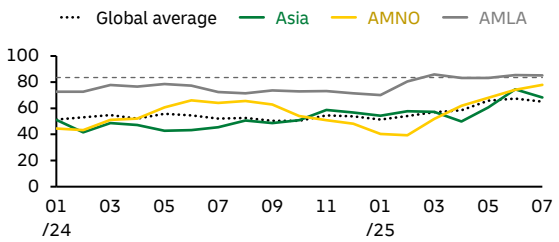
- Schedule reliability generally **higher** to Americas **West Coast** compared to **East Coast**
- **Average schedule reliability** to Europe
- **Least reliable** service to **Latin America East Coast**, due to Panama Canal and recent peak
- Typical **drop in reliability** in **Q4 peak season**, so recent increase must be **taken with care**

Schedule reliability, ex North America, 2024-2025
Vessel arrival ±1 day of schedule



- **Above-average** reliability to Latin America
- **Average** reliability to Asia and Europe
- **Lack of North American port congestion** is key driver of schedule reliability
- This could **change** if **US-China tariff** discussions have a **successful** outcome with a subsequent **spike in volumes**

Schedule reliability, ex Europe, 2024-2025
Vessel arrival ±1 day of schedule



- **Above-average** reliability to Latin America
- **Average** reliability to Asia and North America
- **Asia reliability** with solid increase despite **strong demand** and **port congestion on both sides**
- **Less pronounced Q4 peak** season gives reason to expect that **improvements can be sustained**

Sources: DHL Global Forwarding, Sea Intelligence

APPENDIX

Deep dive: Capacity vs. Demand | Additional trades

Capacity surplus reduces rates and utilization

G Capacity exceeds demand
Capacity and demand balanced
R Demand exceeds capacity

Capacity from new ships entering the market meets flat volumes, creating a surplus in capacity; short-term demand may change given volatility around US trade policy, so caution is advised when planning

Market development on key regional tradelanes, 2025
for further regional tradelanes

Origin	Destination	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Forecast	Sep	Oct	Nov
Europe to ...	East Med	G	G	G	G						G	G	G
	Africa	R	R	R	R	R	R	R	R		R	R	R
	Latin America	R	R			R	R	R					
	Middle East	G	G	G	G	G	G	G	G		G	G	G
	Europe	G	G	G	G	G	G	G	G		G	G	G
East Med to ...	Europe	R											
Middle East to ...	Asia		G	G	G	G	G	G	G		G	G	G
	Middle East	G	G	G	G	G	G	G	G		G	G	G
North America to ...	Latin America	R											
	Europe	G	R	G	G	G	G	G	G		G	G	G
	North America												
Oceania to ...	Asia		G	G	G	G	G	G	G		G		
Latin America to ...	Europe		G	G				G			G	G	G
	Asia												

Source: DHL Global Forwarding

Deep dive: GDP Growth & Bunker Prices

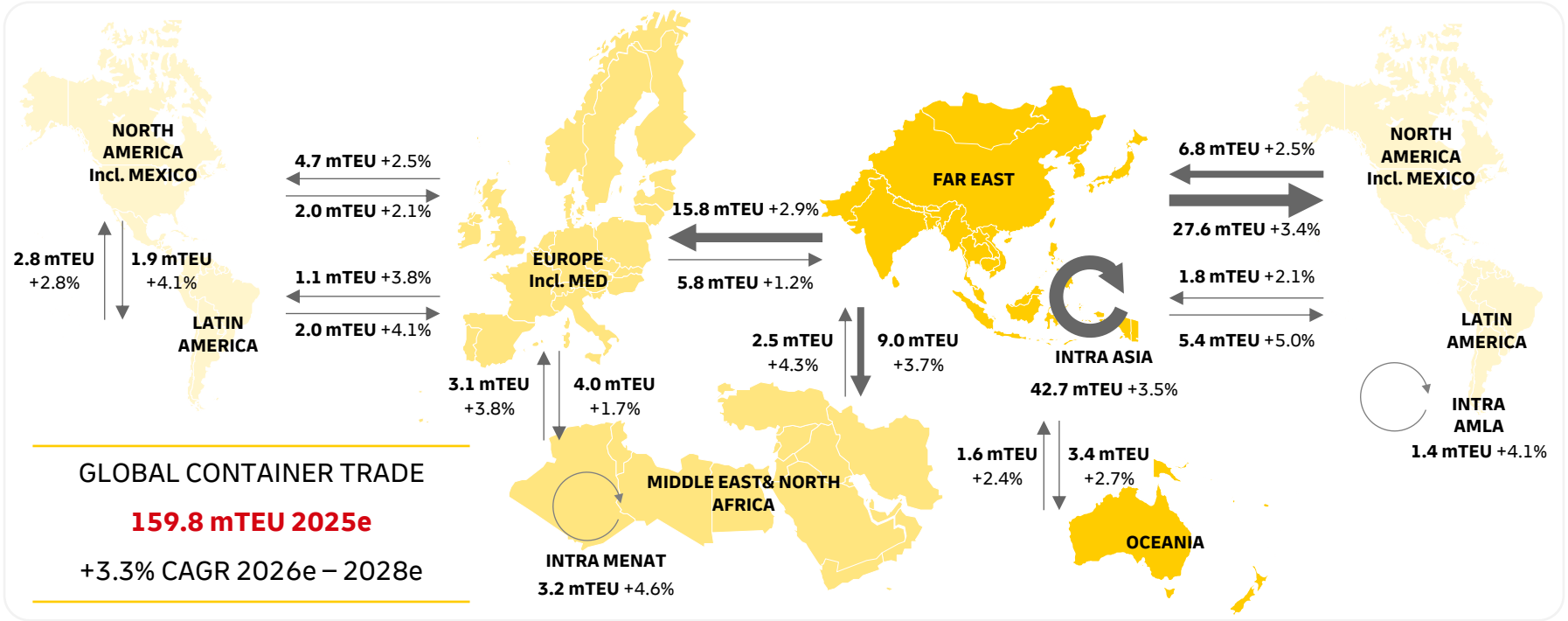
GDP Growth by Region[1)]

	2025F	2026F	2027F	2028F	2029F	CAGR (2026–29)
Americas	1.4%	1.7%	1.8%	1.9%	2.0%	**1.9%**
Asia-Pacific	3.6%	3.6%	3.9%	4.0%	3.9%	**3.9%**
Europe	1.2%	1.5%	1.8%	1.8%	1.8%	**1.7%**
Middle East Africa	3.0%	3.7%	3.8%	3.7%	3.5%	**3.6%**
Worldwide Average	**2.2%**	**2.4%**	**2.6%**	**2.7%**	**2.7%**	**2.7%**

Bunker Prices[2)]

1) Real GDP, Copyright © IHS Markit, now part of S&P Global, Q2 2025 Update 2 Jun '25. All rights reserved; 2) Source: Bunkerindex, in USD, status 23 June '25

Deep dive: Demand development, 2025 - 2028



Source: Accenture Cargo; 12/24 update