

MAY 2025

# MARKET UPDATE



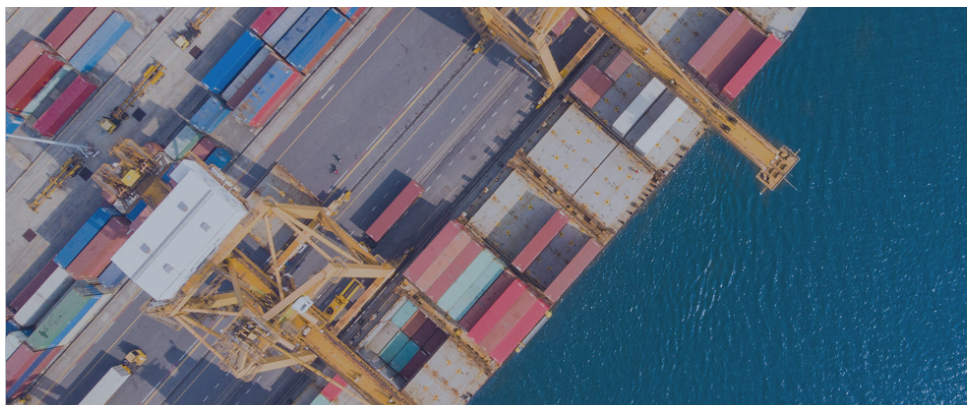
**JMR**  
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## Demand Surge Strains Capacity

A rapid recovery in import demand across Transpacific trade lanes has caught the ocean freight industry off guard. Week-over-week bookings have risen by over 50%, with certain ports reporting volume spikes exceeding 100%.

This surge follows a period where carriers had withdrawn capacity from the Transpacific lanes in response to reciprocal tariffs, diverting vessels to other trade routes. As a result, the market now faces a critical space shortage, with many carriers fully booked through late May and early June. Rollovers and last-minute cancellations are increasingly common.

## Massive Cargo Backlog in China

According to Sea-Intelligence, there are between 180,000 TEUs and 540,000 TEUs of cargo already produced or warehoused in China awaiting shipment. This estimate is based on 25–55% of canceled bookings.

The backlog creates a substantial “cargo pool” that will require strategic management by carriers over the next six weeks or more. With the 90-day tariff pause on Chinese products ending August 14th, shippers are racing to move goods before additional duties resume. Expect demand to intensify through mid-June and July.

## Freight Rates & General Rate Increases (GRIs)

The transition from overcapacity to undersupply is driving a sharp increase in rates. Effective June 1, 2025, carriers have announced a General Rate Increase (GRI) for all cargo moving from Asia and the Indian Subcontinent to North America.

## Post-GRI Rate Ranges:

- \$6,000–\$6,500 to the U.S. West Coast
- \$7,000–\$7,500 to the U.S. East Coast
- \$7,300–\$7,500 to Gulf Ports

Many carriers are offering premium service tiers for space guarantees. With volumes still rising, freight rates are expected to continue trending upward in the weeks ahead.

## Capacity Additions & Early Peak Season

Carriers are working to restore suspended services and deploy “extra loader” vessels, but near-term relief will be limited. Importers should prepare for an early peak season and book 4–6 weeks in advance to secure capacity.

### New & Resumed Transpacific Services:

- **Premier Alliance (ONE/YML/HMM)**
  - **Service:** PS5
  - **Start:** YM Mobility (6,500 TEUs), ETA Qingdao June 5
  - **Ports:** Qingdao – Ningbo – Long Beach – Oakland
  - **Fleet:** 7 vessels
- **ZIM**
  - **Service:** ZX2 (Resumed)
  - **Vessel:** Colorado V.8E
  - **ETAs:** Shanghai (May 26), Ningbo (May 28), Los Angeles (June 10)
- **Gemini Cooperation (Maersk & Hapag-Lloyd)**
  - Scaling up by replacing smaller vessels with larger ships due to demand rebound.
- **KMTC Line + SeaLead + TS Line**
  - **Service:** AWC (rebranded Asia-Pacific Express)
  - **Start:** June 17
  - **Vessel:** 6,655 TEUs
  - **Ports:** Qingdao – Shanghai – Ningbo – Busan – Long Beach
  - **Upgrade:** Larger vessels (6,000–10,000 TEUs)

## U.S. Port Congestion Risk

As capacity returns to U.S.-bound lanes, port congestion is emerging as a major concern, especially at West Coast terminals.

### Key Risk Factors:

- Increased inbound volume vs. slower container returns
- Chassis shortages across inland and port areas
- Inefficiencies at U.S. West Coast ports when handling surges

Industry experts warn that these conditions may lead to cargo movement delays through the summer peak.

## Key Takeaways & Shipper Guidance

- **Book Early:** Reserve space 4–6 weeks in advance.
- **Consider Premium Services:** Especially for time-sensitive cargo.
- **Watch Port Conditions:** Monitor congestion and chassis availability.
- **Prepare for Early Peak:** Front-load shipments before mid-June.
- **Act Ahead of Tariff Reinstatement:** August 14th marks the end of the 90-day pause.


## Need Help with Bookings or Routing Strategies?

Contact your J.M. Rodgers representative for tailored solutions and market insights. 





# THANK YOU



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