

OCEAN FREIGHT MARKET UPDATE

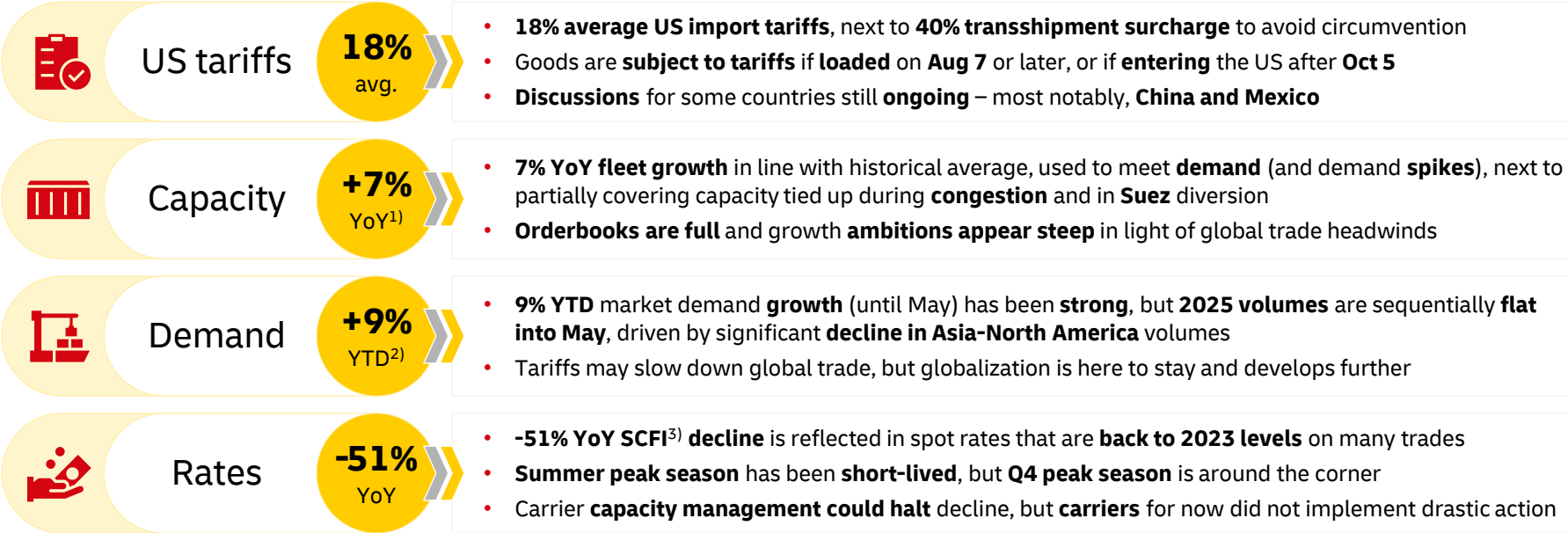
SEPTEMBER 2025



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



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
DHL Global Forwarding | OFR Market Update | September 2025

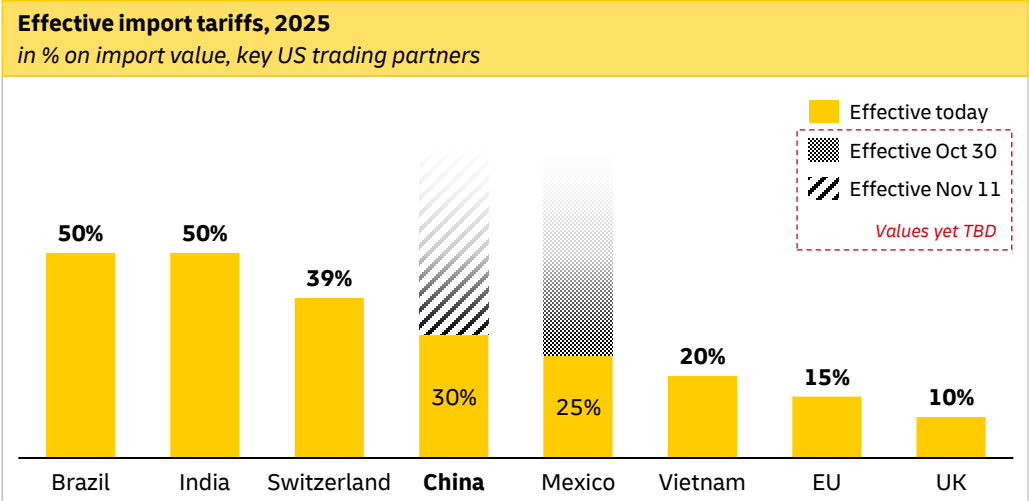
US tariffs

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**



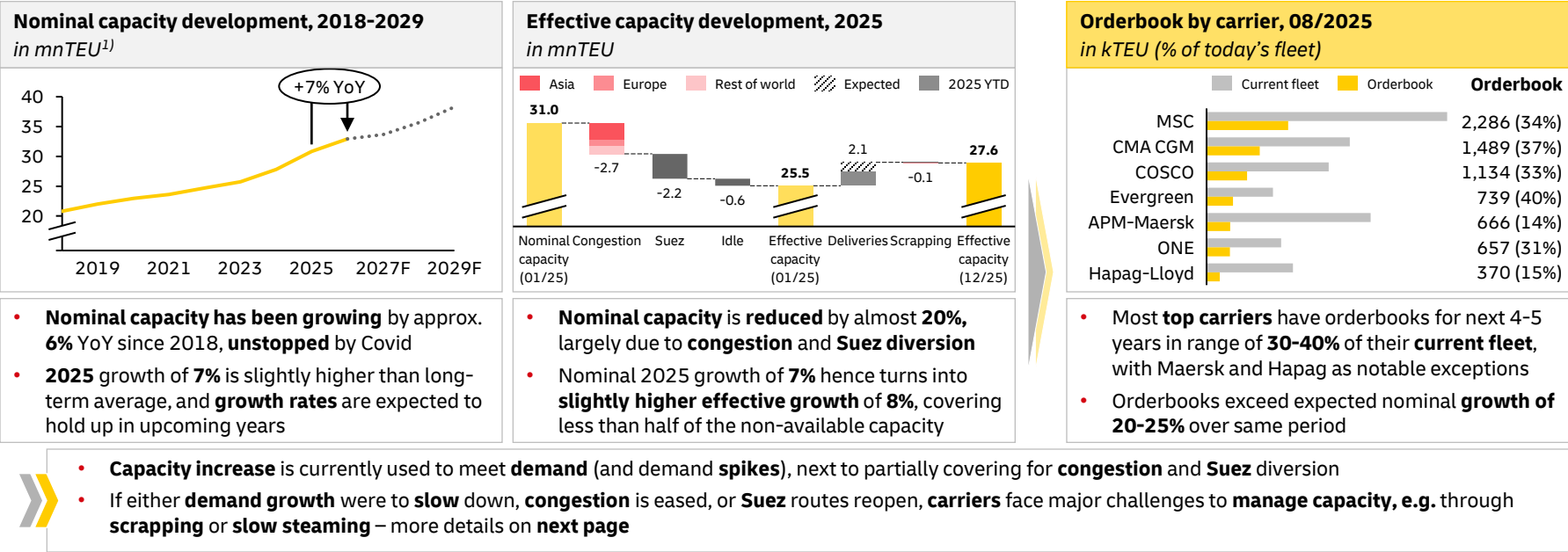
- Almost all **imports** are **subject to 10-50% duty**, depending on the **origin**; there are some **product-specific duties** that apply instead, **irrespective** of the **origin**
- So far, **uncertainty around tariffs** has **slowed global trade** - **full impact** on shipping and **supply chains** 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
DHL Global Forwarding | OFR Market Update | September 2025

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

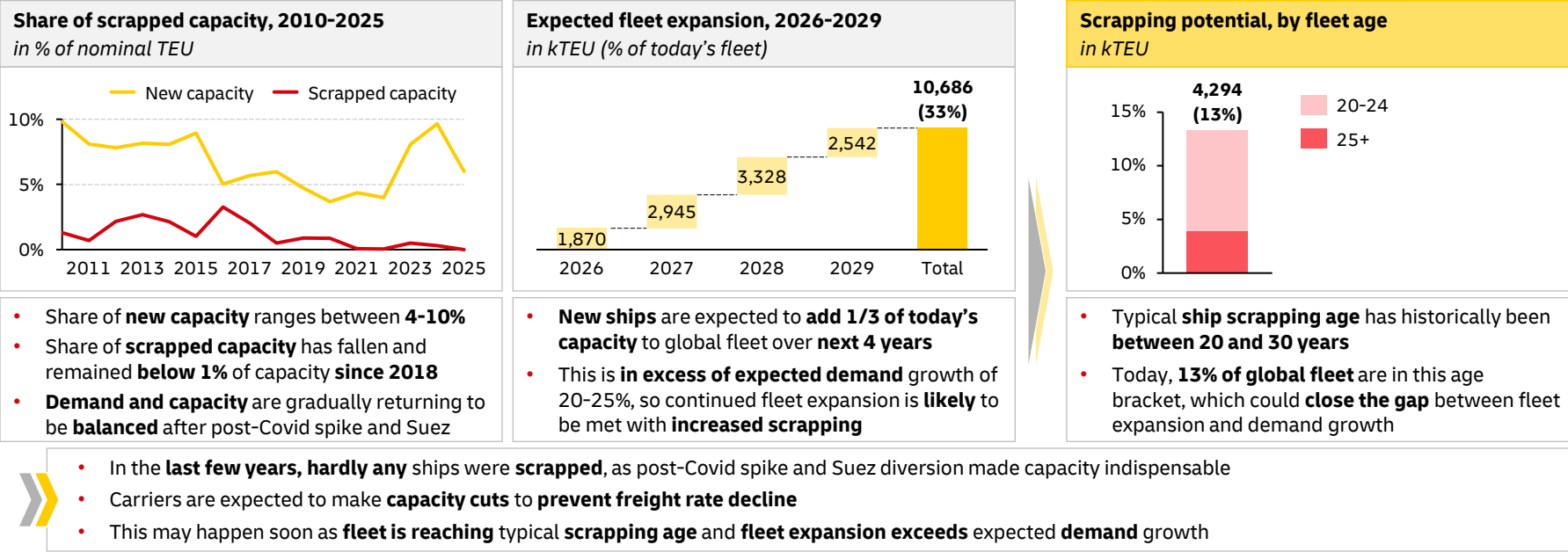


Sources: DHL Global Forwarding, Alphaliner, Drewry, Linerlytica; 1) 20-Foot Container Equivalent Unit
DHL Global Forwarding | OFR Market Update | September 2025

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

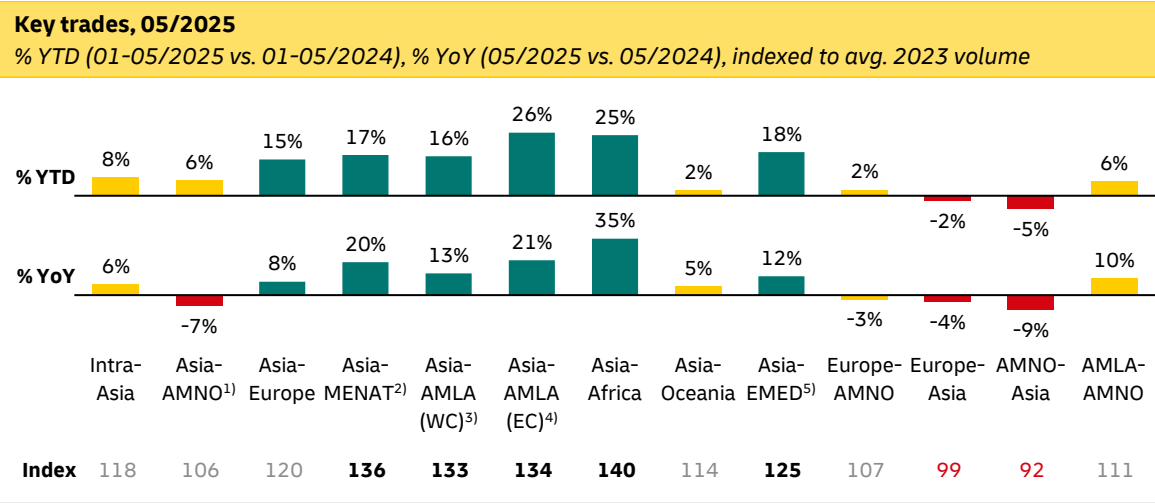
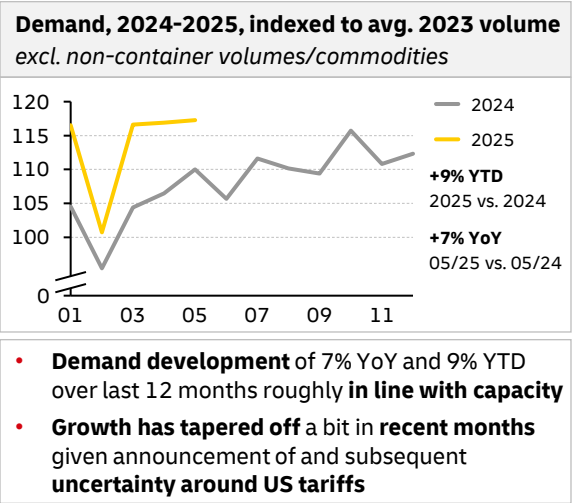


Demand

Tariffs slow growth, but globalization is here to stay

May 2025 data
(most recent available)

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

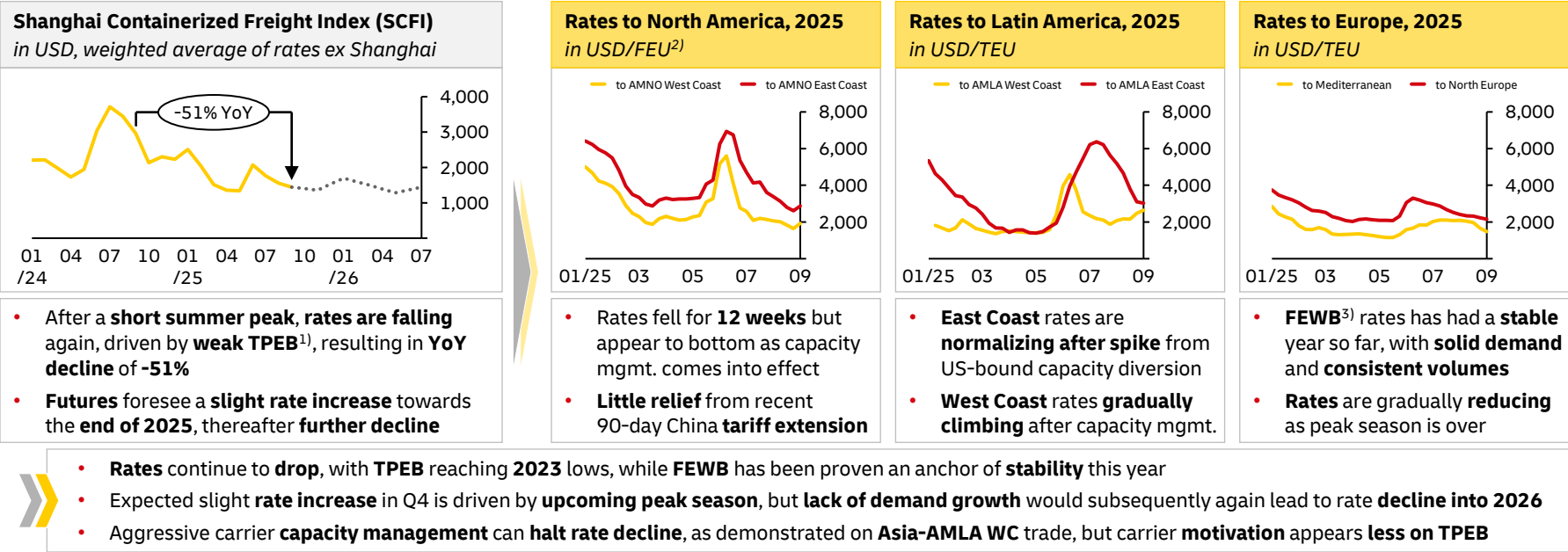


- Overall **growth is positive**, but **2025 volume growth** is flat, driven by overall **second-largest trade Asia-AMNO** declining by **-7% YoY**
- **Asian exports** are surging to **other destinations - particularly Middle East, North Africa, or Latin America**
- This indicates that **tariffs** may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

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



Deep dive: Capacity vs. Demand

Capacity surplus reduces rates and utilization

G

Capacity exceeds demand

Y

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		Sep	Oct	Nov	
Asia to ...	Asia	R				R	R	R		Forecast	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	G
North America to ...	Asia	G	G	G	G	G	G	G	G		G	G	G	G
Latin America to ...	North America	R												

Observations

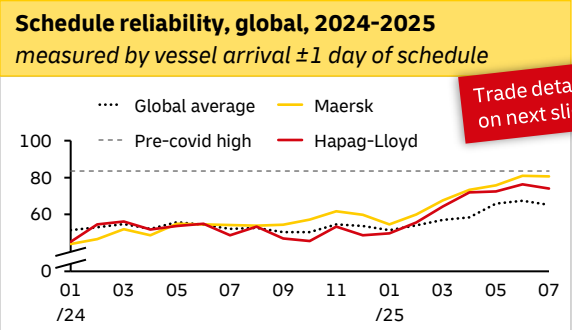
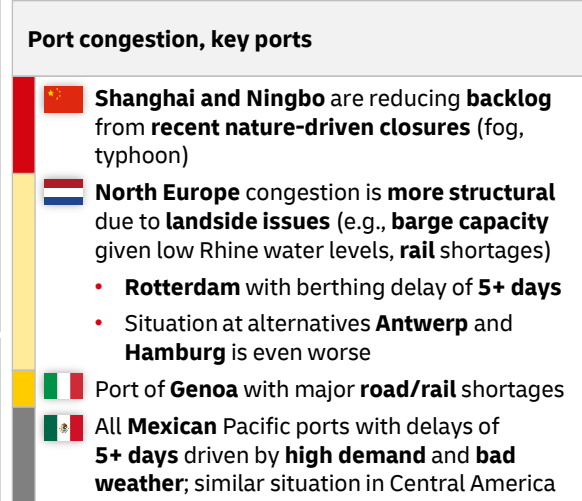
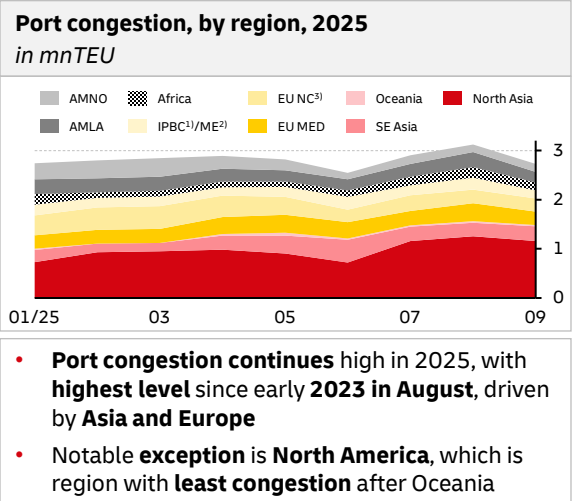
based on DHL Global Forwarding expertise

- 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.**

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



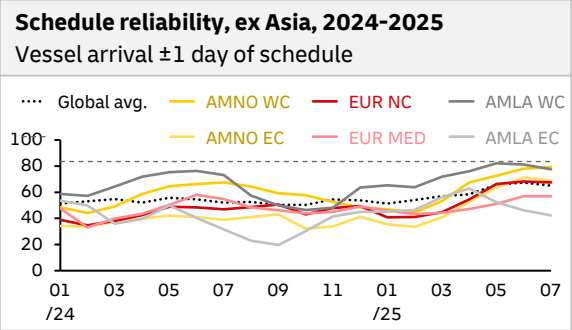
- Carriers achieved a **substantial improvement** in schedule reliability this year, but there is still a **significant gap to pre-Covid highs** of 80-85%
- Among top carriers, **Gemini Cooperation** (comprised of **Maersk** and **Hapag**) is top of class measuring port-to-port reliability per loop
- 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

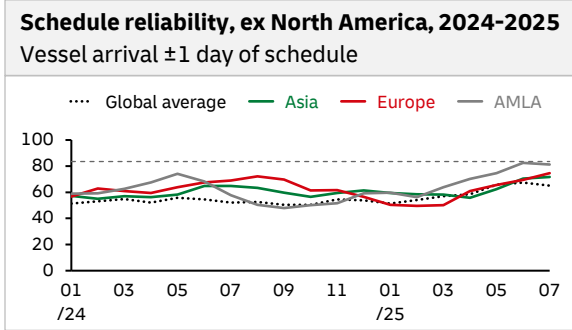
Deep dive: Schedule reliability

Peak season is key test for schedule reliability

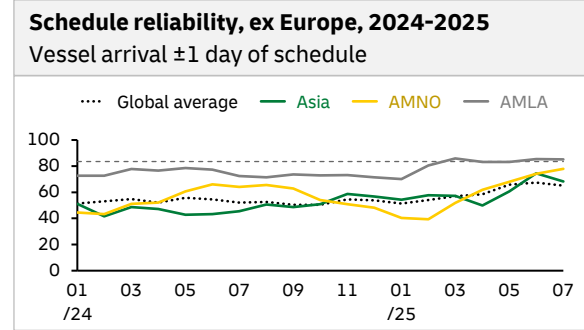
Reliability generally increasing in line with global average for most trades, with exception Asia to Latin America EC; ex Asia, it remains to be seen if increased reliability can be sustained through peak season



- Schedule reliability 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**



- **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**



- **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**

APPENDIX

Deep dive: Capacity vs. Demand | Additional trades

Capacity surplus reduces rates and utilization

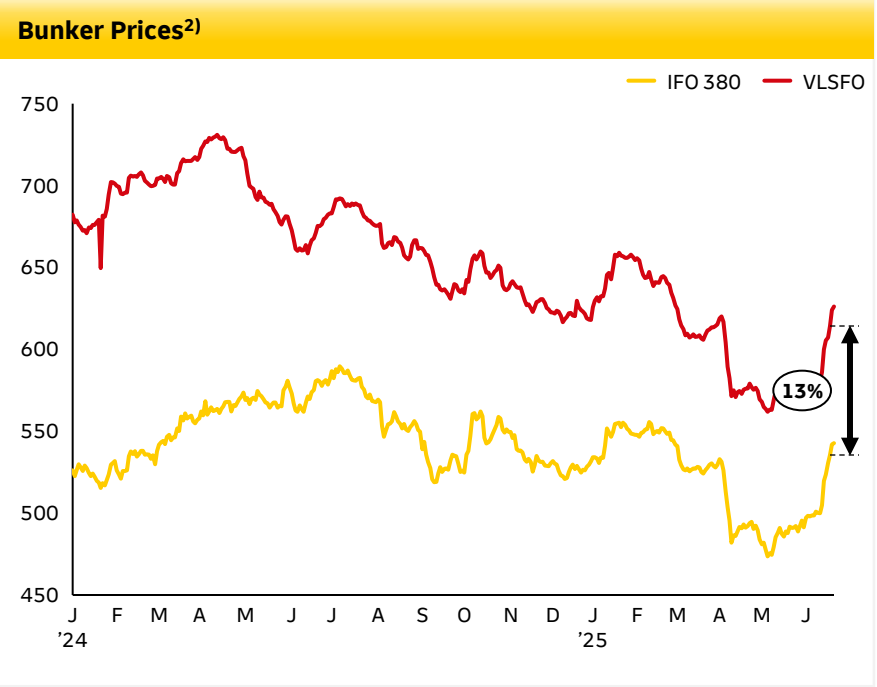
- G Capacity exceeds demand
- Capacity and demand balanced
- R Demand exceeds capacity

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												

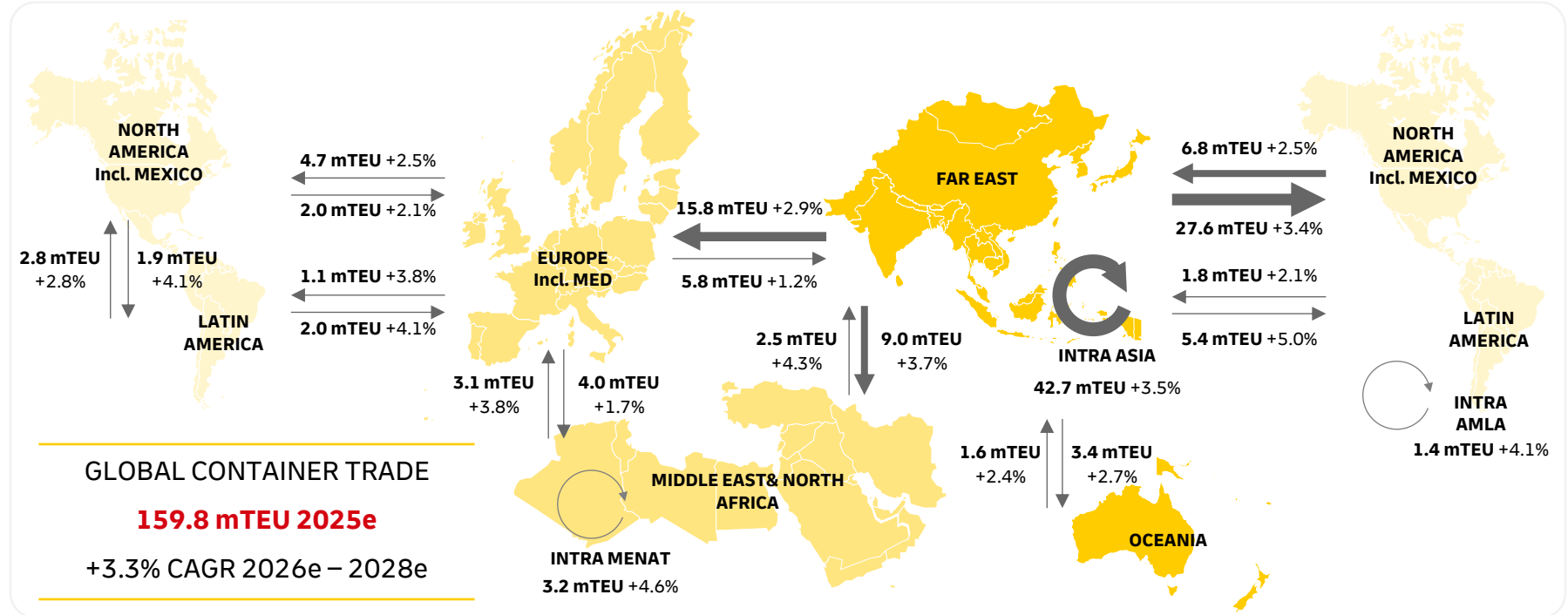
Deep dive: GDP Growth & Bunker Prices

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%



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