AIT WORLDWIDE LOGISTICS

GLOBAL TRANSPORTATION MARKET REPORT

April 2026

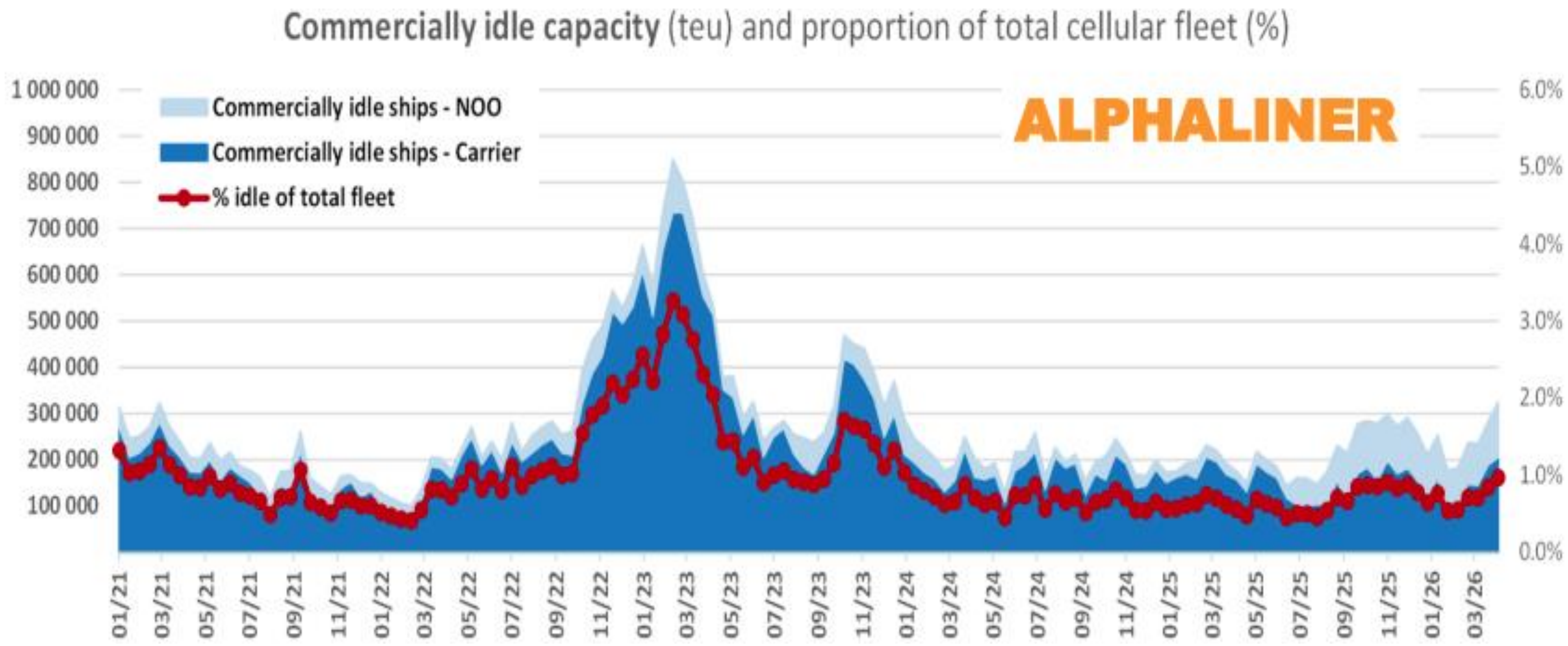



Global Ocean Trends – Disruptions Abound

- Disruption caused by war in the Middle East is artificially tightening capacity in the market. The global container fleet remains effectively fully employed: not due to demand growth, but because war-related diversions and blocked trade lanes are absorbing capacity.
- Cape of Good Hope diversions to avoid the Red Sea and Suze Canal continue to lengthen voyage durations and remove effective capacity, supporting freight and charter rates, even as underlying demand is mixed
- The Strait of Hormuz remains mostly inaccessible to regular container services, with only exceptional, politically neutral transits allowed. More than 100 container ships remain stuck or displaced, while others are repositioned at high cost. Carriers have removed or suspended Far East-Middle East loops.
- Bunker fuel prices remain ~40% higher than pre-war levels, directly lifting voyage costs. War risk insurance, deviation costs, storage, and repositioning are materially impacting carriers. Large carriers are reporting $40-50M per week in incremental costs, much of which must be passed on to shippers.
- Service reliability, especially for the Persian Gulf, East Africa, and India, is structurally weaker. Gulf cargo is increasingly competing for space at alternative hubs, creating congestion spillovers.

Capacity and Idle Fleet

- Commercially idle vessels: ~72 ships
- Idle capacity: ~325,000 TEU
- Share of global fleet: ~1.1%
- More than 300,000-400,000 TEU of capacity is “forced inactive” due to vessels trapped, rerouted, or avoiding the Middle East, reducing the effective supply without showing up as idle fleet
- Seven new vessel deliveries in April include four 11,000+ TEU ships for CMA, MSC, and Yang Ming



Ocean Trade Lanes

- Effective capacity on **Asia-Europe** lanes has tightened while carriers continue avoiding the Red Sea and Suez Canal. Longer Cape of Good Hope routings are keeping rates firm.
- Transpacific (**Asia-North America**) routes are moderately stable, with selective strengthening of demand. Carriers are adjusting networks for fewer port calls and shorter loops. Rates are firm but not spiking, supported by redeployed tonnage from Middle East trades.
- **Asia-Middle East/Gulf** trades remain extremely disrupted with service suspensions. High surcharges and delays are commonplace.
- Conditions on **Europe-Middle East/India** lanes are largely defined by fragmented service and bypassed ports. The alternate ports in the Red Sea and India are experiencing increases in volumes to access the regions.
- Vessels on **transatlantic westbound** routes are being redeployed, leading to tighter capacity
- **Intra-Asia** lanes remain stable with high utilization generated by re-routed cargo and indirect avoidance of the Middle East

	Available space; quick booking turn time.
	Capacity well utilized; some space available.
	Demand higher than supply; space agreements challenged.

Trade Lane	Status
TPEB to USEC	
TPEB to USWC	
CBP to N Eur	
CBP to MED	
SE Asia to N Eur	
SE Asia to MED	
ISC to US	
N Eur to ISC	

Trade Lane	Status
N Eur to AP	
MED to AP	
US to N Eur	
US to MED	
MED to US	
N Eur to US	
US to ISC	
Med to ISC	

Ocean Carrier Updates

CMA CGM
- Only major carrier maintaining limited Middle East access (via Khor Fakkan/Sohar), giving it a relative Gulf advantage
- Reconfigured MIDAS 1/MIDAS 2/SWAX/Karibu to bypass the Gulf
- New services launched:
  - Med-Red Sea “REDEX” (via Jeddah/Aqaba)
  - Ireland-U.S. East Coast direct call (Cork)
- France-Sweden (SWX) shortsea
- Transpacific and U.S. East Coast OCEAN Alliance services adjusted for shorter rotations and port swaps

COSCO Shipping/OOCL
- Suspended MEA5; only CMA CGM-operated MEA1 remains in alliance
- Exceptional Hormuz transits only to extract stranded megamax vessels
- Resumed Gulf bookings via alternative routings, not own direct services
- Slot strategy includes purchased slots on ONE Japan-U.S. West Coast loop

Hapag-Lloyd
- No direct Gulf calls; relying on alliance partners or alternates
- Service participation includes slots on CMA CGM-operated services in Middle East/Red Sea
- Redeployed larger ships on Northern Europe-U.S. East Coast loops

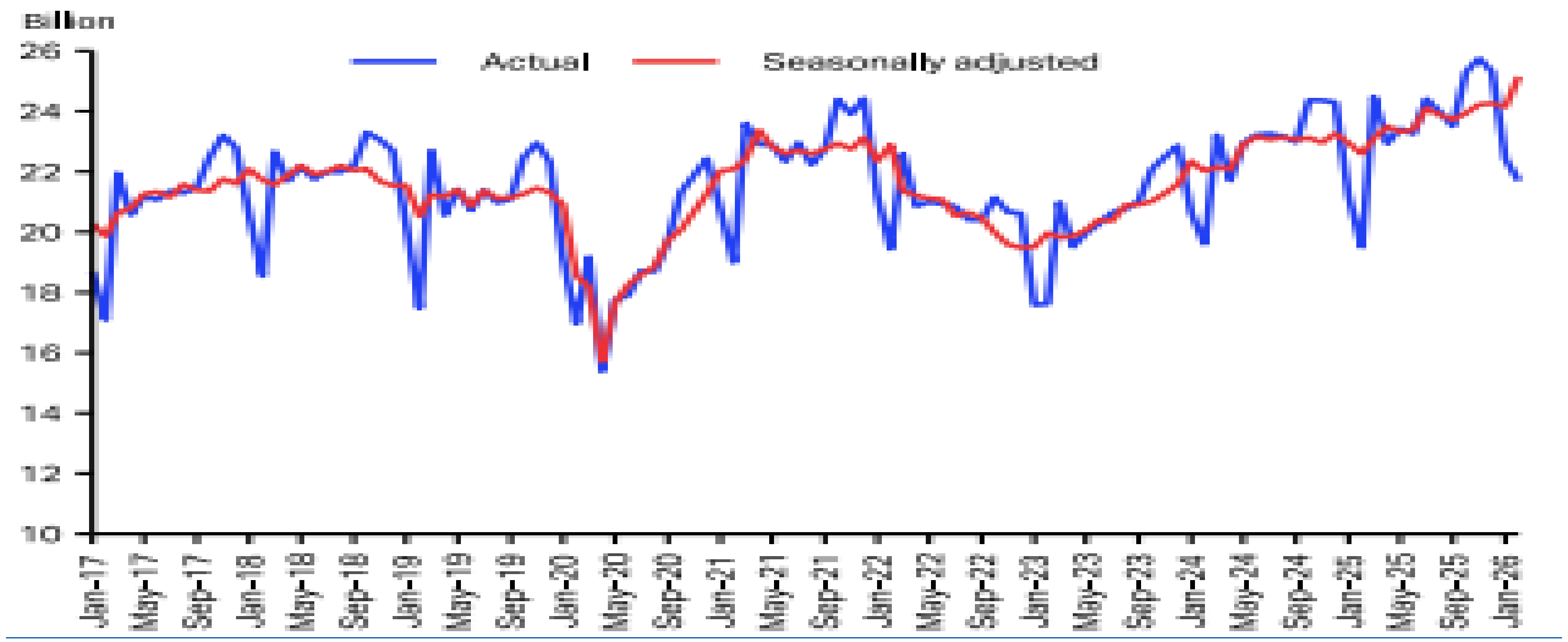
Maersk
- Ended or suspended direct Gulf calls; leaning on transshipment and inland solutions
- Reorganized Safina (Straits-Gulf-Sri Lanka) to remove the United Arab Emirates
- Ended Med-Canada “MCX” slot deal; shifted coverage to hub-and-spoke
- Reduced complexity in Asia-U.S. and Asia-Africa loops
- Gemini cooperation impacted by Salalah disruptions

MSC
- Multiple services removed Gulf calls due to Hormuz inaccessibility (e.g., IAS, MIDAS, MEA-related loops)
- Replaced Jebel Ali/Khalifa with Khor Fakkan, Colombo, Salalah, or African/Indian hubs
- Launched Far East-Adriatic “Phoenix” loop (direct Asia–Adriatic–Israel)
- Removed transatlantic leg from Far East–North Europe “Albatross,” reverting to Cape routing
- Adjusted Asia-West Africa (“Iroko”) and India-Africa (IAS) services
- Streamlined Asia-USWC loops (Orient, Sentosa, Chinook) to reduce congestion and improve recovery

ONE (Ocean Network Express)
- Withdrew Middle East exposure
- Introduced/merged Europe-Iberia-Baltic (IBX) service
- Launched new shuttles: Busan-Dalian, Mediterranean-West Africa (with HMM)
- Deploying progressively larger NPX vessels on North Europe-U.S. East Coast

Air Freight Overview

- Global airfreight rates continue to rise or remain at historically high levels, driven by fuel costs, constrained capacity, and disrupted routings
- Spot rates have surged on war-affected and substitute corridors, especially out of India and South Asia, as shippers compete for limited capacity while avoiding routes through the Middle East
- While global demand subsided modestly in March, available capacity fell faster. Load factors have risen to about 65%, underscoring a market that is supply-constrained, not demand-driven.



	World	February 2026 (year-on-year, %)				February 2026 (year-to-date, %)			
	share[1], %	CTK	ACTK	CLF (%-pt)	CLF (level)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	**100.0**	**11.2**	**8.5**	**1.1**	**46.0**	**8.3**	**6.2**	**0.9**	**45.4**
Africa	2.1	21.0	17.3	1.3	43.8	20.0	11.6	3.1	43.8
Asia Pacific	36.0	13.6	10.1	1.4	45.5	11.0	7.0	1.6	45.3
Europe	21.3	6.9	6.1	0.4	59.1	6.5	5.5	0.6	56.3
Latin America and Caribbean	2.9	0.7	4.5	-1.3	35.2	-2.5	3.8	-2.1	32.7
Middle East	13.2	16.5	13.5	1.1	44.4	13.1	11.6	0.6	42.6
North America	24.5	9.4	5.3	1.5	41.1	3.8	2.5	0.5	42.1
International	**88.0**	**11.6**	**9.8**	**0.8**	**51.5**	**9.3**	**7.8**	**0.7**	**49.8**
Africa	2.1	21.1	17.4	1.4	45.3	20.1	11.4	3.3	45.5
Asia Pacific	32.2	12.5	9.9	1.2	51.8	11.4	8.3	1.4	51.0
Europe	21.0	7.0	5.9	0.6	61.7	6.7	5.4	0.7	58.6
Latin America and Caribbean	2.5	3.1	4.7	-0.6	40.1	-0.6	3.7	-1.6	37.2
Middle East	13.2	16.6	13.6	1.2	44.8	13.2	11.6	0.6	42.9
North America	17.1	11.9	10.0	0.8	49.8	5.7	6.3	-0.3	47.9

Note 1: % of industry CTK in 2025

Note 2: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

Airfreight Market Uncertainties – Understanding Disruption

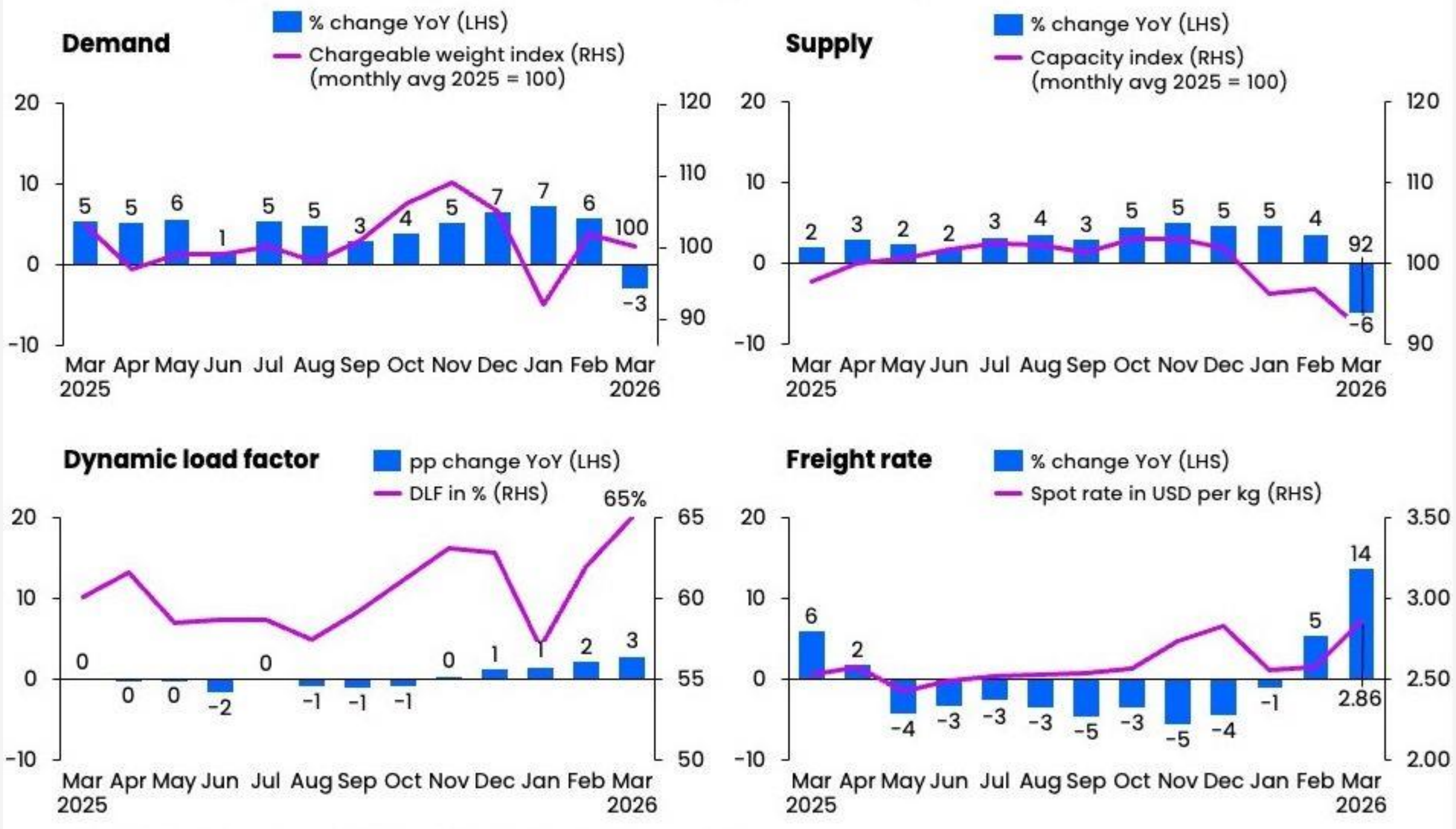
- War in the Middle East has effectively reduced regional air cargo capacity by about 20% due to airspace avoidance and curtailed operations. Simultaneously, jet fuel rates have surged, mirroring a nearly 55% increase in diesel pricing driven by the risk to supply in the region. Air fuel surcharge (FSC) formulas are indexed and reset frequently, meaning carriers are unable to ease volatility in the current market.
- Fuel now represents 30–40% of total operating cost on some long-haul widebody freighters. Even with FSC applied, yield recovery is lagging, especially on Asia–Europe, Asia–Middle East, and Europe–Middle East lanes. When flights are cash-flow negative after fuel, they are being cancelled. Airlines are not willing to fly at a loss because they are not absorbing FSC pass-throughs.
- Re-routes to avoid the region are adding higher fuel burns and longer flight times, compounding FSC exposure without additional revenue miles
- Some locations in the region enable access to restricted destinations via multimodal solutions. These options allow cargo to be routed at the expense of slightly elevated transit times.

	Sea	Air	Road	Customs
Abu Dhabi	Restricted	Restricted	Operational	Restricted
Bahrain	Restricted	Closed	Operational	Restricted
Dubai	Restricted	Restricted	Operational	Restricted
Egypt	Operational	Restricted	Operational	Operational
Israel	Operational	Restricted	Operational	Restricted
Jordan	Operational	Restricted	Operational	Operational
Kuwait	Restricted	Closed	Operational	Restricted
Oman	Restricted	Restricted	Operational	Operational
Qatar	Restricted	Restricted	Operational	Restricted
Saudi Arabia	Restricted	Restricted	Operational	Restricted

Airfreight Demand | Load Factor | Rate Development

- Shippers continue using air freight to protect market share and service levels, creating short-term stability even as fuel, insurance and war-risk surcharges push costs higher
- Unlike prior crises where air absorbed spillover smoothly, war in the Middle East is hitting air cargo harder than ocean shipping, with rates rising sharply and structurally shifting by corridor
- Global demand fell 3% YoY in March, but capacity dropped 6% YoY, pushing load factors up to 65%. Regional capacity remains about 30% below pre-conflict levels, while global spot rates hit $2+/kg, above 2025 peak-season levels.
- Spot rates for South Asia/Southeast Asia to the Middle East surged 50-100% in a single month, driven by reliance on Middle Eastern carriers, near-doubled jet fuel costs, and added war-risk surcharges
- Rising fuel costs have increased rates from Asia to North America by mid-to-high double digits (e.g., South Asia to North America is up approximately 75%). Air freight may see a temporary demand boost from ocean disruptions, but analysts caution that this support will likely fade if high fuel prices persist.

Global air cargo demand, supply, load factor and freight rate developments



Note: LHS (or RHS) refers to the left-hand (or right-hand) side vertical axis.
Source: Xeneta

Air Trade Lanes

- **South Asia to Europe** lanes are severely constrained due to the loss of Gulf hub connectivity and limited direct lift. Extreme spot rate volatility is coupled with very high congestion, roll risk and unpredictable pricing.
- **South Asia to North America** is facing a material reduction of capacity due to a heavy historical reliance on Middle East carriers. This lane faces long routings and limited recovery options.
- Capacity on **South Asia to Middle East** lanes has experienced a mission critical collapse, driven by airspace and carrier suspensions
- Capacity has been added to direct **China/North Asia to Europe** lanes, but net levels remain tight. Operationally, the impact has been elevated but more stable than routes out of India.
- **China/North Asia to U.S.** capacity is moderately constrained compared to southern origins due to less Gulf dependency. Shippers are enduring moderate fuel-driven increases.
- Expect months, not weeks, before reliable Middle East hub capacity returns.

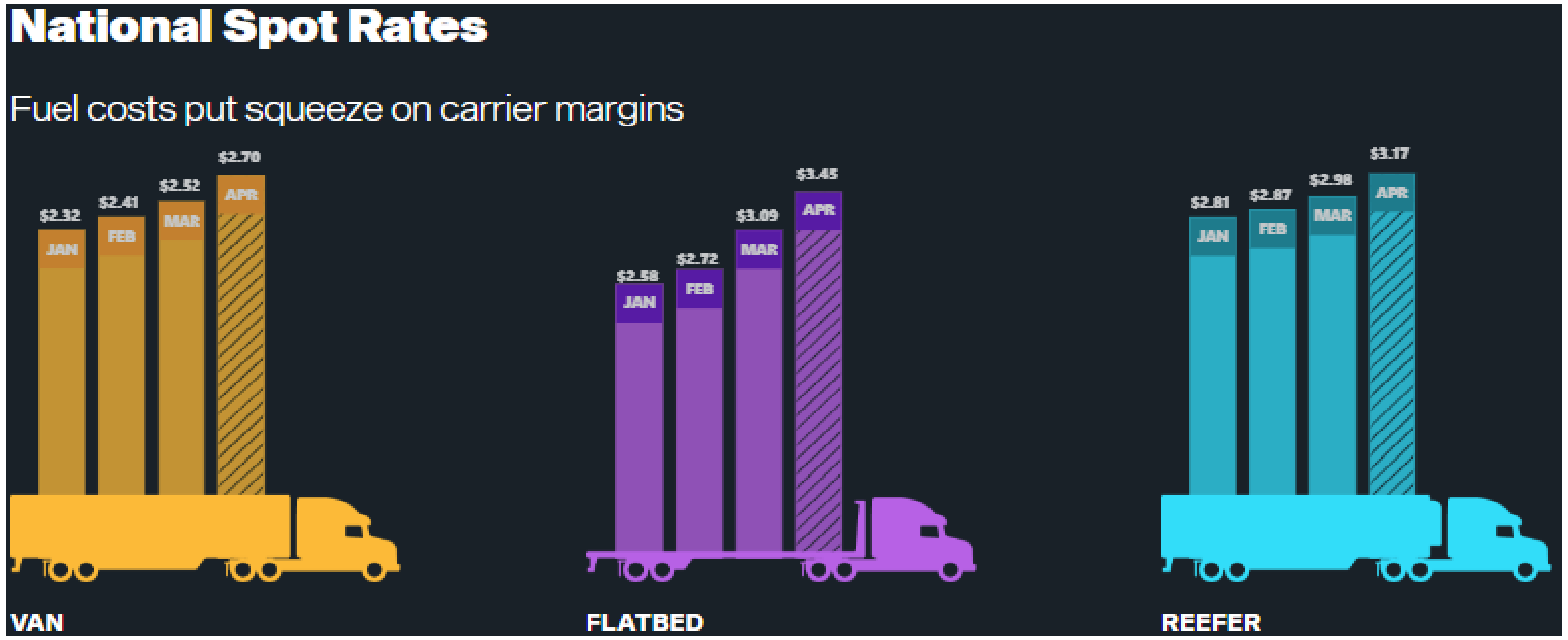
	Available space; quick booking turn time.
	Capacity well utilized; some space available.
	Demand higher than supply; space agreements challenged.

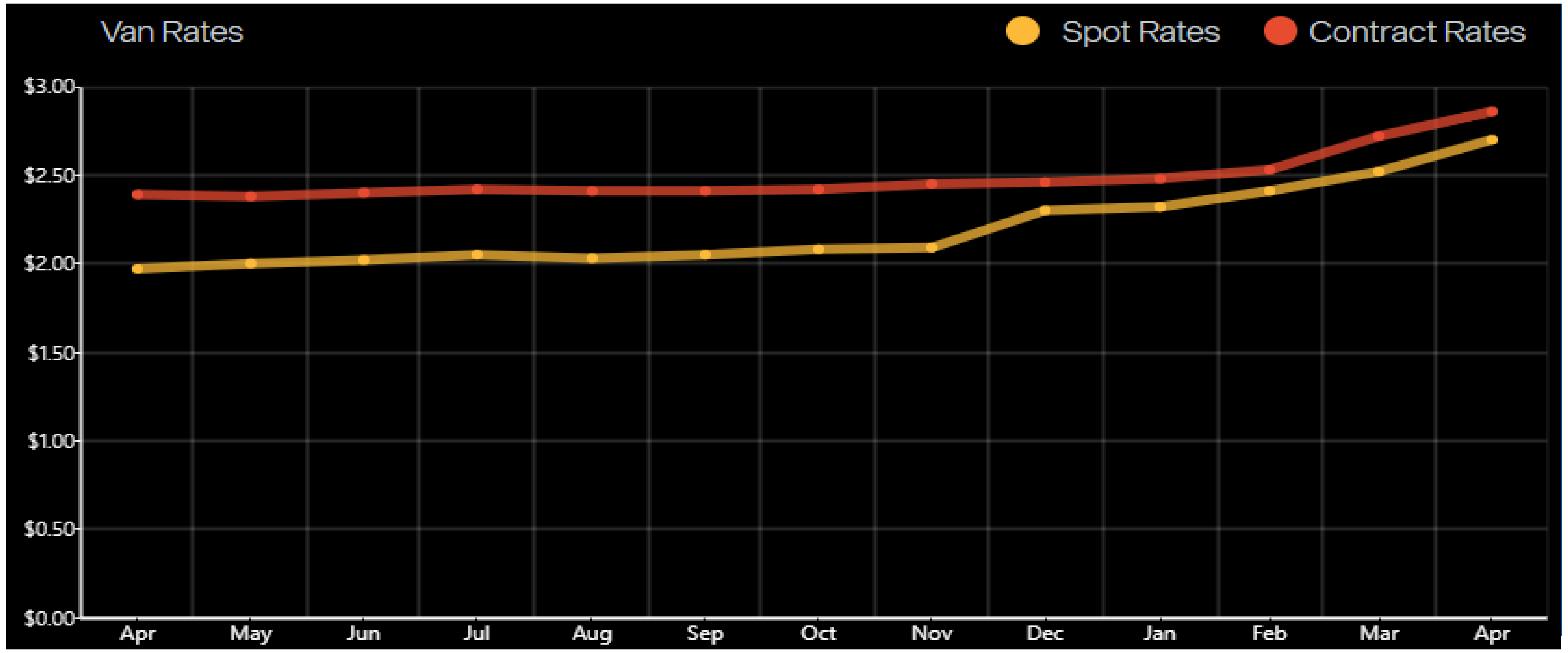
Trade Lane	Status
AP to US	
US to AP	
Europe to AP	
AP to Europe	
Europe to US	
US to Europe	

Trade Lane	Status
US to LATAM	
LATAM to US	
Europe to LATAM	
LATAM to Europe	
India to US	
US to India	

North American Transportation

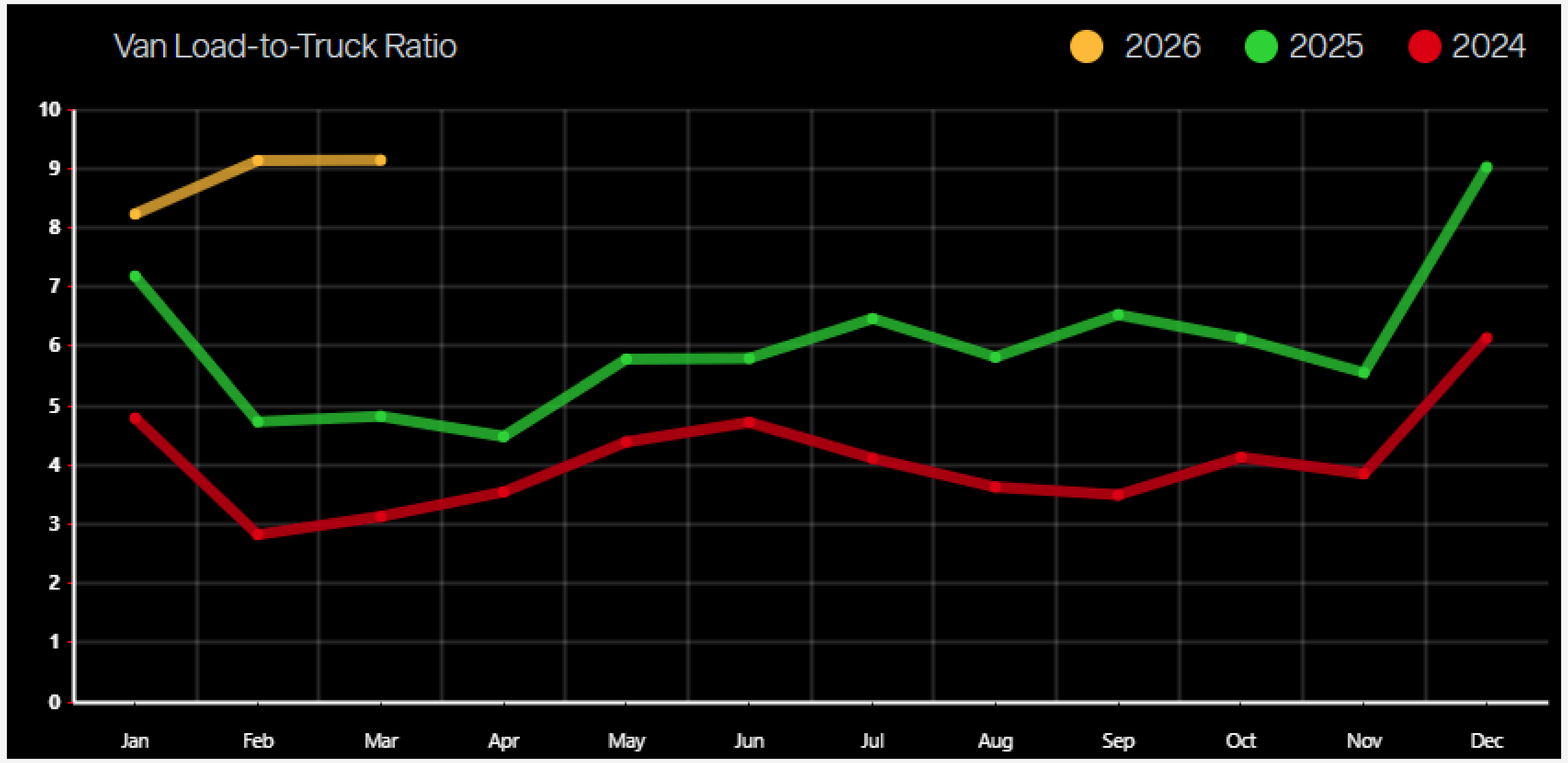
- The U.S. truckload market is in a supply-driven tightening phase, with sustained carrier exits, shrinking driver availability, and limited fleet growth
- Spot truckload rates have risen sharply, closing the gap with contract rates to the tightest level in four years. The market is rebalancing with carriers regaining pricing power.
- Diesel price increases are pushing operating costs higher and accelerating capacity discipline among carriers. Unlike prior cycles, rates are now rising with fuel costs—signaling tight capacity rather than weak demand. This dynamic is increasingly unfavorable for shippers.

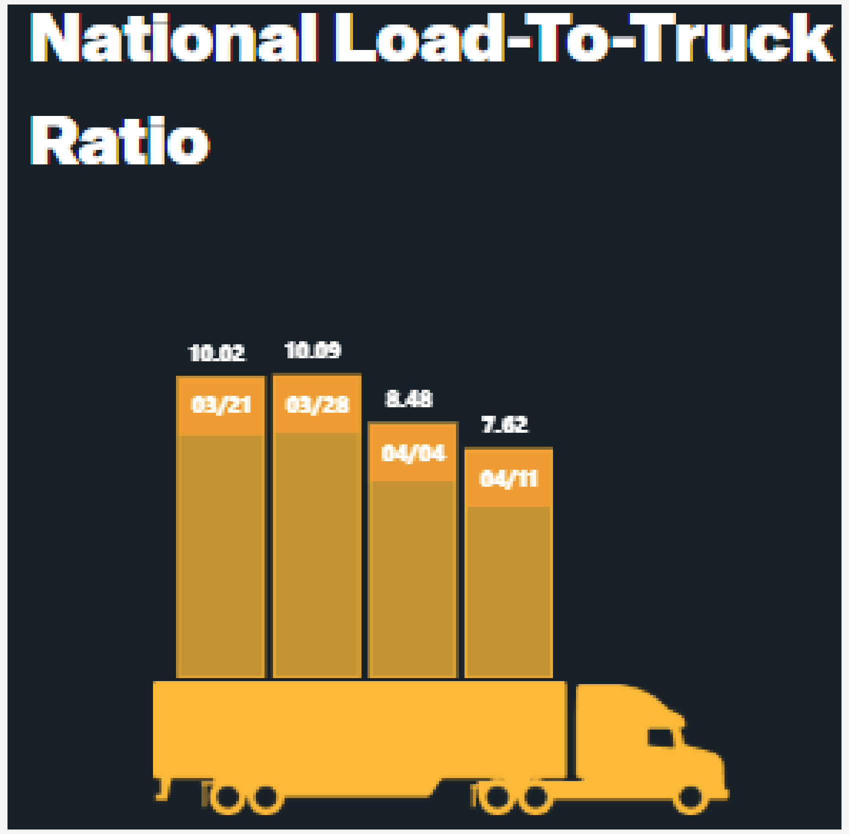




North American Transportation

- The market has shifted into a tightening, cost-inflationary environment where capacity—not demand—is the dominant constraint
- Early-April signals from Southwest and South Central markets indicated tightening capacity, particularly in Texas. Mexico-related freight, nearshoring flows and energy shipments are keeping demand steady.
- Southeast lanes are beginning to tighten due to congestion, particularly on routes outbound from the region
- West region truckload capacity is also tightening, especially outbound, as carriers face higher fuel exposure and redeployed assets following port-linked freight normalization





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