



Market Report 2/2025



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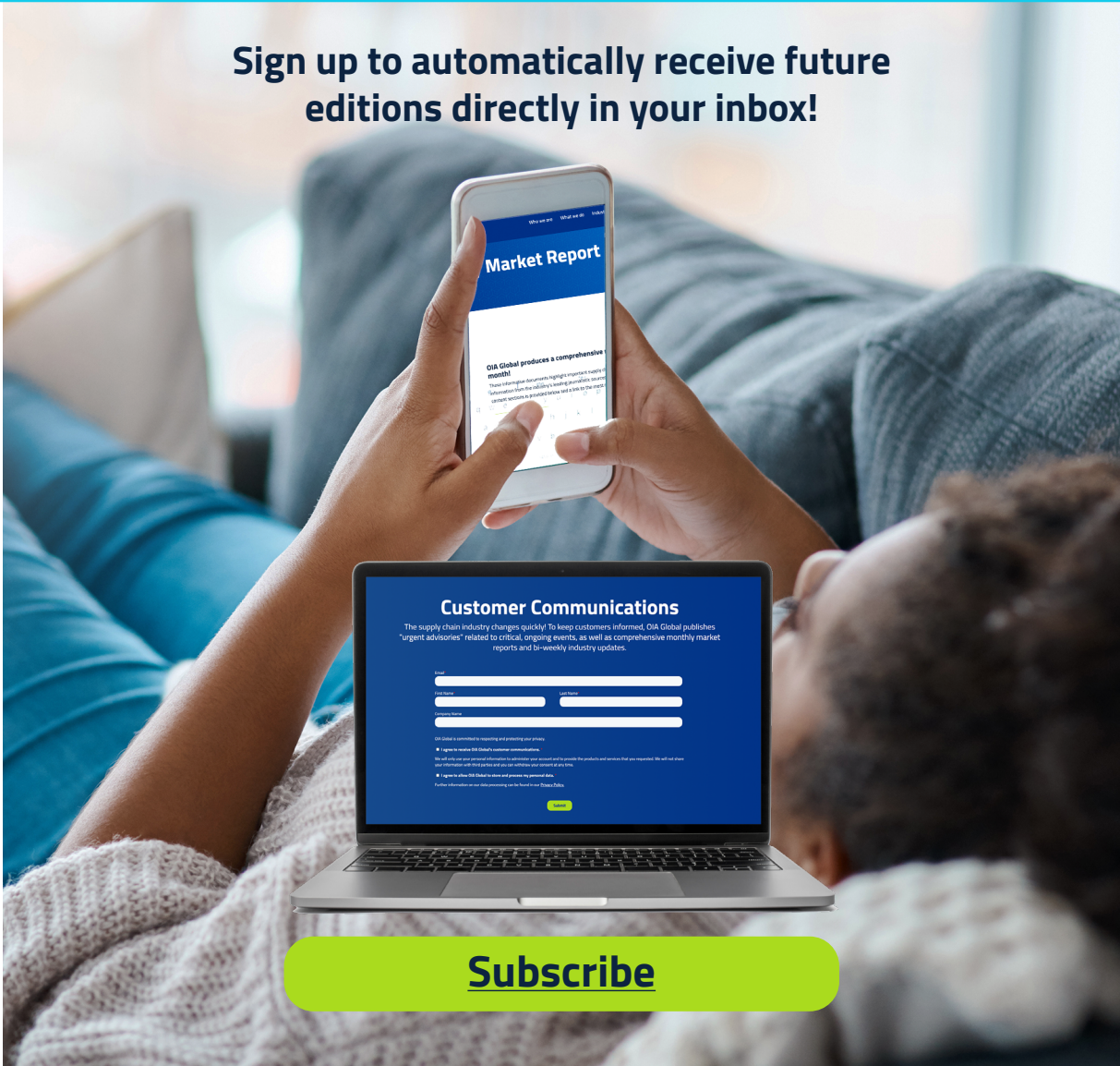
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Note: All monetary figures are shown in United States Dollars (USD) unless stated otherwise.

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Ocean Freight Market Trends



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CMA CGM is on pace to overtake Maersk as the world's second-largest containerline soon and has contracted Korean shipyards to build twelve 18,000 TEU LNG dual-fuel containerships valued at KRW \$3.716T (USD \$2.58B), with the new ships expected to be delivered by the end of 2028. This move reiterates CMA CGM's long-term commitment to fleet expansion and greener shipping technologies.

Hapag-Lloyd will start Gemini Cooperation bookings from India to the U.S. West Coast via its India-China (CIX) service.

Additionally, the carriers will use feeder connections to relay Indian loads to the U.S. East and West coasts via Gemini's hubs throughout Asia.

DP World and Centennial Terminal (Centerm), the logistics firm operating at the Port of Vancouver, **announced** a new partnership with the Gemini Cooperation (Maersk & Hapag-Lloyd) to increase overall cargo volumes in Vancouver. This partnership is expected to enhance cargo handling efficiency at one of North America's key trade gateways, supporting growing demand for Canadian import and export flows.

The U.S. Census Bureau's most recent inventory data **shows** that U.S. retailers are continuing to increase stockpiles beyond what sales can allow. This trend could lead to softer freight demand and potential rate reductions as companies work through excess inventory.

As part of a vessel-sharing cooperation, Ocean Network Express (ONE) **announced** three new North Europe TransAtlantic services, effective February 2025, which will be **operated** in cooperation with CMA CGM, COSCO Shipping Lines, Oriental Overseas Container Line and Evergreen Line. The addition of new TransAtlantic services could improve schedule reliability and offer more flexibility for shippers while also increasing competition amongst carriers.

China's trade surplus with the rest of the world **reached** a new high in 2024 (USD \$992.2B), largely due to solid export growth combined with sluggish import growth. Chinese officials say exports toward the U.S. surged to record levels in December '24, **jumping** +14.5% year-over-year (YoY).





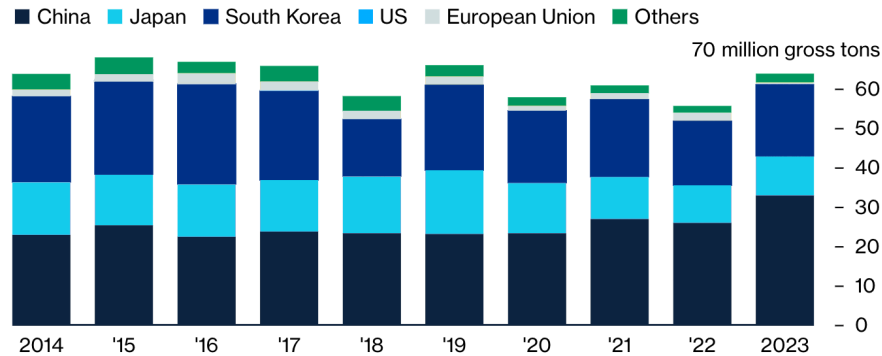
Ocean Freight Market Trends



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CHINA STILL DOMINATES SHIPBUILDING ORDERS

Ship owners have [signed](#) more new vessel contracts this year than any time since 2007. Robust demand means the global ocean trade should [expand](#) in both 2025 and 2026.



Source: United Nations Conference on Trade and Development statistics via Bloomberg. Note: Includes seagoing propelled merchant ships of 100 gross tons (GT) and above. Source: Clarkson Research Services Ltd, via Bloomberg.

China has established long-term dominance in shipbuilding, undercutting the competition while simultaneously growing its market share. According to AlphaLiner: "Currently, nobody can match the price advantage that Chinese yards can offer." With newbuild prices that far undercut the competition, China's shipyards can also boast far larger capacity for each order, with many "committed to massive expansion projects that allow them to create numerous newbuilding slots for 2027 and beyond."

- More than half of all merchant ships built in 2023 were from Chinese yards.
- For maritime engineering equipment, China initially targeted 10% of the global market share by 2011 but now [seeks](#) 40% market share by 2025.

Vessels built at U.S. shipyards are significantly more expensive than those constructed in North Asian yards and require much longer lead times. Currently, the main reason that people order newbuild ships at U.S. yards is to comply with cabotage laws under the [Jones Act](#).





Ocean Freight Market Trends



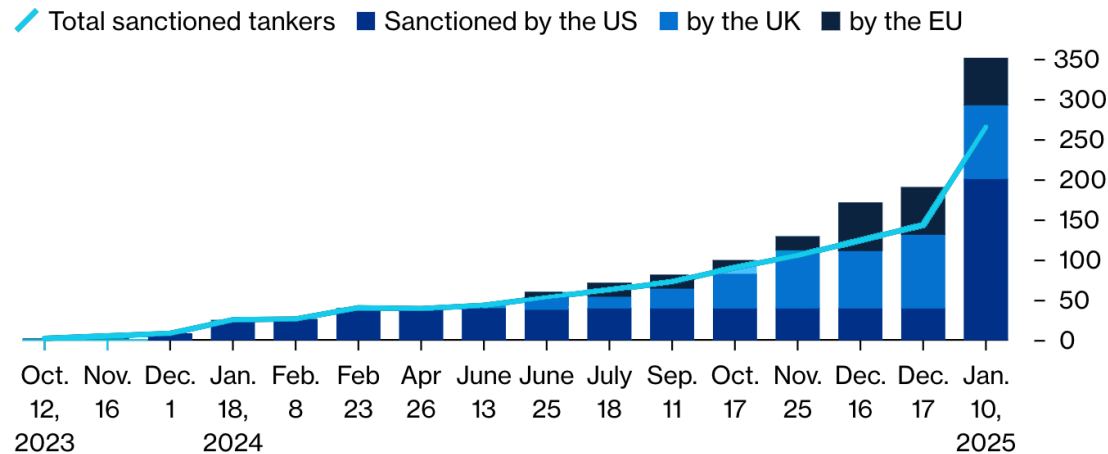
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LATEST SANCTIONS AGGRESSIVELY TARGET RUSSIA'S ENERGY SUPPLY CHAIN

The western sanctions **imposed on January 10th** are the toughest yet on Russia's oil sector and the most aggressive toward its petroleum supply chain. The latest package **placed** restraints on dozens of oil traders, oilfield service providers, tanker owners and managers, insurance companies and energy officials:

- Blacklists 183 new vessels involved in shipping Russian energy products, in particular, oil tankers in the East Siberia and Urals
- **Targets** major oil producers *Gazprom Neft* and *Surgutneftegas*
- Pressures two of Russia's biggest providers of vessel indemnity insurance: *Ingosstrakh Insurance Co.* and *Alfastrakhovanie*



Sources: U.S. Treasury Department, U.K. Treasury, European Union (EU), via Bloomberg. Note: 68 tankers have been sanctioned by more than one entity.

Recent analysis suggests that nearly 1.5M barrels of crude oil shipped from Pacific and Arctic ports may be **curtailed per day**. In total, 265 tankers have been now sanctioned for carrying Russian oil, with the latest sanctions package doubling the number of vessels sanctioned by either the U.S., E.U. or U.K. (143 increased to 265).

Importantly, Shipyards in the E.U., Damen shipyard in Brest, France, and Fayard A/S in Denmark, are actively repairing Russian ice-class tankers and offering them dry dock facilities, which allows Russia to continue moving gas through the Arctic region despite sanctions.

Collectively, China and India have **bought** about 81% of Russia's seaborne crude exports since the country invaded Ukraine. Oil refiners in both countries are hurriedly seeking Middle Eastern barrels of oil amidst worries about lost supplies from Russia and Iran. **India still remains the largest sole buyer of Russia's seaborne crude oil, and in response to the latest sanctions package, widened its support for Russian insurers to keep the discounted barrels flowing.**

Costs for oil supertankers on key routes to China have **doubled** since the U.S. first imposed sanctions: the U.S. Gulf-to-China route has increased 102% while the West Africa-to-China route has increased 90%.



Air Freight Market Trends



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Maersk Air Cargo U.K. recently [received](#) its first aircraft and conducted its first England-Ireland flight. Maersk Air Cargo launched as a business in April 2022 and its fleet now includes 19 Boeing 767Fs and two 777Fs.

Maintenance needs on modern aircraft are much higher than previous generations, causing airlines to ground planes more often. The industry's drive to rapidly improve technology on modern engines is causing disruption during the integration phase.

In one the largest such digitalization projects by an airline, Qatar Airways Cargo is [attaching](#) digital tags to its fleet of 42,000 containers, hoping to provide real-time visibility and improve equipment utilization.





Belfast Harbour, Northern Ireland's primary maritime gateway, plans to invest £313M (USD \$387M) in capital projects across the port and Harbour Estate over the next five years. A new deepwater quay will be capable of accommodating some of the world's largest vessels while also expanding the port's capabilities for offshore wind turbines.



AD Ports **signed** a Memorandum of Understanding (MoU) with the Egyptian Ministry of Industry and Transport to jointly construct, manage, and operate a 1.1km Integrated Logistics Area at Alexandria Port, which will be one of the major logistics centers on the Mediterranean Sea.



Indian Railways (IR) will **partially open** the final section of the 272km Udhampur-Srinagar-Baramulla Rail Line (USBRL), with freight operations due to commence on the 207km between Katra and Srinagar.



India's government hopes to make the new mega-port of Vadavan one of the world's top 10 container ports by 2040. The port **will include** nine container terminals and handle 23M TEUs annually, with a natural depth of 20 meters, deeper than the 15.5m offered at Nhava Sheva. It should also **offer** strong connectivity to India's inland logistics network.



Malaysia Rail Link (MRL) **signed** a joint venture agreement with China Communications Construction ECRL (CCCE) to build the 665km East Coast Rail Link (ECRL), which will connect Port Klang and Kuala Lumpur on the Malayan west coast with Kuantan, Kuala Terengganu and Kota Bharu on the east coast.



LOUISIANA INTERNATIONAL TERMINAL HOPES TO BUILD INLAND CONNECTIONS

The Environmental Protection Agency (EPA) **awarded** \$1M to the Louisiana International Terminal (LIT) project for its Sustainability Management Plan (SMP). LIT is designed to accommodate newer Panamax ships of 14,000+ TEUs, the largest to transit the Panama Canal, and the port will eventually be capable of handling more than 2 million TEUs of volume.

The \$1.8B Louisiana International Terminal will be located along the Mississippi River on 400 acres in Violet, St. Bernard Parish. The project is expected to grow the region's import and export business while also creating intermodal opportunities and container-on-barge services. **The LIT plan envisions a 14,500-mile reach up Mississippi river's inland waterways in 31 states, potentially connecting more than 30 hubs, including Dallas, Chicago, Memphis, Tennessee, and Canada.**



The U.S. Department of Energy is [investing](#) \$68M to design, develop, and demonstrate electric vehicle (EV) charging sites near key ports and distribution hubs. SuperTruck Charge projects will [accelerate](#) deployment of large-scale public EV charging infrastructure for medium-and heavy-duty EVs to improve grid resiliency and reliability.

A 47-government coalition is [proposing](#) a groundbreaking greenhouse gas (GHG) emissions pricing mechanism for international shipping, a potentially major development for maritime [decarbonization](#). The proposal, submitted to the International Maritime Organization (IMO), introduces a mandatory GHG contribution system requiring vessels on international voyages to pay based on their CO₂e emissions into a newly established "IMO GHG Strategy Implementation Fund."





TRUMP TARIFFS

United States' President Donald J. Trump recently [implemented](#) a 25% additional tariff on imports from Canada and Mexico and a 10% levy on Chinese products, although Canada's energy resources faced a lower 10% tariff.

- Trump's actions also eliminated tariff exemptions for *de minimis*, low-value packages (<\$800). Parcels shipped under the *de minimis* rule have much less rigorous information requirements than goods declared on formal customs entries.

As stated in the White House [press release](#), Trump used the International Emergency Economic Powers Act (IEEPA) to [impose](#) the tariffs. Many U.S. presidents have used the IEEPA to strategically impose sanctions on countries, companies and individuals, countless times since it took effect in 1977.

Following discussions with Canadian and Mexican leadership, both countries' tariffs were paused for 30 days. The situation will remain fluid as different countries' representatives continue to negotiate trade terms.

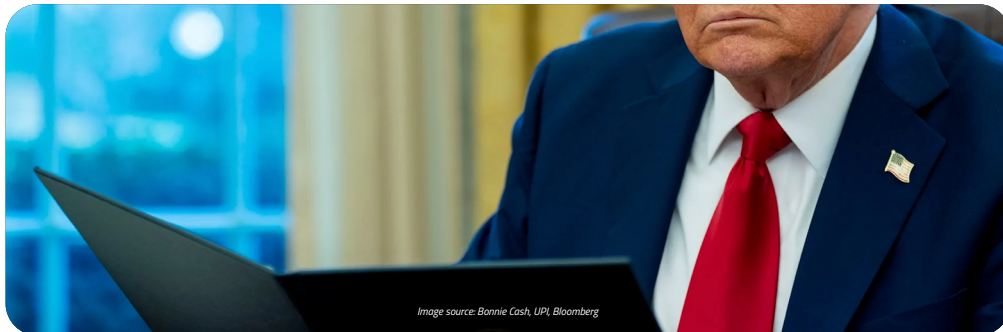


Image source: Bonnie Cash, UPI, Bloomberg



INDIA'S SEA CARGO MANIFEST & TRANSSHIPMENT REGULATIONS

India's customs administration [implemented](#) a long-awaited revision, the Sea Cargo Manifest and Transshipment Regulations (SCMTR), which tightens import/export cargo manifests. The updated regulations aim to speed up customs clearances while also making the process more transparent and predictable.

SCMTR was announced in 2018, but a countrywide launch wasn't possible until now. SCMTR, which is objectively similar to the United States' advanced manifest or 24-hour rule, went live across Indian ports on 16 January 2025, after authorities had addressed several industry concerns.

These rules require ocean carriers to complete their advanced manifest submissions ahead of the vessels' arrival/departure at Indian ports. Previously, carriers typically had 2-3 days to file cargo manifests after a vessels' arrival or departure. The new setup will make compliance an arduous task for many people throughout the supply chain.

We encourage you to bookmark these helpful resources for daily updates with the latest

Key Resources

- [White House Fact Sheet](#)
- [Executive Order Press Release](#)
- [U.S. International Trade Commission: Harmonized Tariff Information](#)
- [Navigating Tariffs: Strategies to Keep Your Supply Chain Moving](#)
- [Latest Updates \(Yahoo Finance\)](#)



MERGERS / ACQUISITIONS

Canadian National (CN) **acquired** Iowa Northern Railway, a regional provider with 218-miles of track, with the merger officially **taking** effect on 13 February '25.

Pitt Ohio, the 13th largest Less-than-truckload (LTL) carrier in the U.S., **acquired** Sutton Transport (ranked 24th) for an undisclosed sum.



Deutsche Lufthansa AG **acquired** a minority stake (41%) in Italian carrier ITA Airways for €325M (USD \$334M), but the remaining 59% will still be held by the Italian Ministry of Economy & Finance for now.

DISRUPTION

CargoNet **recorded** 3,625 cargo theft incidents across the U.S. and Canada in 2024, a stark 27% increase YoY. Notably, many criminal enterprises made a strategic pivot in 2024 by targeting new products like raw and finished copper, consumer electronics (particularly audio equipment and computer servers), and cryptocurrency mining hardware.



TRANSPORT TECHNOLOGY

In one the largest such digitalization projects by an airline, Qatar Airways Cargo is **attaching** digital tags to its fleet of 42,000 containers, hoping to provide real-time visibility and improve equipment utilization.



The American Bureau of Shipping (ABS) **gave** Approval in Principle (AIP) to HD Korea Shipbuilding & Offshore Engineering (HD KSOE) for its groundbreaking hydrogen tank design, creating new opportunities for large-scale liquid hydrogen transport and storage. The vacuum insulation system can maintain temperatures at -250°F while also reducing vacuum creation time in large tanks, promising safer, more efficient transportation of liquid hydrogen, and in substantial quantities.



Since 1988, OIA Global has grown to become a world leader in supply chain management by delivering creative end-to-end logistics solutions with an industry-leading customer experience. Unlike many other companies, OIA goes beyond transportation management to offer customized contract logistics services, such as warehousing distribution and inventory management, as well as 4PL supply chain orchestration, innovative packaging design, raw materials management, and several advanced technology solutions.



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