

# MONTHLY CONTAINER SHIPPING BAROMETER



December 2024 | 

upply

# OCEAN FREIGHT RATES HEAT UP A LITTLE IN DECEMBER

The month of December has brought an end to a year which turned out more favourably than expected for container shipping operators. It brought handsome bonuses for the shipping companies and the big forwarders, even though their financial performance was more the result of geopolitical tensions than of the sector's intrinsic performance.

Three factors pushed up freight rates during the month of December:

- The decision of the shipping companies to deliberately limit capacity during the run-up to the Chinese New Year.
- A rush to get cargo loaded before the increase in customs duties announced by the future new administration in the United States.
- Uncertainty about the possibility of strike action at US east coast and Gulf of Mexico ports from 15 January on. Negotiations on a new six-year master agreement between the International Longshoremen's Association (ILA) and the cargo-handling industry body, USMX, were deadlocked over the question of terminal automation. A tentative agreement was [finally reached on 8 January](#).

It should be noted that two of these three factors are strongly influenced by the prospect of the arrival in power of the new Trump administration. In the port dispute, the president-elect [has come out strongly in favour of the ILA](#).

“Three factors pushed up freight rates during the month of December”



# Main developments

## The battle between supply and demand

The increase in freight rates on Asia-Europe and transpacific routes at the end of the year, with contract negotiations still under way, has been favourable to the shipping companies, which are looking to use current higher rates as a basis for the future rates still under negotiation. In December, with the battle between supply and demand in full swing, they were able to justify rate increases by playing on the fears of the cargo side that there would be insufficient capacity to meet demand.

But the wind could turn quickly. After the Chinese New Year, which falls early this year on 29 January, three new factors, which promise to have a much less favourable impact on the shipping companies' finances, look set to come into play:

- The three new shipping alliances are planning to simultaneously introduce big increases in capacity.
- If the United States implements plans to increase customs duties, companies there could delay placing new orders, causing a temporary slowdown in imports to the United States.
- The European retail sector is not in the kind of form which would enable it to make up for a heavy slowdown in imports to the United States.

If we take into account the development of nearshoring, which is really palpable now in Europe, the outlook for the container shipping market in 2025 takes on a very different aspect. Although it was planned and intended to be temporary, the increase in freight rates in December looks likely to be the prelude to a roller coaster ride for freight rates, starting early this year.

## Houthi attacks

In recent weeks, Israel and the United States have intensified their attacks on Houthi's strategic Houthi positions in Yemen. In their turn, the Houthis have increased the frequency of their attacks on Israel. Because of the clear absence of information, it is very difficult to determine to what extent the Houthis have been weakened and to what extent they will be able to continue to attack merchant shipping in the Red Sea in the long term. For the time being, however, the threat still exists, and the Red Sea is still considered to be a war zone. A return to safe navigating conditions in the Red Sea would have a major impact on the market but is not yet on the agenda.

## Crisis on the automobile market

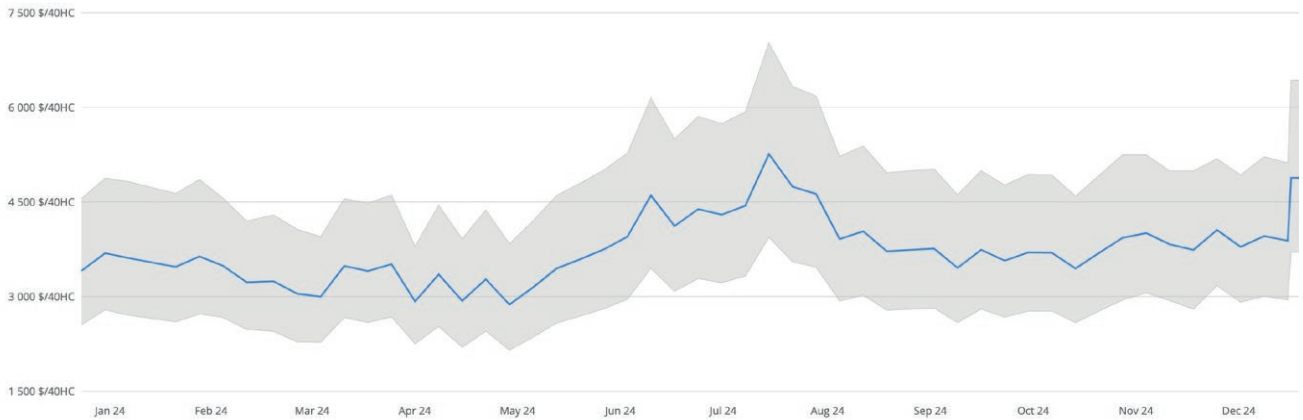
The world automobile sector has gone into a deep and probably long-lasting crisis. With the market disorientated by the drive for electric cars, unsold stocks of new vehicles and China's efforts to dominate the world market, the crisis in the sector is going to affect the container logistics chains, which transport parts and components for the automobile sector. It can be expected, therefore, that the volume of cargo generated by the sector will contract in 2025.

# Prices

## Asia-Europe

### Shanghai - Le Havre

Price: \$/40HC  Low - High  Min - Max

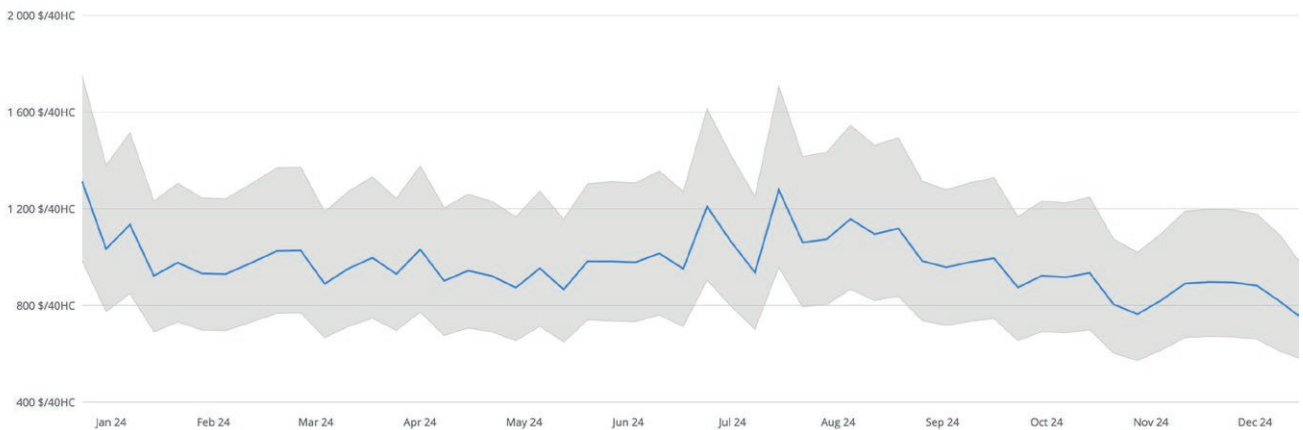


Port-to-port rates (spot and contract combined) billed for direct sailings from Shanghai to Le Havre, THC included, for a 40' HC DRY container carrying dry, non-dangerous goods. NB: diagram shows median not average rates. Source | [Uapply](#)

## Europe-Asia

### Rotterdam - Shanghai

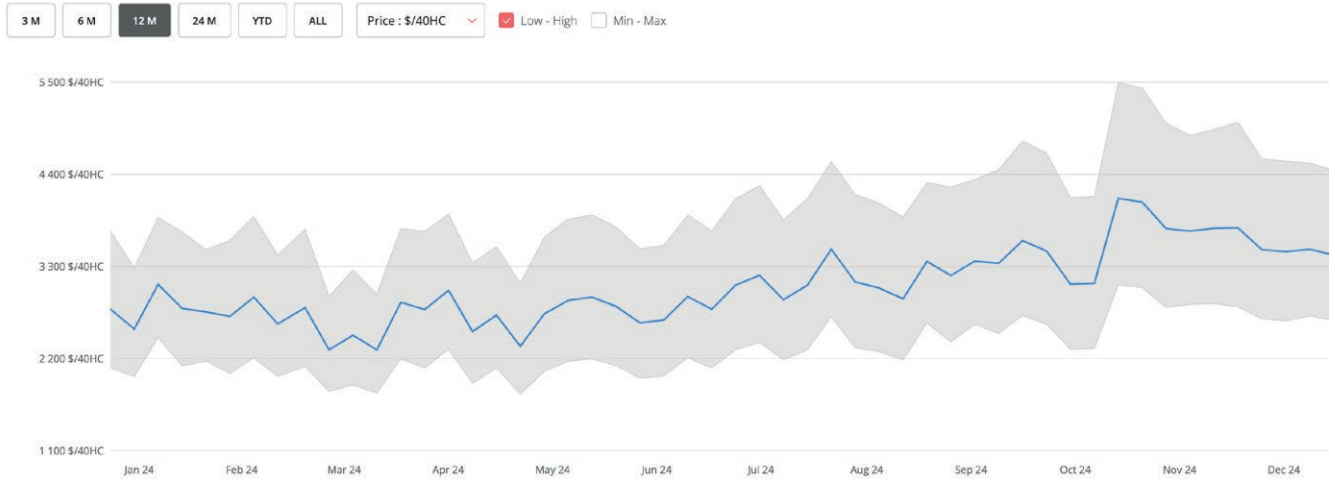
Price: \$/40HC  Low - High  Min - Max



Port-to-port rates (spot and contract combined) billed for direct sailings from Rotterdam to Shanghai, THC included, for a 40' HC DRY container carrying dry, non-dangerous goods. NB: diagram shows median not average rates. Source | [Uapply](#)

# Transatlantic

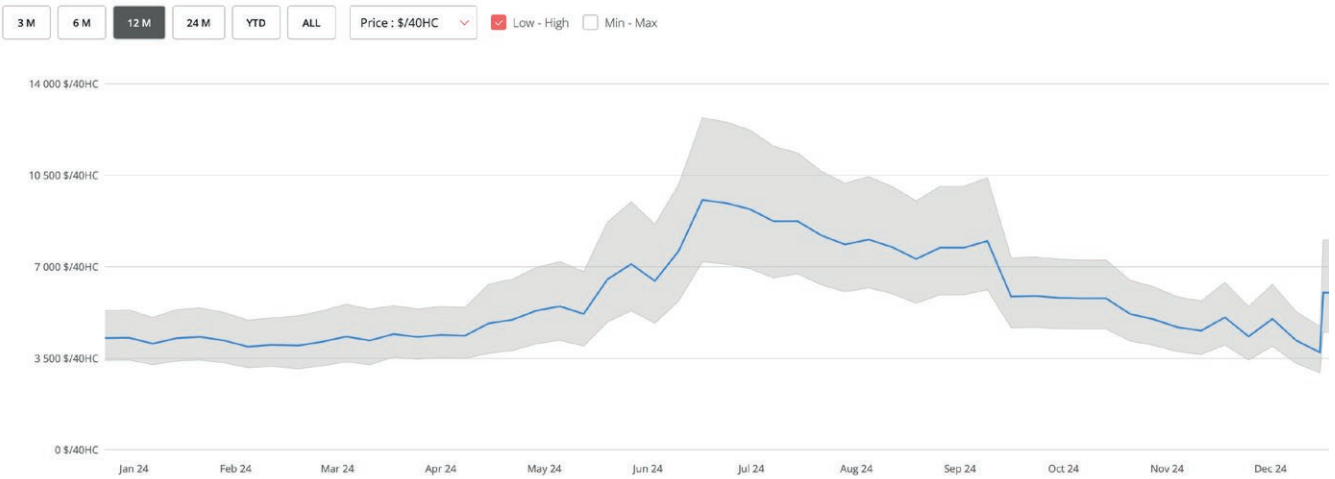
## Antwerp - New York



Port-to-port rates (spot and contract combined) billed for direct sailings from Antwerp to New York, THC included, for a 40' HC DRY container carrying dry, non-dangerous goods. NB: diagram shows median not average rates. Source [Uply](#)

# Transpacific

## Shanghai - Long Beach



Port-to-port rates (spot and contract combined) billed for direct sailings from Shanghai to Long Beach, THC included, for a 40' HC DRY container carrying dry, non-dangerous goods. NB: diagram shows median not average rates. Source [Uply](#)

# Services

Service reliability improved in late 2024. According to Sea intelligence, it improved 4.1% month on month in November to 54.8%, which, according to CEO Alan Murphy, was “the highest point it has been at in 2024”. Over the year as a whole, however, regular line reliability was between 50% and 55% most of the time, which was less than in 2023.

More in detail, Mærsk was the only shipping company to score over 60% in November, with a reliability rating of 61.9%. The score was encouraging but below that of November 2023. Seven shipping companies - MSC, CMA CGM, Hapag Lloyd, Yang Ming, HMM, ONE and Evergreen - scored between 50% and 60%, while, at the bottom of the table, five companies - Cosco, OOCL, PIL, ZIM and Wan Hai - were able to achieve reliability levels of only 40-50%. Wan Hai was in bottom place with a rating of just 47.3%.

Compared to November 2023, almost all shipping companies saw their punctuality deteriorate. In November 2023, seven shipping companies scored between 60% and 70% and no company was rated below 50%. Year on year, only Yang Ming improved its performance.

“Service reliability improved in late 2024”

## Asia-Europe

Hong Kong-based **OVP Shipping** added the port of Nantong to its Asia-Europe service. An estuary port, Nantong lies north west of Shanghai and has been included in the company’s Black Sea service, which links the Asian ports of Nantong, Qingdao, Shanghai, Ningbo, Guangzhou and Port Klang alternately to Saint-Petersburg and Novorossiysk.

**Premier Alliance** (HMM, ONE and Yang Ming) has indicated that it will start its operations gradually. Not all Asia-Europe and transpacific services will start in February. The PSS and PN4 transpacific services will get under way in May, as will the MDS Asia-Mediterranean service.

## Transatlantic

With just a month to go to the inauguration of the new alliances, the first cooperation agreements between them have been announced. In the transatlantic market, **Ocean Alliance** (CMA CGM, Cosco, OOCL and Evergreen) and Premier Alliance member **ONE** are to cooperate on three services. Two will be operated by Ocean Alliance and one by ONE and Evergreen. The companies in both alliances

will have space on all the services concerned. These are the AT1(Southampton, Antwerp, Rotterdam, Bremerhaven, Le Havre, New-York, Norfolk and Baltimore), the AT2 (Le Havre, Rotterdam, Antwerp, Bremerhaven, Charleston and Savannah) and the AT3 (Southampton, Rotterdam, Bremerhaven, Veracruz, Altamira, Houston and New Orleans).

## Europe - Indian sub-continent

**Hapag Lloyd** has announced the return of its Indian Ocean Service to Hamburg after switching its calls to Wilhelmshaven in October to escape congestion in Hamburg. From now on, the service

will call in Jebel Ali, Karachi, Nhava Sheva, Mundra, Tangiers, Rotterdam, Hamburg and London before returning to Tangiers.

## Black Sea

The announcement from the US's president-elect that he plans to end the war in Ukraine "in 24 hours" has encouraged the shipping companies to review the situation in the Black Sea. Spanish shipping company **Marguisa** is to take slots on the vessels of a company which has yet to be named, according to consultants Dynamar. It has announced that it will be starting a service to the ports of Varna, Bourgas, Poti and Odessa in the next few weeks.

CMA CGM has announced that it will be setting up the Odessa Express to serve the port of Odessa. Unlike its fellow operators, MSC and Arkas, CMA CGM has opted for Odessa rather than Chornomorsk. The service will be operated by the group's own ships from the port of Piraeus, which will call in Istanbul on their return journey.

## Asia-United States east coast

After striking an agreement with **MSC**, **ZIM** has announced that it will be making changes to its rotations between Asia and the east coast of the United States in February, when the new alliances are due to start operations. Calls to Baltimore by ZIM's ZXB service and MSC's Esmeralda service have been cancelled. They will call instead in Boston. At the same time, however, Baltimore will receive calls from ZIM's Seven Star service and MSC's America service between their calls in New York and Norfolk. A call will also be made to the

port of Colombo on the eastbound leg. ZIM's ZGX service and MSC's Lone Star service will also call in the port of Busan before going on to Ningbo on their return leg. The Korean port is now the last port of call in Asia on the westbound leg.

## Asia-Indian sub-continent

Several shipping companies have decided to optimise their services from Asia to the Indian sub-continent. **Evergreen**, **Emirates Shipping Line**, **Gold Star** and **KMTC** have announced that their joint service will no longer call in Qingdao,

according to Alphaliner. The service's new rotation will take in Shanghai, Ningbo, Shenzhen, Port Klang, Nhava Sheva, Hazira, Mundra, Colombo, Port Klang and Singapore.

## Red Sea

Turkish shipping company **Sidra Line** is to launch a service from the eastern Mediterranean to the Red Sea. It will serve Mersin, Iskenderun, Jeddah, Port

Sudan, Beirut and Latakia every 23 days, using a single 158 TEU vessel.

## Transpacific

From February on, **Wan Hai** will be able to take space on the PS6 service operated by Premier Alliance (ONE, HMM and Yang Ming). The space is being provided by ONE, which will be allocated additional space on Wan Hai's AP1 service in return. The AP1 will no longer call at the Chinese ports of Shanghai and Ningbo, however, concentrating rather on Vietnamese ports. The service will call in future in Shenzhen, Hai Phong, Ho Chi Minh, Shenzhen, Xiamen, Taipei, Los Angeles and Oakland before returning to Shenzhen. **Mærsk** has announced that it will cease its TPX service's calls in the Alaskan ports of Dutch Harbor and Kodiak. In future, it will serve

the two ports by transshipment on to **Matson's** services from Tacoma. The TPX will call in future at Yokohama, Qingdao, Shanghai, Busan and Tacoma. Matson will call at the two Alaskan ports with its CLX service (Ningbo, Shanghai, Long Beach and Dutch Harbor) and its Alaska Service (Tacoma, Anchorage, Kodiak and Dutch Harbor). According to Dynamar, **CMA CGM** subsidiary **APL**, is offering a link to Alaska with its EXX service, calling in Ningbo, Shanghai, Los Angeles, Oakland, Honolulu, Dutch Harbor, Busan and Kwangyang.

## Operations

### Panama Canal

The commercial policy of the Panama Canal Authority is not to the liking of US president-elect Donald Trump, who has announced that he wants the United States to retake control of the waterway. He claims that the authority is imposing "exorbitant" fees on US shippers. He says, too, that he wants to prevent the canal from falling into the "wrong hands", implying that it could come under Chinese control. Panama wasted no time replying. President José Raúl Mulino said in a communiqué, "As President, I want to express precisely that every square meter of the Panama Canal and its adjacent area belong to Panama and will continue to be. The sovereignty and independence of our country are not negotiable."

Donald Trump wants to counter-balance China's increasing presence in this part of the world. It should be remembered that the two main terminals at each end of the canal are operated under concession by Hong Kong group Hutchison Ports.





## Jérôme De Ricqlès

Ocean Shipping Expert at Upply

*The "Services" and "Operations" sections of this barometer are produced in collaboration with Hervé Deiss, who is a journalist specialized in maritime transport and port issues.*



## THE TECHNOLOGICAL SOLUTIONS PLATFORM THAT BOOSTS SUPPLY CHAIN ACTORS' EFFICIENCY

**Upply**, the Tech Platform serving freight transport professionals, **designs and develops digital solutions** to assist supply chain professionals in leveraging the full potential of digitalization for their business.

---

© All rights reserved. No part of this publication may be reproduced in any material form, including photocopying or electronic storage, without prior written permission from Upply. This report is based on factual information obtained from several public sources. While every effort is made to ensure the accuracy of the information, Upply disclaims any liability for any loss or damage caused by reliance on the information contained in this report. The opinions expressed here are those of the author as of the date of publication and are subject to change without notice.