

An aerial photograph of a port area, showing several large gantry cranes along the water's edge and a vast yard filled with stacks of shipping containers. The image is overlaid with a blue tint.

# Visy Logistics

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Market update  
January 2025

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# Market update - January 2025

## Global ocean freight in Q1 2025:

**Spot Rate Increase:** Spot rates on key trades have risen early this year due to pre-Chinese New Year cargo surges, a potential ILA port strike, and anticipated tariff hikes under the new Trump administration. Rate momentum is expected to continue into early 2025, with possible moderation.

**USEC/USGC Labour Contract Negotiation:** The International Longshoremen's Association (ILA) and United States Maritime Alliance (USMX) have reached a tentative agreement on all items for a new six-year Master Contract. This is a great relief for the container shipping industry, as it ensures no port strikes or disruptions to the ocean freight supply chain.

**Port Congestion:** Major ports like Shanghai, Singapore, Busan, and Rotterdam are facing congestion due to weather, vessel delays, and the pre-CNY cargo rush.

**Blank Sailings:** Carriers, including COSCO/OOCL, have announced blank sailings for the Lunar New Year. The Asia-Oceania trade will see 26,000 TEU capacity reductions, with tighter space expected from February 10–21.

**Alliance Launch Impact:** New alliances, Gemini (Maersk/Hapag) and Premier (ONE/HMM/Yang Ming), could disrupt capacity and schedules, leading to operational delays, missed sailings, and port skips due to vessel reloading and service changes.

**China Virus Update:** A Human Metapneumovirus (HMPV) outbreak in Northern China is being monitored. While no supply chain disruptions have occurred yet, this remains a key area to watch.



## Key market updates include:

### Rate Increases

Export rates from NEA and SEA remain elevated, with a General Rate Increase (GRI) scheduled for Australia and New Zealand in January.

### Port Congestion and Vessel delays

Pre-Lunar New Year cargo rush and bad weather are causing major congestion at key Asian ports, with berthing delays of up to five days. Shanghai, Tokyo, Ningbo, Busan, and Manila are the most affected, with delays varying by carrier. The congestion is driven by shippers rushing to import goods before the Lunar New Year factory shutdowns, starting January 29.

### Capacity Challenges

Pre-Lunar New Year cargo rush is straining space and equipment availability, especially in North East Asia (NEA) and Southeast Asia (SEA) to Oceania.

### Asia – USA Rates

Amid potential port strikes in USEC/USGC, blank sailings, and the pre-Lunar New Year cargo rush, freight rates to both USWC and USEC have stabilised.

### Asia-Europe Rates

Asia-Europe freight rates are rising due to blank sailings and the pre-Lunar New Year cargo rush but are expected to stabilise following the extended Chinese New Year holidays.

### EU Energy Transition Surcharge

From January 1, 2025, ocean carriers will adjust surcharges due to new EU fuel regulations, including EU Emission Trading System (ETS) and Fuel EU Maritime. Some carriers are combining these costs into an "Energy Transition Surcharge," with one carrier charging USD\$99 per FEU for Asia to North Europe shipments, while others will set their own rates. This surcharge will apply to shipments to and from the North Europe continent



# Global Ocean Freight: Space, equipment, schedule and spot freight price trends for major trade lanes

Trade Updates	Space (Capacity)	Equipment Availability	Schedule Availability	Spot Rate Development
Asia – Europe (Westbound)	●	●	●	→
Asia – US/Canada	●	●	●	→
Asia – Oceania (Southbound)	●	●	●	↑
Asia – LATAM	●	●	●	↓
Intra-Asia (Short Sea)	●	●	●	↓
Oceania – Asia (Northbound)	●	●	●	→
Oceania – US/Canada	●	●	●	↑
Europe – Oceania	●	●	●	→
ISC – Oceania	●	●	●	→
S. Africa – Oceania	●	●	●	↓
Trans-Tasman	●	●	●	→
US/Canada – Oceania	●	●	●	↑
Europe – Asia (Eastbound)	●	●	●	↓
US/Canada – Asia	●	●	●	→
Australia Coastal	●	●	●	→
New Zealand Coastal	●	●	●	→

## KEY#1

<b>Space (capacity)</b>	70-100%of normal capacity	30-69% of normal capacity	Less than 29% of normal capacity
<b>Equipment Availability</b>	No Challenges	Medium Challenges	Major Challenges
<b>Schedule Availability</b>	No Challenges	Medium Challenges	Major Challenges

## KEY#2

<b>Spot Price Development</b>	↑ Up	→ Stable	↓ Down
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# Visy Logistics global Market Updates & Insights

## Australia

- **Australian Competition & Consumer Commission (ACCA) Stevedoring Report (Dec 2023):** Global disruptions causing supply chain issues, rising costs (importers paying 4-11x more for freight).
- Limited competition in stevedore charges affecting businesses and consumers.
- **Border Clearance Delays:** Quarantine-related delays; further disruption expected during holiday peak.
- **Global Air Cargo:** Growth driven by e-commerce, but capacity and route constraints persist.
- **Airfreight Capacity (USA-Australia):** Delta adds seasonal service (3x/week LA–Brisbane).
- American Airlines increases Dallas–Brisbane flights to daily.
- **Truck Driver Shortage in Australia:** 26,000+ unfilled positions, with an aging workforce; recruitment challenges expected to intensify.

## Vietnam

- **Rates and Capacity:** Rates on major trade lanes are expected to decline after CNY due to reduced demand.
- **Equipment/Space Status:** Some carriers are facing shortages of 20ft GP containers due to high demand, but this is expected to improve post-CNY.
- **Space Availability:** Space will open up in Q1 2025 (except January) as factories clear backlogs before CNY and await inbound materials for new orders.
- **Demand Outlook:** Demand for key trade lanes is expected to rise after the CNY holidays as factories resume production.

## New Zealand

- SB spot rates are expected to stabilise, reflecting the ongoing adjustments in the shipping market.
- Spot and Long-term contracts being offered by the lines' ex Asia – NZ expected to be higher than 2024 due to limited capacity and stable demand.
- Export volumes such as dairy, meat, and forestry products to China are likely to continue their importance, influencing freight volumes from China into New Zealand.
- CNY will lead to temporary slowdowns in freight volumes from China with a recovery towards the end of February.

## Singapore

- **Rates:** Intra Asia freight rates have shown stability, with some softening observed in late 2024. This trend may continue into Q1 2025, depending on demand and capacity management by carrier.
- **Demand and Capacity Dynamics:** Leading to the Lunar New Year, demand is anticipated to remain robust. Carriers may implement blank sailings to manage capacity in response to demand fluctuations, aiming to maintain rate stability.
- **Regulatory Pressures:** the implementation of new tariffs, particularly from the US on Chinese imports, is driving a pre-tariff shipping rush. This regulatory shift causing demand surges in both ocean & airfreight, leading to capacity constraints and potential rate volatility.
- **Q1/2025 Ocean Freight Outlook:** Intra-Asia market may experience more stability, with rates remaining steady or experiencing slight softening.

# Visy Logistics global Market Updates & Insights *(continued)*

## USA

### Transpacific Westbound Rates

- Rates remained stable throughout Q4 2024 with no immediate signs of fluctuations.
- We extended consistent rates with core carriers, ensuring confident budgeting and planning for customers.

### LAX/LGB Rail Congestion and USWC Conditions

- Rail congestion at LAX/LGB improved but risks worsening if cargo diverts due to the USEC strike. Equipment shortages, particularly at Oakland and LAX/LGB, have tightened space availability.
- Our strong carrier and terminal partnerships minimised customer impact.

### US Economic and Political Outlook

- Potential tariff changes from the incoming administration are causing business concerns.
- Economists predict challenges such as higher prices, weaker labour markets, and lower consumer confidence, potentially leading to a downturn.
- These trends should be closely monitored entering 2025.



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