



WHALE
LOGISTICS

February 2025

**Whale Logistics Australia:
Riding the Wave - Market Update**



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February 2025 Global Shipping Market Update:

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Executive Summary



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Market Overview:

Since January 1st, market rates have dropped by 80%. Smaller carriers, who do not carry contract cargo, are driving these rates down as they need to buy bookings. Larger carriers are gradually bringing their rates in line with the market throughout the month of February. Some larger carriers have announced a General Rate Increase (GRI) for March 1st, with increases ranging from USD \$200-500 per 20 and USD \$400-1000 per 40HC. Carriers have advised of blank sailings for the month of March to try and inflate rates by removing capacity.

It is expected that market rates will stabilise mid-March. Additionally, factories have not yet fully resumed or achieved 100% production since Chinese New Year, meaning Chinese bound trades are struggling to fill their vessels. Moreover, I see the potential for carriers to remove capacity from the market by moving vessels to higher-paying trade lanes or blank sailings to balance capacity with demand.

Market Outlook:

Carriers are trying to maintain contract rates 30-60% higher than 2024 levels due to higher average market rates between July and January. Global capacity is expected to increase by 10-20%, with the Suez Canal opening increasing capacity by 10-15% and new ship builds entering the market increasing capacity by around 5%.

Market rates, sentiment, and demand are like those of March & April 2024 levels. This suggests that market rates may be softer in 2025 compared to 2024. However, unforeseen events could impact this outlook, such as the Middle East/Red Sea conflict flaring up, political escalation in Europe, or the "Trump Factor." It is advised to be patient and observe market developments until early to mid-March before making decisions on contract rates.

Market Overview CN-AU

Capacity

- Weeks 09 – 13 see several blank sailings. With an average of 18% capacity removed during these weeks.
- Blank sailings throughout February did not affect rates due to the low demand of CNY. Whale anticipate blank sailings through out March to try and inflate rates and disrupt sailing schedules.
- Cyclone Alfred will have a large impact on BNE port operations creating delays and schedule disruptions. This may affect rates.

Freight Rates

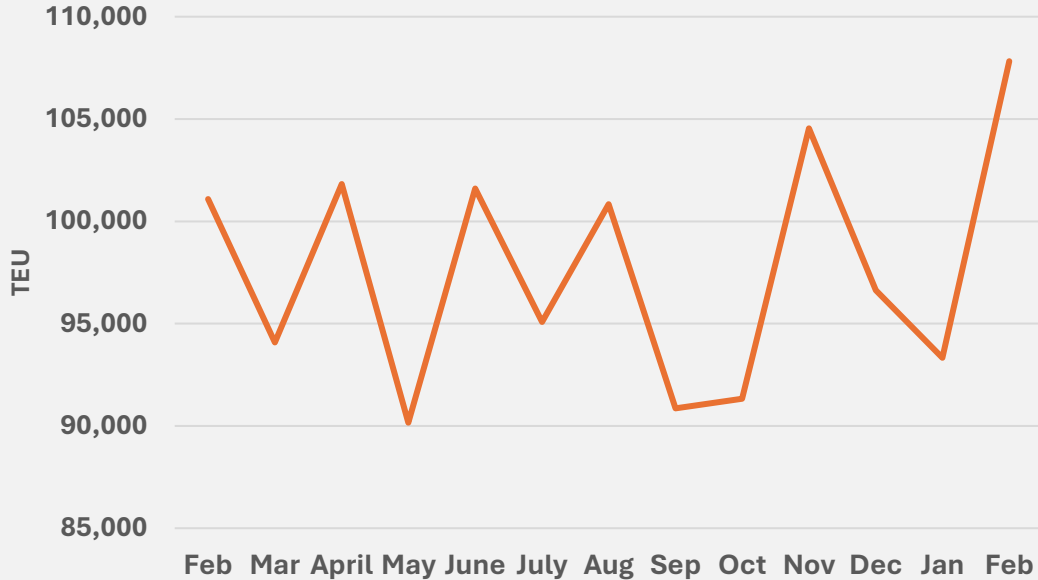
- Noncontract rate carriers are forcing the market rate down and now larger carriers are dropping their rates.
- Rates are down heavily since November 2024.
- Anticipate freight rates to continue downward till late March / early April. Carriers will try to inflate rates through blank sailings.
- We expect rates to be softer for 2025 compared to 2024.

Future Capacity

- Record Orderbooks from 2024 are expected to come online shortly. Up to 8.3m TEU of additional capacity was ordered. This was in response to growing demand and to mitigate threats such as the current Red Sea diversions.
- If the Red Sea routing resume and this anticipated capacity enters the market, we may see freight rates plummet as supply outstrips demand.

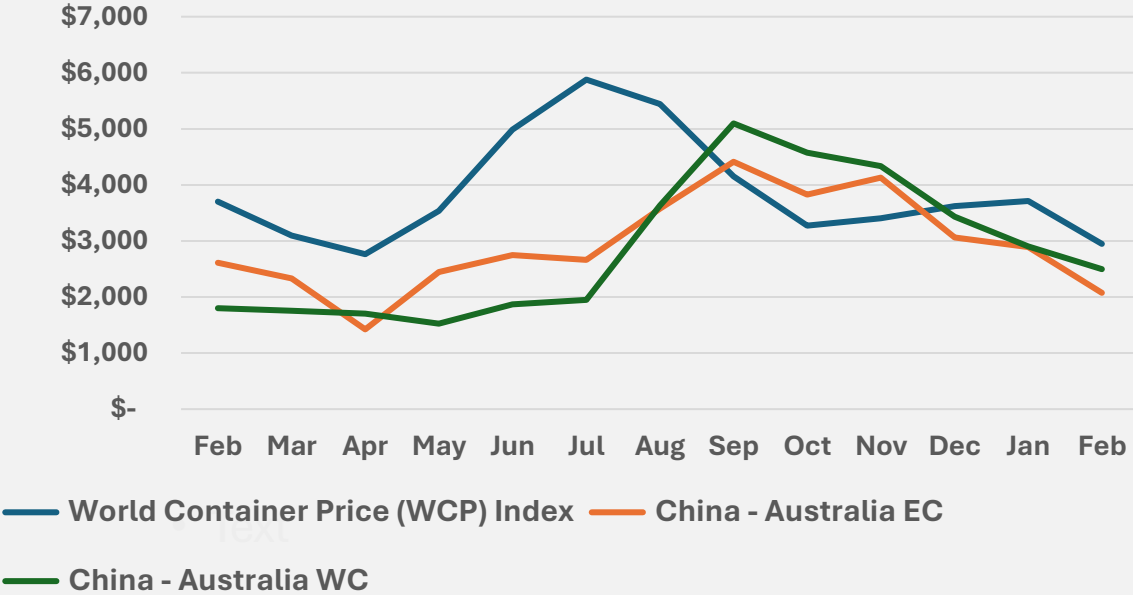
Market Overview CN-AU

Asia – Australia Monthly Avg Capacity



- Shippers should anticipate blank sailings and avoid shipping when they occur. This will hopefully allow for better rates and less chance of cargo being rolled.
- As observed in January, carriers implemented blank sailing schedules coinciding with CNY to try and inflate rates, without success.

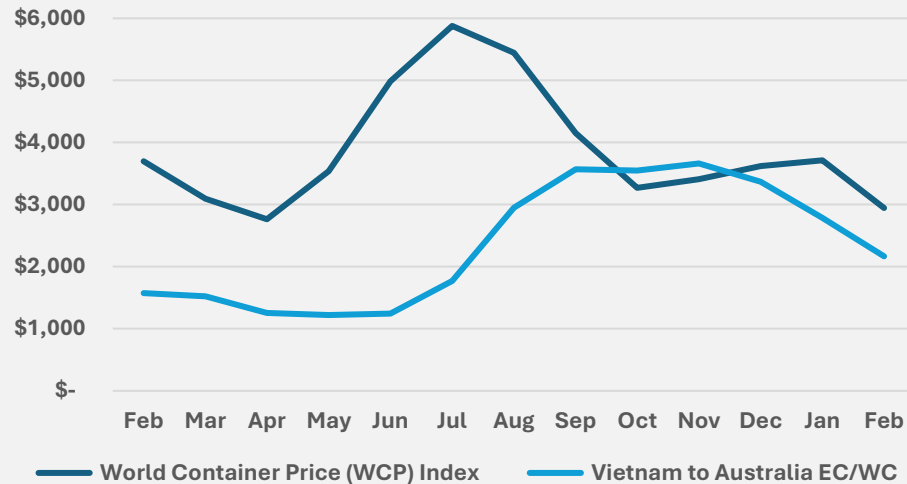
Trade Route FAK Price Comparison (\$USD)



- Australian bound routes consistently track below other global trade routes.
- As observed the China – AU trade has continued to fall since the beginning of 2025. This is due to an early CNY, over capacity from carriers and softening markets.

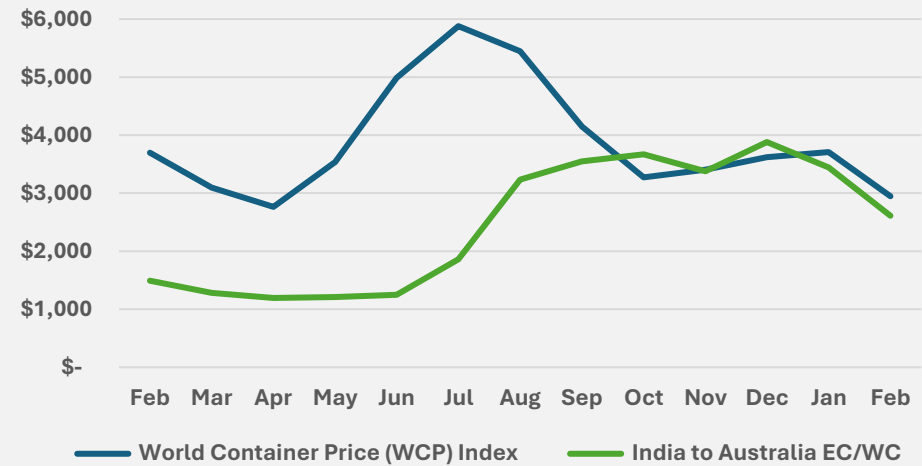
SEA Trade Lanes – Rate Comparison

Vietnam



- Weak demand in the beginning of 2025 led to a downward slide in rates.
- This was not as great as the China to AU rate drop.
- Rates are expected to increase over the coming month, however to what extent is unknown.

India

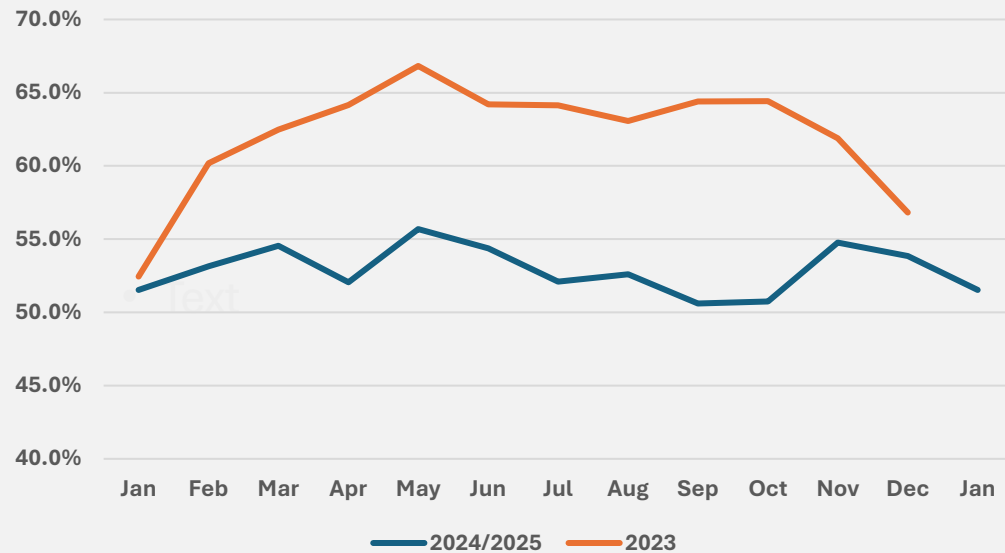


- India has seen limited blank sailings and sliding demand in the first part of 2025.
- This has led to sliding rates, however, not to the same levels as China or Vietnam.
- GRI notices are expected for the month of April as carriers look to increase rates.

Schedule Reliability

Schedule reliability is a measure of percentage of vessels that arrive or leave on time

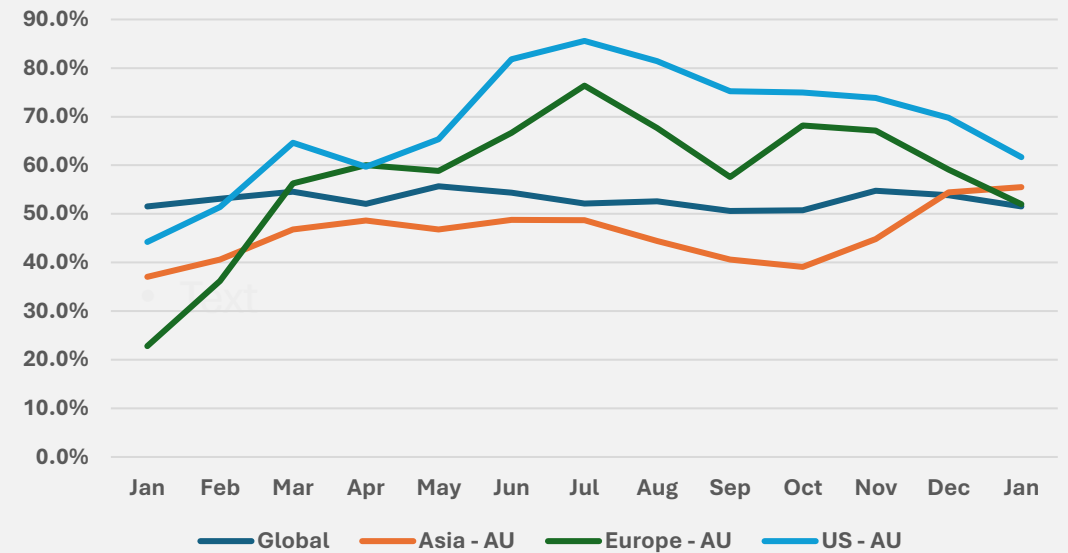
Global Schedule Reliability



Global Schedule Reliability

- Global schedule reliability remained consistent throughout 2024, however, continues to perform poorly against pre-covid levels.
- We anticipate 2025's schedule reliability globally to be worse than that of 2024. This is due to the large disruption the Red Sea reopening will cause, strikes, US port fees changing schedules and geo-political instability.

Trade Lane Reliability



Reliability Developments

- **Asia – AU:** Schedule reliability is expected to be disrupted during 2025, due to Cyclone Alfred and industrial action with EBA renewals approaching.
- **Europe – AU:** Schedule reliability has been created by strikes in France and the Netherlands. This is expected to worsen.
- **USA – AU:** Schedule reliability has decreased in the January period. This is expected to worsen if the US implement their new Chinese vessel fees.

Black Swan Events

Trump's Tariffs

- **Protectionism:** Trump's strong protectionist views on tariffs could hurt global economies. This could create volatility for Australian businesses and lead to increased costs for importers.
- **Risk of Retaliation:** If trade relations worsened between multiple nations, AU importers could be faced with tariffs on the import of US goods, disrupting trade.

US Fees on Chinese Carriers

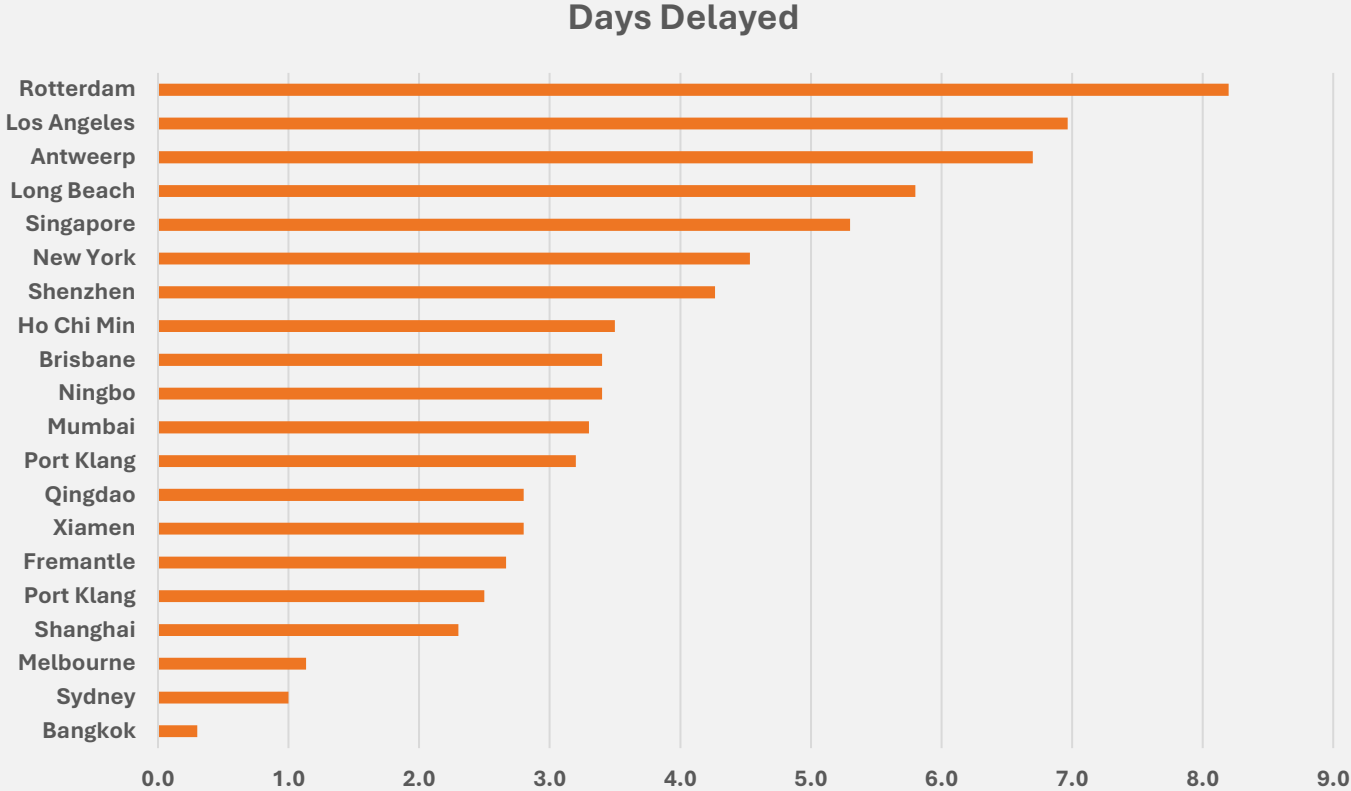
- **Increased Shipping Costs:** The US proposal to implement fees on Chinese carriers of up to \$1.5m USD per port call. This would affect Australian importers from the US, with cargo on Chinese vessels bound for AU.
- **Delays:** The new fees and potential ban could lead to disruptions in global supply chains. Australian importers may face delays as schedules are adjusted to comply with the new regulations.

Australian EBA Agreements

- **Supply Chain Disruptions:** Potential strikes could lead to delays and congestion at ports.
- **Economic Consequences:** Prolonged industrial action may cause shortages, increased costs, and longer lead times.
- **Increased Pressure on DP World:** With their stable EBA, DP World may attract more shipments, risking congestion within the terminal.
- **Front Loading:** Importers may front load imports, creating early peak season demand, higher freight rates, and squeezed capacity.

Global Port Congestion Trends

Port Delays



Key Points on Port Delays in 2025

- Asian Ports:** Bottlenecks at Chinese ports (Shanghai, Ningbo, Qingdao) with 2.5 to 4 day container dwell times. Singapore with seven-day transshipment delays, driven by high vessel arrivals, weather issues, and congestion, are delaying nearly 10% of global container shipping capacity alongside Red Sea diversions.
- Australian Ports:** Australian Ports recovered from industrial action late 2024. However, Cyclone Alfred is expected to disrupt reliability for the period of March. Expect these figures to worsen.
- European Ports:** Industrial action at Rotterdam (six-day outbound, nine-day transshipment delays), Hamburg (three-day outbound, two-day inbound waits), and Le Havre (seven-day outbound, nearly six-day inbound delays) is causing full container yards, persistent delays and congestion.

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