

Container Forecaster

Issue 2 of 4 | 2026

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Contents

1. Executive Summary.....	2
Drewry Spotlight: Early peak season.....	13
2. World Container Trade Outlook	19
3. Supply Outlook.....	45
4. Supply-Demand Balance.....	62
5. Trade Route Analysis	75
6. Freight Rates and Carrier Financials	97
7. The Charter Market and S&P.....	121

Appendices (provided in Excel)

Trade capacity and service summary tables
(EW/NS/MEISC 02 2026)
CF 02 2026 – Appendices

Container Forecaster

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1. Executive Summary

Resilient demand masks gathering capacity storm

Summary of main forecasts

In an increasingly unpredictable world, one of the few constants in recent years has been container shipping's ability to outperform demand growth expectations. This edition of the Container Forecaster therefore includes an upward revision to our 2026 global container port throughput forecast, from 1.8% in the March edition to 3.0% today.

Global container port throughput growth revised up from 1.8% to 3.0%

Ocean carriers have similarly acknowledged their surprise at the resilience of cargo flows, which has helped sustain freight rates at levels well above those anticipated when a prolonged downward correction had appeared likely.

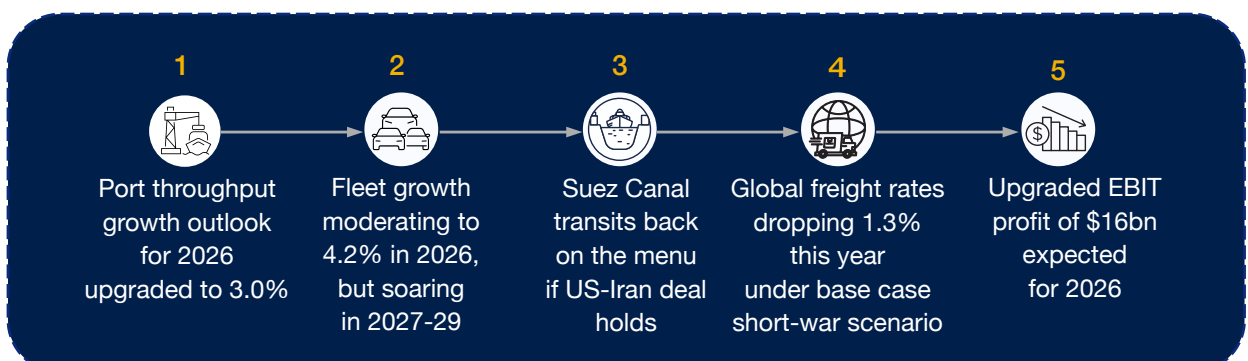
More broadly, there have been repeated headlines suggesting an early peak season in 2026, and while this can only be confirmed once full-year data is available, port and trade statistics do indicate an unusually strong period of growth in recent months.

Against this backdrop, the key question is what is driving the resilience in demand, and whether the extent of the outperformance reflects genuine underlying strength or simply demand being pulled forward from future periods.

A significant part of the explanation appears to lie in geopolitical and policy-driven front-loading. Importers in North America and Europe have accelerated shipments in anticipation of potential tariff changes, retaliatory measures, or shifts in trade agreements.

Heightened geopolitical uncertainty has added to these dynamics. The recent conflict involving Iran, in particular, has encouraged shippers to secure inventory earlier than they otherwise would, in an effort to mitigate the risk of further freight cost volatility or disruption to key trade routes.

5 things you need to know...



Resilient demand masks gathering capacity storm

Table 1.1 Changes to Drewry's key forecasts

Forecast	Unit	2026			2027		
		Mar 26	Jun 26	Fcst Direction	Mar 26	Jun 26	Fcst Direction
Port Throughput							
World	% change	1.8%	3.0%	↑	3.6%	4.2%	↑
Asia	% change	2.6%	4.8%	↑	3.5%	4.2%	↑
Europe	% change	4.4%	4.1%	↓	0.8%	0.4%	↓
North America	% change	-0.2%	3.7%	↑	2.1%	1.4%	↓
Latin America	% change	1.3%	3.5%	↑	2.4%	0.3%	↓
Middle East	% change	-10.8%	-21.5%	↓	20.4%	38.2%	↑
South Asia	% change	3.1%	4.5%	↑	3.0%	2.7%	↓
Africa	% change	-1.3%	-2.2%	↓	3.1%	2.6%	↓
Oceania	% change	6.9%	5.5%	↓	1.9%	3.0%	↑
East-West trade flows							
WB Asia-North Europe	% change	2.6%	4.5%	↑	1.1%	-0.4%	↓
EB Asia-North Europe	% change	-1.0%	-3.5%	↓	0.7%	-1.0%	↓
WB Asia-Med	% change	6.0%	9.4%	↑	0.0%	-2.1%	↓
EB Asia-Med	% change	2.0%	4.4%	↑	-0.6%	-2.7%	↓
EB Transpacific	% change	4.0%	7.3%	↑	2.4%	2.3%	↓
WB Transpacific	% change	5.0%	11.5%	↑	2.3%	2.4%	↑
WB North Europe-North America	% change	1.9%	2.5%	↑	1.5%	1.6%	↑
EB North Europe-North America	% change	-1.9%	4.3%	↑	0.6%	1.1%	↑
Supply-Demand							
Global Fleet Capacity	% change	2.9%	4.2%	↑	7.2%	8.1%	↑
Global Supply-Demand Index	index pts	86.5	88.1	↑	82.7	77.3	↓
Freight rates and profitability							
Global Freight Rates (incl. fuel)	\$ per teu	\$1,003	\$1,042	↑	\$904	\$897	↓
East-West Freight Rates (incl. fuel)	\$ per teu	\$763	\$861	↑	\$694	\$712	↑
Industry EBIT	\$bn	\$10.0	\$16.0	↑	\$1.0	\$1.0	→

Source: Drewry Maritime Research

Table 1.2 Early peak season; Which factors are temporary and which are structural?

Likely temporary	Likely structural
Tariff front-loading	Supply-chain diversification
Hormuz-related buying panic	More fragmented production networks
Inventory restocking	Higher inventory buffers
Seasonal acceleration	AI and data-centre investment

Source: Drewry Maritime Research

Resilient demand masks gathering capacity storm

Some of those temporary demand drivers could soon fade.

A much-anticipated breakthrough in relations between the US and Iran finally materialised on 17 June with the signing of a memorandum of understanding (MoU), offering container shipping markets their first meaningful respite from months of uncertainty. While far from a comprehensive peace settlement, the agreement has nonetheless altered the outlook for liner shipping by reducing – though certainly not eliminating – the geopolitical risks that have weighed heavily on global supply chains since conflict erupted earlier this year.

Financial markets had already begun to price in the possibility of a diplomatic breakthrough. In the weeks leading up to the announcement, oil prices fell sharply as expectations grew that tensions would ease. Brent crude is now trading below \$80 per barrel, close to the level seen immediately before hostilities began at the end of February. Lower energy prices provide welcome relief for carriers and cargo owners alike, easing pressure on bunker costs and helping to improve the economics of long-haul liner operations.

Drewry now expects conditions in Hormuz to normalise during August, paving the way for a gradual return to Suez routings

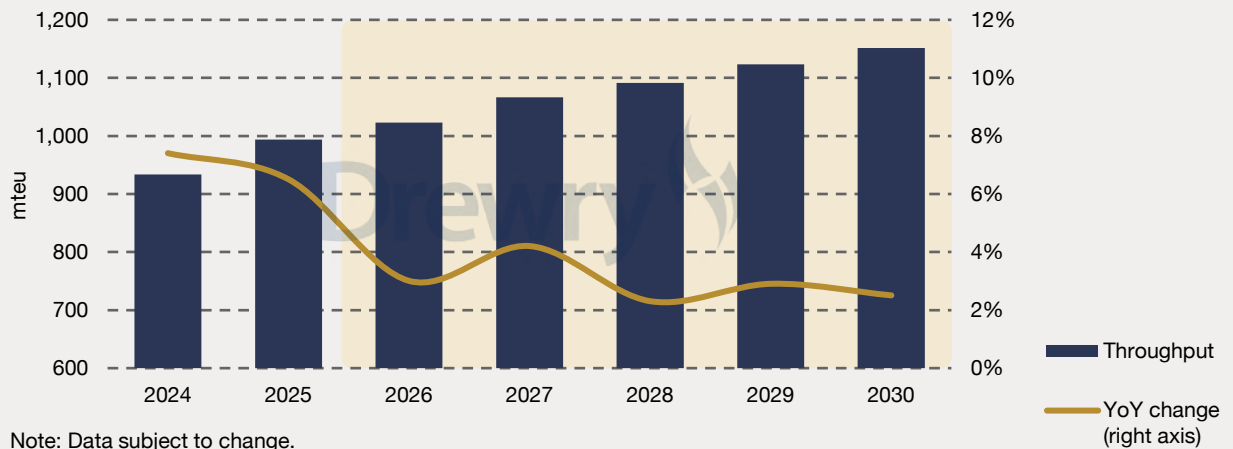
Figure 1.1 Forecast scenario assumptions

		Assumptions for Scenario 1: Hormuz disruption ending August 2026 (Base case)	Assumptions for Scenario 2: Hormuz disruption ending February 2027
Brent crude in 2026		Avg. \$93/bbl; peak of \$114/bbl (Apr 2026)	Avg. \$116/bbl; peak of \$150/bbl (Dec 2026)
VLSFO bunkers in 2026		Avg. \$671/ton; peak of \$864/ton 2Q26	Avg. \$827/ton; peak of \$962/ton 4Q26
Ship routing in 2026		Gradual return of Suez Canal transits from 2H26 (releasing latent capacity)	Return to Suez Canal transits delayed until 2027-28 (no release of latent capacity)
Supply-demand balance in 2026		Balance to weaken in 2H26 as Hormuz-related front-loading fades + phased return of Suez transits	Balance weakens marginally due to degraded port productivity, slower steaming and ongoing Cape diversions

Source: Drewry Maritime Research

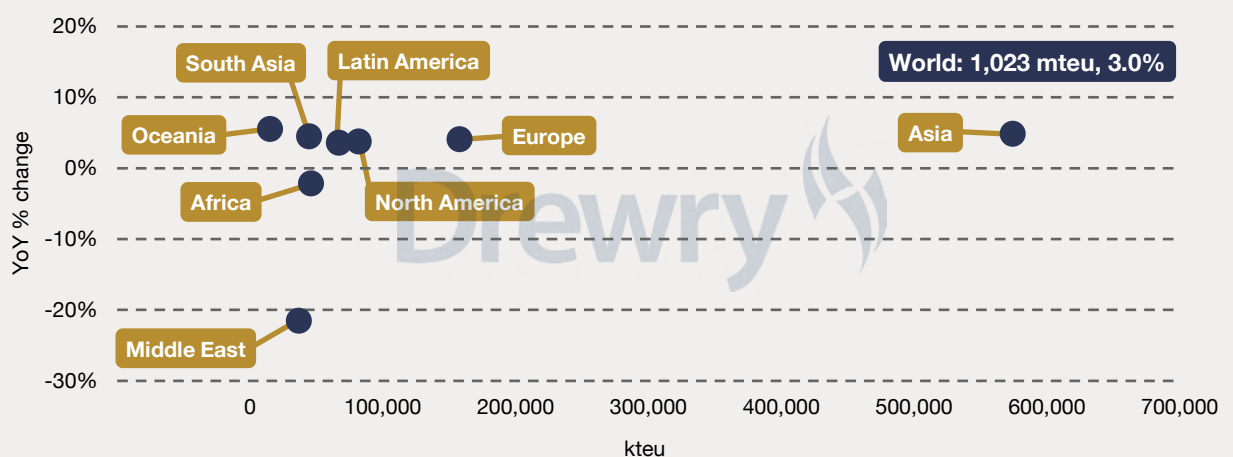
Resilient demand masks gathering capacity storm

Figure 1.2 Global container port throughput



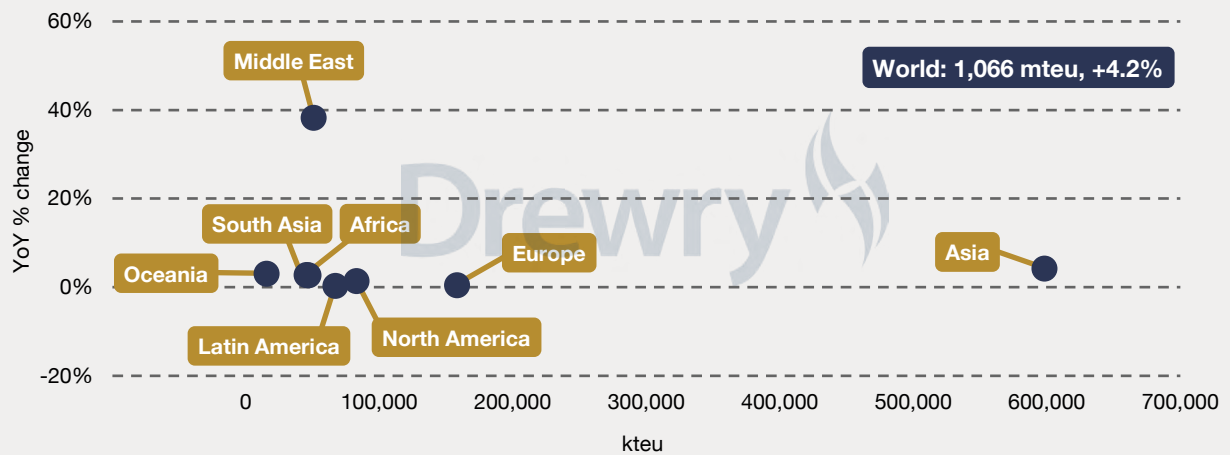
However, the reopening of Hormuz will not translate into an immediate return to business as usual. Extensive mine-clearing operations remain necessary before shipping can safely resume at pre-war levels. As a result, traffic through the strait is expected to recover only gradually. Nevertheless, the agreement creates an important near-term benefit by allowing vessels that have effectively been stranded inside the Gulf for months to depart and re-enter wider trading networks, thereby restoring capacity to other routes.

Figure 1.3 Drewry container forecast, 2026



Resilient demand masks gathering capacity storm

Figure 1.4 Drewry container forecast, 2027



Source: Drewry Maritime Research

Drewry expects carriers to proceed cautiously. Given the fragile nature of the agreement and the operational complexities involved in reinstating suspended services, operators are unlikely to rush back into the Gulf market. Instead, they are expected to reintroduce direct calls incrementally, adding capacity in stages while monitoring political developments and security conditions. Should negotiations continue positively and a final agreement be concluded within the next two months, carriers would then be in a position to accelerate the restoration of services.

Consequently, Drewry's base case assumption is that conditions in Hormuz will normalise during August. Provided negotiations remain on track, this would also restart the timeline for a broader recovery in transits through the Suez Canal. Drewry anticipates that container services will increasingly return to Suez in the coming months, but that the process will be measured rather than abrupt. A full restoration of traffic patterns is expected to take around 12 months as carriers rebalance networks, reposition equipment and rebuild customer confidence in the route.

The active containership fleet and orderbook continues to grow rapidly. As of 1 June, the orderbook was a record 12.9 mteu, or 38.5% of the active fleet, the highest ratio since early 2010.

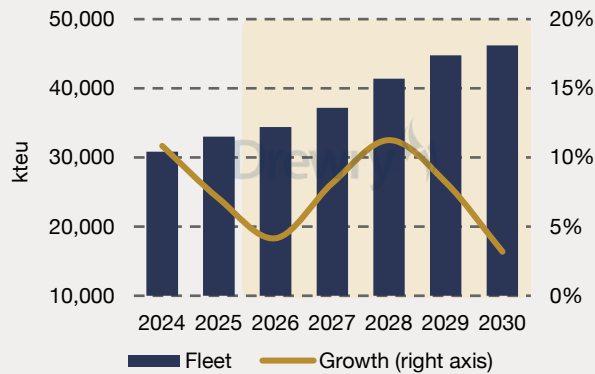
For the full year 2026, we expect fleet growth of 4.2%, which is significantly lower than seen in the previous three years, when the fleet increased between 7-11%. However, this year will be an outlier and much faster growth is expected to return from 2027 through 2029.

The prospect of a more stable operating environment has prompted Drewry to revise its outlook for the global container shipping balance. Drewry's supply-demand index, where a reading of 100 indicates equilibrium and values below 100 imply overcapacity, is now projected to average 88.1 in 2026, compared with a previous forecast of 86.5 issued in March.

Fleet growth is forecast at 8.1% in 2027, just as route normalisation releases additional effective capacity into the market

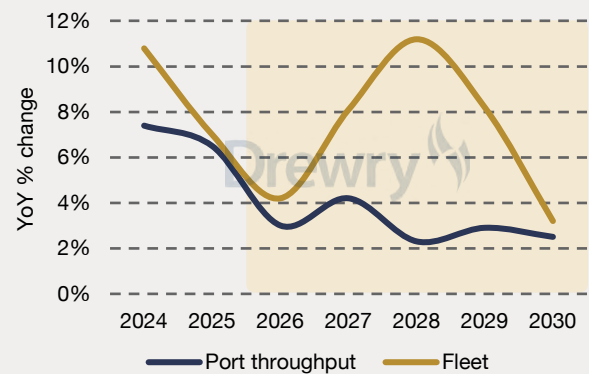
Resilient demand masks gathering capacity storm

Figure 1.5 Forecast annual containership fleet development



Source: Drewry Maritime Research, Clarksons Research

Figure 1.6 Port throughput, container ship fleet growth

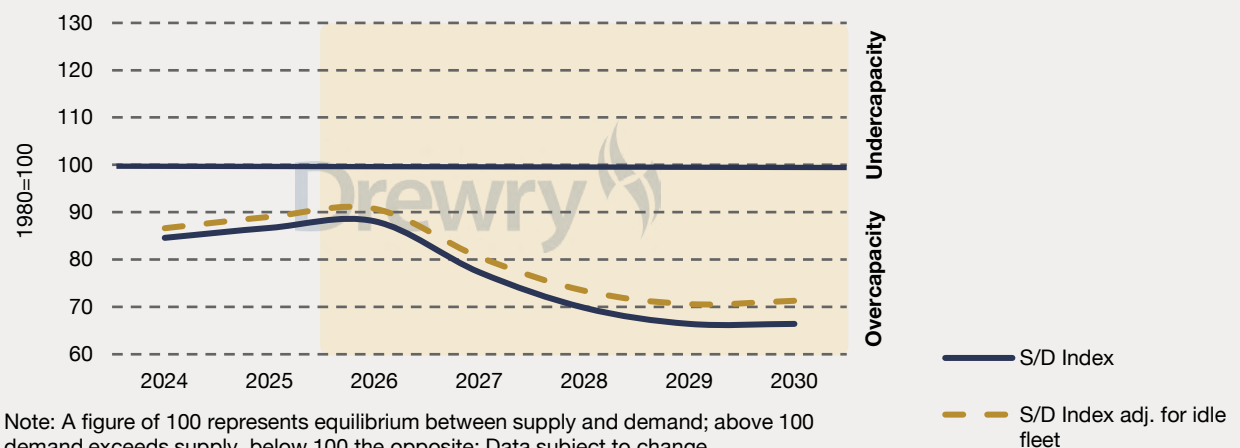


Source: Drewry Maritime Research, Clarksons Research

Two factors underpin this upgrade. First, the demand outlook has improved modestly, with global container throughput now expected to increase by 3.0% this year. Second, Drewry has become more pessimistic regarding port productivity, anticipating that operational inefficiencies will persist for longer than previously assumed. Together, these developments more than offset the gradual release of latent vessel capacity associated with a phased return to Suez transits.

At the height of the Red Sea crisis, diversions around the Cape of Good Hope were estimated to have reduced effective global container capacity by approximately 9%. That artificial tightening is now expected to diminish steadily as services migrate back to Suez, disappearing entirely by July 2027.

Figure 1.7 Drewry global supply-demand index (base case short-war scenario)



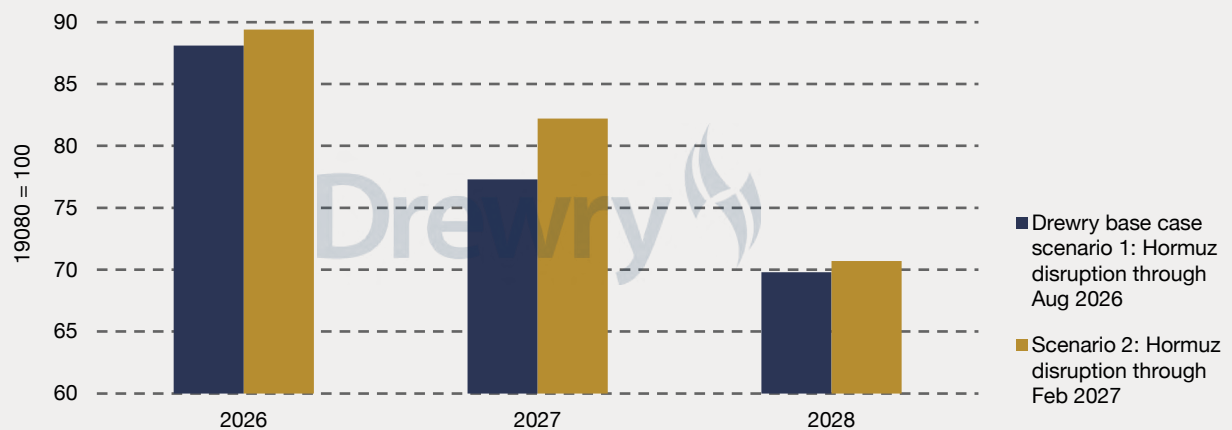
Note: A figure of 100 represents equilibrium between supply and demand; above 100 demand exceeds supply, below 100 the opposite; Data subject to change.

Source: Drewry Maritime Research

Resilient demand masks gathering capacity storm

Yet the very developments that provide near-term support for market fundamentals also sow the seeds of a much more challenging environment further ahead. As Suez transits normalise and carriers regain access to shorter voyage distances, effective supply will rise sharply. Combined with an expected 8.1% expansion of the global containership fleet in 2027, this will exert substantial downward pressure on market balance.

Figure 1.8 Drewry's Global supply-demand index under different scenarios



Source: Drewry Maritime Research

Drewry forecasts that the global supply-demand index will decline by 10.7 percentage points in 2027, making it the third-largest annual deterioration recorded since the series began in 1980. Beyond 2027, the outlook becomes even more concerning, with the index projected to remain below 70 for much of the period between 2028 and 2030 – levels associated with severe and prolonged overcapacity.

Importantly, these projections already assume that ports continue to operate below 2019 productivity standards throughout the forecast horizon and that carriers progressively reduce vessel speeds year after year in pursuit of fuel savings and emissions targets. In other words, the industry's main existing coping mechanisms are already embedded within the forecast and still prove insufficient to prevent a significant deterioration in market fundamentals.

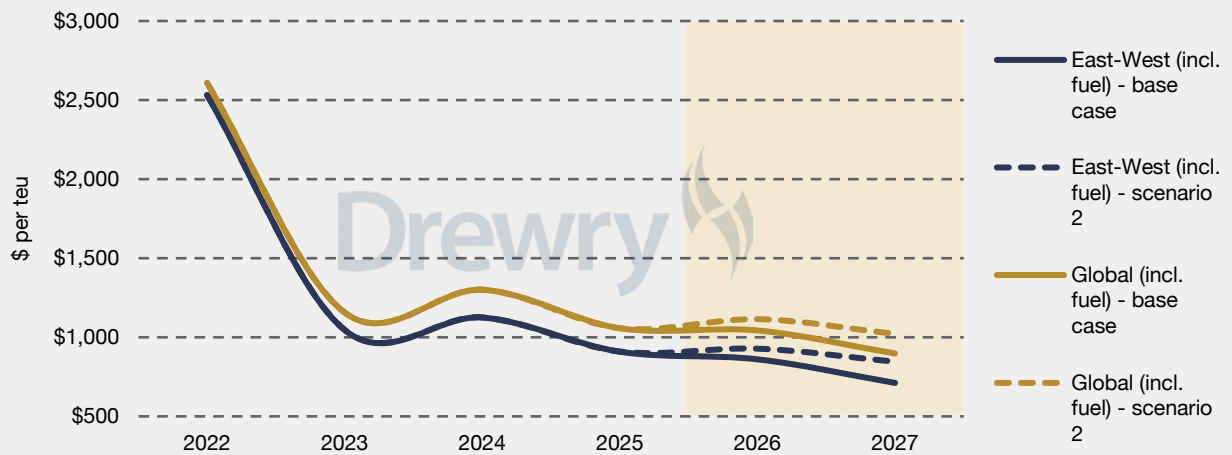
In the revised base case scenario, Drewry's 2026 base case (shorter war) forecast for global average freight rates (spot and contract combined) has improved from March's -4.9% outlook, to a smaller decrease of 1.3% as of this edition. Under the more pessimistic scenario, global rates would increase 5.4% for the year.

For 2027, global rates are expected to see a reduction of 14.0% in the base case scenario and 8.4% if the conflict persists.

Stronger demand, easing geopolitical tensions and persistent port inefficiencies are supporting freight rates and profitability in 2026

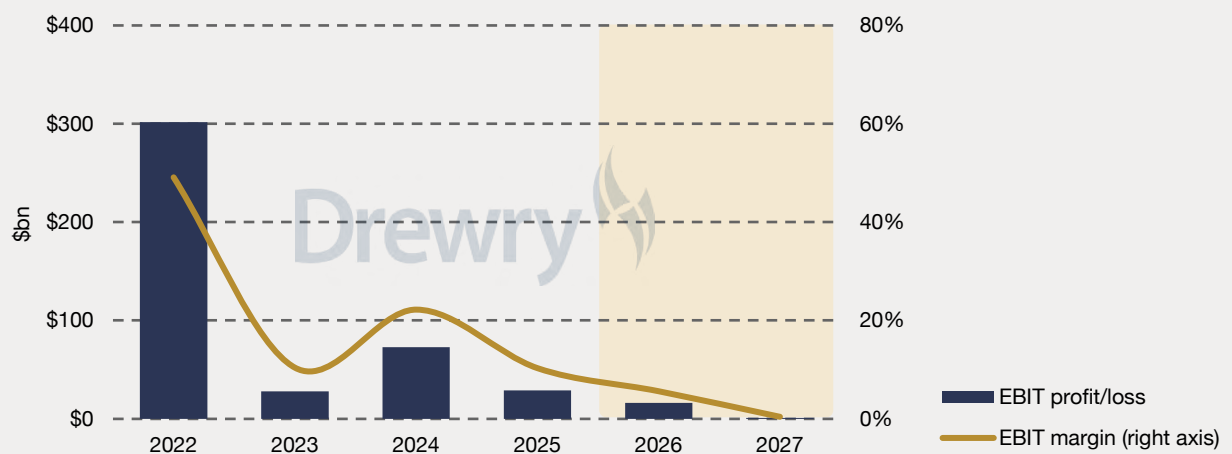
Resilient demand masks gathering capacity storm

Figure 1.9 Annual freight rate forecast



Source: Drewry Maritime Research

Figure 1.10 Forecast carrier industry ebit profit/loss and ebit margins



Source: Drewry Maritime Research

Following upgrades to both loaded container traffic and revenue per teu, the outlook for carriers' bottom line in 2026 is much brighter than it was three months ago. The industry EBIT forecast for the year has been raised to \$16 billion, up from our previous assessment of \$10bn. At the same time, the EBIT margin for the year has been upgraded to 5.6%, versus the earlier 3.7%.

We maintain the view that deteriorating supply-demand from 2027 will be very challenging from a carrier perspective and that breakeven may be the best they can hope for. As a result, we have stuck to our modest \$1 billion industry EBIT forecast for 2027.

Risks and sensitivities to the forecast

Here are some of the risks and sensitivities that could reshape our forecasts in future:

Resilient demand masks gathering capacity storm

Duration of Iran war:

There is no escaping the fact that the US-Iran MoU represents only a tentative first step towards a durable peace. Media coverage of the agreement has been dominated by references to its “fragility”, and with good reason. There remain numerous potential obstacles to a lasting settlement. Political volatility persists on both sides, while Israel may resist aspects of any broader rapprochement between Washington and Tehran. Indeed, early signs of how easily the situation could deteriorate have already emerged with attacks on shipping continuing post-MoU signing.

Despite these risks, Drewry has elected to adopt a constructive stance and regard a successful conclusion to negotiations as its central scenario. The rationale remains largely unchanged from previous assessments: a lasting settlement appears to align with the strategic and economic interests of both parties. The US has an incentive to stabilise energy markets and avoid another prolonged Middle Eastern conflict, while Iran stands to gain economically from the normalisation of trade and shipping flows.

Nonetheless, prudence demands consideration of an alternative outcome. Drewry therefore retains a downside scenario in which negotiations ultimately collapse, leading to continued disruption in Hormuz and a sustained period of elevated oil prices extending through February 2027. Such an outcome would prolong uncertainty across container markets, keep fuel costs and supply-demand higher for longer and delay any meaningful improvement in network efficiency.

Drewry verdict: Leaning upside – A shorter war is in all side's best interests, but the main actors are very unpredictable

Orderbook pressure:

Faced with a significant sectoral overcapacity risk, it would be logical to exclude any projected new orders from our modelling as there is clearly already enough capacity available, either on the water, or being built in shipyards. But we cannot ignore history or current trends. In the past 20 years, there have only been six occasions when contracting hasn't exceeded 1 mteu and only once has it been lower than 100 kteu, at the peak of the financial crisis in 2009. New ships are what owners invest their capital in.

Based on YTD confirmed data, the annual sum for newbuild contracts in 2026 is on course for around 4.4 mteu, down slightly on the record 5.1 mteu of last year and the previous record of 4.7 mteu from 2024.

So, what is the rationale for owners to keep piling up the ships despite the seemingly obvious risks?

Firstly, we have to understand that the ordering behaviour of containership owners reflects differing business models and investment horizons.

For liner operators, vessel acquisition decisions are fundamentally strategic. Ownership provides certainty of capacity, insulation from charter market volatility and greater control over network design. This has become increasingly important as carriers seek to optimise schedules, maintain service reliability and support integrated logistics offerings extending beyond ocean transportation.

Resilient demand masks gathering capacity storm

Independent tonnage providers approach acquisitions differently. Their investment decisions are driven primarily by charter market expectations, residual values and access to finance. The extraordinary charter market experienced during the pandemic significantly altered risk perceptions. Multi-year charters at historically elevated rates provided owners with unusual visibility over future cash flows, supporting aggressive ordering programmes and asset price appreciation.

Ultimately, the medium-term outlook for the containership fleet depends less on trade growth than on ordering discipline, which is inherently harder to predict.

The industry's experience repeatedly demonstrates that periods of exceptional profitability sow the seeds of subsequent weakness. The current investment cycle is distinguishable in part by the need for environmental renewal, but it is unlikely to prove immune to the consequences of excessive capacity additions. Whether the sector experiences a manageable adjustment or another prolonged downturn will depend on the willingness of owners to prioritise utilisation and returns on capital over fleet growth and market share.

Drewry verdict: Downside – The containership industry has historically demonstrated a tendency towards collective overordering. Individual owners acting rationally to maximise market share, secure charter coverage or renew fleets can collectively create substantial oversupply

Recommendations to stakeholders:

All stakeholders will need to adjust liner networks and port volume plans again to reflect an unexpected return to direct Gulf services.

All stakeholders should consider the prospect of a possible early end of peak season volume on non-Middle East trade routes and a possible rush of pent-up volume on the Middle East routes.

Carriers should announce their plans for a gradual return to direct services and any knock-on effect of their other liner services.

Carriers and forwarders should remove the “emergency BAFs” previously based on the need for early recovery of higher bunker costs.

Carriers and investors should reassess the outlook for demand and economic growth, following the higher-than-expected container traffic volumes.

Companies in the Middle East should lobby their governments to build the GCC Railway as a strategic container transport alternative to the Strait of Hormuz.

Ship owners and operators should update their plans to address over-capacity in the next few years, possibly by accelerating the scrapping of fuel-inefficient ships or slow-steaming more ships.

Large shippers should audit and review their carrier and forwarder policies related to the recovery of bunker costs.

Drewry Maritime Advisors provide expert advice to owners, operators, financial institutions, port authorities, terminal operators and governments covering the full spectrum of commercial and technical facets across all maritime and shipping sectors. Our combination of deep knowledge and understanding of the market sectors we serve, allows our clients to make the right commercial decisions at the right time.

> Contact us

Projects (Jan '21-Dec '24)

152

Port Sector assignments

396

Total assignments

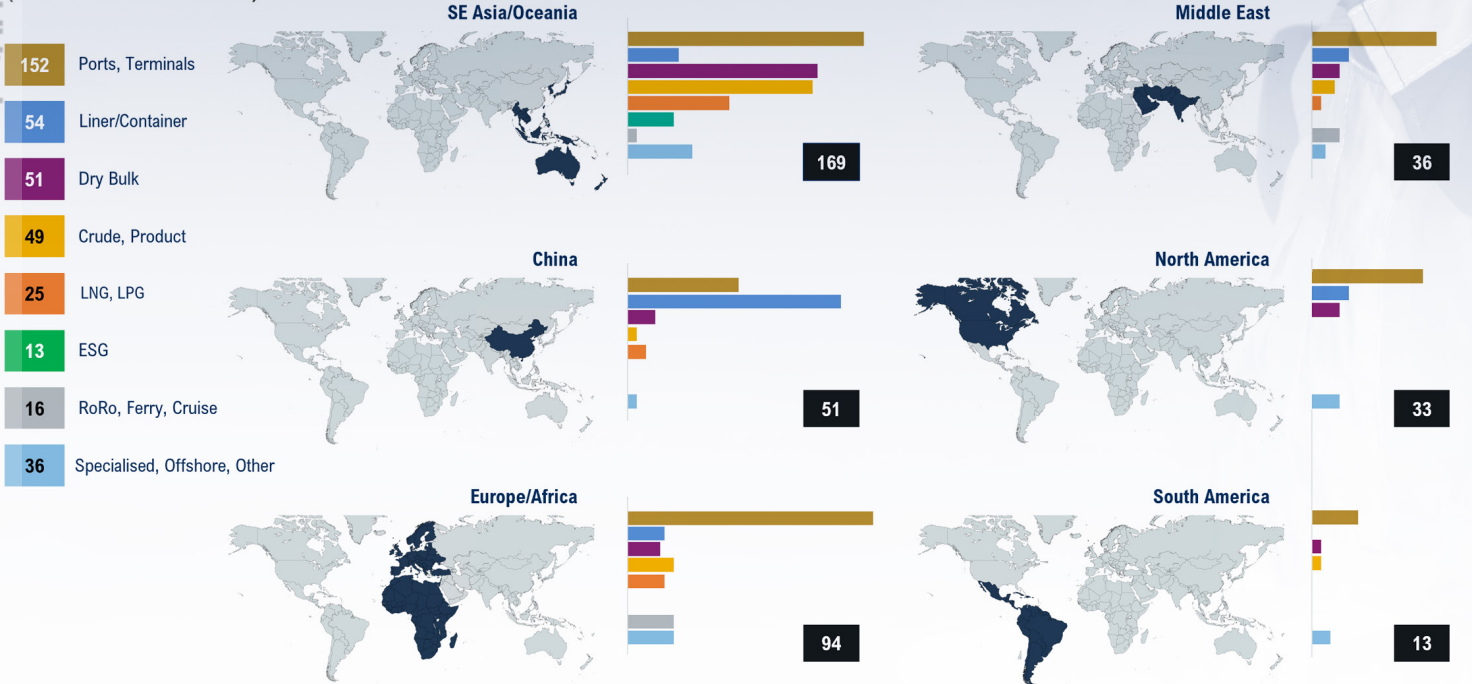
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Bulk Sector assignments

- Maritime specialist covering all main sectors
- Independent & impartial outlook
- Extensive proprietary databases
- Access to extensive research catalogue
- In-depth sector understanding & experience
- In-house technical expertise
- Modelling & forecasting expertise
- Extensive track record of advisory work
- Robust advisory methodology
- Financial & equity research credentials
- Operational industry experience

Whether commissioning our advisory team to provide strategic analysis, commercial due diligence or market analysis, you can rely on our independence and rigour to provide sound professional advice. We can provide an in-depth assessment of the characteristics, dynamics and trends of your market, conduct customer analysis or evaluate its competitive environment to help you overcome challenges or realise asset opportunities.

Project assignments
(Jan '21-Dec '24)



Drewry Spotlight: Early peak season

In an increasingly unpredictable world, one of the few constants in recent years has been container shipping's ability to outperform demand growth expectations. This edition of the Container Forecaster therefore includes an upward revision to our 2026 global container port throughput forecast, from 1.8% in the March edition to 3.0% today.

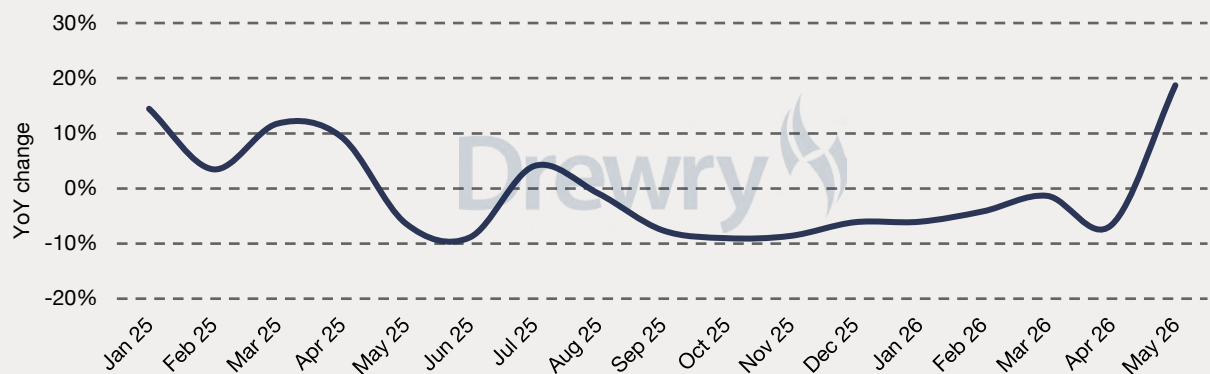
Ocean carriers have similarly acknowledged their surprise at the resilience of cargo flows, which has helped sustain freight rates at levels well above those anticipated when a prolonged downward correction had appeared likely.

In fairness to forecasters, the assumptions underpinning any outlook can change rapidly in the current environment. The pessimism that followed 'Liberation Day' in April 2025, for example, was entirely reasonable given the scale of the potential policy shifts being signalled at the time. Yet subsequent developments have shown that the resulting disruption to global trade was ultimately far more muted than initially feared.

More broadly, there have been repeated headlines suggesting an early peak season in 2026, and while this can only be confirmed once full-year data is available, port and trade statistics do indicate an unusually strong period of growth in recent months.

Container shipping continues to defy expectations with strong volume growth YTD, market abuzz with early peak season talk

Figure 1 Top 10* US ports loaded container imports



* Includes Charleston, Houston, Long Beach, Los Angeles, Norfolk, Oakland, Savannah and Seattle-Tacoma. Does not include Baltimore or New York-New Jersey as neither port had reported statistics for May 26 at the time of compilation.

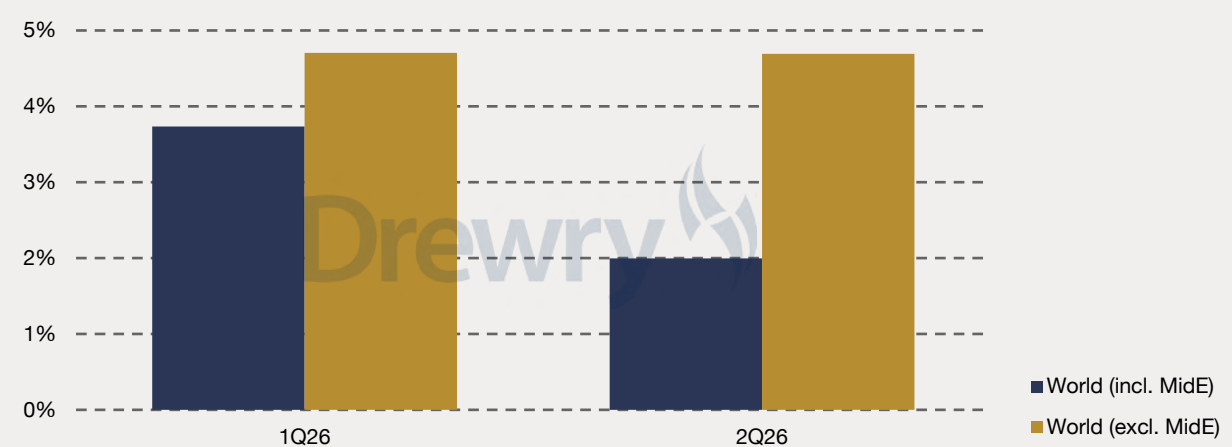
Source: Drewry Maritime Research, ports

Drewry currently expects global port throughput to increase by just 2.0% YoY in 2Q26, making it the third-weakest quarter out of four. On the surface, this does not suggest an early peak season. However, this figure is materially distorted by developments in the Middle East, where throughput is estimated to have fallen by 16% YoY in 1Q26 and by around 53% in 2Q26. Adjusting for this disruption, global growth appears significantly stronger, with underlying port throughput rising by approximately 4.7% in 2Q26, when excluding the region.

Adjusting for disruption in the Middle East, global port throughput growth is estimated to have increased 4.7% in 2Q26

Drewry Spotlight: Early peak season

Figure 2 Drewry estimates for world global port throughput, 1H26



Source: Drewry Maritime Research

Against this backdrop, the key question is what is driving the resilience in demand, and whether the extent of the outperformance reflects genuine underlying strength or simply demand being pulled forward from future periods.

Table 1 Which factors are temporary and which are structural?

Likely temporary	Likely structural
Tariff front-loading	Supply-chain diversification
Hormuz-related buying panic	More fragmented production networks
Inventory restocking	Higher inventory buffers
Seasonal acceleration	AI and data-centre investment

Source: Drewry Maritime Research

A significant part of the explanation appears to lie in geopolitical and policy-driven front-loading. Importers in North America and Europe have accelerated shipments in anticipation of potential tariff changes, retaliatory measures, or shifts in trade agreements. This behaviour has been particularly evident in consumer goods, machinery, and intermediate products. While such activity boosts measured container volumes in the near term, it does not necessarily increase total annual consumption, instead shifting demand forward from later in the year into earlier periods.

A significant part of the explanation for resilient container growth appears to lie in geopolitical and policy-driven front-loading

Drewry Spotlight: Early peak season

Heightened geopolitical uncertainty has added to these dynamics. The recent conflict involving Iran, in particular, has encouraged shippers to secure inventory earlier than they otherwise would, in an effort to mitigate the risk of further freight cost volatility or disruption to key trade routes.

Inventory dynamics have also played an important role. Many retailers and manufacturers spent much of 2023–25 actively reducing stock levels. By late 2025, inventory-to-sales ratios in several sectors had returned to relatively lean levels, meaning that even modest improvements in end-market demand have triggered renewed replenishment cycles. In container shipping terms, this effect is amplified because replenishment often spans long, intercontinental supply chains linking Asia with Europe and North America.

At the same time, there remains a clear reluctance among many cargo owners to revert to pre-pandemic just-in-time logistics models. The experience of Covid-19 disruptions, combined with more recent shocks such as Red Sea routing changes and broader geopolitical tensions, has encouraged firms to maintain higher safety stocks and diversify sourcing strategies.

This has translated into more inventory held across multiple regions, greater reliance on parallel suppliers, more frequent replenishment cycles, and a reduced willingness to delay ordering decisions when demand softens. From a shipping perspective, these adjustments structurally increase teu demand relative to underlying GDP growth.

Ongoing shifts in global trade patterns are reinforcing this effect. Tariffs and industrial policy interventions continue to reshape sourcing decisions, with Chinese exports increasingly routed through Southeast Asia, and manufacturing capacity expanding in India, Vietnam, and Mexico. At the same time, intra-Asian component flows are rising, particularly under “China+1” strategies. The result is that production chains are becoming more geographically extended. A single finished product sold in the US may now involve components moving between several Asian economies before final assembly, significantly increasing the containerised transport intensity of global manufacturing compared with earlier production models.

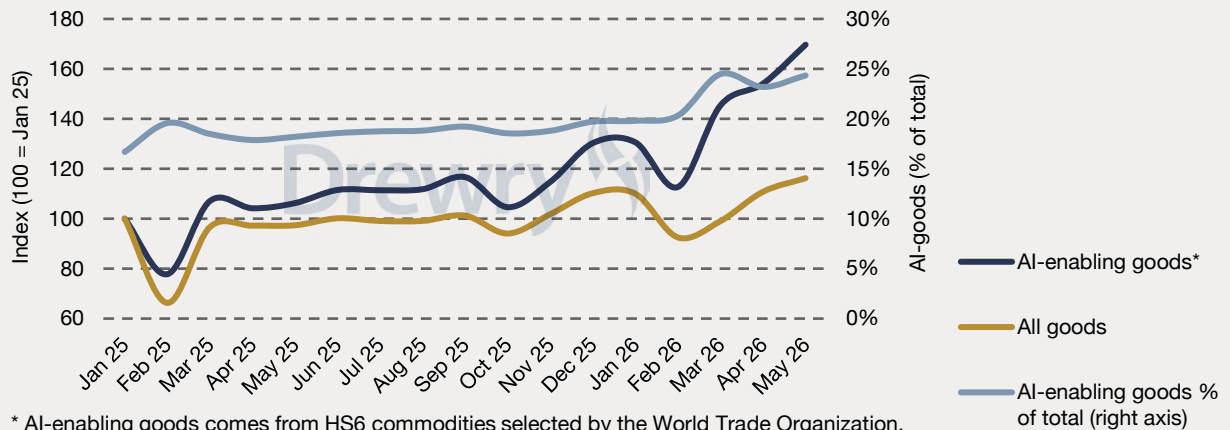
Another important, and potentially underappreciated, source of demand has been the scale of investment linked to digital and energy infrastructure. Rapid expansion in data centres, AI hardware, power distribution equipment, batteries, renewable energy systems, and industrial automation is generating substantial containerised cargo flows. This includes servers, cooling systems, electrical components, cabling, and specialist machinery. While these sectors still represent a relatively modest share of total global trade, they are growing quickly and tend to be far less sensitive to short-term consumer cycles than traditional goods trade. As a result, they are providing a more stable and increasingly important source of incremental container demand in 2026.

Shifts in global trade patterns are helping to increase teu demand relative to underlying GDP growth

Investment linked to digital and energy infrastructure is providing a small, but growing source of incremental container demand

Drewry Spotlight: Early peak season

Figure 3 China monthly exports, all commodities vs. AI-enabling goods, US\$



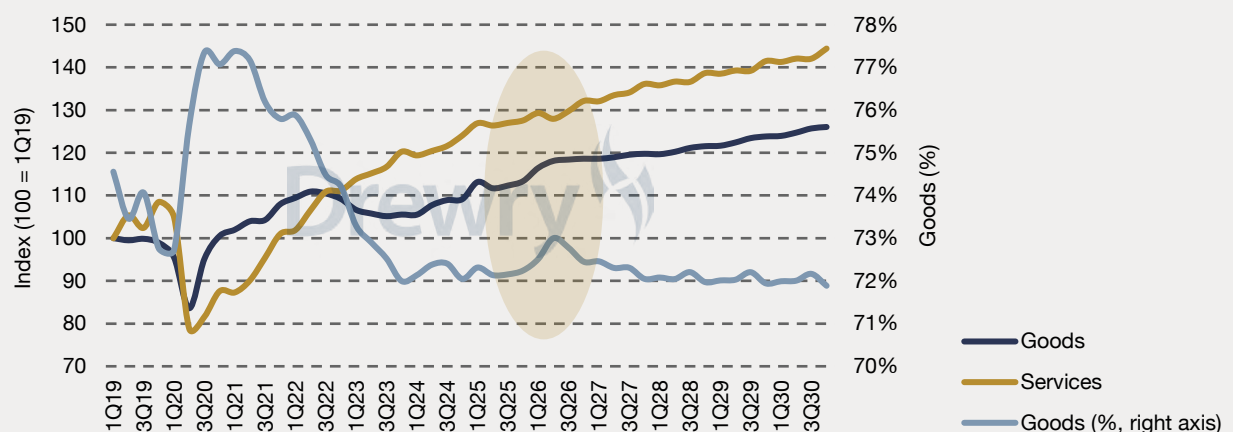
Source: Trade Data Monitor, World Trade Organization, Drewry Maritime Research

It is also possible that underlying macroeconomic resilience has simply been underestimated by analysts and economists. Employment conditions remain comparatively robust across many major economies, fiscal policy continues to support activity in key regions, and manufacturing indicators in parts of Asia have shown signs of improvement. Historically, container trade tends to grow faster than GDP during periods of supply chain adjustment, and 2026 appears to be another example of this pattern.

Moreover, consumers might be adjusting their spending behaviour to more heavily favour goods over services, akin to what happened during the pandemic. High inflation of fuel and transportation could well dampen the appetite for foreign travel, with the money saved instead put towards physical items.

Oxford Economics' databank (Drewry's source for macro-economic forecast inputs) suggests that this is playing a small role in the stronger-than-expected demand story, but nowhere near the scale of Covid (see Figure 3). Goods as a % of total imports are forecast to briefly nudge up in 2026, before quickly reverting to the recent mean.

Figure 4 Advanced economies, imports, constant prices US exchange rate, US\$



Source: Oxford Economics, June 2026

Drewry Spotlight: Early peak season

Taken together, the evidence suggests that the upside surprise in container demand in 2026 reflects a blend of cyclical distortion and more durable structural change. A meaningful share of the strength, perhaps around half, appears to be driven by demand timing effects, particularly inventory replenishment and geopolitical or tariff-related front-loading. This implies that some moderation in growth is likely in 2027 as inventories normalise and policy uncertainty either fades or is absorbed into established trade routes.

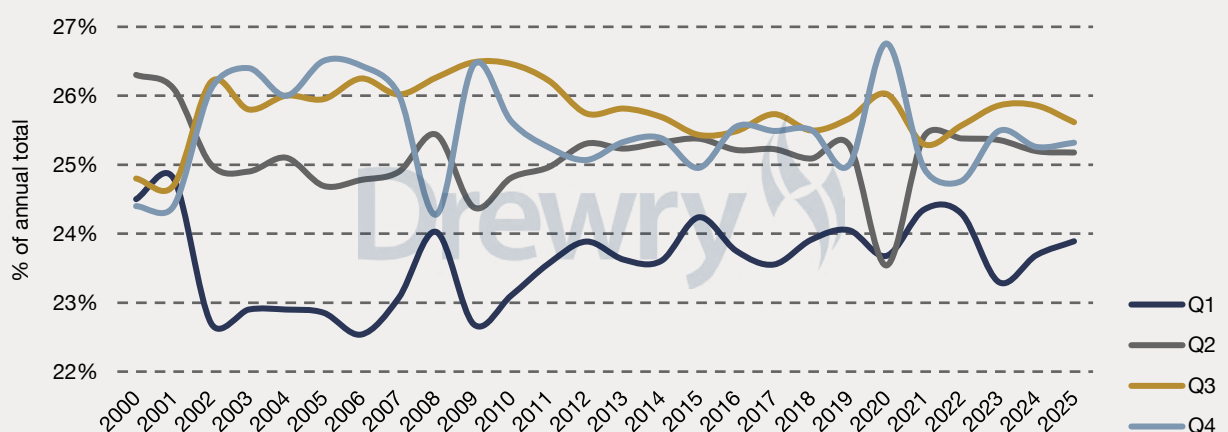
However, it would be overly simplistic to characterise the entire uplift as purely temporary. Beneath the cyclical volatility, there are increasingly clear structural supports that continue to lift baseline demand. Supply chain reconfiguration, higher resilience requirements, the fragmentation of production networks, and sustained investment in digital and energy infrastructure are all contributing to a world in which containerised trade intensity remains elevated relative to historical norms. In addition, while not a dominant driver, shifts in consumption patterns and macroeconomic resilience are providing incremental support at the margin.

The broader implication is that container shipping is operating in an environment where demand is not only growing, but doing so in a more uneven and less predictable manner. Traditional seasonal patterns, once a useful anchor for capacity planning, are becoming progressively less reliable as geopolitical shocks, policy interventions, and inventory cycles increasingly dominate short-term volume dynamics.

Some of the recent growth is temporary in nature, but some have more permanence that will continue to lift baseline demand

Traditional seasonal patterns, once a useful anchor for capacity planning, are becoming progressively less reliable

Figure 5 Global container throughput seasonality

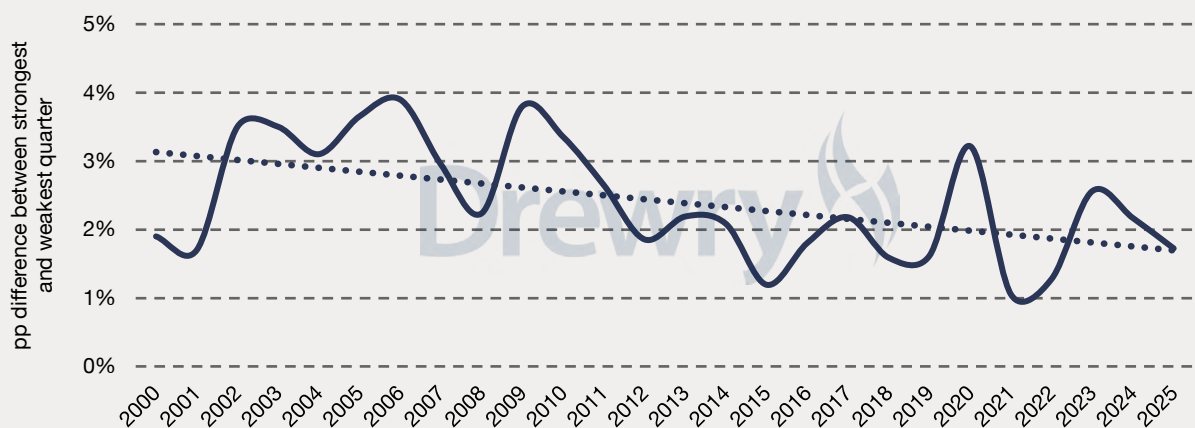


Source: Drewry Maritime Research

Drewry Spotlight: Early peak season

For carriers, this combination of structurally firmer demand but greater timing volatility is critical. It supports a medium-term case for continued teu growth ahead of global GDP, but simultaneously reduces visibility, amplifies intra-year swings, and complicates capacity deployment and pricing discipline. In this context, the industry's challenge is less about whether demand is growing, and more about how effectively it can be absorbed in an increasingly irregular and episodic market structure.

Figure 6 Amplitude of global container throughput seasonality



Source: Drewry Maritime Research

2. World Container Trade Outlook

General demand developments

Global port volume has outperformed expectations in recent years, defying gloomy forecasts along the way. Despite tumultuous geopolitical and economic disruptions, global container port throughput grew by 7.4% and 6.5% in 2024 and 2025, respectively. This trend has continued into 2026. Notwithstanding the renewed conflict in the Middle East in February (Operation Epic Fury, which led to the closure of the Strait of Hormuz), first-quarter growth came in at a punchy +3.7%, beating the forecast of +2.5% in our March edition.

The sustained demand and surge in spot rates in 2Q26 have caught many stakeholders in the container supply chain flat-footed. It appears the traditional peak season has arrived earlier across multiple trades, likely due to cargo front-loading amid uncertainties over tariff deadlines and anticipated cost increases. Meanwhile, Drewry's World Container Index (WCI) has climbed to an 18-month high as of mid-June, underpinned by carriers' discipline on the supply side. A deep dive into these plausible drivers of the upswing in demand and their impact on freight rates is found in the 'Spotlight' chapter of this report.

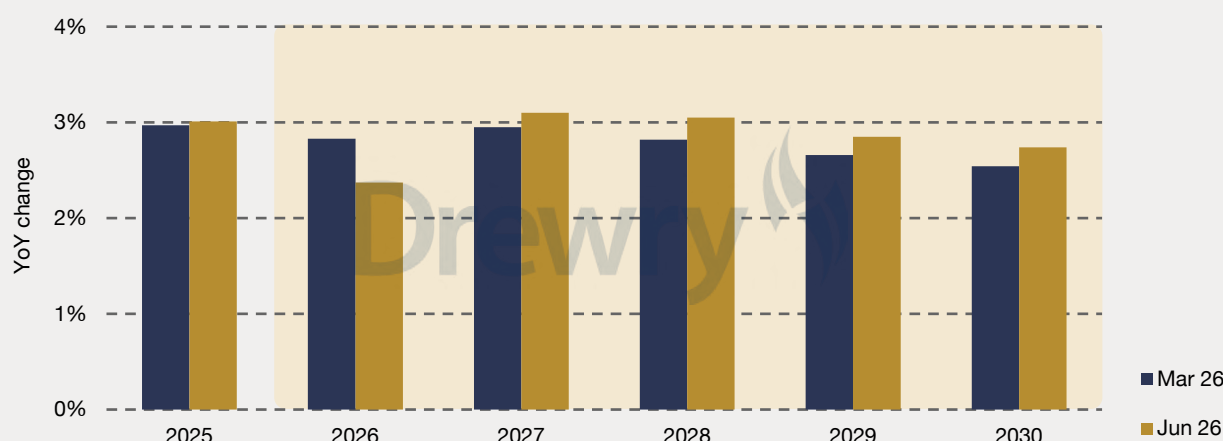
Still, the demand trendline over the past 12 months was anything but smooth, with volatility at the monthly, quarterly as well as regional levels - driven by situational and geopolitical events. This reality has presented stakeholders with an unenviable task as they strive to manage their respective supply chains. Such variation complicates planning for both cargo owners and carriers. Market attention is now focused on whether this strength in demand will be sustained through the latter half of the year. There is an upward revision to Drewry's 2026 global port throughput outlook. We now forecast worldwide throughput growth of 3.0% for 2026, up 1.2 percentage points from our March projection.

Global container throughput grew by 3.7% YoY in 1Q26, beating forecast despite renewed conflict in the Middle East that led to the closure of the Straits of Hormuz

Apparent early peak season and surge in spot rates in 2Q26 caught stakeholders in the container supply chain off guard

Palpable volatility in the demand trendline over the past 12 months at the monthly, quarterly, and regional levels - driven by situational and geopolitical events. Upward revision to Drewry's 2026 global port throughput forecast to 3.0% for 2026

Figure 2.1 Drewry baseline global economic assumptions (real GDP)



Source: Drewry Maritime Research

General demand developments

An analysis of first-quarter global port container volume (including laden, empties, and transshipment) revealed sharp regional variation, with a wide gap between the strongest and weakest markets.

Unsurprisingly, the Middle East ranked at the bottom of the regional table. The Iran conflict, which began at the very end of February, drove a 16% YoY contraction in the region's throughput. Drewry expects the downturn to deepen in 2Q26, forecasting a 53% YoY decline as the conflict affects the entire quarter.

The strongest-performing regions in 1Q26 were Southern Africa (9.8%), the East Mediterranean (9.3%), Southeast Asia (9.2%), South Asia (8.5%), Greater China (7.0%) and Oceania (7.0%). No other region exceeded the global average growth rate of 3.7%. Given its dominant market share, Greater China accounted for approximately 63% of total global throughput growth in the first quarter, with Southeast Asia contributing a further 35%. These regions remain the primary engines of growth for the container market.

The start of the year proved challenging for carriers, with most reporting losses in 1Q26 amid subdued freight rates. However, escalating geopolitical tensions in the Middle East, along with an exceptionally strong export cycle, created opportunities for rate recovery. According to Container Trades Statistics (CTS) provisional data, global and regional laden container volumes for 1Q26 also showed robust growth of 4.4% YoY (teu).

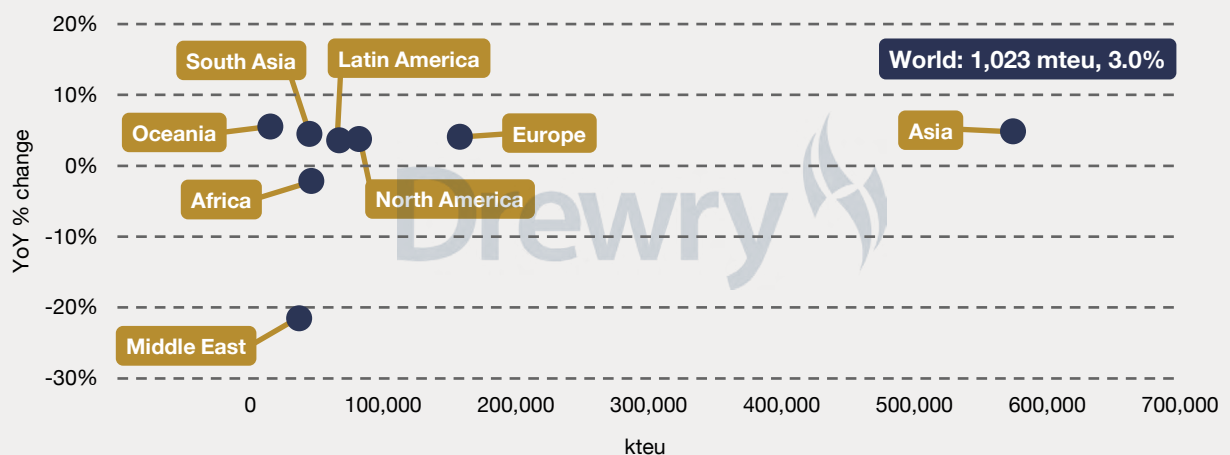
But growth varied widely across individual trades, with 27 expanding and 22 contracting. The export trades with the highest growth were from Asia to Africa (+32% YoY) and from Asia to Latin America (+17% YoY). At the other end of the spectrum, the Europe to Middle East and Asia to Middle East trades saw steep declines.

The Iran conflict drove a 16% YoY contraction in the Middle East region's throughput. Downturn to deepen to -53% YoY in 2Q26

The strongest-performing regions in 1Q26 were Southern Africa (9.8%), the East Mediterranean (9.3%), Southeast Asia (9.2%), Greater China accounted for approximately 63% of the total global container port throughput

Start of the year was challenging for carriers amid softening freight rates. But geopolitical tensions in the Middle East, together with a strong export cycle, have created opportunities for rate recovery in 2Q26

Figure 2.2 Drewry container forecast, 2026



Source: Drewry Maritime Research

General demand developments

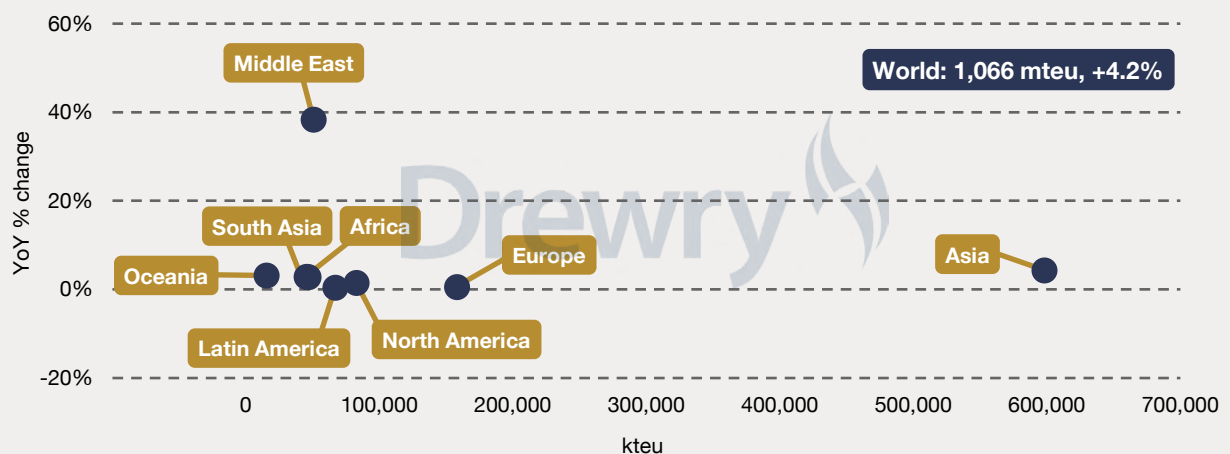
Looking at cumulative exports from key regions, Europe (-3.2%) and, for understandable reasons, the Middle East/South Asia (-4.0%) both contracted. Export growth in South Asia could not offset the steep decline in the Middle East sub-region. The Africa region recorded the highest export growth at almost 14% YoY, followed by Asia at 8% YoY – but in absolute teu volume terms, the latter contributes substantially more. Three other regions, North America (+0.6%), Latin America (+2.6%), and Oceania (+1.5%), posted more modest export growth.

Among containerised imports to key regions, only the North America region disappointed, registering a 3.7% YoY decline in 1Q26. Once again, Africa is the growth star, with imports up 18% YoY, followed by Europe at +7% YoY. As with exports, in absolute teu terms, Europe far exceeds Africa. Meanwhile, Latin America (+8%) and Oceania (+11%) also posted strong relative and/or absolute growth.

For laden container export in 1Q26, the Africa region saw the highest growth at almost 14% YoY, followed by Asia at 8% YoY – but in absolute teu volume terms, the latter contributes substantially more

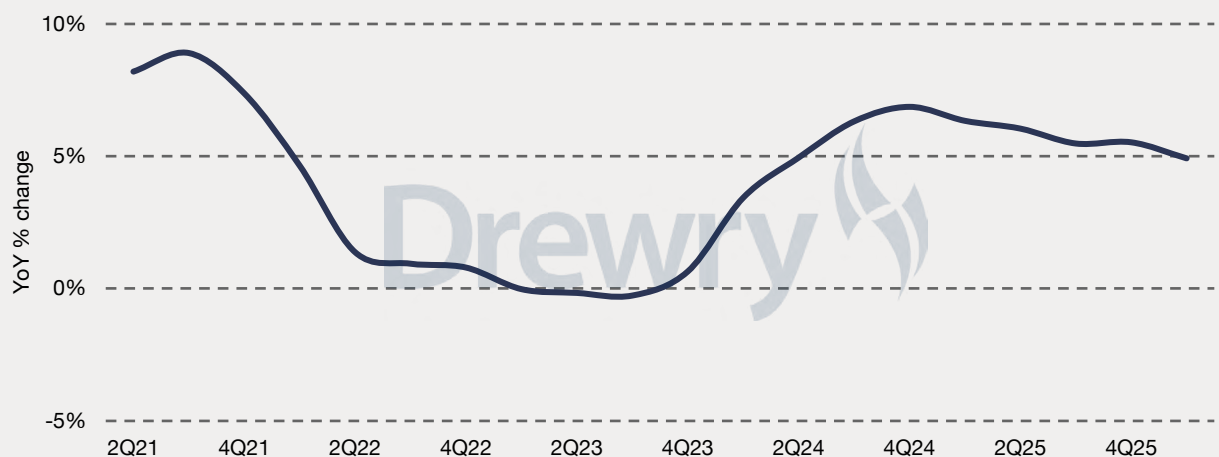
Among containerised imports to key regions in 1Q26, only North America recorded a 3.7% YoY decline

Figure 2.3 Drewry container forecast, 2027



Source: Drewry Maritime Research

Figure 2.4 Global container port throughput: rolling 4-quarter average % change (sample ports)



Source: Drewry Maritime Research

General demand developments

The World Trade Organization (WTO) Goods Trade Barometer's latest reading of 101.7, while still above trend, signals a cooling phase in global merchandise trade, increasingly evident in container shipping dynamics. The slight easing from earlier highs reflects softer demand across several goods categories, with only electronics maintaining strong momentum—driven largely by AI-related components. For carriers, this translates into uneven lane performance: Asia-linked trades remain resilient but may be losing steam, and the volatility premium in freight rates is dissipating.

Above-trend readings in air freight and container throughput indices suggest that supply chains remain active, yet the deceleration hints at weaker restocking cycles and a more cautious global manufacturing environment. In practical terms, the barometer reinforces expectations of stable but subdued growth in container demand through mid-2026, with carriers likely to rely more heavily on capacity management tools—blank sailings, slow steaming, and service rationalisation—to defend yields.

The US and Iran formally signed an MOU on 18 June to extend the existing ceasefire by 60 days while negotiators attempt to reach a permanent settlement. The deal includes the reopening of the Straits of Hormuz. However, confidence in the shipping industry remains low due to ongoing potential threats. It hinges on the deal holding up, and there is plenty of room for the script to be disrupted. Even if there are no breaches, a deal to reopen the Straits may not mean that global energy supply and prices would normalise readily.

The WTO Goods Trade Barometer's latest reading of 101.7 signals a cooling phase in global merchandise trade. The slight easing reflects softer demand across several goods categories, with only electronics maintaining strong momentum—driven largely by AI-related components

US-Iran MOU hinges on the deal holding up. Even if there are no breaches, a deal to reopen the Straits may not mean that global energy supply and prices would normalise readily

Table 2.1 Forecast development of world container traffic (mteu)

	Port Handling		Port-to-Port				Transshipment			Empties	Loaded Container Traffic	
	Total	% change	Full	Empty	Total	% change	Full	Empty	Total	Total	Total	% change
2023	868.8	0.5%	469.6	174.5	644.2	-0.1%	163.7	60.8	224.6	235.4	234.8	-0.2%
2024	933.3	7.4%	505.1	187.4	692.4	7.5%	175.7	65.2	240.8	252.6	252.5	7.5%
2025 Q1	237.4	7.4%	127.2	47.6	174.8	6.6%	45.5	17.0	62.6	64.6	63.6	6.3%
Q2	250.2	6.4%	134.1	50.2	184.2	5.6%	48.0	18.0	65.9	68.1	67.0	5.4%
Q3	254.5	5.5%	136.4	51.0	187.5	4.7%	48.8	18.3	67.1	69.3	68.2	4.5%
Q4	251.6	6.7%	134.8	50.4	185.3	5.9%	48.3	18.1	66.3	68.5	67.4	5.7%
2025	993.7	6.5%	532.6	199.2	731.8	5.7%	190.6	71.3	261.9	270.5	266.3	5.4%
2026 Q1	246.3	3.7%	131.7	49.7	181.5	3.8%	47.0	17.8	64.8	67.5	65.9	3.5%
Q2	255.2	2.0%	136.5	51.5	188.0	2.1%	48.7	18.4	67.1	69.9	68.2	1.8%
Q3	262.9	3.3%	140.6	53.1	193.7	3.3%	50.2	19.0	69.2	72.0	70.3	3.1%
Q4	258.8	2.9%	138.5	52.3	190.7	2.9%	49.4	18.7	68.1	70.9	69.2	2.7%
2026	1,023.1	3.0%	547.3	206.6	753.9	3.0%	195.4	73.8	269.2	280.4	273.6	2.8%
2027	1,066.3	4.2%	574.1	215.7	789.8	4.8%	201.0	75.5	276.5	291.2	287.0	4.9%
2028	1,091.2	2.3%	586.5	220.5	807.0	2.2%	206.5	77.7	284.2	298.2	293.2	2.2%
2029	1,123.0	2.9%	603.7	227.3	831.1	3.0%	212.1	79.9	291.9	307.2	301.9	2.9%
2030	1,151.2	2.5%	618.6	232.9	851.5	2.5%	217.7	82.0	299.6	314.8	309.3	2.5%

Note: Loaded Container Traffic is Port-to-Port Full divided by two; Data is subject to change

Source: Drewry Maritime Research

General demand developments

Given the lingering uncertainty about the actions of the various armed actors involved and the unknown number of mines in the water, safe passage through the strait would remain arduous and risky. Energy infrastructure damaged across the Middle East will take months, if not years, to return to full operation. With persistent risks of renewed conflict, costs related to the movement of gas and oil products - from insurance premiums to shipping charges - will remain elevated.

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Table 2.2 Forecast of container activity by region (kteu)

	2024	2025	2026	2027	2028	2029	2030
Asia	517,099	547,665	574,101	598,244	609,978	628,734	644,505
% change on previous year	6.7%	5.9%	4.8%	4.2%	2.0%	3.1%	2.5%
share of world total	55.4%	55.1%	56.1%	56.1%	55.9%	56.0%	56.0%
Europe	142,139	151,631	157,796	158,427	161,814	165,324	168,580
% change on previous year	6.2%	6.7%	4.1%	0.4%	2.1%	2.2%	2.0%
share of world total	15.2%	15.3%	15.4%	14.9%	14.8%	14.7%	14.6%
North America	77,388	78,893	81,851	82,996	84,291	86,239	88,216
% change on previous year	11.0%	1.9%	3.7%	1.4%	1.6%	2.3%	2.3%
share of world total	8.3%	7.9%	8.0%	7.8%	7.7%	7.7%	7.7%
Latin America	58,897	64,628	66,916	67,130	68,927	70,839	72,692
% change on previous year	12.0%	9.7%	3.5%	0.3%	2.7%	2.8%	2.6%
share of world total	6.3%	6.5%	6.5%	6.3%	6.3%	6.3%	6.3%
Middle East	43,237	47,001	36,873	50,975	54,702	57,305	59,615
% change on previous year	-1.4%	8.7%	-21.5%	38.2%	7.3%	4.8%	4.0%
share of world total	4.6%	4.7%	3.6%	4.8%	5.0%	5.1%	5.2%
South Asia	38,800	42,582	44,489	45,710	46,934	48,244	49,538
% change on previous year	10.8%	9.7%	4.5%	2.7%	2.7%	2.8%	2.7%
share of world total	4.2%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Africa	41,434	46,957	45,942	47,156	48,606	50,066	51,521
% change on previous year	15.1%	13.3%	-2.2%	2.6%	3.1%	3.0%	2.9%
share of world total	4.4%	4.7%	4.5%	4.4%	4.5%	4.5%	4.5%
Oceania	14,287	14,371	15,162	15,618	15,938	16,251	16,494
% change on previous year	6.7%	0.6%	5.5%	3.0%	2.0%	2.0%	1.5%
share of world total	1.5%	1.4%	1.5%	1.5%	1.5%	1.4%	1.4%
World	933,280	993,726	1,023,129	1,066,256	1,091,190	1,123,002	1,151,161
% change on previous year	7.4%	6.5%	3.0%	4.2%	2.3%	2.9%	2.5%

Note: Data is subject to change

Source: Drewry Maritime Research

General demand developments

As higher energy costs filter through the economy, second-round inflationary pressures will intensify. Combined with exceptionally strong demand for electronics, this poses significant inflation risks. At the start of the Iran war, fears grew that the world could face a 1970s-style stagflation shock—marked by weaker growth and high inflation. While that scenario now appears unlikely, resurgent inflation remains a clear and present danger. Persistently higher inflation would keep interest rates elevated, weighing on investment and consumer spending and, in turn, lowering container demand.

Resurgent inflation remains a clear and present danger, keeping interest rates elevated, weighing on investment and consumer spending and, in turn, sapping container demand

Table 2.3 2-year quarterly forecast of container growth by region (YoY change)

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
North America	8.0%	2.8%	1.6%	-4.1%	-3.0%	6.5%	2.9%	8.8%	4.4%	0.4%	0.3%	0.7%
East Coast North America	7.3%	4.5%	1.7%	-2.8%	-3.9%	-0.4%	2.5%	8.6%	2.3%	2.3%	0.1%	0.5%
Gulf Coast North America	-2.5%	4.2%	6.3%	-2.0%	-1.3%	3.4%	4.2%	8.7%	4.8%	-0.1%	0.6%	0.7%
West Coast North America	11.1%	1.1%	0.7%	-5.5%	-2.6%	12.7%	2.9%	9.0%	5.9%	-0.7%	0.5%	0.8%
Europe	8.1%	6.8%	6.1%	5.8%	2.8%	6.1%	3.8%	3.4%	2.4%	-2.7%	0.2%	2.0%
North West Europe	6.4%	8.5%	4.8%	4.4%	0.8%	-1.6%	0.2%	2.2%	2.5%	0.6%	0.9%	1.2%
Scandinavia & Baltic	14.8%	6.4%	8.1%	6.4%	-1.7%	11.3%	9.3%	7.1%	7.0%	-1.5%	1.7%	1.7%
West Mediterranean	5.9%	0.8%	3.6%	5.0%	1.2%	8.9%	3.3%	4.6%	5.9%	-3.7%	1.9%	1.9%
East Med & Black Sea	10.5%	9.5%	9.6%	8.4%	8.9%	14.7%	8.3%	3.1%	-1.6%	-7.1%	-2.7%	3.3%
Asia	6.6%	5.7%	4.5%	7.0%	6.6%	3.5%	5.2%	4.1%	2.8%	5.1%	3.9%	4.9%
North Asia	1.2%	1.2%	-0.9%	-1.4%	-0.3%	4.2%	9.1%	8.3%	7.5%	2.7%	2.1%	1.5%
Greater China	7.6%	4.9%	3.6%	7.4%	7.0%	2.5%	4.7%	4.0%	1.0%	7.2%	4.9%	6.5%
Southeast Asia	7.3%	9.8%	9.1%	10.4%	9.2%	5.4%	4.7%	2.3%	4.8%	1.9%	2.6%	3.0%
Middle East/ South Asia	9.6%	10.3%	8.0%	9.0%	-4.3%	-25.0%	-4.3%	-3.5%	16.2%	44.2%	11.6%	9.5%
Middle East	9.6%	12.0%	4.7%	8.9%	-16.1%	-52.7%	-9.8%	-8.0%	33.2%	125.1%	20.7%	16.2%
South Asia	9.6%	8.4%	11.8%	9.1%	8.5%	6.5%	1.7%	1.6%	1.9%	3.5%	2.9%	2.8%
Latin America	7.6%	10.8%	8.9%	11.5%	3.8%	11.5%	0.4%	-1.2%	2.7%	-6.0%	2.5%	2.6%
Central America/Caribbean	-0.6%	4.7%	6.2%	7.3%	4.9%	7.1%	-1.6%	0.9%	1.8%	-4.2%	2.9%	2.9%
East Coast South America	15.5%	10.8%	11.4%	9.2%	3.9%	11.9%	0.6%	1.3%	1.6%	-4.1%	1.7%	2.0%
West Coast South America	15.7%	24.8%	11.2%	22.9%	1.6%	19.5%	4.4%	-7.5%	5.7%	-11.2%	2.7%	2.9%
Africa	12.4%	8.4%	14.4%	18.3%	-0.9%	1.8%	-3.8%	-5.4%	4.7%	-0.3%	3.1%	3.1%
East Africa	17.4%	17.2%	5.1%	12.7%	2.2%	-7.3%	-3.8%	-7.3%	-10.7%	-1.9%	3.7%	3.6%
North Africa	6.2%	1.3%	8.4%	20.4%	-3.4%	15.0%	1.6%	-5.8%	17.0%	-8.0%	3.4%	3.3%
West Africa	20.2%	15.1%	21.7%	20.8%	-3.4%	-2.9%	-4.5%	-5.6%	6.2%	3.3%	2.9%	2.9%
Southern Africa	1.4%	-0.9%	20.6%	11.1%	9.8%	-10.5%	-15.0%	-1.4%	-10.0%	19.9%	2.3%	2.7%
Oceania	-4.5%	1.1%	3.9%	1.9%	7.0%	0.7%	7.8%	6.6%	3.3%	5.6%	1.6%	1.7%
World	7.4%	6.4%	5.5%	6.7%	3.7%	2.0%	3.3%	2.9%	4.1%	5.0%	3.5%	4.3%

Note: Data is subject to change

Source: Drewry Maritime Research

General demand developments

Table 2.4 2-year quarterly forecast of container activity by region (kteu)

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27
North America	19,674	19,509	20,697	19,012	19,092	20,772	21,296	20,690	19,932	20,864	21,369	20,832
East Coast North America	7,631	7,672	7,833	7,178	7,334	7,639	8,028	7,792	7,502	7,812	8,037	7,830
Gulf Coast North America	2,093	2,197	2,213	2,067	2,065	2,271	2,306	2,247	2,165	2,268	2,320	2,263
West Coast North America	9,950	9,640	10,651	9,768	9,693	10,862	10,962	10,650	10,265	10,784	11,012	10,739
Europe	36,644	38,679	38,570	37,738	37,685	41,047	40,040	39,024	38,602	39,925	40,103	39,798
North West Europe	15,560	16,720	16,647	15,978	15,679	16,456	16,673	16,334	16,073	16,561	16,818	16,535
Scandinavia & Baltic	3,383	3,290	3,287	3,355	3,324	3,661	3,594	3,592	3,558	3,607	3,654	3,654
West Mediterranean	7,704	8,299	8,204	8,015	7,796	9,035	8,473	8,386	8,259	8,703	8,635	8,548
East Mediterranean & Black Sea	9,997	10,369	10,431	10,390	10,886	11,895	11,300	10,712	10,712	11,054	10,996	11,061
Asia	129,766	138,757	140,109	139,033	138,367	143,570	147,449	144,716	142,270	150,959	153,183	151,831
North Asia	17,037	17,893	17,211	17,542	16,988	18,652	18,773	18,990	18,265	19,153	19,159	19,283
Greater China	78,945	83,940	85,348	83,718	84,483	86,017	89,367	87,080	85,344	92,183	93,705	92,733
Southeast Asia	33,783	36,924	37,550	37,773	36,895	38,901	39,310	38,645	38,662	39,623	40,318	39,816
Middle East/ South Asia	21,371	22,111	22,987	23,112	20,462	16,593	21,997	22,310	23,768	23,933	24,553	24,431
Middle East	11,102	11,754	11,998	12,147	9,320	5,561	10,822	11,170	12,414	12,519	13,060	12,982
South Asia	10,269	10,357	10,990	10,965	11,142	11,032	11,174	11,141	11,354	11,414	11,493	11,449
Latin America	15,304	15,899	16,585	16,840	15,882	17,733	16,659	16,642	16,303	16,673	17,075	17,079
Central America/ Caribbean	6,952	7,376	7,684	7,476	7,290	7,902	7,558	7,541	7,418	7,571	7,780	7,761
East Coast South America	4,600	4,681	5,061	4,969	4,780	5,240	5,090	5,036	4,857	5,025	5,176	5,135
West Coast South America	3,752	3,841	3,840	4,395	3,812	4,590	4,010	4,066	4,028	4,077	4,118	4,182
Africa	11,255	11,610	11,984	12,107	11,155	11,815	11,524	11,448	11,685	11,784	11,882	11,805
East Africa	1,795	1,839	1,692	1,762	1,835	1,705	1,628	1,632	1,639	1,672	1,688	1,690
North Africa	3,709	4,001	3,936	4,321	3,585	4,602	4,001	4,071	4,194	4,235	4,136	4,206
West Africa	4,397	4,509	4,695	4,722	4,248	4,379	4,483	4,459	4,513	4,523	4,613	4,589
Southern Africa	1,355	1,261	1,660	1,303	1,488	1,129	1,412	1,286	1,339	1,354	1,445	1,321
Oceania	3,388	3,607	3,612	3,764	3,624	3,634	3,894	4,010	3,743	3,837	3,957	4,081
World	237,403	250,172	254,544	251,607	246,268	255,163	262,858	258,840	256,303	267,974	272,121	269,857

Note: Data is subject to change

Source: Drewry Maritime Research

Asia

The Asia region remains the primary engine of growth for the container market, posting an emphatic 6.6% YoY growth in the first quarter of 2026, following a 5.9% annual gain in 2025. Given its dominant market share (56% of total global throughput), it translates into a hefty additional 8.6 mteu for the quarter. Drewry has forecast healthy growth of 4.8% for full-year 2026, before moderating to 4.2% in 2027. Thereafter, growth will slow to between 2% and 3.1% through 2030.

Southeast Asia subregion led the way with a runaway 9.2% YoY growth in 1Q26. The Greater China subregion was not far behind, expanding 7.0% YoY. However, the North Asia subregion succumbed to a nominal 0.4% YoY decline.

Greater China's rolling four-quarter growth held steady at 6.5% in 1Q26. Although volumes eased at several Chinese ports after a strong 4Q25, most still recorded positive YoY growth. Ningbo led the region with a 14.7% YoY increase (+1.5 mteu), while Shanghai, Qingdao and Shenzhen also posted solid gains of 6.8%, 8.7% and 8.2%, respectively. By contrast, Hong Kong's structural decline continued, with volumes falling 6.1% YoY in 1Q26.

North Asia remained weak, with rolling four-quarter growth slipping further into negative territory to -1.2% in 1Q26, down from -0.7% in 4Q25. This points to continued softness across Northeast Asia, driven by subdued regional demand and weaker transshipment flows. Major hubs again reported YoY declines, including Kaohsiung (-6.0%) and Busan (-1.8%).

Asian port volumes rise 6.6% YoY in 4Q25, full year 2026 growth forecast at 4.8%

Southeast Asia ports grew 9.2% in 1Q26, while Greater China ports grew 7.0%

Chinese ports had a strong quarter, led by Ningbo, which posted a 14.7% YoY rise in 1Q26

Major North Asia hubs had a poor 1Q26, including Kaohsiung (-6.0%) and Busan (-1.8%)

Table 2.5 Forecast of container growth in Asia (kteu)

	2024	2025	2026	2027	2028	2029	2030
Asia	517,099	547,665	574,101	598,244	609,978	628,734	644,505
% change on previous year	6.7%	5.9%	4.8%	4.2%	2.0%	3.1%	2.5%
share of world total	55.4%	55.1%	56.1%	56.1%	55.9%	56.0%	56.0%
Greater China	313,679	331,952	346,947	363,964	370,512	383,155	393,132
% change on previous year	6.8%	5.8%	4.5%	4.9%	1.8%	3.4%	2.6%
share of region total	60.7%	60.6%	60.4%	60.8%	60.7%	60.9%	61.0%
share of world total	33.6%	33.4%	33.9%	34.1%	34.0%	34.1%	34.2%
Southeast Asia	133,763	146,030	153,751	158,419	163,243	168,603	173,234
% change on previous year	8.5%	9.2%	5.3%	3.0%	3.0%	3.3%	2.7%
share of region total	25.9%	26.7%	26.8%	26.5%	26.8%	26.8%	26.9%
share of world total	14.3%	14.7%	15.0%	14.9%	15.0%	15.0%	15.0%
North Asia	69,657	69,683	73,403	75,861	76,223	76,977	78,140
% change on previous year	3.5%	0.0%	5.3%	3.3%	0.5%	1.0%	1.5%
share of region total	13.5%	12.7%	12.8%	12.7%	12.5%	12.2%	12.1%
share of world total	7.5%	7.0%	7.2%	7.1%	7.0%	6.9%	6.8%

Note: Data is subject to change

Source: Drewry Maritime Research

Asia

Southeast Asia's rolling four-quarter growth remained unchanged at 7.4% from 4Q25. Major hubs continued to perform well despite some short-term moderation. Singapore handled more than 11 mteu in 1Q26, up 6.3% YoY, reinforcing its position as the region's leading transshipment hub. Port Klang also posted solid growth, with volumes reaching 3.7 mteu (+5.2% YoY), while results across other regional gateways were mixed but generally positive.

Container Trade Statistics (CTS) reported that Intra-Asia trade volumes rose by almost 7% YoY in the first quarter to 11.9 mteu, following a 5% increase to 50 mteu in 2025. This growth rate exceeded Asia's export volume growth to other regions. Spot rates across many Intra-Asian trade corridors have surged, driven by robust cargo demand, higher bunker costs, and market optimism. The Drewry Intra-Asia Container Index (IACI), the benchmark widely referenced by procurement teams, has more than doubled since the US/Israeli attack on Iran in February. The index peaked at \$1,114 per 40ft container in week 24, up from \$552 in week 9.

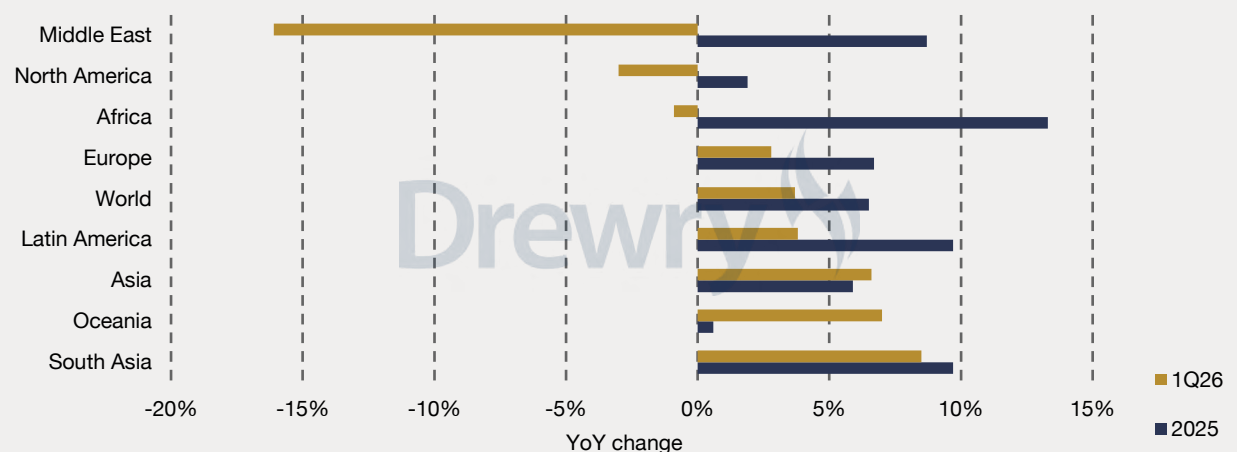
The key structural driver of Intra-Asia demand is the ongoing reconfiguration of manufacturing footprints. China remains the region's largest manufacturing platform and an indispensable supplier of intermediate goods, machinery, chemicals, and components. Meanwhile, production diversification is expanding in Vietnam, Thailand, Malaysia, and Indonesia, with the Philippines recording smaller gains. This shift is not a simple transfer of volume from China; instead, a more distributed production model is emerging. China retains an upstream, increasingly higher-value role, while ASEAN economies capture more assembly, processing, and export-oriented manufacturing. This results in a broader, more diverse cargo map, supporting sustained demand for regional feeders and direct calls.

Singapore handled more than 11 mteu in 1Q26, up 6.3% YoY while Port Klang's volumes reached 3.7 mteu (+5.2% YoY)

Intra-Asia trade volumes (laden) rose by almost 7% YoY in the first quarter to 11.9 mteu. The Drewry Intra-Asia Container Index (IACI), the benchmark widely referenced by procurement teams, has more than doubled since the US/Israeli attack on Iran in late February

The key structural driver of Intra-Asia demand is the ongoing reconfiguration of manufacturing footprints. China retains an upstream, increasingly higher-value role, while ASEAN economies capture more assembly, processing, and export-oriented manufacturing

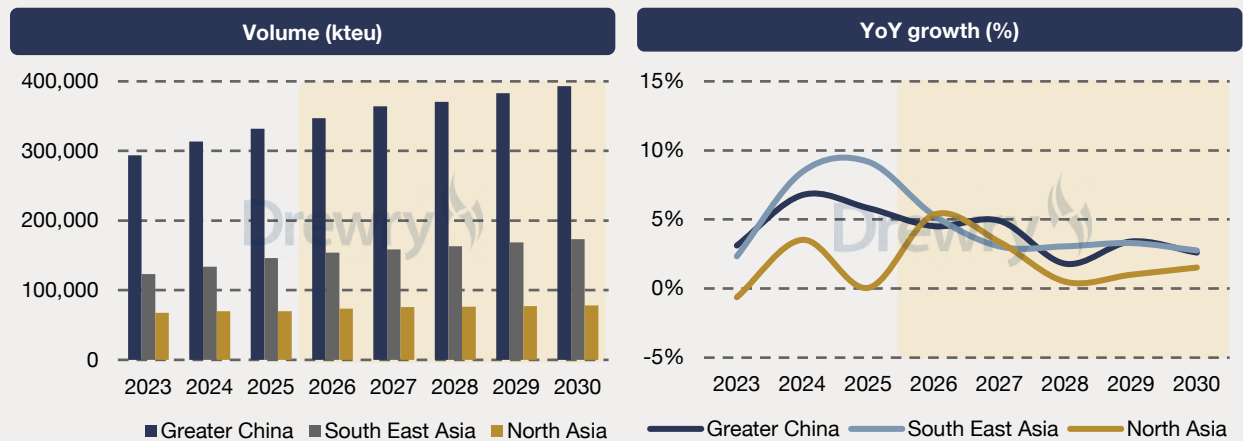
Figure 2.5 Regional throughput growth performances



Source: Drewry Maritime Research

Asia

Figure 2.6 Regional container forecast: Asia



Source: Drewry Maritime Research

This shift strongly supports container shipping by increasing cross-border trade within Asia. Previously, products were made entirely within one country; now, production is split across multiple stages. Upstream inputs come from China or North Asia; assembly occurs in Southeast Asia; warehousing is located in Singapore or Malaysia; and final distribution serves Asian markets. These steps increase container moves per unit of finished output.

Vietnam and Thailand will remain key beneficiaries across electronics, machinery, automotive cargo, and industrial inputs. Malaysia is well-positioned within semiconductor and high-tech supply chains. Indonesia offers a medium-term upside from industrial expansion and downstream processing; its market scale helps, but port and inland logistics constraints persist.

Due to heavy dependence on Middle Eastern oil, Asia is arguably at the sharp end of the energy crisis amid the latest war in the Region and is the most vulnerable among the key regions. Singapore's Foreign Minister Vivian Balakrishnan said in March that the unprecedented disruption to energy flows was "in a sense, an Asian crisis". Thankfully, these dire warnings have yet to pass. The more surprising development has been the resilience of growth.

Despite the inflation shock, Asian economies have generally performed better than expected, with first-quarter GDP data in several economies surprising on the upside and regional growth momentum remaining intact. One major reason is an exceptionally strong export cycle. The market for electronics and green technology has never been more buoyant. The AI-related frenzy has broadened to every aspect of the electronics ecosystem, with substantial price increases having had virtually no impact on surging global demand.

For South Korea and Taiwan, the two electronics stalwarts of the region, monthly exports have been breaking records with YoY growth rates of 40-50%. Memory and computer chips are leading the way, boosting companies such as Samsung Electronics and SK Hynix to go past trillion-dollar valuations.

This shift strongly supports container shipping by increasing cross-border trade within Asia

Due to heavy dependence on Middle Eastern oil, Asia is supposed to be among the most vulnerable regions amid the latest war in the Middle East

Despite the inflation shock, Asian economies have generally performed better than expected. One major reason is an exceptionally strong export cycle.

The market for electronics and green technology has never been more buoyant

Asia

Malaysia, Singapore and Vietnam are also having banner moments, with export growth in the 15-35% range. This synchronised rise in exports underscores the integrated nature of the regional supply chain, with the AI cycle lifting all electronics boats. China's trade data for the first four months of the year is a good case in point. For the world's largest exporter, mid-teen export YoY growth (in monetary terms) is striking, to say the least. Even exports to the US, after a whole year of intense trade war, were up double digits YoY in April.

While the historic May summit between Trump and Xi did not substantively alter the nature of the US-China relationship, which remains one of strategic competition, it has set a more cordial tone, at least in the short term. The idea of a "constructive strategic stability" – which Beijing said the two sides had agreed on, will hopefully help avoid trade escalation. US trade representative Jamieson Greer said billions of dollars in agricultural sales were expected after the Beijing meetings and hinted that a one-year trade truce agreed last October could be extended. He noted a willingness on both sides to continue the arrangement.

The rise in exports underscores the integrated nature of the regional supply chain, with the AI cycle lifting all electronics boats

The historic May summit between Trump and Xi did not substantively alter the nature of the US-China relationship, which remains one of strategic competition. The idea of a "constructive strategic stability" – which Beijing said the two sides had agreed on, will hopefully help avoid trade escalation

Europe

European port throughput rose 2.8% YoY in 1Q26, marking the tenth consecutive quarter of growth, though it was the weakest pace since 4Q23. The region has had a good run over the past two years, with growth of 6.2% and 6.3% in 2024 and 2025, respectively. For 2026, however, Drewry expects growth to slow to +4.1%, then decline to a nominal +0.4% in 2027, before rebounding to between 2% and 2.2% through 2030.

With the exception of the Scandinavia & Baltic subregion (-1.7% YoY), all other subregions registered growth. The East Mediterranean/Black Sea subregion's 8.9% YoY growth ranks among the highest globally. By comparison, North West Europe, the largest subregion, posted a tepid 0.8% YoY rise, while the West Mediterranean managed only a modest 1.2% YoY growth.

The Europe region's rolling four-quarter growth rate fell slightly to 4.3% in 1Q26, down from 4.6% in 4Q25. Port Said East stood out in the East Mediterranean, with throughput up 48.2% YoY in the first quarter, driven by ongoing transshipment activity related to Red Sea diversions and increased hub deployment under the Gemini Cooperation network. Meanwhile, Piraeus saw a further 5.7% decline in throughput, reflecting ongoing challenges from network changes and weaker transshipment demand.

European port volumes up 2.8% YoY in 1Q26, marking the tenth consecutive quarter of growth, but the weakest pace since 4Q23. Full year 2026 growth forecast at 4.8%

Strong performance by East Med and Black Sea (+8.9%) tops that of West Med (+1.2%). North West Europe posted only a nominal 0.8% YoY growth

Port Said East stood out in the East Mediterranean, with throughput up 48.2% in 1Q26 but Piraeus down 5.7% YoY

Europe

In the West Mediterranean, results were mixed. The Spanish port of Algeciras recorded a solid 9.6% YoY increase, benefiting from capacity constraints at Tanger Med and ongoing disruptions to East-West services. Valencia grew modestly by 1.8%, supported by relatively steady import demand, while Barcelona came under pressure, with throughput down 1.6%. Among Italian ports, Venice grew by 5.8%, while Genoa declined by 4.9% amid softer regional demand.

Ports in Northwest Europe were relatively sluggish. The Port of Antwerp-Bruges recovered in March, up 12.9% MoM and 1.3% YoY; 1Q26 was down 2.6%, leaving the Belgian port just behind its Dutch competitor, Rotterdam, which posted nearly flat growth of 0.3% for 1Q26. This slower pace reflects continued weakness in European industrial and consumer activity, despite some stabilisation in Asia-Europe trade. The performance issues are also linked to schedule disruptions and longer voyage times caused by rerouting around the Cape of Good Hope.

From the perspective of laden cargo flow, provisional CTS data show that total container volumes to, from, and between Europe (including the Mediterranean) grew by 3.1% to about 14.3 mteu in 1Q26. This growth was driven solely by imports, which rose by 9.3% to 7.6 mteu. Exports fell sharply by 4.6% to 4.6 mteu. As a result, Europe's export deficit exceeded 3.0 mteu for the quarter. Intra-Europe cargoes were largely unchanged.

Almost all export container trades contracted, with the Middle East most acutely affected, down 13.8%. The only gain was recorded in sub-Saharan Africa, although the 1.8% growth translated into fewer than 10 kteu. All other routes dropped by between 0.6% and 4.1%. The variance between 1Q 2026 and 1Q 2025 was a loss of 224 kteu.

Algeciras recorded a solid 9.6% YoY increase, benefiting from capacity constraints at Tanger Med and ongoing disruptions to East-West services

Antwerp-Bruges down 2.6% in 1Q26, while Rotterdam, effectively flat at + 0.3% YoY

Laden container imports from other regions to Europe rose 9.3% in 1Q26, while exports fell 4.6% YoY, resulting in an export deficit exceeding 3.0 mteu for the quarter

Table 2.6 Forecast of container growth in Europe (kteu)

	2024	2025	2026	2027	2028	2029	2030
Europe	142,139	151,631	157,796	158,427	161,814	165,324	168,580
% change on previous year	6.2%	6.7%	4.1%	0.4%	2.1%	2.2%	2.0%
share of world total	15.2%	15.3%	15.4%	14.9%	14.8%	14.7%	14.6%
North West Europe	61,229	64,906	65,142	65,987	67,046	68,149	69,070
% change on previous year	5.8%	6.0%	0.4%	1.3%	1.6%	1.6%	1.4%
share of region total	43.1%	42.8%	41.3%	41.7%	41.4%	41.2%	41.0%
share of world total	6.6%	6.5%	6.4%	6.2%	6.1%	6.1%	6.0%
East Med & Black Sea	37,625	41,187	44,793	43,823	45,256	46,716	48,158
% change on previous year	4.9%	9.5%	8.8%	-2.2%	3.3%	3.2%	3.1%
share of region total	26.5%	27.2%	28.4%	27.7%	28.0%	28.3%	28.6%
share of world total	4.0%	4.1%	4.4%	4.1%	4.1%	4.2%	4.2%
West Mediterranean	31,055	32,223	33,689	34,145	34,805	35,461	36,087
% change on previous year	7.9%	3.8%	4.5%	1.4%	1.9%	1.9%	1.8%
share of region total	21.8%	21.3%	21.3%	21.6%	21.5%	21.4%	21.4%
share of world total	3.3%	3.2%	3.3%	3.2%	3.2%	3.2%	3.1%
Scandinavia & Baltic	12,231	13,315	14,172	14,473	14,707	14,998	15,266
% change on previous year	8.4%	8.9%	6.4%	2.1%	1.6%	2.0%	1.8%
share of region total	8.6%	8.8%	9.0%	9.1%	9.1%	9.1%	9.1%
share of world total	1.3%	1.3%	1.4%	1.4%	1.3%	1.3%	1.3%

Note: Data is subject to change

Source: Drewry Maritime Research

Europe

Europe's containerised imports increased by an additional 0.65 mteu for the quarter. The Middle East/South Asia again struggled the most, with a 10.4% fall. Asia remains the dominant source of container imports to Europe. This trade grew by a blistering +15% to 5.2 mteu, accounting for nearly 70% of all European imports. The Cape of Good Hope route remains the primary pathway for Asia-Europe trade, with approximately 190-200 vessels per week. This continues to absorb significant capacity, contributing to tight terminal conditions.

Economic growth across the euro area is expected to stay modest at around 1%, owing to persistent inflation, high energy costs, and cautious consumer spending. Although inflation is easing, it remains above targets, limiting the scope for monetary easing. This environment suppresses containerised import demand, as weak real income growth and cautious consumers limit retail imports. Industrial imports are also constrained by low investment, though demand for machinery, components, and renewable-energy equipment remains strong as Europe advances its digital and green transition.

Meanwhile, Europe's export environment remains shaped by global fragmentation, supply-chain diversification, and geopolitical uncertainties, all of which dampen export momentum. The outlook for Europe's exports is mixed. Heavy industrial exports—such as chemicals, metals, and other energy-intensive products—continue to face challenges from rising production costs, which erode competitiveness.

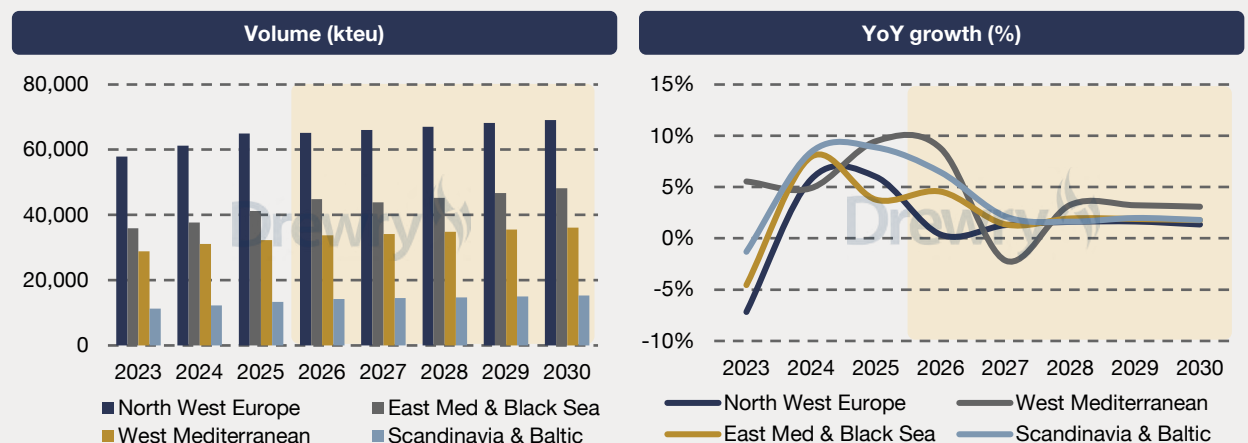
Overall, Europe's 2026 outlook points to a high volatility, low trend growth shipping market—good for rate spikes around shocks, but poor for sustained volume growth. It is defined more by capacity discipline than by demand growth. Blank sailings, slow steaming, and service rationalisation will remain essential to maintain utilisation and rate stability, particularly in key East-West trades.

The Asia region remains the dominant source of container imports to Europe, accounting for nearly 70% of all European imports

Euro area economic growth stays modest at around 1%, due to ongoing inflation, high energy costs, and cautious consumer spending

Heavy industrial exports—such as chemicals, metals, and other energy-intensive products—continue to face challenges from rising production costs, which erode competitiveness

Figure 2.7 Regional container forecast: Europe



Source: Drewry Maritime Research

Europe

Trade tensions between the European Union (EU) and China are rising. The EU has warned that its economic relationship with China is increasingly imbalanced, citing a record EUR359.9 billion trade deficit in 2025 and concerns over Chinese overcapacity. Brussels is considering new measures, including an “overcapacity instrument”, to restrict access to EU markets where Chinese industrial surpluses threaten strategic sectors. China has rejected claims that it deliberately seeks a trade surplus and says it remains open to dialogue; but has warned it will retaliate if the EU imposes discriminatory restrictions. The risk of further trade friction, therefore, remains a downside for Europe’s container outlook.

Brussels is considering new measures, including an “overcapacity instrument”, to restrict Chinese access to EU markets

North America

North American port throughput fell 3.0% YoY in 1Q26, marking a second consecutive quarterly decline after 4.1% drop in 4Q25. The contraction was not unexpected, given the clear quarterly downtrend through 2025, from 8% in 1Q25 to 1.7% by 3Q25. That said, Drewry is forecasting a return to growth in subsequent quarters, culminating in a 3.7% gain for full-year 2026. After that, growth is expected to slow to 1.4% and 1.6% in 2027 and 2028, respectively, before edging up to 2.3% through 2030.

North American port volumes contracted 3.0% YoY in 1Q26, marking a second consecutive quarterly decline. But positive outlook for the next 3 quarters will take full year result to +3.7%

For the second consecutive quarter, all North American subregions (West Coast North America - WCNA, East Coast North America - ECNA, and Gulf Coast North America - GCNA) reported a contraction in throughput in 1Q26. USEC recorded the largest decrease at -3.9% YoY, followed by USWC (-2.6%) and GCNA (-1.3%).

All North American subregions recorded throughput declined in 1Q26, USEC posted the largest drop at -3.9%

On the ECNA, performance was mixed in 1Q26. New York’s throughput fell 1.1% YoY, while Savannah and Norfolk recorded declines of 2.4% and 1.8%, reflecting softer retail demand and increased competition from Gulf and West Coast gateways. Charleston also remained under pressure, with volumes down 11.9% YoY. In contrast, Boston continued to post strong growth, with throughput up 21.1% YoY, but from a much smaller baseline.

Throughput across WCNA ports was down. In 1Q26, volumes at Los Angeles and Long Beach declined 4.6% and 5.7% YoY, respectively, and their combined throughput shrank by almost 300 kteu. However, this should be viewed in the context of the surge in 1Q25, when shippers preloaded cargo ahead of higher import tariffs. Similarly, the Northwest Seaport Alliance ports remained under pressure, with a 14.2% YoY decline. Further north, the Canadian ports of Vancouver and Prince Rupert continued to register healthy growth, with volumes up 6.6% and 8.9% YoY, respectively, for a combined gain of almost 100 kteu.

Volumes at Los Angeles and Long Beach declined 4.6% and 5.7% YoY, respectively, in 1Q26, while the Canadian ports of Vancouver and Prince Rupert reported growth of 6.6% and 8.9% YoY, respectively

North America

On the US East Coast, performance was also mixed in 1Q26. New York's throughput fell 1.1% YoY while Savannah and Norfolk recorded declines of 2.4% and 1.8%, reflecting softer retail demand and increased competition from Gulf and West Coast gateways. In contrast, Boston continued to post strong growth, with throughput increasing by 10 kteu (+21.1% YoY). Charleston also remained under pressure, with volumes down 11.9% YoY. On the Gulf Coast, Houston remained resilient with throughput up 1.8% YoY, while Mexican Gulf ports continued to weaken amid lower regional trade.

From the perspective of laden cargo flow in 1Q26, provisional CTS data show that worldwide container volumes to, from, and between North America (US, Canada, and Mexico) contracted 2.5% YoY to less than 11.7 mteu. The decline was driven by a sharp 3.7% fall in imports (imports account for almost 70% of the total volume). Exports, in contrast, posted a marginal gain of nearly 1%. The already marginal intra-North America trade also shrank by more than 15% to 53 kteu.

For containerised imports, there was negativity across the board, resulting in a 0.3 mteu drop. Trade from Latin America contracted the most sharply, by 11.7%. Laden imports from the Asia region fell 3.6% YoY. Although this is the slowest rate of decline among all the trades, it was the largest in terms of teu. Asia is by far the largest source of inbound container trade, accounting for almost 70% of the total import volume into North America. The Asia region is also the largest destination for North America's outbound trade, accounting for 45% of its total export volume.

Key USEC ports posted declines in 1Q26, including New York, Savannah and Norfolk. Charleston saw the largest drop at -12% YoY

North America's laden export container trade to other regions grew about 1% YoY in 1Q26 but imports shrank 3.7% YoY

Imports from Latin America contracted the most, by 11.7%, while laden imports from the Asia region fell 3.6% YoY

Table 2.7 Forecast of container growth in North America (kteu)

	2024	2025	2026	2027	2028	2029	2030
North America	77,388	78,893	81,851	82,996	84,291	86,239	88,216
% change on previous year	11.0%	1.9%	3.7%	1.4%	1.6%	2.3%	2.3%
share of world total	8.3%	7.9%	8.0%	7.8%	7.7%	7.7%	7.7%
West Coast North America	39,401	40,009	42,167	42,800	43,469	44,472	45,491
% change on previous year	15.4%	1.5%	5.4%	1.5%	1.6%	2.3%	2.3%
share of region total	50.9%	50.7%	51.5%	51.6%	51.6%	51.6%	51.6%
share of world total	4.2%	4.0%	4.1%	4.0%	4.0%	4.0%	4.0%
East Coast North America	29,540	30,313	30,793	31,181	31,667	32,400	33,143
% change on previous year	6.4%	2.6%	1.6%	1.3%	1.6%	2.3%	2.3%
share of region total	38.2%	38.4%	37.6%	37.6%	37.6%	37.6%	37.6%
share of world total	3.2%	3.1%	3.0%	2.9%	2.9%	2.9%	2.9%
Gulf Coast North America	8,447	8,571	8,890	9,015	9,156	9,367	9,582
% change on previous year	8.4%	1.5%	3.7%	1.4%	1.6%	2.3%	2.3%
share of region total	10.9%	10.9%	10.9%	10.9%	10.9%	10.9%	10.9%
share of world total	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%

Note: Data is subject to change

Source: Drewry Maritime Research

North America

A new proposal by the US Office of the United States Trade Representative (USTR) would reinstate tariffs on more than 60 countries, potentially pushing the container industry into a new phase of trade uncertainty. Following the legal rejection of Trump's earlier emergency tariffs, a new potential framework could target countries that have failed to "adequately prohibit or enforce bans on imports made with forced labour". The new measure will replace the 10% global tariff that is set to expire in late July, imposed soon after the February 20 ruling

This would entail levies of 10% on imports from economies that have taken some measures to address forced labour concerns, and 12.5% on imports from countries judged to have made less progress. The latter is believed to include China, India, Singapore and Japan. The approach is seen by its promoters as potentially more likely to meet legal requirements under Section 301 of the Trade Act of 1974.

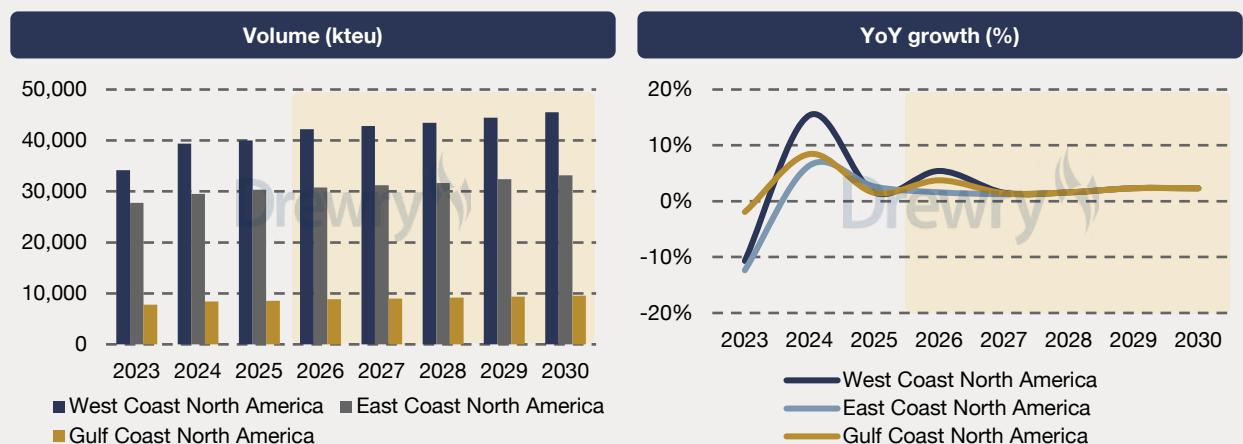
The USTR will first open a public comment period and schedule hearings before deciding whether to implement the duties. The consultation process will run through July, after which the agency will finalise the package's design. Tariff levels could be reduced if countries demonstrate improvements in their labour practices. The proposed forced labour tariffs have drawn criticism and pushback from major economies, including the EU and China. By targeting 60 economies (representing about 99% of all US imports) under a legal rationale that many governments may challenge, Washington risks turning a bilateral pressure strategy into a multilateral response.

Looking ahead to 2026, the United States is expected to stand out as the top economic growth performer among advanced economies. The IMF and OECD forecast that US real GDP will grow around 2 to 2.3%, buoyed by a resilient private sector, exciting investments in technology and AI, and financial conditions that remain quite favourable compared to other countries.

US floats new tariff programme against 60 countries, seen by its promoters as potentially more likely to meet legal requirements under Section 301 of the Trade Act of 1974

The US is expected to stand out as the top economic growth performer among advanced economies. The IMF and OECD forecast that US real GDP will grow around 2% to 2.3%

Figure 2.8 Regional container forecast: North America



Source: Drewry Maritime Research

North America

Meanwhile, other advanced economies like Europe and Japan may see slower growth of about 1.5%, mainly due to softer domestic demand and less impressive productivity improvements. Inflation in the US is expected to return to its target more slowly than elsewhere, meaning interest rates might stay relatively high for a longer time, but won't be high enough to stall growth. However, this economic strength is increasingly influenced by a more protectionist trade environment. The combination of strong US demand and higher trade barriers is creating a tighter landscape for key US trade flows.

While tariffs might slightly limit long-term growth in China-US trade volumes, overall demand remains supported by steady US consumption and the emergence of alternative suppliers in Asia. On imports from Europe and other advanced economies, there is still steady demand for high-value goods, even as these economies grow more slowly. US exports, especially of containerised goods, benefit from affordable energy prices and strong sectors such as agriculture and chemicals, although trade tensions and retaliatory measures may disrupt trade.

Inflation in the US may result in interest rates staying relatively high for a longer time, but it won't be high enough to stall growth

US exports, especially of containerised goods, benefit from affordable energy prices and strong sectors such as agriculture and chemicals

Latin America

The ports of Latin America collectively recorded a 3.8% YoY increase in port throughput in the first quarter of 2026. The region has seen steady quarterly volume growth for 11 consecutive quarters (since 3Q23), underscoring a promising upward trend in container demand. The region's share of the world's port container throughput has also risen from 6.1% in 2023 to 6.5% in 2025, reflecting its growing importance in global trade.

That said, the 1Q26 growth rate is the slowest since the last quarter of 2023. After two years of robust annual growth of +12.0% (2024) and +9.7% (2025), Drewry now expects the region's performance to slow to +3.5% in 2026 and +0.3% in 2027. Subsequently, we forecast stable annual growth of +2.7% to +2.8% through 2030.

All subregions recorded growth in 1Q26. West Coast South America (WCSA) ports reported the slowest growth at 1.6% YoY, though this should be viewed in the context of a 15.7% uplift in the same period last year. The Central America/Caribbean subregion recorded the highest growth for the quarter at +4.9% YoY, while East Coast South America (ECSA) reported a respectable 3.9% YoY.

The region's rolling four-quarter growth rate in 1Q26 improved slightly to 6.9%, up from 6.5% in 4Q25. At a more granular level, performance across the key transshipment hubs in Central America was mixed. Combined throughput at Panama's major ports weakened, with Balboa throughput down 18.2% YoY and Cristobal tumbling 41.0% YoY. This followed the termination of the Hutchison Ports-owned Panama Ports Company's concessions in February 2026, which caused significant disruption despite the award of interim management service agreements to APM Terminals and Terminal Investment Limited (TiL).

Latin America sees 3.8% YoY growth in 1Q26, slowest since 4Q23. Growth forecast for 2026 and 2027 to slow to +3.5% and +0.3%, respectively

WCSA ports reported the slowest growth at 1.6% YoY, though this should be viewed in the context of a 15.7% uplift in the same period last year

Combined throughput at Panama's major ports weakened, with Balboa throughput down 18.2% YoY and Cristobal tumbling 41.0% YoY. This followed the termination of the Hutchison Ports-owned Panama Ports Company's concessions in February 2026

Latin America

In contrast, Colon Manzanillo and Colon Evergreen recorded strong YoY growth of 29.4% and 24.5%, reflecting shifts in alliance deployments and transshipment flows across the Panama hub complex. Cartagena (Colombia), which continues to strengthen its role as a key hub within the Gemini Cooperation network, recorded robust YoY growth of 16.8% to 1.07 mteu.

The Asia–East Coast South America (ECSA) trade is one of the standout growth corridors in the global network, epitomising the gradual structural shift towards North–South trades. This trade has already outperformed global averages in recent years. The drivers include China+1 sourcing and nearshoring into Latin America (which still rely heavily on Asian inputs and capital goods); rising consumer and infrastructure demand in Brazil and neighbouring economies; and, critically, solid growth in reefer and food related export flows that anchor two-way trade.

The Asia-ECSA southbound trade doubled from 1.36 mteu in 2020 to 2.74 mteu in 2025. The uptrend has continued into the first quarter of 2026, with 8.3% YoY growth. On the backhaul, exports to Asia were also up by an impressive 15.6% YoY in 1Q26. Notably, approximately 38% of ECSA's exports to Asia are reefer traffic, making it one of the most prolific global reefer trade lanes.

Colon Manzanillo and Colon Evergreen recorded strong YoY growth of 29.4% and 24.5%, reflecting shifts in alliance deployments and transshipment flows across the Panama hub

The Asia–East Coast South America (ECSA) trade is one of the standout growth corridors in the global network, epitomising the gradual structural shift towards North–South trades

Approximately 38% of ECSA's exports to Asia are reefer traffic, making it one of the most prolific global reefer trade lanes

Table 2.8 Forecast of container growth in Latin America (kteu)

	2024	2025	2026	2027	2028	2029	2030
Latin America	58,897	64,628	66,916	67,130	68,927	70,839	72,692
% change on previous year	12.0%	9.7%	3.5%	0.3%	2.7%	2.8%	2.6%
share of world total	6.3%	6.5%	6.5%	6.3%	6.3%	6.3%	6.3%
Central America/Caribbean	28,243	29,488	30,291	30,530	31,387	32,224	33,049
% change on previous year	10.8%	4.4%	2.7%	0.8%	2.8%	2.7%	2.6%
share of region total	48.0%	45.6%	45.3%	45.5%	45.5%	45.5%	45.5%
share of world total	3.0%	3.0%	3.0%	2.9%	2.9%	2.9%	2.9%
East Coast South America	17,303	19,311	20,146	20,193	20,640	21,202	21,705
% change on previous year	15.7%	11.6%	4.3%	0.2%	2.2%	2.7%	2.4%
share of region total	29.4%	29.9%	30.1%	30.1%	29.9%	29.9%	29.9%
share of world total	1.9%	1.9%	2.0%	1.9%	1.9%	1.9%	1.9%
West Coast South America	13,351	15,829	16,478	16,406	16,900	17,414	17,938
% change on previous year	9.9%	18.6%	4.1%	-0.4%	3.0%	3.0%	3.0%
share of region total	22.7%	24.5%	24.6%	24.4%	24.5%	24.6%	24.7%
share of world total	1.4%	1.6%	1.6%	1.5%	1.5%	1.6%	1.6%

Note: Data is subject to change

Source: Drewry Maritime Research

Latin America

China remained Brazil's leading destination for containerised exports in the first quarter of 2026, with volumes up around 18% YoY, while shipments to the United States fell about 32% amid tariff hikes. Mexico ranked third with exports up more than 7%. Other notable gains included India, up approximately 38%. Total Brazilian exports reached 0.77 mteu, broadly flat compared with the same period in 2025.

On the import side, China was also Brazil's largest source, with inbound volumes up more than 12% YoY, while US imports fell 33%. Vietnam surged by 62%, and Saudi Arabia more than doubled. Total imports reached 0.9 mteu, up 2.6% YoY.

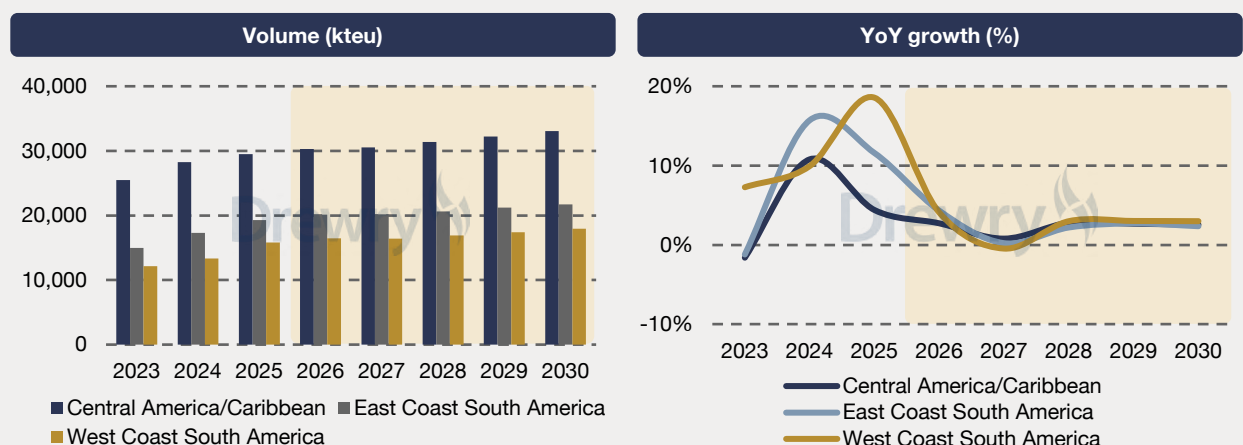
For Argentina, China was the top export destination, with volumes up nearly 33% YoY. The US followed with a 36% increase, while Brazil grew by 26%. Overall, Argentine exports rose by almost 24% to nearly 0.15 mteu. Imports, led by China, were down more than 10%, while US imports grew by 6%.

Meanwhile, the port of Rio de Janeiro has completed a \$32 million dredging and engineering project, enabling the Brazilian gateway to accommodate larger containerhips and increase operational capacity. The port is now authorised to receive vessels up to 366 metres in length and to increase the maximum operational draught to 15.3 metres, thereby enabling access for larger deep-sea vessels. The upgrade will strengthen the competitiveness of one of Brazil's key maritime gateways.

China tops Brazil trade as US volumes falls. Containerised exports from Brazil to China up 18% YoY in 1Q26

Port of Rio de Janeiro has completed a \$32 million dredging and engineering project, now able to receive vessels up to 366 metres in length and to increase the maximum operational draught to 15.3 metres

Figure 2.9 Regional container forecast: Latin America



Source: Drewry Maritime Research

Middle East & South Asia

Port throughput for the Middle East region rebounded strongly in 2025 (+8.4%), but the region's recovery was cut short by the Iran conflict, which began at the end of February. The result is a 16.1% YoY contraction in 1Q26. Drewry expects the downturn to deepen in 2Q26, forecasting a massive 53% YoY decline as the conflict affects the entire quarter. Port volume in the region is expected to remain negative for the remaining quarters of 2026. Under Drewry's base case assumption regarding the closure/reopening of the Straits of Hormuz, the full-year forecast for 2026 is a 21.5% decline, but it will see a strong +38.2% rebound in 2027 before moderating to +7.3% for 2028.

Middle East Gulf ports came under significant pressure in 1Q26 as disruptions weighed on cargo flows across the Arabian Gulf. Jebel Ali, Khalifa, Hamad and Dammam all recorded steep declines in activity in March, pulling down overall quarterly results. Jebel Ali recorded a sharp 1.2 mteu/30.5% YoY decline in 1Q26, while Dammam and Jubail volumes fell 25.8% and 11.0% YoY. Conversely, ports outside the Gulf are benefiting from cargo diversions. Jeddah recorded a 15.5% YoY increase in 1Q26, and Khor Fakkan is also reported to be handling significant volumes of UAE gateway cargo.

The war in Iran has inadvertently reshaped regional trade routes, with Jeddah emerging as a key hub for Gulf shipping. The blockade of Hormuz and threats to Bab al-Mandeb have diverted cargo traffic through Jeddah, where volumes have surged. Major shipping lines have restricted Gulf bookings to essential goods, including food and medicine. Analysts said the rerouting reflects a sustained, high-intensity conflict reshaping supply chains.

Prior to the conflict, vessel call data from Jeddah and King Abdullah show a cautious reintroduction of larger vessel loops into the Red Sea, as MSC (and others) took advantage of the Suez Canal Authority's 15% transit fee rebate. Average vessel size at King Abdullah exceeded 15,000 teu in February, though only for three calls. Jeddah also benefited from this shift, with average vessel size rising by 20% between November and February.

Middle East ports suffer 16.1% YoY fall in volume as a direct consequence of the conflict in the region. Projected to deepen to -53% in 2Q26. Full year 2026 forecast at -21.5%, but will see a strong +38% rebound in 2027

Jebel Ali, Khalifa, Hamad and Dammam all recorded steep declines in activity in March, pulling down overall quarterly results. Jebel Ali recorded a sharp fall of 30.5% while Dammam fell 25.8% YoY in 1Q26

Jeddah emerges as a shipping hub in the Iran war

Table 2.9 Forecast of container growth in Middle East, South Asia (kteu)

	2024	2025	2026	2027	2028	2029	2030
Middle East	43,237	47,001	36,873	50,975	54,702	57,305	59,615
% change on previous year	-1.4%	8.7%	-21.5%	38.2%	7.3%	4.8%	4.0%
share of world total	4.6%	4.7%	3.6%	4.8%	5.0%	5.1%	5.2%
South Asia	38,800	42,582	44,489	45,710	46,934	48,244	49,538
% change on previous year	10.8%	9.7%	4.5%	2.7%	2.7%	2.8%	2.7%
share of world total	4.2%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%

Note: Data is subject to change

Source: Drewry Maritime Research

Middle East & South Asia

Drewry's key South China–Dubai benchmark stands at \$7,720 per 40ft container in April, driven by higher bunker costs and the implementation of war risk surcharges across most lanes amid tensions in the Middle East. As direct shipping options are unavailable and carriers are providing multimodal solutions, rates have surged 361% over February 2026 but remain 21% below the pandemic peak in October 2021.

Major carriers, including MSC, Maersk, CMA-CGM and Hapag-Lloyd, have opened truck routes from Red Sea and Gulf of Oman ports to Gulf destinations, with trucks distributing cargo to Qatar, Bahrain and other Gulf states – but volumes have been severely constrained. Regional authorities have also been expanding multimodal trade corridors. Sharjah Ports/Customs and Oman Customs have linked UAE cargo via Sohar, Duqm and Salalah, with cargo moving overland into Dubai via the Hatta border crossing. However, on the ground, frustrated cargo owners have described the situation as a logistical nightmare, with standard cargo movement requiring thousands of truckloads and causing delays of up to 60 days.

The South Asia region remains among the growth engines of global container trade, powering to an 8.5% YoY port throughput growth in 1Q26. However, Drewry expects growth to slow over the course of the year, forecasting 4.5% for full-year 2026 as the toll from the war in the Middle East takes effect. Thereafter, we expect growth of 2.7% to 3% from 2027 through to 2029.

South Asia remains the key growth driver, supported by strong growth at Colombo (+0.4 mteu/18.6%) and Jawaharlal Nehru Port (+0.2 mteu/11.9%), along with contributions from smaller-volume Indian gateways, including Hazira (+32.1%), Vizhinjam (+27.7%) and Visakhapatnam (+31.1%). Meanwhile, Chittagong volumes remained broadly stable amid ongoing capacity constraints that continue to limit growth.

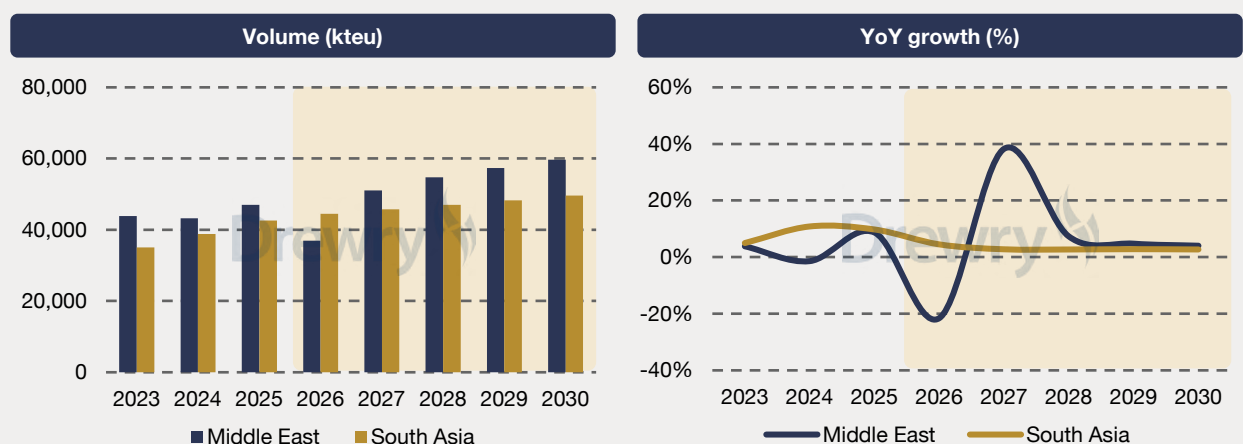
Drewry's key South China–Dubai benchmark stands at \$7,720 per 40ft container in April

Regional authorities have also been expanding multimodal trade corridors. Carriers opened truck routes from Red Sea and Gulf of Oman ports to Gulf destinations

South Asia powers to an 8.5% growth in 1Q26, but full-year 2026 is projected at +4.5% as the toll from geopolitical disruptions is expected to take effect

Key South Asia ports enjoy double-digit growth in 1Q26, Colombo volume jumps 18.6%, while Jawaharlal Nehru Port posts 11.9% YoY growth

Figure 2.10 Regional container forecast: Middle East and South Asia



Source: Drewry Maritime Research

Middle East & South Asia

Colombo was the first port of call for shippers scrambling to determine how to structure vessel calls in the Middle East after the conflict began. Vessel calls in March surged 25% MoM, and the average vessel size increased 9%. This 36% rise in vessel call capacity delivered a 42% jump in monthly throughput. The spike in traffic was more than Colombo could comfortably manage, with congestion driving average vessel waiting times up from 0.3 days in February to 0.8 days in April. As a result, gateway ports throughout the region picked up additional vessel calls, rather than relying excessively on a single hub.

This was particularly evident at Jawaharlal Nehru Port and Mundra, where monthly vessel calls jumped by 50% and 40%, respectively, in April. That said, the outlook for India is not promising at the moment. With 15% of its exports bound for the Middle East, India's exporters face a considerable headwind from lingering uncertainty around the Strait of Hormuz.

The Iran war has delivered a severe external shock to South Asia, a region heavily reliant on Gulf energy supplies and on maritime routes passing through or near the Strait of Hormuz. With global oil prices surging, the conflict has triggered higher import bills, rising inflation, currency pressures, and tighter external financing conditions across South Asian economies. The impact is broad but uneven: India, with its larger reserves and diversified economy, is better placed to absorb the shock, while Pakistan, Bangladesh, and Sri Lanka face acute vulnerabilities due to limited fiscal space.

Containerised import demand across South Asia is weakening as inflation erodes household purchasing power and governments prioritise scarce foreign exchange for essential commodities such as fuel, food, and medicines. India's import volumes are likely to slow but remain positive, supported by infrastructure investment and manufacturing-linked demand. By contrast, Pakistan, Bangladesh, and Sri Lanka may see flat or declining container imports, particularly for discretionary consumer goods and non-essential intermediates.

On the export side, higher energy and transport costs are squeezing margins in low-value, energy-intensive sectors. Bangladesh's garment industry and Pakistan's textile sector are particularly exposed, as rising production and shipping costs undermine competitiveness and prompt global buyers to diversify sourcing.

Colombo see 36% rise in vessel calls in March, resulting in a 42% jump in monthly throughput

The Iran war has delivered a severe external shock to South Asia, a region heavily reliant on Gulf energy supplies. In particular, Pakistan, Bangladesh, and Sri Lanka face acute vulnerabilities due to limited fiscal space

Containerised import demand across South Asia is weakening as inflation erodes household purchasing power and governments prioritise scarce foreign exchange for essential commodities

For exports, higher energy and transport costs are squeezing margins and undermining competitiveness

Africa & Oceania

Africa's container port throughput experienced rapid growth in recent years, with increases of 15.1% in 2024 and 13.3% in 2025. In the first quarter of 2026, the region registered a 0.9% YoY decline, but this is set against strong growth of 12.4% in Q1 2024 and 19.2% in Q1 2025. Drewry projects sluggish YoY growth in the remaining quarters, leading to a 2.2% decrease for the full year of 2026. However, the region is expected to bounce back in 2027 with a 2.6% increase, followed by roughly 3% growth through 2030.

African region growth stalls in 1Q26 with a 0.9% YoY decline.

Full year forecast at -2.2%. Recovery projected in 2027 at +2.7%

Africa & Oceania

In 1Q26, the Southern African subregion saw 9.8% YoY growth in port volume, followed by the East Africa subregion at +2.2%. The other two subregions, North and West Africa, recorded weak growth of -3.4% each. West Africa, which accounts for 36% of the region's throughput, had a significant impact on the region's overall performance.

Africa recorded a rolling four-quarter growth rate of 9.0% in 1Q26, down from 10.1% in 4Q25. From a rolling four-quarter perspective, the region remains among the stronger-performing globally. However, given the relatively limited number of African ports represented in the global index, these figures should continue to be interpreted with caution.

Performance across the region was mixed in 1Q26. In East Africa, Djibouti reported throughput of 0.3 mteu (+2.1% YoY), indicating resilience despite ongoing disruption from the Red Sea crisis. In Southern Africa, growth remained robust, led by Port Elizabeth (+64.5% YoY), Coega (+29.8% YoY), and Durban (+6.2% YoY), while Cape Town recorded 1.0% YoY growth.

By contrast, several North and West African ports recorded weaker conditions, with throughput declining at Bejaia (-6.1% YoY), Rades (-0.5% YoY), Sfax (-6.1% YoY), Santa Cruz de Tenerife (-6.4% YoY) and Lomé (-10.6% YoY). Among the stronger performers outside Southern Africa, Lagos grew by 9.1% YoY, while Tunis expanded by 11.7% YoY from a relatively small base.

Southern Africa ports recorded an impressive 9.8% YoY growth in 1Q26, followed by the East Africa subregion at +2.2%. But North and West Africa saw reduced volumes

Double-digit growth in 1Q26 by South African ports of Port Elizabeth (+64.5%) and Coega (+29.8%)

West African port of Lomé posted a -10.6% fall, while Lagos was up 9.1% YoY in 1Q26

Table 2.10 Forecast of container growth in Africa (kteu)

	2024	2025	2026	2027	2028	2029	2030
Africa	41,434	46,957	45,942	47,156	48,606	50,066	51,521
% change on previous year	15.1%	13.3%	-2.2%	2.6%	3.1%	3.0%	2.9%
share of world total	4.4%	4.7%	4.5%	4.4%	4.5%	4.5%	4.5%
West Africa	15,341	18,323	17,569	18,237	18,757	19,276	19,796
% change on previous year	15.8%	19.4%	-4.1%	3.8%	2.8%	2.8%	2.7%
share of region total	37.0%	39.0%	38.2%	38.7%	38.6%	38.5%	38.4%
share of world total	1.6%	1.8%	1.7%	1.7%	1.7%	1.7%	1.7%
North Africa	14,663	15,967	16,258	16,770	17,316	17,865	18,417
% change on previous year	17.6%	8.9%	1.8%	3.2%	3.3%	3.2%	3.1%
share of region total	35.4%	34.0%	35.4%	35.6%	35.6%	35.7%	35.7%
share of world total	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Southern Africa	5,160	5,579	5,315	5,459	5,595	5,742	5,878
% change on previous year	6.0%	8.1%	-4.7%	2.7%	2.5%	2.6%	2.4%
share of region total	12.5%	11.9%	11.6%	11.6%	11.5%	11.5%	11.4%
share of world total	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
East Africa	6,271	7,087	6,800	6,689	6,938	7,182	7,430
% change on previous year	16.2%	13.0%	-4.0%	-1.6%	3.7%	3.5%	3.4%
share of region total	15.1%	15.1%	14.8%	14.2%	14.3%	14.3%	14.4%
share of world total	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%

Note: Data is subject to change

Source: Drewry Maritime Research

Africa & Oceania

Africa has emerged as one of the fastest-growing destinations for Asian exports, with container volumes surging as global supply chains shifted away from traditional routes. In 2025, the Asia-West Africa westbound trade (Asia-region exports to West African countries) achieved a stunning 33% YoY growth. In the first quarter of 2026, the trade expanded by a further 30%. Some observers have noted that the rise in cargo flows coincided with a decline in US container volumes. Rising consumer demand, industrial expansion and new infrastructure are creating opportunities for Asian exports and underscoring the gradual structural shift towards North-South trade. The trend also highlights Africa's growing role in global trade.

Port volumes in the Oceania region had a flying start to 2026 with an emphatic 7% YoY growth in 1Q26. This marks the 4th straight quarter of growth and the highest growth rate. Drewry expects sustained growth in the remaining quarters, with the full-year forecast at 5.5%. Growth is also forecast to rise 3.0% in 2027 and 2.0% through 2029.

In 1Q26, the regional rolling four-quarter growth improved to 3.6%, up from 0.8% in 4Q25, supported by stronger Australian import demand and improved trade activity. Brisbane and Fremantle recorded strong YoY growth of 16.0% and 15.7%, respectively, while Sydney was up 10.7% YoY. However, the largest port, Melbourne, posted relatively modest YoY growth of 1.5%. In New Zealand, port performance remained mixed in 1Q26. Tauranga recorded marginal YoY growth of 0.8%, while Napier and Otago posted increases of 4.8% and 6.7%, respectively.

On the economic front, the Reserve Bank of Australia (RBA) has raised interest rates three times in 2026 to 4.35%, reversing 2025 easing amid soaring energy prices. Consumer price inflation was 4.1% in the first quarter and is expected to peak at 4.8% in the June quarter, well above the central bank's 2%-3% target band. Some analysts believe the RBA will raise interest rates a fourth time in August to 4.6%. As a result, consumer demand has begun to cool, with April household spending falling, home prices flattening, and unemployment edging higher.

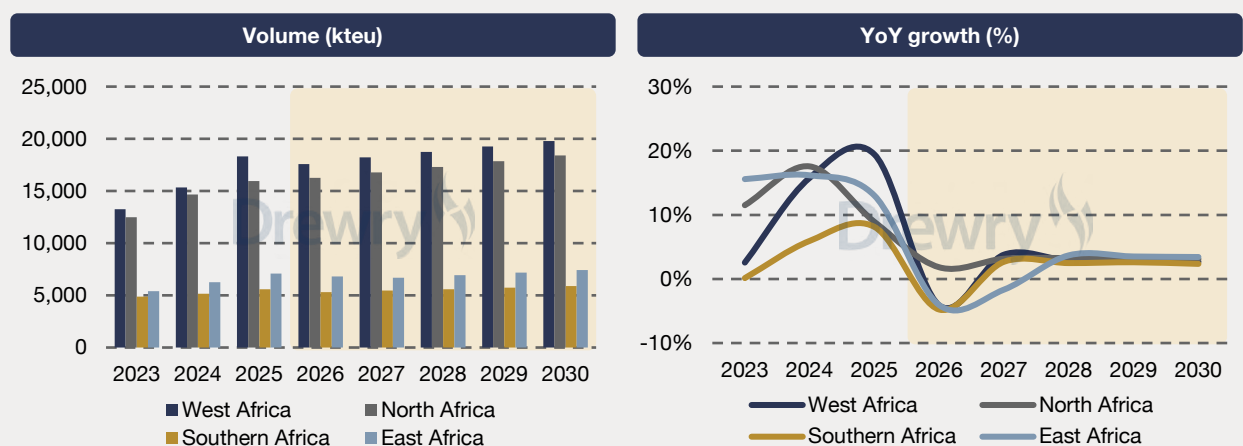
Africa has emerged as one of the fastest-growing destinations for Asian exports. The Asia-West Africa westbound trade achieved 33% growth in 2025. The trade expanded by a further 30% in 1Q26

Oceania's ports had a flying start to 2026, with volumes up 7% YoY in the first quarter. Full-year forecast at 5.5%

Sydney, Brisbane and Fremantle achieved double-digit growth in 1Q26, while Melbourne and Tauranga saw nominal growth

The Reserve Bank of Australia (RBA) has raised interest rates three times so far in 2026 to 4.35%, reversing 2025 easing amid soaring energy prices

Figure 2.11 Regional container forecast: Africa



Source: Drewry Maritime Research

Africa & Oceania

As with exports from Latin America, refrigerated cargo is an important component of northbound trade from Oceania, particularly from New Zealand. The top four lines all provide significant reefer slots on their vessels, with Maersk as the main provider, followed by CMA CGM, Cosco and MSC. For CMA CGM and Maersk, reefer slots comprise 30% or more of the capacity on their vessels. Maersk operates two loops, one each in the Southeast Asia and Northeast Asia trades, where reefer slots exceed 40% of the total vessel capacities

In 2025, three ports in Australia moved volumes over 1 mteu: Melbourne (3.5 mteu), Sydney (2.9 mteu), and Brisbane (1.6 mteu), while in New Zealand, Tauranga handled about 1.2 mteu. Among the top 10 ports in Oceania, there are four more Australian ports: Fremantle (0.9 mteu), Adelaide (0.4 mteu), Devonport (0.3 mteu), and Burnie (0.3 mteu). The last two ports have no deep-sea calls, handling a combination of regional cargo and deep-sea cargo fed via Melbourne. In New Zealand, Auckland (0.9 mteu) and Lyttelton (0.4 mteu) are also in the top 10. Tauranga is the most significant port in New Zealand, with nine out of the 10 deep-sea New Zealand loops calling there, followed by Auckland with seven calls.

As with exports from Latin America, refrigerated cargo is an important component of northbound trade from Oceania

In 2025, three ports in Australia moved volumes over 1 mteu: Melbourne (3.5 mteu), Sydney (2.9 mteu), and Brisbane (1.6 mteu), while New Zealand's Tauranga handled about 1.2 mteu

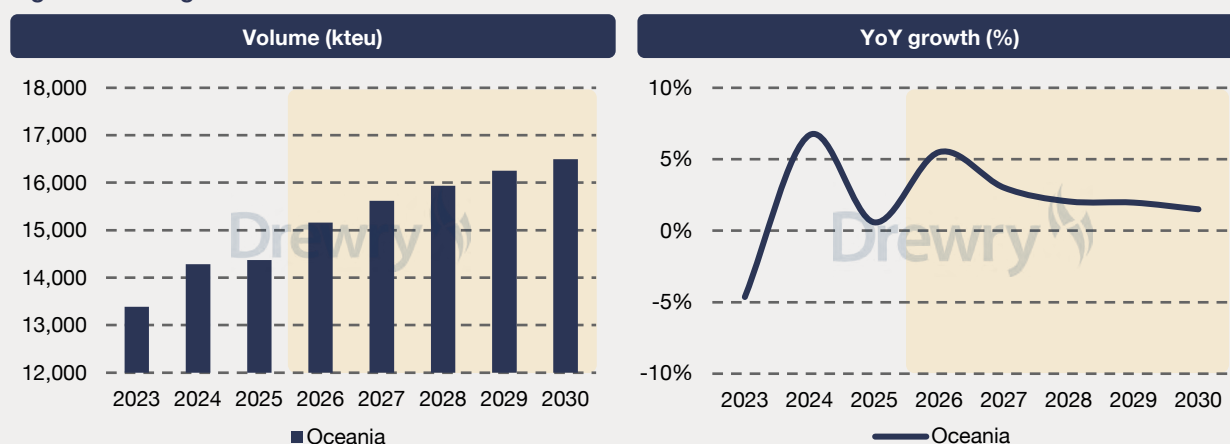
Table 2.11 Forecast of container growth in Oceania (kteu)

	2024	2025	2026	2027	2028	2029	2030
Oceania	14,287	14,371	15,162	15,618	15,938	16,251	16,494
% change on previous year	6.7%	0.6%	5.5%	3.0%	2.0%	2.0%	1.5%
share of world total	1.5%	1.4%	1.5%	1.5%	1.5%	1.4%	1.4%

Note: Data is subject to change

Source: Drewry Maritime Research

Figure 2.12 Regional container forecast: Oceania



Source: Drewry Maritime Research

Africa & Oceania

Table 2.12 5-year history of annual growth in container activity by region (kteu)

						Share of world container port throughput					
	2021	2022	2023	2024	2025		2021	2022	2023	2024	2025
North America	77,367	77,877	69,703	77,388	78,893	North America	9.0%	9.0%	8.0%	8.3%	7.9%
East Coast North America	30,604	31,684	27,764	29,540	30,313	East Coast North America	3.6%	3.7%	3.2%	3.2%	3.1%
Gulf Coast North America	7,395	7,946	7,789	8,447	8,571	Gulf Coast North America	0.9%	0.9%	0.9%	0.9%	0.9%
West Coast North America	39,368	38,248	34,150	39,401	40,009	West Coast North America	4.6%	4.4%	3.9%	4.2%	4.0%
Europe	143,153	137,933	133,809	142,139	151,631	Europe	16.6%	16.0%	15.4%	15.2%	15.3%
North West Europe	65,624	62,370	57,890	61,229	64,906	North West Europe	7.6%	7.2%	6.7%	6.6%	6.5%
Scandinavia & Baltic	12,376	11,432	11,281	12,231	13,315	Scandinavia & Baltic	1.4%	1.3%	1.3%	1.3%	1.3%
West Mediterranean	30,494	30,147	28,770	31,055	32,223	West Mediterranean	3.5%	3.5%	3.3%	3.3%	3.2%
East Med & Black Sea	34,659	33,985	35,868	37,625	41,187	East Med & Black Sea	4.0%	3.9%	4.1%	4.0%	4.1%
Asia	464,860	473,172	484,410	517,099	547,665	Asia	54.0%	54.7%	55.8%	55.4%	55.1%
North Asia	69,197	67,729	67,293	69,657	69,683	North Asia	8.0%	7.8%	7.7%	7.5%	7.0%
Greater China	274,694	284,906	293,782	313,679	331,952	Greater China	31.9%	33.0%	33.8%	33.6%	33.4%
Southeast Asia	120,968	120,537	123,336	133,763	146,030	Southeast Asia	14.1%	13.9%	14.2%	14.3%	14.7%
Middle East/ South Asia	74,118	75,602	78,872	82,036	89,582	Middle East/ South Asia	8.6%	8.7%	9.1%	8.8%	9.0%
Middle East	39,928	42,238	43,857	43,237	47,001	Middle East	4.6%	4.9%	5.0%	4.6%	4.7%
South Asia	34,189	33,364	35,015	38,800	42,582	South Asia	4.0%	3.9%	4.0%	4.2%	4.3%
Latin America	52,617	52,361	52,585	58,897	64,628	Latin America	6.1%	6.1%	6.1%	6.3%	6.5%
Central America/ Caribbean	26,346	25,908	25,489	28,243	29,488	Central America/ Caribbean	3.1%	3.0%	2.9%	3.0%	3.0%
East Coast South America	15,172	15,133	14,952	17,303	19,311	East Coast South America	1.8%	1.8%	1.7%	1.9%	1.9%
West Coast South America	11,100	11,319	12,144	13,351	15,829	West Coast South America	1.3%	1.3%	1.4%	1.4%	1.6%
Africa	34,074	33,637	35,990	41,434	46,957	Africa	4.0%	3.9%	4.1%	4.4%	4.7%
East Africa	4,800	4,670	5,398	6,271	7,087	East Africa	0.6%	0.5%	0.6%	0.7%	0.7%
North Africa	11,006	11,186	12,473	14,663	15,967	North Africa	1.3%	1.3%	1.4%	1.6%	1.6%
West Africa	13,196	12,918	13,250	15,341	18,323	West Africa	1.5%	1.5%	1.5%	1.6%	1.8%
Southern Africa	5,072	4,862	4,870	5,160	5,579	Southern Africa	0.6%	0.6%	0.6%	0.6%	0.6%
Oceania	13,873	14,043	13,390	14,287	14,371	Oceania	1.6%	1.6%	1.5%	1.5%	1.4%
World	860,063	864,625	868,759	933,280	993,726						

Note: Data is subject to change

Source: Drewry Maritime Research

3. Supply Outlook

Containership fleet

The active containership fleet and orderbook continues to grow rapidly. In the first five months of 2026, the active fleet, feeding almost exclusively on deliveries from the orderbook, increased by approximately 110 kteu per month. Demolitions - a dieting aide that reduces the size of the fleet - were essentially non-existent at just 9 kteu YTD.

Even if scrapping returns in a meaningful way, which it surely must, the pace of fleet growth will accelerate rapidly over the coming months and years as the orderbook is growing at an even faster pace.

The orderbook increased by around 330 kteu per month up to and including May 2026, after accounting for recent deliveries. As of 1 June, the orderbook was a record 12.9 mteu, or 38.5% of the active fleet, the highest ratio since early 2010.

Drewry is forecasting that the net addition to the fleet will increase sharply over the next three years, to average 233 kteu per month in 2027, peaking at 348 kteu/month in 2028, before slowing to 282 kteu/month in 2029 and 119 kteu/month in 2030.

For the full year 2026, we expect fleet growth of 4.2%, which is significantly lower than seen in the previous three years, when the fleet increased between 7-11%. However, this year will be an outlier and much faster growth is expected to return from 2027 through 2029.

Our forecast includes estimates for delivery slippage, demolitions and projected new orders. If we keep everything else the same, but exclude projected orders i.e. saying that owners will place a moratorium on any new contracts through 2030, the five-year fleet CAGR only drops from our base case forecast of 6.9% to 5.8%.

The active containership fleet is growing fast, but the orderbook is growing even faster, building the sectors' overcapacity risk

The orderbook hit a record 12.9 mteu in June, or 38.5% of the active fleet, the highest ratio since early 2010

Fleet growth is expected to moderate to 4.2% in 2026, before spiking again to between 7-11% in the following years

Table 3.1 World cellular containership fleet by size range (1 June 2026)

Drewry classification	Size range (teu)	No. of vessels	Share	Capacity (kteu)	Share (%)	Avg speed (knots)*	Avg age (years)
Small Feeder	100-2,000	3,078	43.3%	3,184	9.5%	17.5	16.1
Large Feeder	2,000-3,000	907	12.7%	2,305	6.9%	20.6	14.6
Classic Panamax & wide beam	3,000-5,300	1,008	14.2%	4,168	12.4%	22.8	16.2
Small neo-Panamax	5,300-10,000	1,099	15.4%	8,274	24.7%	24.1	15.1
Large neo-Panamax	10,000-12,500	207	2.9%	2,287	6.8%	23.4	9.5
Large post-Panamax[#]	10,000-12,500	11	0.2%	122	0.4%	24.5	19.3
VLCV - Maxi neo-Panamax	12,500-18,000	370	5.2%	5,306	15.8%	23.3	5.9
VLCV - Neo post-Panamax[#]	12,500-18,000	230	3.2%	3,460	10.3%	23.7	8.8
ULCV[#]	18,000+	205	2.9%	4,439	13.2%	21.8	6.8
Grand Total		7,115	100%	33,544	100%	20.6	14.5

Notes: # These ships cannot transit the Panama Canal due to exceeding the size restrictions; * Top design speed

Source: Drewry Maritime Research, Clarksons Research

Containership fleet

Table 3.2 Recent newbuild contracts (confirmed as of 1 June 2026)

Month	Ship size (teu)	No. ships	Total (kteu)	Delivery year(s)	Owner	Owner-type	Main engine fuel-type	Builder country	Total cost (USDm)
Jun 26	6,100	2	12.2	2028	Shishi Yongli Shipping	Operator	VLS IFO	China	n.a
Jun 26	300	1	0.3	2027	Guangzhou Port Group	Operator	VLS IFO	China	n.a
Jun 26	6,000	8	48.0	2028	CMA CGM	Operator	VLS IFO	China	n.a
Jun 26	6,000	2	12.0	2028	Unknown Greek	Non-operator	VLS IFO	China	n.a
Jun 26	1,900	2	3.8	2028	Erasmus Corp	Non-operator	VLS IFO	China	n.a
Jun 26	1,900	2	3.8	2029	Vasileiadis Group	Non-operator	VLS IFO	China	n.a
Jun 26	1,781	2	3.6	2028-29	Euroseas	Non-operator	VLS IFO	China	n.a
May 26	3,300	2	6.6	2029	MTT Shipping	Operator	VLS IFO	China	\$80
May 26	2,700	2	5.4	2028	Baozhou (HK) Shipping	Non-operator	VLS IFO	China	n.a
May 26	1,900	4	7.6	2028	Zhejiang Seaport Group	Operator	VLS IFO	China	n.a
May 26	1,900	4	7.6	2027-28	Synelysia	Non-operator	VLS IFO	China	n.a
May 26	1,700	4	6.8	2028-29	Unknown	Non-operator	VLS IFO	China	n.a
May 26	9,200	2	18.4	2029	Wan Hai Lines	Operator	VLS IFO (Methanol Ready)	China	n.a
May 26	8,200	4	32.8	2028	China Merchants	Operator	IFO 380 (Methanol Ready)	China	n.a
May 26	6,150	6	36.9	2028	Shanghai Changshun	Operator	VLS IFO	China	n.a
May 26	3,000	4	12.0	2027-28	China Merchants	Operator	IFO 380	China	n.a
May 26	1,800	4	7.2	2028	China Merchants	Operator	VLS IFO	China	n.a
May 26	15,900	6	95.4	2029	ONE	Operator	LNG, VLS IFO	South Korea	\$1,221
May 26	737	2	1.5	2028	Stella Bulk	Non-operator	VLS IFO	China	n.a
May 26	6,000	2	12.0	2028	Eastern Pacific Shipping	Non-operator	Unknown	China	n.a
May 26	1,100	2	2.2	2029	Unknown	Non-operator	VLS IFO	China	n.a
Apr 26	2,798	2	5.6	2028-29	Euroseas	Non-operator	VLS IFO	China	\$93
Apr 26	1,781	2	3.6	2028	Euroseas	Non-operator	VLS IFO	China	\$65
Apr 26	13,640	12	163.7	2028-30	China COSCO Shipping	Operator	LNG, VLS IFO	China	\$2,220
Apr 26	6,200	10	62.0	2029-30	Global Ship Lease	Non-operator	VLS IFO	China	n.a
Apr 26	6,406	4	25.6	2029-30	CULines	Operator	VLS IFO	China	n.a
Apr 26	10,100	2	20.2	2028	D. Oltmann	Non-operator	IFO 380	South Korea	\$241
Apr 26	9,200	12	110.4	2028-30	Costamare Shipping	Non-operator	VLS IFO (Methanol Ready)	China	n.a

Source: Drewry Maritime Research, Clarksons Research

Containership fleet

Faced with a significant sectoral overcapacity risk, it would be logical to exclude any projected new orders from our modelling as there is clearly already enough capacity available, either on the water, or being built in shipyards. But we cannot ignore history or current trends. In the past 20 years, there have only been six occasions when contracting hasn't exceeded 1 mteu and only once has it been lower than 100 kteu, at the peak of the financial crisis in 2009. New ships are what owners invest their capital in.

Based on YTD confirmed data, the annual sum for newbuild contracts in 2026 is on course for around 4.4 mteu, down slightly on the record 5.1 mteu of last year and the previous record of 4.7 mteu from 2024.

So, what is the rationale for owners to keep piling up the ships despite the seemingly obvious risks?

Firstly, we have to understand that the ordering behaviour of containership owners reflects differing business models and investment horizons.

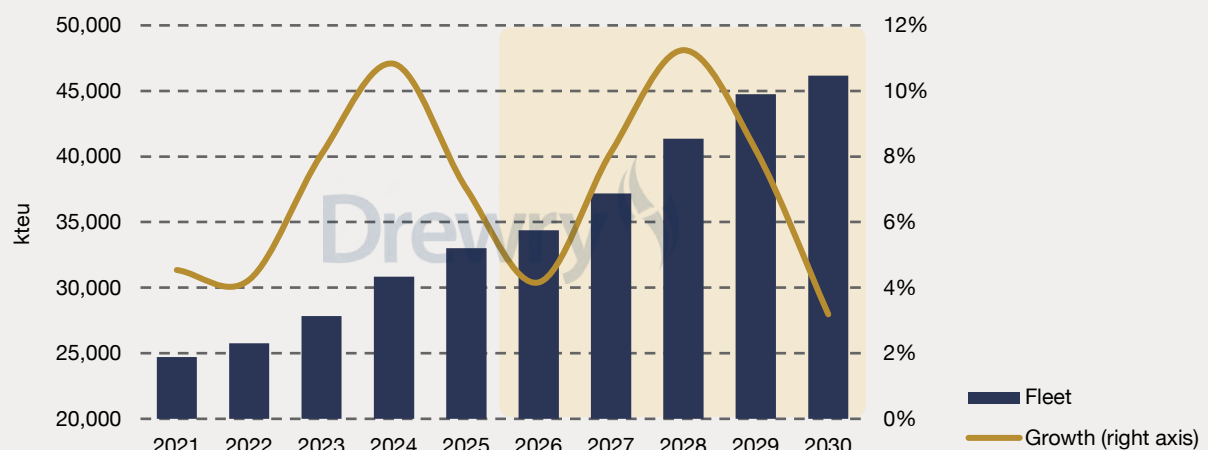
For liner operators, vessel acquisition decisions are fundamentally strategic. Ownership provides certainty of capacity, insulation from charter market volatility and greater control over network design. This has become increasingly important as carriers seek to optimise schedules, maintain service reliability and support integrated logistics offerings extending beyond ocean transportation.

Economies of scale remain compelling, although these benefits are not universally available. They depend on high load factors, sufficient port infrastructure to handle the bigger ships and the ability to cascade displaced vessels into secondary trades without undermining those markets.

Newbuild contracting in 2026 is on course to nearly match the record 5.1 mteu of last year

The ordering behaviour of liners and independent owners differs, but each is acting rationally even if their actions in the aggregate harm the market

Figure 3.1 Forecast annual containership fleet development



Source: Drewry Maritime Research, Clarksons Research

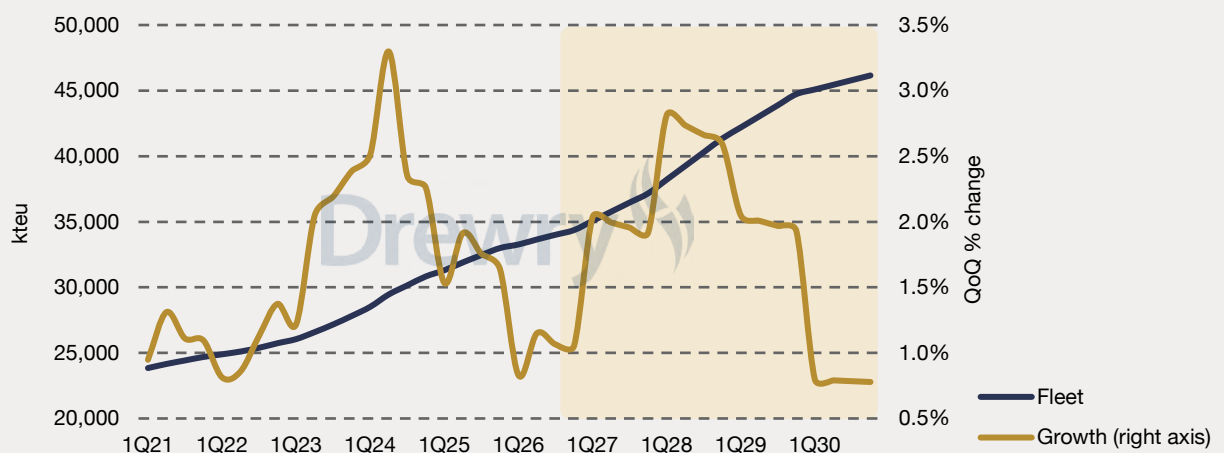
Containership fleet

Independent tonnage providers approach acquisitions differently. Their investment decisions are driven primarily by charter market expectations, residual values and access to finance. The extraordinary charter market experienced during the pandemic significantly altered risk perceptions. Multi-year charters at historically elevated rates provided owners with unusual visibility over future cash flows, supporting aggressive ordering programmes and asset price appreciation.

The attractiveness of containership investments during this period was enhanced by the sector's relatively rapid payback characteristics. In some cases, vessels acquired or ordered during 2021 generated returns sufficient to recover invested capital within only a few years. Such economics inevitably encouraged speculative ordering, particularly among owners seeking to secure long-term employment from major liner companies before market conditions weakened.

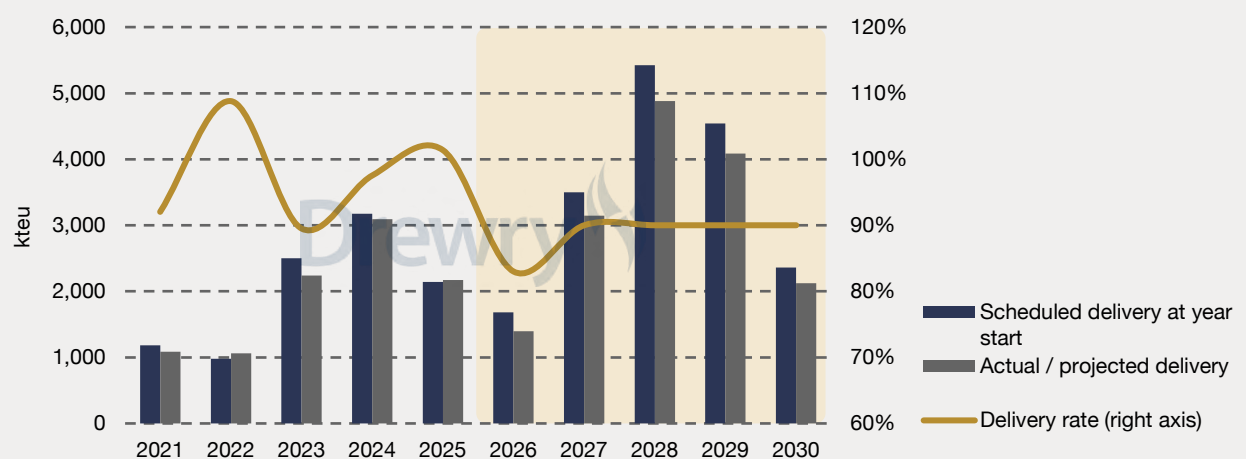
A strong charter market and high asset values have induced aggressive ordering programmes

Figure 3.2 Forecast quarterly containership fleet development



Source: Drewry Maritime Research, Clarksons Research

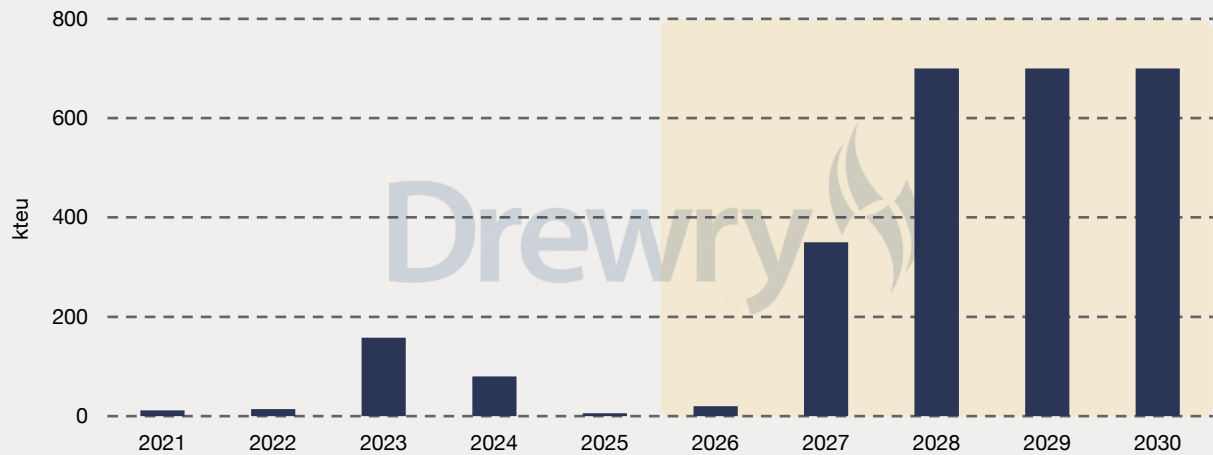
Figure 3.3 Forecast of fleet delivery rate (slippage) for newbuild containerships



Source: Drewry Maritime Research, Clarksons Research

Containership fleet

Figure 3.4 Forecast of containership demolitions



Source: Drewry Maritime Research, Clarksons Research

Access to capital has also remained supportive. Asian leasing houses, export credit agencies and alternative lenders have increasingly replaced traditional European shipping banks, broadening the pool of available financing. This abundance of liquidity has reduced barriers to fleet expansion and allowed owners to continue ordering despite growing concerns regarding future demand.

Access to capital is readily available, reducing barriers to fleet expansion

From an owner's perspective, ordering decisions are further influenced by the asymmetry between upside and downside outcomes. If trade growth remains robust and environmental regulations accelerate scrapping, additional capacity may be absorbed without significant deterioration in freight rates. Conversely, should demand soften, owners may still expect modern vessels to outperform older competitors and preserve employment opportunities. This relative optimism often leads to industry-wide overinvestment, even when aggregate capacity growth appears excessive.

The principal risk facing the sector is that supply growth materially exceeds demand over an extended period.

The containership industry has historically demonstrated a tendency towards collective overordering. Individual owners acting rationally to maximise market share, secure charter coverage or renew fleets can collectively create substantial oversupply. Given construction lead times of two to three years, ordering decisions are frequently based on freight market conditions that no longer prevail when vessels are delivered.

Scrapping should provide the offset, but owners have historically been reluctant to scrap vessels when the going is good, or there remains a possibility of future market recovery. The persistence of relatively high second-hand values can delay removals and prolong periods of oversupply.

Owners have historically been reluctant to scrap vessels when there remains a possibility of future market recovery, but an aging fleet and softening markets should change that soon

Containership fleet

Nonetheless, Drewry is forecasting that demolitions will be more prominent from next year onwards with 350 kteu expected to be scrapped, rising to 700 kteu in each year through 2030.

The existing fleet already has 1.5 mteu aged 25 years or more, while tightening environmental regulations, increasing operating costs and softening freight and charter markets, should encourage more demolition of older ships.

Ultimately, the medium-term outlook for the containership fleet depends less on trade growth than on ordering discipline, which is inherently harder to predict. The industry's experience repeatedly demonstrates that periods of exceptional profitability sow the seeds of subsequent weakness. The current investment cycle is distinguishable in part by the need for environmental renewal, but it is unlikely to prove immune to the consequences of excessive capacity additions. Whether the sector experiences a manageable adjustment or another prolonged downturn will depend on the willingness of owners to prioritise utilisation and returns on capital over fleet growth and market share.

The medium-term outlook for the containership fleet depends less on trade growth than on ordering discipline

Table 3.3 Unadjusted containership orderbook by size and scheduled delivery year (1 June 2026)

Drewry classification	Size range (teu)															% of	
		2026		2027		2028		2029		2030		2031		Total		Current fleet	current fleet
		No.	kteu	No.	kteu	No.	kteu	No.	kteu	No.	kteu	No.	kteu	No.	kteu		
Small Feeder	100-2,000	92	93	146	199	107	174	26	45	3	5	1	2	375	519	3,168	16.4%
Large Feeder	2,000-3,000	18	44	43	111	44	119	17	44		0			122	318	2,305	13.8%
Classic Panamax & wide beam	3,000-5,300	34	133	97	389	117	426	31	107	8	25			287	1,079	4,158	26.0%
Small neo-Panamax	5,300-10,000	33	264	63	499	109	834	67	524	13	98			285	2,220	8,213	27.0%
Large neo-Panamax	10,000-12,500	1	10	19	207	32	358	31	354		0			83	930	2,242	41.5%
Large post-Panamax [#]	10,000-12,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	122	0.0%
VLCV - Maxi neo-Panamax	12,500-18,000	31	450	55	804	83	1219	30	437		0			199	2,909	5,188	56.1%
VLCV - Neo post-Panamax [#]	12,500-18,000	5	82	8	132	19	288	23	344	3	41			58	887	3,425	25.9%
ULCV [#]	18,000+	6	145	39	845	72	1475	71	1445	7	137			195	4,047	4,391	92.2%
Unadjusted Total		220	1,221	470	3,187	583	4,894	296	3,300	34	306	1	2	1,604	12,909	33,213	38.9%

Notes: # These ships cannot transit the Panama Canal due to exceeding the size restrictions

Source: Drewry Maritime Research, Clarksons Research

Containership fleet

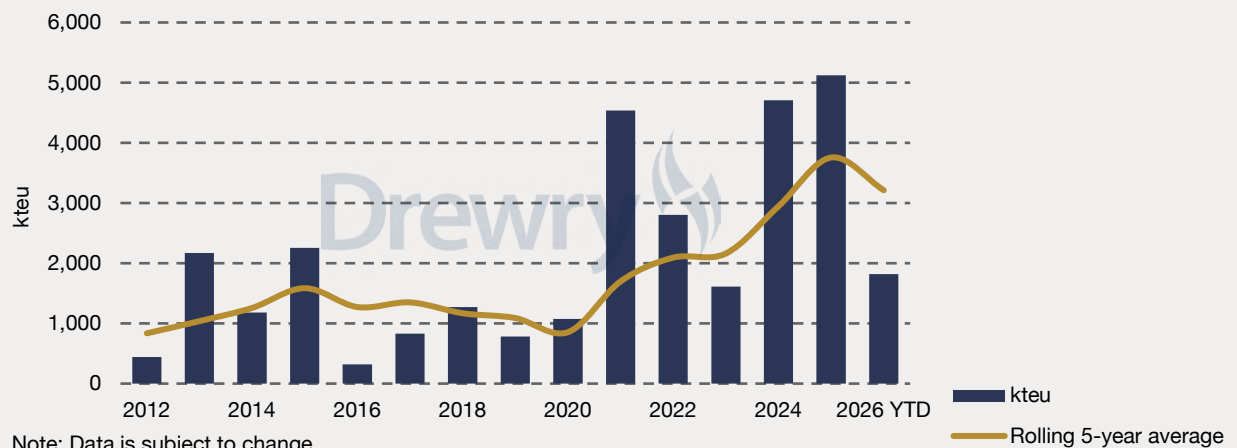
Table 3.4 Adjusted global containership fleet and orderbook (kteu)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total global fleet (year start)	23,632	24,704	25,751	27,829	30,843	33,007	34,380	37,177	41,358	44,746
Scheduled delivery at year start*	1,180	977	2,501	3,173	2,143	1,680	3,497	5,423	4,542	2,361
Less slippage to following years	94	-86	262	78	-30	286	350	542	454	236
Delivery Total (end year)	1,086	1,063	2,239	3,094	2,173	1,394	3,148	4,881	4,088	2,124
% of scheduled orderbook delivered	92.0%	108.8%	89.5%	97.5%	101.4%	83.0%	90.0%	90.0%	90.0%	90.0%
Scrapping	12	14	158	80	6	20	350	700	700	700
Misc. (reclassification, conversions etc.)	3	2	3	1	3	2	0	0	0	0
Net addition	1,072	1,047	2,078	3,014	2,164	1,373	2,798	4,181	3,388	1,424
Total global fleet (year end)	24,704	25,751	27,829	30,843	33,007	34,380	37,177	41,358	44,746	46,171
Fleet growth	4.5%	4.2%	8.1%	10.8%	7.0%	4.2%	8.1%	11.2%	8.2%	3.2%
Proj. additional orders for delivery in given year (k teu)					0	0	25	180	700	700

Notes: All data subject to change; *Includes slippage from previous year and projected future orders.

Source: Drewry Maritime Research, Clarksons Research

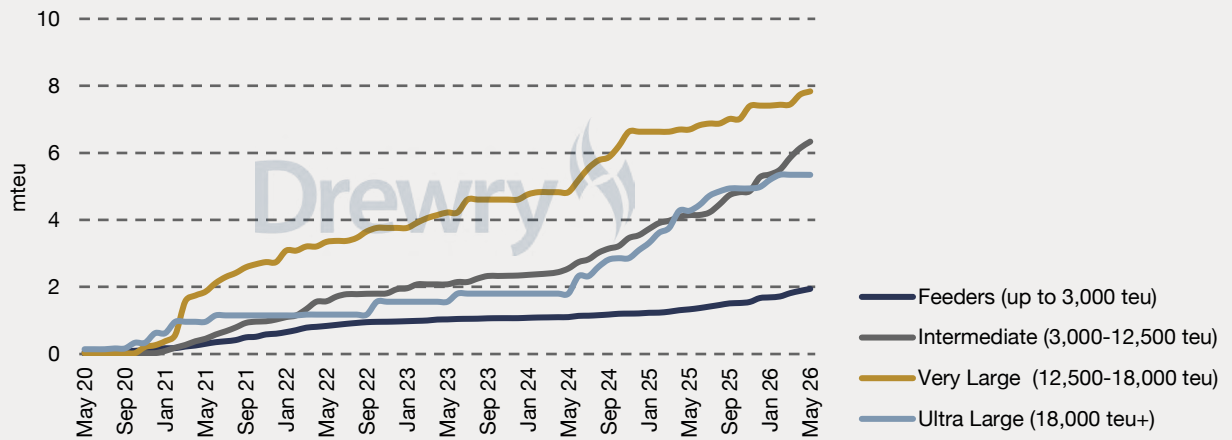
Figure 3.5 Newbuild containership contracts by year



Source: Drewry Maritime Research, Clarksons Research

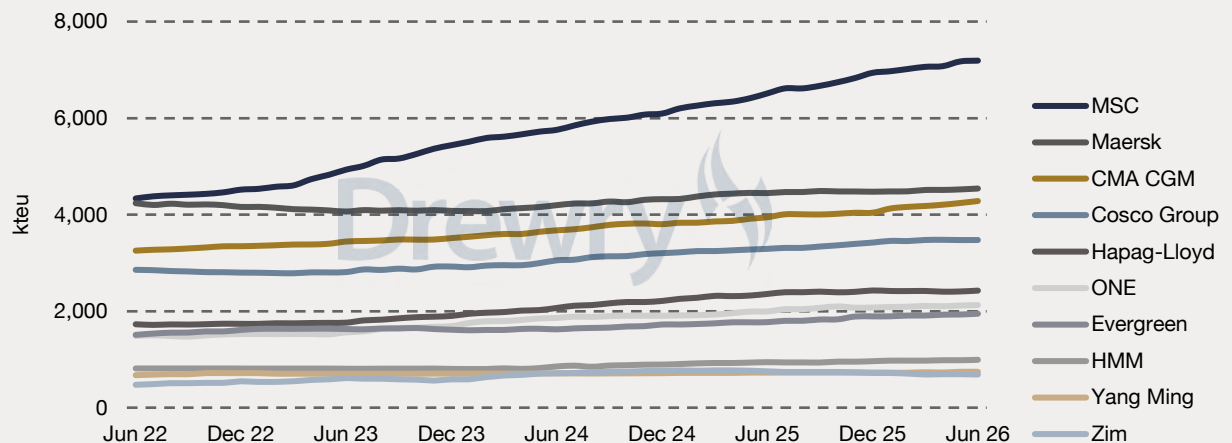
Containership fleet

Figure 3.6 Cumulative containership newbuild contracts, by broad size class since February 2020



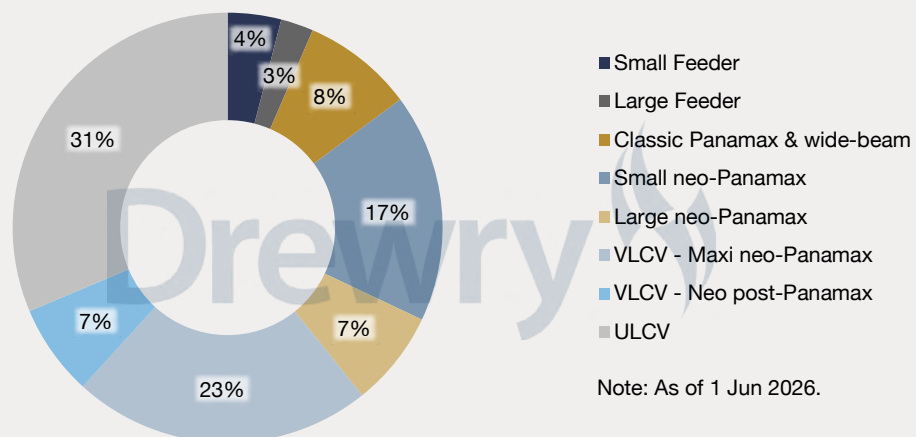
Source: Drewry Maritime Research, Clarksons Research

Figure 3.7 Evolution of Top 10 carriers' fleet



Source: Drewry Maritime Research, Clarksons Research

Figure 3.8 Orderbook by size range (% of teu capacity)

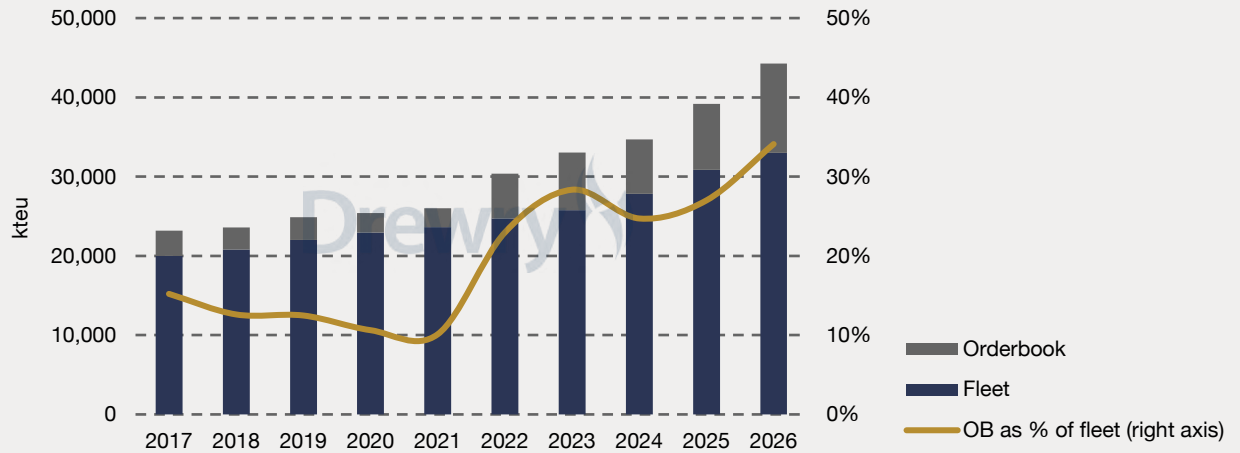


Note: As of 1 Jun 2026.

Source: Drewry Maritime Research, Clarksons Research

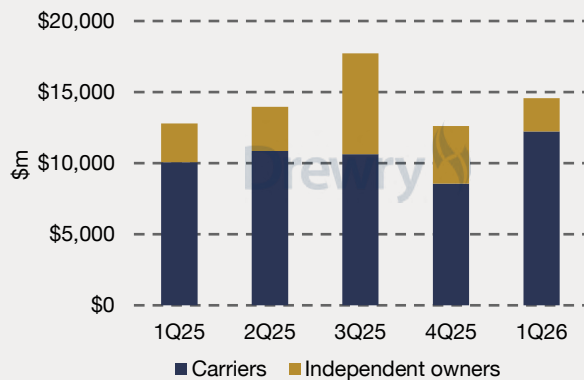
Containership fleet

Figure 3.9 Containership orderbook-to-fleet ratio, start of year



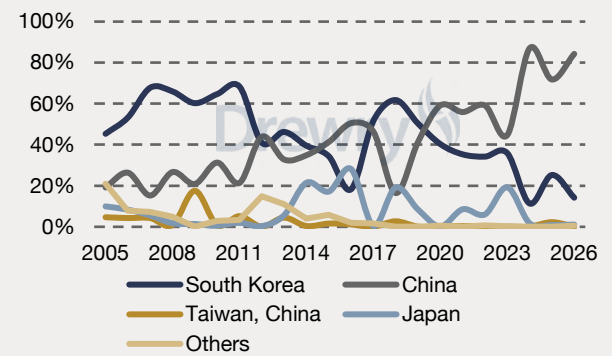
Source: Drewry Maritime Research, Clarksons Research

Figure 3.10 Industry investment in newbuild containerships



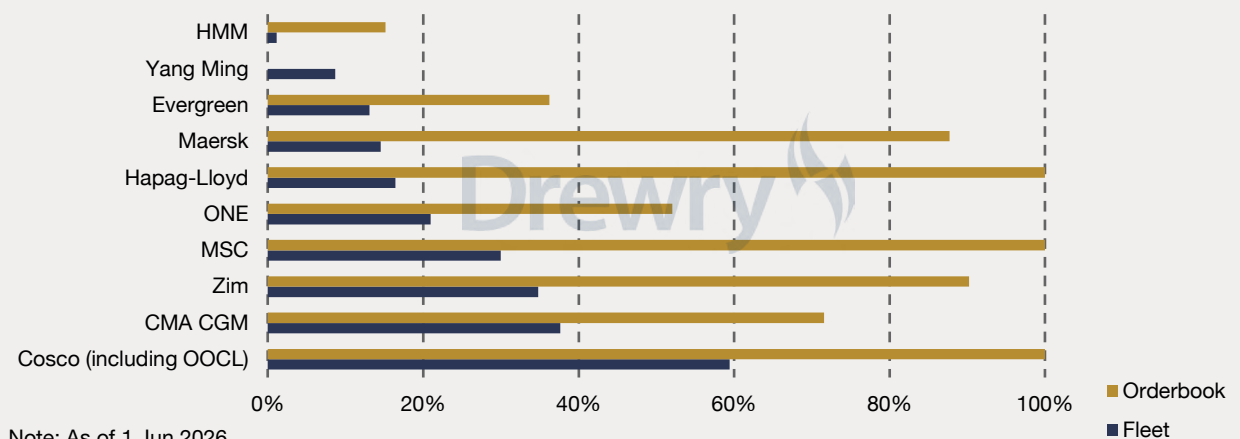
Source: Drewry Maritime Research, Clarksons Research

Figure 3.11 Share of containership contracts by country (teu)



Source: Drewry Maritime Research, Clarksons Research

Figure 3.12 China-built ships in Top 10 carriers' fleet, orderbook

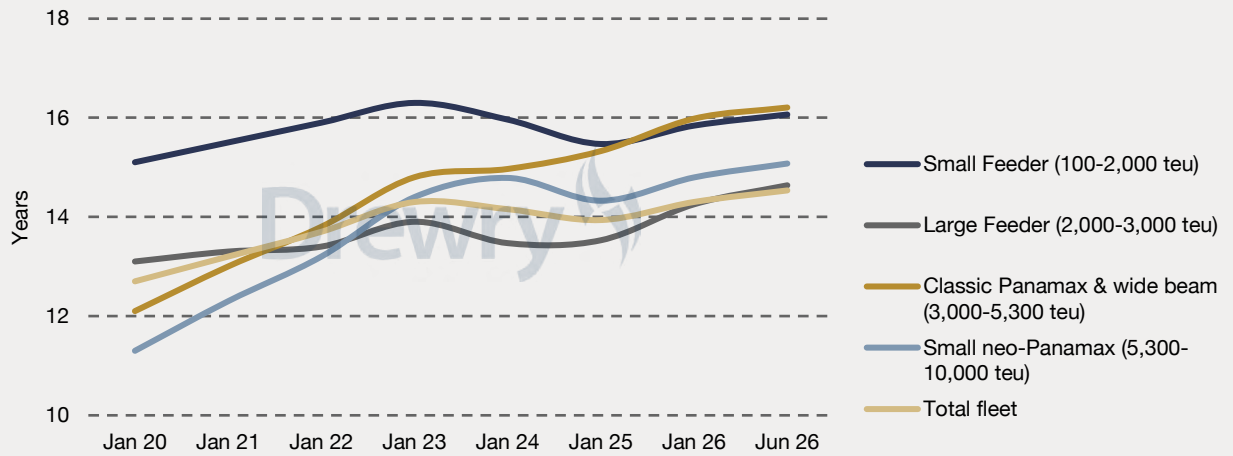


Note: As of 1 Jun 2026.

Source: Drewry Maritime Research, Clarksons Research

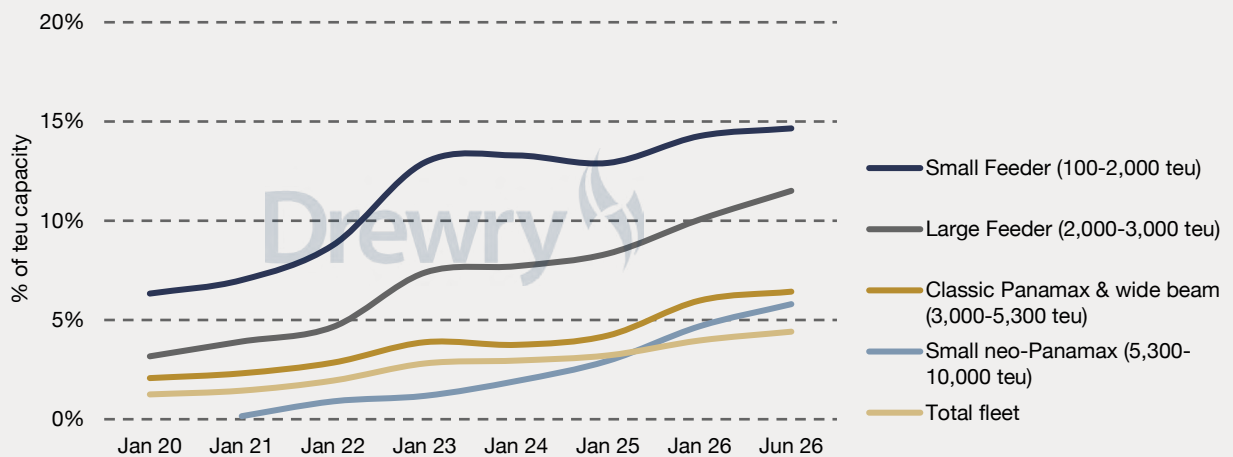
Containership fleet

Figure 3.13 Average age of selected containership size ranges



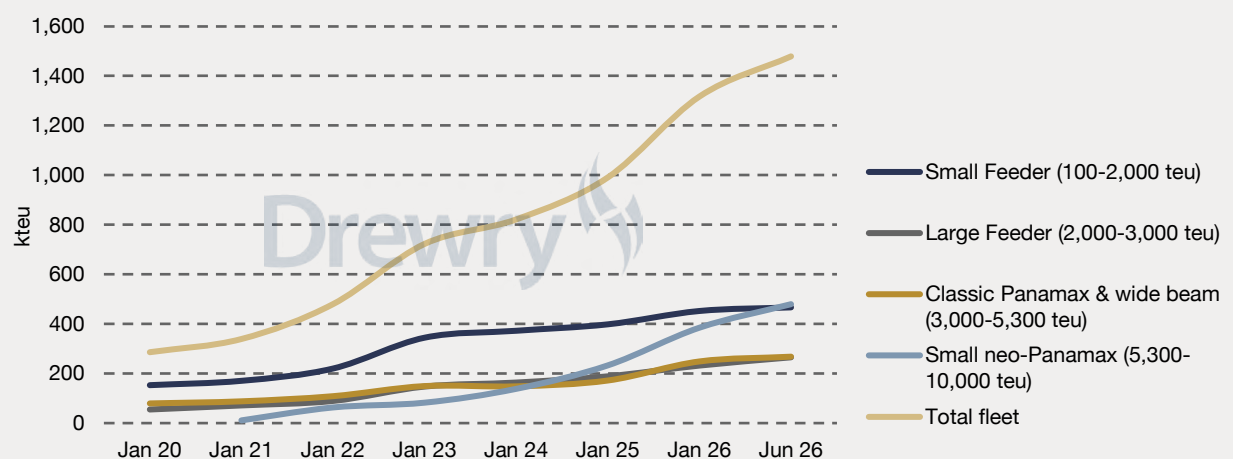
Source: Drewry Maritime Research, Clarksons Research

Figure 3.14 Percentage of containerships 25-year-old and above



Source: Drewry Maritime Research, Clarksons Research

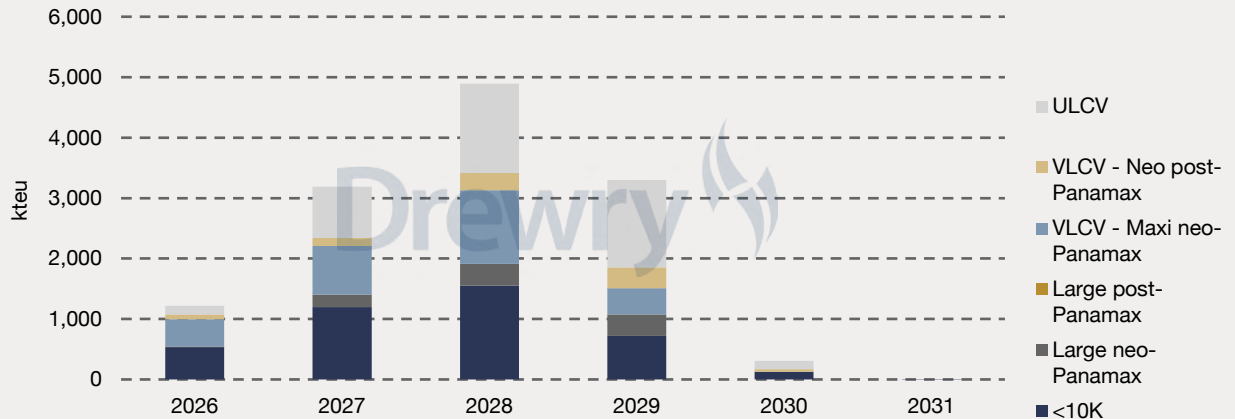
Figure 3.15 Capacity of containerships aged 25-years-old and above



Source: Drewry Maritime Research, Clarksons Research

Containership fleet

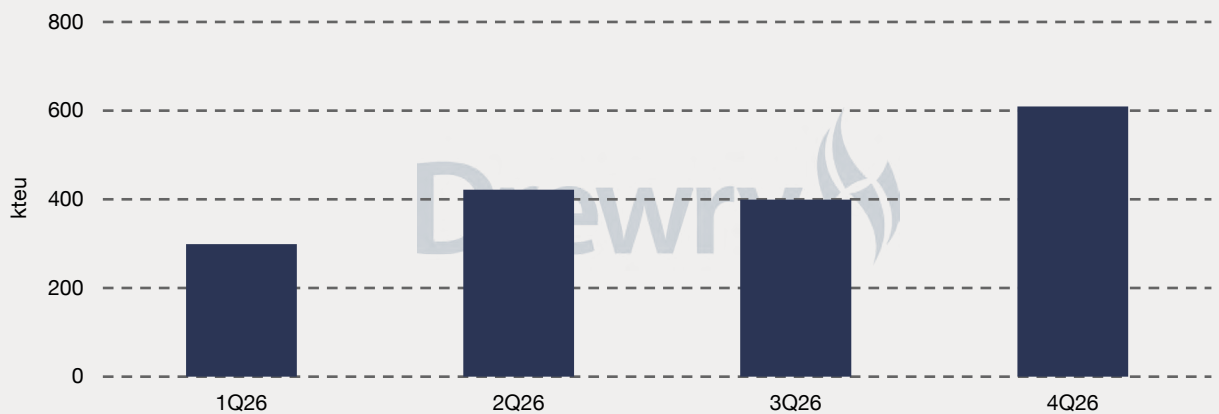
Figure 3.16 Delivery breakdown of unadjusted orderbook by size range



Notes: As of 1 Jun 2026; Does not account for potential slippage; Includes owned and chartered ships.

Source: Drewry Maritime Research, Clarksons Research

Figure 3.17 Unadjusted vessel delivery schedule in 2026 by quarter



Notes: As of 1 Jun 2026. Does not account for potential slippage.

Source: Drewry Maritime Research, Clarksons Research

Table 3.5 Unadjusted vessel delivery schedule for 2026

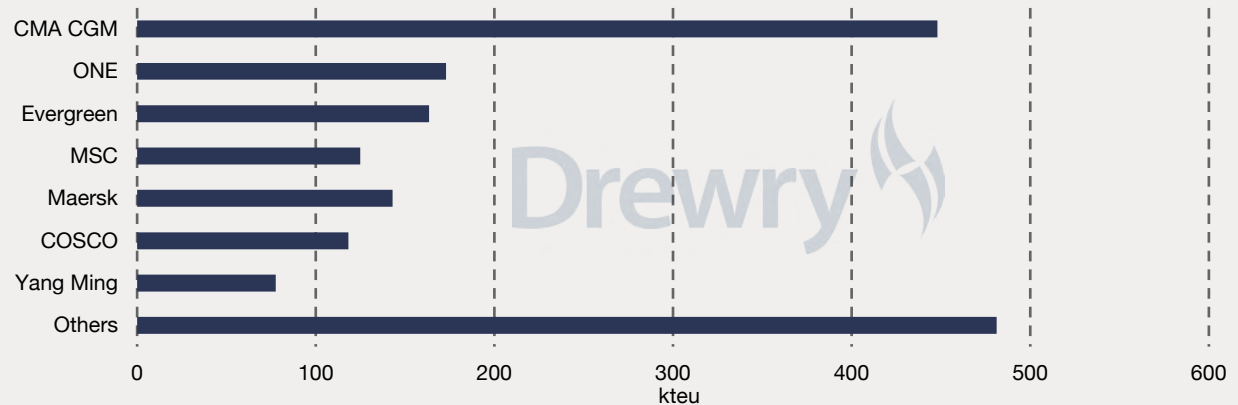
	1Q	2Q	3Q	4Q	Total
No. ships	49	60	75	109	293
Total teu (kteu)	299	422	399	609	1,729
Avg size ship (teu)	6,095	7,028	5,324	5,591	5,901
No. ships 10,000-18,000 teu	14	17	12	17	60
No. ships above 18,000 teu	1	2	2	3	8

Note: As of 1 June 2026; Does not account for potential slippage.

Source: Drewry Maritime Research, Clarksons Research

Containership fleet

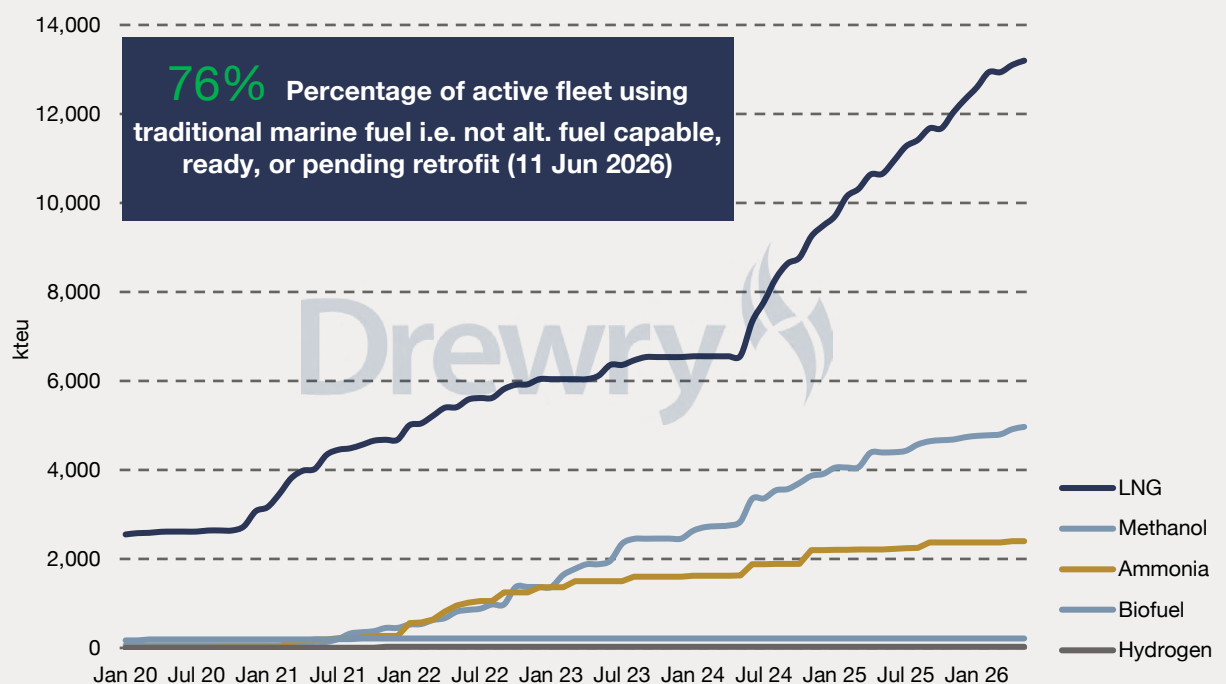
Figure 3.18 Unadjusted vessel delivery schedule in 2026 by major operator group



Notes: As of 1 Jun 2026. Does not account for potential slippage; Includes owned and chartered ships.

Source: Drewry Maritime Research, Clarksons Research

Figure 3.19 Rolling tracker of alternative fuel containership orders



Notes: Includes both capable and ready ships; Some double counting as some units are ready for more than one alternative fuel type; Data subject to change.

Source: Drewry Maritime Research, Clarksons Research

Containership fleet

Figure 3.20 Top 10 carriers' % of alternative fuel ships in operating fleet, active and orderbook

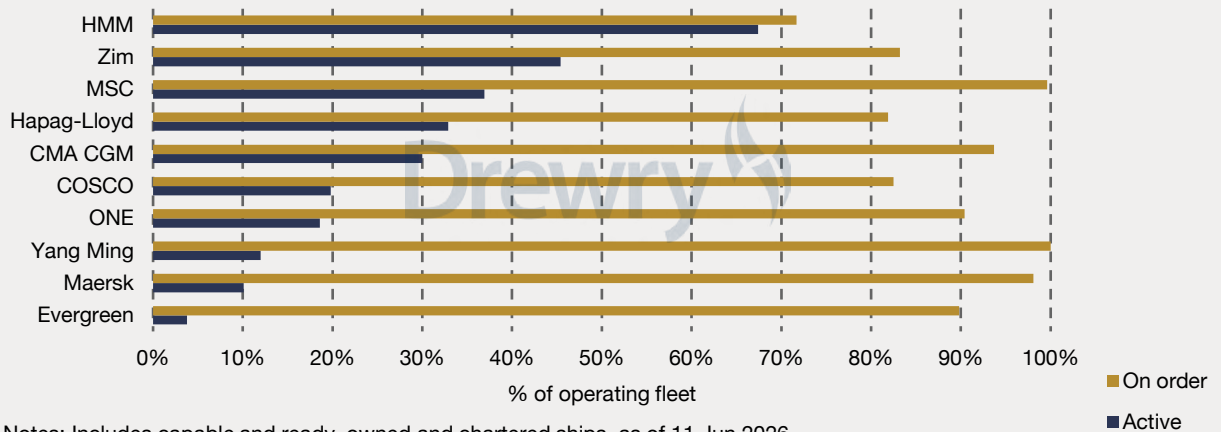


Figure 3.21 Contracting for alternative fuel containerships (capable and ready)

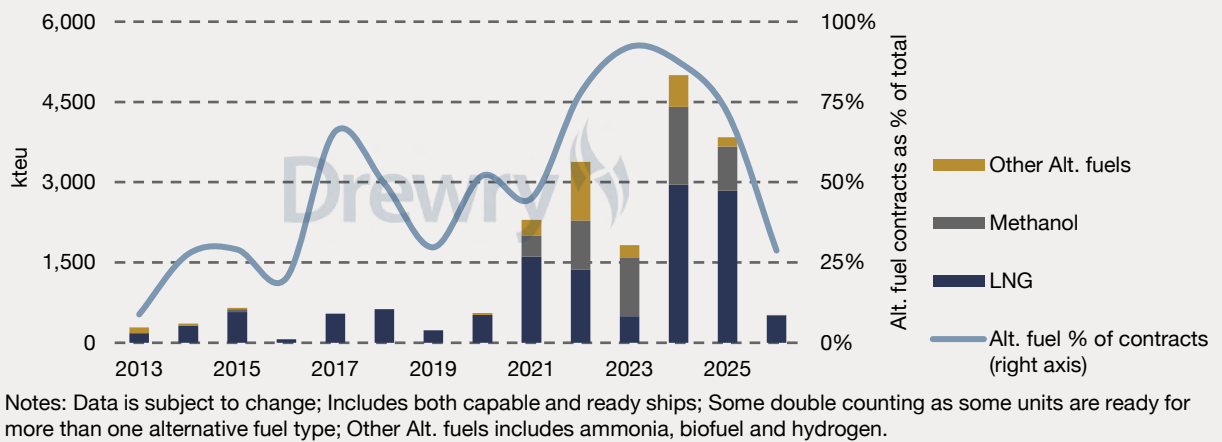


Table 3.6 Top 10 ocean carrier-operating fleets (1 June 2026)

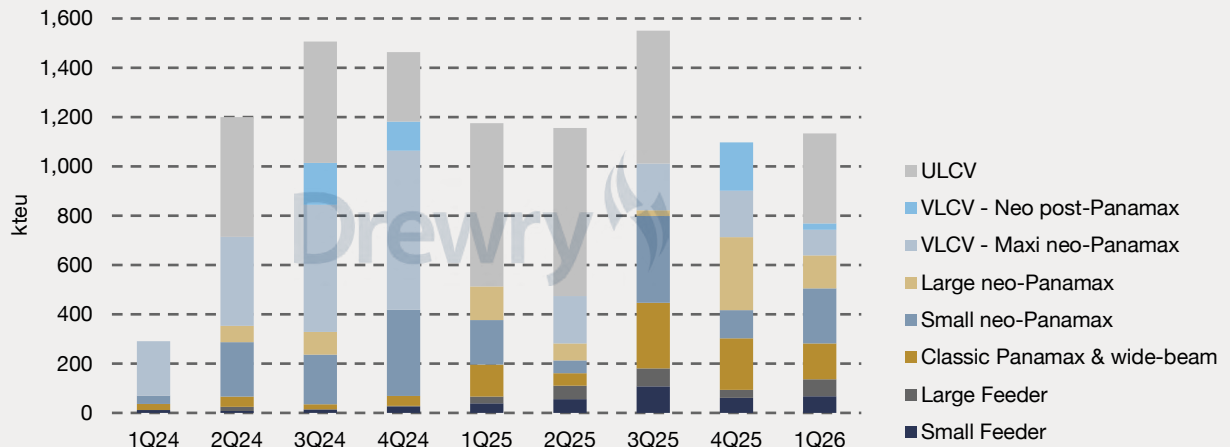
Company	Country	Alliance	Active fleet (kteu)	% of total fleet	On Order (kteu)	% of total orderbook
MSC	Switzerland		7,192	21.4%	2,308	17.9%
Maersk	Denmark	Gemini Cooperation	4,540	13.5%	1,011	7.8%
CMA CGM	France	Ocean Alliance	4,285	12.8%	1,704	13.2%
Cosco Group	China	Ocean Alliance	3,474	10.4%	1,710	13.2%
Hapag-Lloyd	Germany	Gemini Cooperation	2,427	7.2%	507	3.9%
ONE	Japan	Premier Alliance	2,129	6.3%	765	5.9%
Evergreen Marine	Taiwan, China	Ocean Alliance	1,947	5.8%	892	6.9%
HMM	South Korea	Premier Alliance	993	3.0%	231	1.8%
Yang Ming	Taiwan, China	Premier Alliance	747	2.2%	206	1.6%
Zim	Israel		690	2.1%	324	2.5%
Top 10 total			28,425	84.7%	9,658	74.8%

Notes: Includes all subsidiaries; owned and chartered ships

Source: Drewry Maritime Research, Clarksons Research

Containership fleet

Figure 3.22 Recent newbuild containership contracts by size range



Source: Drewry Maritime Research, Clarksons Research

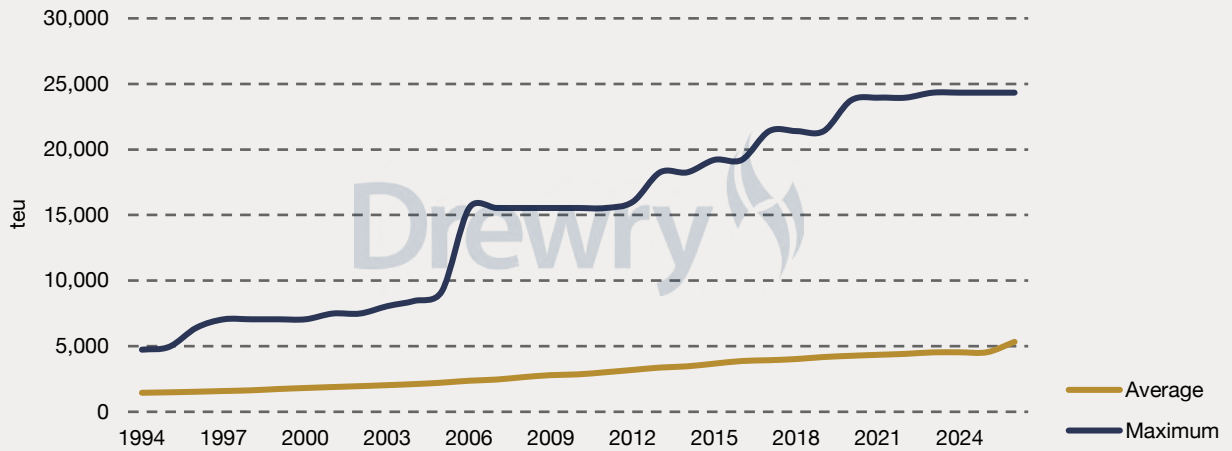
Table 3.7 Top 10 carriers by fleet, orderbook (1 June 2026)

Trade	Rank		Fleet (kteu)				Fleet share				Orderbook (kteu)		
					%	Diff			%	Diff pp			Diff teu
	Jan 22	Jun 26	Jan 22	Jun 26			Jan 22	Jun 26			Jan 22	Jun 26	
MSC	2	1	4,194	7,192	71.5%	2,998	33.9%	17.0%	21.4%	4.5%	1,092	2,308	1,217
Maersk	1	2	4,240	4,540	7.1%	300	3.4%	17.2%	13.5%	-3.6%	130	1,011	881
CMA CGM	3	3	3,153	4,285	35.9%	1,132	12.8%	12.8%	12.8%	0.0%	409	1,704	1,295
Cosco Group	4	4	2,871	3,474	21.0%	603	6.8%	11.6%	10.4%	-1.3%	585	1,710	1,125
Hapag-Lloyd	5	5	1,733	2,427	40.1%	695	7.9%	7.0%	7.2%	0.2%	282	507	225
ONE	6	6	1,528	2,129	39.4%	602	6.8%	6.2%	6.3%	0.2%	251	765	514
Evergreen Marine	7	7	1,447	1,947	34.6%	500	5.7%	5.9%	5.8%	-0.1%	613	892	279
HMM	8	8	815	993	21.9%	178	2.0%	3.3%	3.0%	-0.3%	156	231	75
Yang Ming	9	9	658	747	13.6%	89	1.0%	2.7%	2.2%	-0.4%	23	206	182
Zim	10	10	405	690	70.3%	285	3.2%	1.6%	2.1%	0.4%	311	324	13
Top 10			21,043	28,425	35.1%	7,382	83.5%	85.2%	84.7%	-0.4%	3,852	9,658	5,806
Outside Top 10			3,661	5,118	39.8%	1,458	16.5%	14.8%	15.3%	0.4%	1,817	3,252	1,434
Total market			24,704	33,544	35.8%	8,840					5,669	12,909	7,240

Source: Drewry Maritime Research, Clarksons Research

Containership fleet

Figure 3.23 Evolution of containership sizes (year start)



Source: Drewry Maritime Research, Clarksons Research

Table 3.8 Top 20 ocean carrier-owned fleets, 1 June 2026 (kteu)

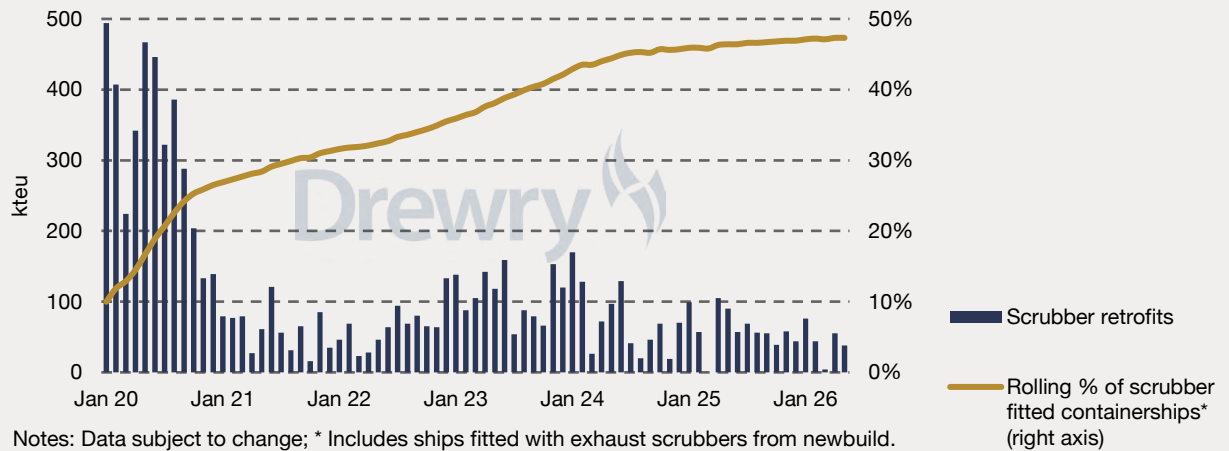
Company	Country	< 4,000 teu	4,000- 7,999 teu	8,000- 9,999 teu	10,000- 17,999 teu	18,000+ teu	Total teu	Avg age (yrs)	Scrapped in last 12 months		On order	
									No.	kteu	No.	kteu
MSC	Switzerland	646	982	842	1,313	284	4,067	18			129	2,292
China COSCO Shipping	China	23	565	296	994	854	2,732	14			84	1,223
Maersk	Denmark	239	543	493	797	592	2,665	16			32	485
CMA CGM	France	278	431	466	1,074	391	2,640	12			77	1,258
Hapag-Lloyd	Germany	23	218	253	542	397	1,433	14			32	348
Evergreen Marine	Taiwan, China	159	145	259	484	311	1,359	10			74	892
ONE	Japan	29	213	234	514	81	1,069	13			52	682
HMM	South Korea	24	96	103	378	287	887	9			35	227
Wan Hai Lines	Taiwan, China	229	176	0	263	0	668	10			42	400
PIL	Singapore	125	109	33	103	0	371	15			20	233
Yang Ming	Taiwan	58	91	67	73	0	289	14			16	206
China Merchants Bank	China	0	0	0	129	114	244	6				
Sea Consortium	Singapore	90	110	0	0	0	200	9			26	123
SITC	China	165	9	0	0	0	174	9			28	51
RCL	Thailand	42	51	0	47	0	141	15			16	108
Zhonggu Shipping	China	53	79	0	0	0	132	8			18	68
Abu Dhabi Ports	U.A.E	96	28	0	0	0	124	18			2	2
T.S. Lines	Taiwan, China	64	59	0	0	0	123	5			17	105
Sinokor Merchant	South Korea	83	5	32	0	0	120	9	1	1	4	52
Zim	Israel	4	26	42	30	0	102	17				
Total		2,429	3,936	3,121	6,742	3,310	19,539		1	1	704	8,753

Notes: Includes all subsidiaries; scrapping data as of 1 June 2026 ; orders based on all known contracts including long-term leases and vessels not yet delivered as of 1 June 2026

Source: Drewry Maritime Research, Clarksons Research

Containership fleet

Figure 3.24 Containership exhaust scrubber retrofits by month



Source: Drewry Maritime Research, Clarksons Research

Table 3.9 Top 20 independent shipowners, 1 June 2026 (kteu)

Company	Country	<4,000 teu	4,000- 7,999 teu	8,000- 9,999 teu	10,000- 17,999 teu	18,000+ teu	Total teu	Avg age (yrs)	Scrapped in last 12 months		On order	
									No.	kteu	No.	kteu
Seaspan Corp.	Canada	33	1,408	49	270	158	1,917	10			59	700
Shoei Kisen Kaisha	Japan	60	341	346	98	8	853	7			0	0
Zodiac Maritime	UK	7	595	19	85	26	732	10			5	30
Eastern Pacific Shpg	Singapore	27	397	115	96	0	634	4			65	439
Costamare Shipping	Greece	23	191	0	163	146	522	16			22	141
Danaos Shipping	Greece	48	96	0	171	162	477	17			27	175
BoCom	China	5	107	241	0	85	437	9			0	0
Global Ship Lease	UK	50	11	0	207	129	397	19			0	0
Reederei C-P Offen	Germany	0	137	0	89	87	314	18			0	0
Nissen Kaiun	Japan	82	143	0	29	44	298	8			6	55
SFL Corporation	Norway	5	114	58	19	63	259	10			5	84
Minsheng Bank	China	0	148	96	0	9	254	9			1	16
Dohle/Hammonia	Germany	61	24	0	102	63	251	17			14	102
Navios Holdings	Greece	15	0	0	193	20	227	13			7	59
CSSC	China	11	136	48	0	0	196	4			0	0
ICBC	China	11	77	48	0	19	155	5			0	0
Doun Kisen	Japan	8	104	0	15	9	135	9			2	18
MPC Container Ships	Norway	119	0	0	11	0	130	16			17	63
Schulte Group	Germany	37	0	0	54	35	126	13			0	0
China Dev Bank (CDB)	China	0	39	49	0	38	126	10			0	0
Total		600	4,068	1,068	1,602	1,101	8,441		0	0	230	1,882

Notes: Includes all subsidiaries; scrapping data as of 1 June 2026.

Source: Drewry Maritime Research, Clarksons Research

Containership fleet

Table 3.10 Recent containership sales for demolition (kteu)

Range (teu)	100-2,000	2,000-3,000	3,000-5,300	5,300+	Total	Avg age	Avg teu	No. of ships scrapped
2022	10	0	0	6	16	25.8	1,444	11
1Q	0	0	0	0	0	n.a	n.a	0
2Q	1	0	0	0	1	21.5	260	2
3Q	0	0	0	0	0	n.a	n.a	0
4Q	10	0	0	6	15	26.8	1,708	9
2023	74	36	33	15	158	27.8	1,903	83
1Q	21	5	5	0	31	28.6	1,622	19
2Q	14	7	17	7	45	28.8	2,270	20
3Q	18	8	11	0	37	26.4	1,770	21
4Q	20	16	0	8	45	27.5	1,938	23
2024	49	12	16	6	83	29.9	1,425	58
1Q	9	7	7	0	23	29.2	1,650	14
2Q	17	2	3	6	28	25.9	1,287	22
3Q	13	0	0	0	13	34.0	1,165	11
4Q	10	2	7	0	18	34.7	1,675	11
2025	6	0	0	0	6	29.8	551	11
1Q	1	0	0	0	1	29.5	483	2
2Q	2	0	0	0	2	27.8	523	5
3Q	1	0	0	0	1	28.5	696	2
4Q	1	0	0	0	1	40.0	543	1
2026*	3	0	4	0	8	30.8	1,932	4
1Q	4	0	4	0	9	31.4	1,742	5
2Q	0	0	3	0	3	25.0	3,300	1

Note: *After five months of 2026

4. Supply-Demand Balance

Supply-demand analysis

A much-anticipated breakthrough in relations between the US and Iran finally materialised on 17 June with the signing of a memorandum of understanding (MoU), offering container shipping markets their first meaningful respite from months of uncertainty. While far from a comprehensive peace settlement, the agreement has nonetheless altered the outlook for liner shipping by reducing – though certainly not eliminating – the geopolitical risks that have weighed heavily on global supply chains since conflict erupted earlier this year.

Under the terms of the MoU, Iran has agreed to permit vessels to transit the Strait of Hormuz toll-free for an initial 60-day period while negotiations continue towards a permanent settlement. For an industry that has spent months contending with disrupted trade lanes, elevated fuel costs and network inefficiencies, even this limited concession is significant.

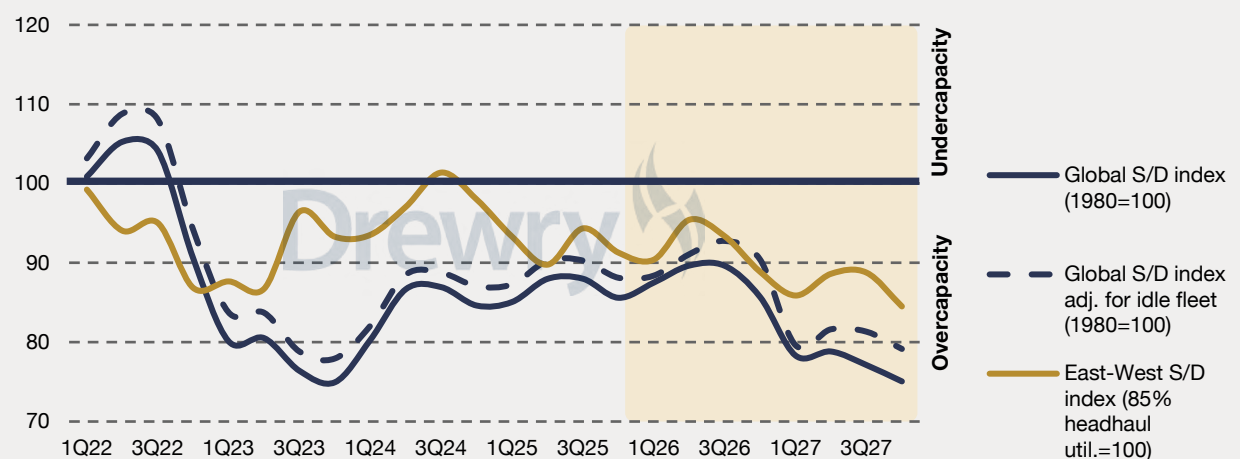
Financial markets had already begun to price in the possibility of a diplomatic breakthrough. In the weeks leading up to the announcement, oil prices fell sharply as expectations grew that tensions would ease. Brent crude is now trading below \$80 per barrel, close to the level seen immediately before hostilities began at the end of February. Lower energy prices provide welcome relief for carriers and cargo owners alike, easing pressure on bunker costs and helping to improve the economics of long-haul liner operations.

US-Iran MoU reduces the geopolitical risk facing the container shipping industry, but does not eliminate it

Addendum

After writing this analysis, the International Maritime Organization (IMO) paused its coordinated evacuation plan for ships trapped in the Arabian / Persian Gulf following a strike on an Evergreen-operated containership *Ever Lovely*. It is not yet clear what implications this has for the US-Iran MoU. Drewry's initial reaction is that negotiations will continue, but that more bumps in the road are likely.

Figure 4.1 Global and East-West supply-demand indices forecasts by quarter (base-case)



Source: Drewry Maritime Research

Supply-demand analysis

However, the reopening of Hormuz will not translate into an immediate return to business as usual. Extensive mine-clearing operations remain necessary before shipping can safely resume at pre-war levels. As a result, traffic through the strait is expected to recover only gradually. Nevertheless, the agreement creates an important near-term benefit by allowing vessels that have effectively been stranded inside the Gulf for months to depart and re-enter wider trading networks, thereby restoring capacity to other routes.

The reopening of Hormuz will not translate into an immediate return to business as usual. Extensive mine-clearing operations remain necessary

Table 4.1 Forecast Global supply-demand balance (base case short-war scenario)

							Global supply/		
	Effective capacity*	Net cargo	Supply-	Moves per	Global supply/	demand			
		Change slot moves	Change demand gap	effective slot	demand index	index (adj. for idle fleet)			
	kteu	YoY %	kteu	YoY %	% points	[1980=100]	[1980=100]		
2023	25,468	28.4%	322,342	0.2%	28.2	12.66	77.9	80.8	
2024	25,184	-1.1%	346,446	7.5%	-8.6	13.76	84.6	86.6	
2025	26,127	3.7%	368,066	6.2%	-2.5	14.09	86.7	89.0	
2026	26,394	1.0%	377,980	2.7%	-1.7	14.32	88.1	90.7	
2027	31,397	19.0%	394,440	4.4%	14.6	12.56	77.3	80.5	
2028	35,579	13.3%	403,601	2.3%	11.0	11.34	69.8	73.4	
2029	38,455	8.1%	415,190	2.9%	5.2	10.80	66.4	70.6	
2030	39,443	2.6%	425,628	2.5%	0.1	10.79	66.4	71.3	
2023	1Q	5,766	20.9%	75,094	-3.9%	24.7	13.02	80.1	83.8
	2Q	6,245	30.7%	81,733	0.1%	30.6	13.09	80.5	83.7
	3Q	6,713	38.0%	83,349	1.4%	36.6	12.42	76.4	78.8
	4Q	6,744	24.5%	82,166	3.2%	21.3	12.18	74.9	78.0
2024	1Q	6,288	9.1%	82,072	9.3%	-0.2	13.05	80.3	82.1
	2Q	6,195	-0.8%	87,287	6.8%	-7.6	14.09	86.7	88.5
	3Q	6,339	-5.6%	89,581	7.5%	-13.0	14.13	86.9	88.7
	4Q	6,362	-5.7%	87,506	6.5%	-12.2	13.76	84.6	87.1
2025	1Q	6,359	1.1%	87,932	7.1%	-6.0	13.83	85.1	87.3
	2Q	6,479	4.6%	92,661	6.2%	-1.6	14.30	88.0	90.3
	3Q	6,591	4.0%	94,281	5.2%	-1.3	14.30	88.0	90.3
	4Q	6,698	5.3%	93,193	6.5%	-1.2	13.91	85.6	88.1
2026	1Q	6,396	0.6%	90,980	3.5%	-2.9	14.23	87.5	88.4
	2Q	6,468	-0.2%	94,266	1.7%	-1.9	14.57	89.6	91.1
	3Q	6,665	1.1%	97,109	3.0%	-1.9	14.57	89.6	92.8
	4Q	6,865	2.5%	95,625	2.6%	-0.1	13.93	85.7	90.4
2027	1Q	7,448	16.5%	94,814	4.2%	12.2	12.73	78.3	79.6
	2Q	7,736	19.6%	99,132	5.2%	14.4	12.81	78.8	81.6
	3Q	8,030	20.5%	100,666	3.7%	16.8	12.54	77.1	81.3
	4Q	8,182	19.2%	99,828	4.4%	14.8	12.20	75.1	79.2

Note: * After adjustments for market factors, i.e. box supply, differential vessel productivity, deadweight/slot ratio, vessel routing factors, vessel design, operating speed, trade distance, high-cube slot-loss and port productivity

Source: Drewry Maritime Research

Supply-demand analysis

Table 4.2 Forecast development East-West headhaul supply-demand balance

		Capacity	Change	Demand	Change	Supply-demand gap	Aggregate utilisation	East-West supply-demand index
		kteu	YoY %	kteu	YoY %	% points		85% util. = 100
2023		51,628	0.8%	39,971	0.0%	0.7	77.4%	91.1
2024		53,764	4.1%	44,595	11.6%	-7.4	82.9%	97.6
2025		57,793	7.5%	45,283	1.5%	6.0	78.4%	92.2
2026		61,691	6.7%	48,248	6.5%	0.2	78.2%	92.0
2027		65,815	6.7%	48,640	0.8%	5.9	73.9%	86.9
2028		71,036	7.9%	49,531	1.8%	6.1	69.7%	82.0
2029		76,290	7.4%	50,661	2.3%	5.1	66.4%	78.1
2030		79,370	4.0%	51,762	2.2%	1.9	65.2%	76.7
2023	1Q	11,906	-5.7%	8,872	-15.1%	9.3	74.5%	87.7
	2Q	13,528	0.9%	9,974	-4.4%	5.3	73.7%	86.7
	3Q	13,187	2.7%	10,812	6.6%	-4.0	82.0%	96.5
	4Q	13,006	5.4%	10,313	15.5%	-10.1	79.3%	93.3
2024	1Q	12,679	6.5%	10,081	13.6%	-7.1	79.5%	93.5
	2Q	13,424	-0.8%	11,076	11.1%	-11.8	82.5%	97.1
	3Q	13,800	4.6%	11,893	10.0%	-5.4	86.2%	101.4
	4Q	13,860	6.6%	11,545	11.9%	-5.4	83.3%	98.0
2025	1Q	13,645	7.6%	10,822	7.4%	0.3	79.3%	93.3
	2Q	14,442	7.6%	11,021	-0.5%	8.1	76.3%	89.8
	3Q	14,905	8.0%	11,954	0.5%	7.5	80.2%	94.4
	4Q	14,801	6.8%	11,486	-0.5%	7.3	77.6%	91.3
2026	1Q	14,659	7.4%	11,265	4.1%	3.3	76.8%	90.4
	2Q	15,192	5.2%	12,324	11.8%	-6.6	81.1%	95.4
	3Q	15,919	6.8%	12,632	5.7%	1.1	79.4%	93.4
	4Q	15,922	7.6%	12,028	4.7%	2.9	75.5%	88.9
2027	1Q	15,864	8.2%	11,581	2.8%	5.4	73.0%	85.9
	2Q	16,222	6.8%	12,221	-0.8%	7.6	75.3%	88.6
	3Q	16,774	5.4%	12,658	0.2%	5.2	75.5%	88.8
	4Q	16,954	6.5%	12,179	1.3%	5.2	71.8%	84.5

Note: Supply and demand inputs consists of Transpacific eastbound, Asia-North Europe westbound, Transatlantic westbound and Asia-Mediterranean westbound legs. Capacity is adjusted by deadweight and high-cube constraints, wayport calls and out-of-scope cargo. Demand excludes military and wayport cargo.

Source: Drewry Maritime Research

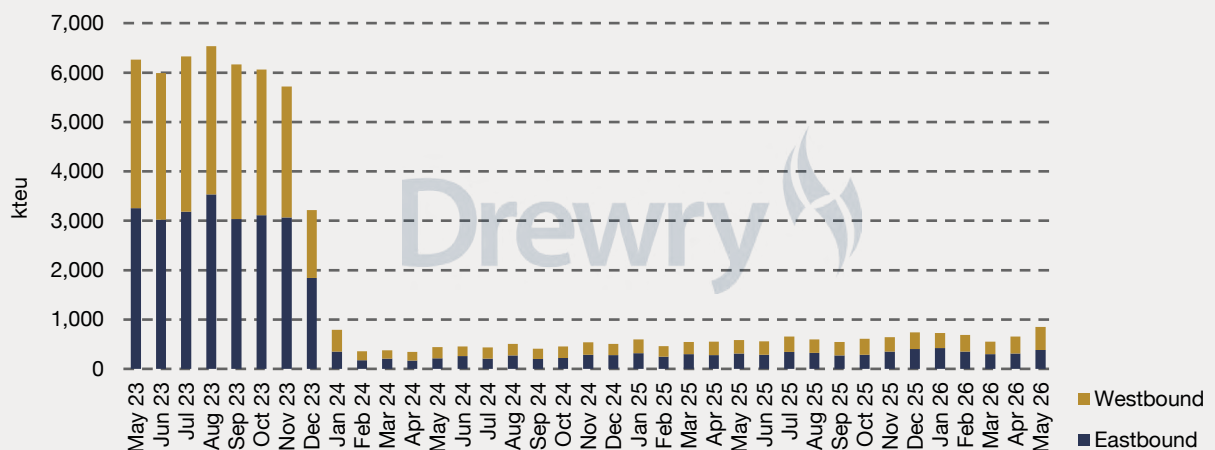
Supply-demand analysis

AIS ship tracking data indicates that containerships are moving out. Since the MoU was signed on 17 June, Drewry's satellite data tracked a total of 31 box ships exiting the Persian / Arabian Gulf over the course of eight days (see Figure 4.4).

The same data recorded 67 containerships with transmissions in the Gulf on 24 June. The true number of units still trapped in the area is likely higher, but finding it has been made virtually impossible by ships turning off transmissions for legitimate safety reasons, and also by an unprecedented surge in spoofing.

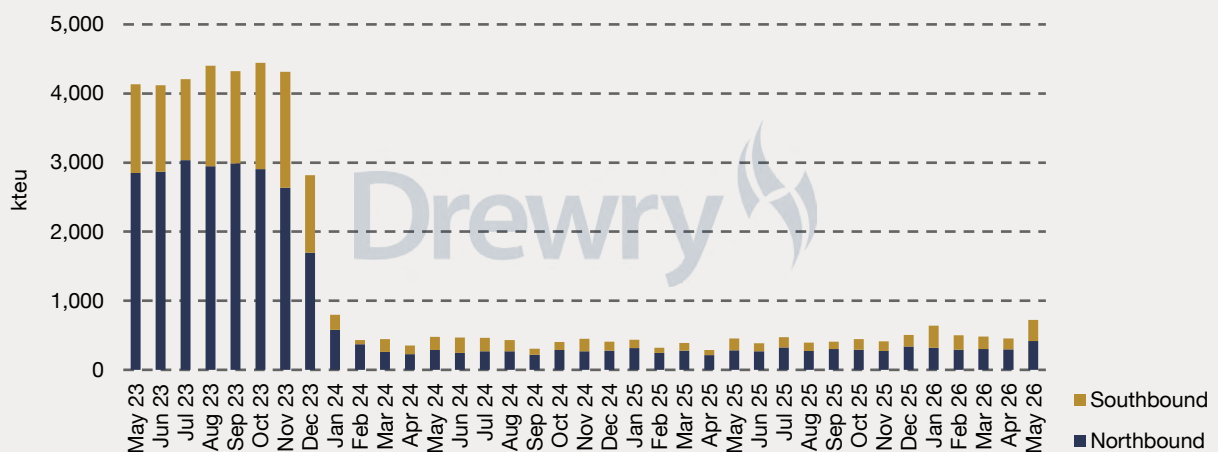
This is when a ship randomly appears in another location. It is usually easy to identify these events as to appear in the new position from its last would have required impossible hyper-speed. However, spoofing technology appears to have upgraded as they can now also present a normal looking track of points from that spoofed location.

Figure 4.2 Containerships transits of the Bab al-Mandab Strait, nominal teu capacity



Source: Drewry Maritime Research

Figure 4.3 Containerships transits of Suez Canal, nominal teu capacity



Source: Drewry Maritime Research

Supply-demand analysis

Drewry expects carriers to proceed cautiously. Given the fragile nature of the agreement and the operational complexities involved in reinstating suspended services, operators are unlikely to rush back into the Gulf market. Instead, they are expected to reintroduce direct calls incrementally, adding capacity in stages while monitoring political developments and security conditions. Should negotiations continue positively and a final agreement be concluded within the next two months, carriers would then be in a position to accelerate the restoration of services.

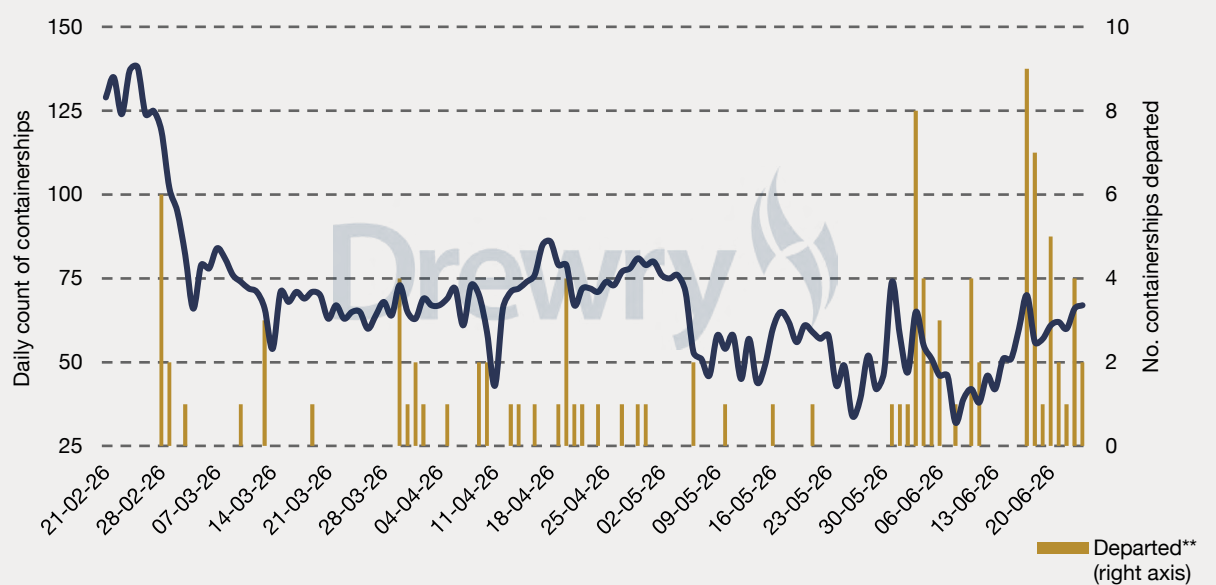
Consequently, Drewry's base case assumption is that conditions in Hormuz will normalise during August. Provided negotiations remain on track, this would also restart the timeline for a broader recovery in transits through the Suez Canal. Drewry anticipates that container services will increasingly return to Suez in the coming months, but that the process will be measured rather than abrupt. A full restoration of traffic patterns is expected to take around 12 months as carriers rebalance networks, reposition equipment and rebuild customer confidence in the route.

There is, however, no escaping the fact that the MoU represents only a tentative first step towards a durable peace. Media coverage of the agreement has been dominated by references to its "fragility", and with good reason. There remain numerous potential obstacles to a lasting settlement. Political volatility persists on both sides, while Israel may resist aspects of any broader rapprochement between Washington and Tehran. Indeed, early signs of how easily the situation could deteriorate have already emerged. Following Israeli attacks in southern Lebanon, Iran briefly announced that Hormuz had been closed once again, illustrating how quickly progress can be undermined.

Carriers are expected to reintroduce direct Gulf calls incrementally, adding capacity in stages while monitoring political developments and security conditions

A breakthrough with Hormuz restarts the timeline for a broader recovery in transits through the Suez Canal

Figure 4.4 Containership AIS transmissions in Persian / Arabian Gulf



Notes: * A vessel has to have been seen that day to count in the list. Covers 21 Feb 2026 onwards;
 ** Vessels that were present in the Persian /Arabian Gulf but have since appeared in another ocean. Covers 28 Feb 2026 onwards.

Source: Drewry AIS

Supply-demand analysis

Despite these risks, Drewry has elected to adopt a constructive stance and regard a successful conclusion to negotiations as its central scenario. The rationale remains largely unchanged from previous assessments: a lasting settlement appears to align with the strategic and economic interests of both parties. The US has an incentive to stabilise energy markets and avoid another prolonged Middle Eastern conflict, while Iran stands to gain economically from the normalisation of trade and shipping flows.

Nonetheless, prudence demands consideration of an alternative outcome. Drewry therefore retains a downside scenario in which negotiations ultimately collapse, leading to continued disruption in Hormuz and a sustained period of elevated oil prices extending through February 2027. Such an outcome would prolong uncertainty across container markets, keep fuel costs high and delay any meaningful improvement in network efficiency.

So far, market behaviour suggests participants expect the path back to normality to be gradual. Drewry's World Container Index (WCI), which tracks weekly spot freight rates across eight major East-West trades, has actually risen since the MoU was signed. Over the two weeks following the announcement, the index increased by approximately \$600 per forty-foot container, reaching \$4,166 per forty-foot equivalent unit on 25 June, its highest level since September 2024.

Table 4.3 Summary of selected major East-West services

	Number of weekly services	No. of weekly services	Average vessel size per weekly string (teu)		No. of vessels 8,000-9,999 teu	No. of vessels 10,000+ teu	% Change in average vessel size
	2Q25	2Q26	2Q25	2Q26	2Q26	2Q26	2Q25/2Q26
Asia/Europe headhaul							
Asia/North Europe	19	22	17,426	16,797	21	267	-3.6%
Asia/Mediterranean (direct)	17	22	13,831	13,119	18	202	-5.1%
Total	36	44	15,811	15,030	39	469	-4.9%
Transpacific headhaul							
Asia/ECNA-Panama	11	13	11,706	10,520	40	83	-10.1%
Asia/ECNA-Cape of Good Hope	9	10	9,950	11,414	56	75	14.7%
Asia/WCNA	45	54	9,178	8,608	78	189	-6.2%
Asia/WCNA and ECNA	1	0	13,693				-100.0%
Total	66	77	10,099	9,515	174	347	-5.8%
Transatlantic headhaul							
Eur/Montreal (Canada)	5	5	3,639	3,614			-0.7%
Eur/N Atlantic	14	10	4,966	5,556	9	4	11.9%
Eur/S Atl, US Gulf, Mex	3	3	4,909	5,436			10.7%
Eur/WCNA	1	1	4,976	2,959			-40.5%
Total	22	19	4,762	4,974	9	4	4.5%
Grand Total	122	137	11,800	11,220	221	761	-4.9%

Note: Totals excludes double counting of multi-trade and pendulum services

Source: Drewry Maritime Research

Supply-demand analysis

This apparent contradiction reflects the influence of factors beyond geopolitics alone. In recent months, many shippers accelerated cargo movements in anticipation of possible future disruption and higher transportation costs. Such front-loading behaviour has generated a temporary surge in demand, tightening capacity availability and supporting spot rates. Even if geopolitical conditions improve, it will take time for these inventory adjustments to work their way through supply chains and for demand patterns to return to more normal levels.

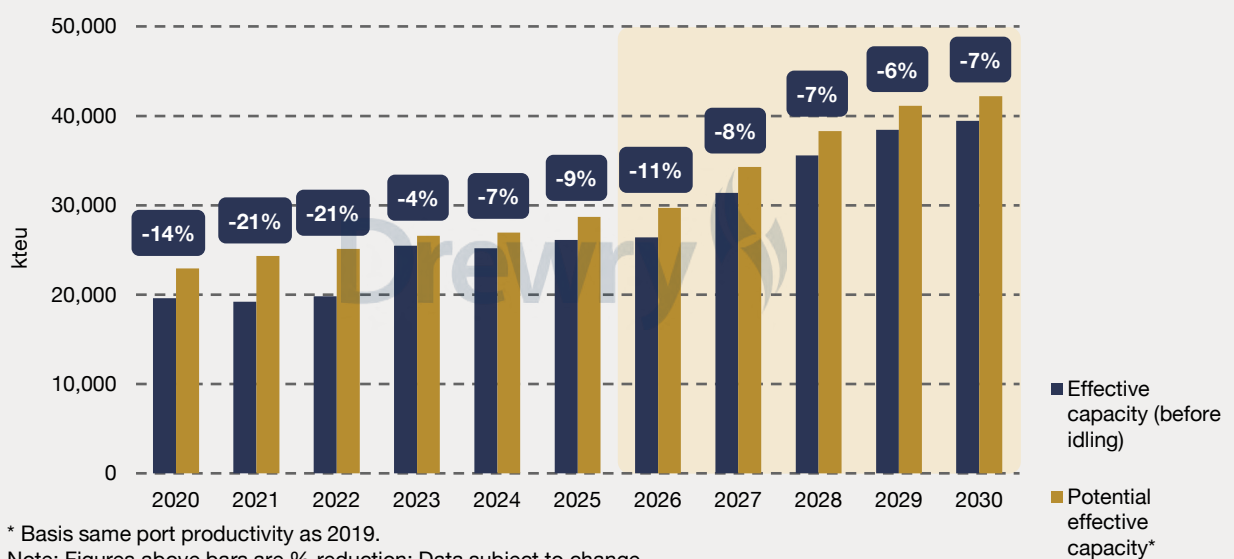
Looking further ahead, Drewry believes that several forces will combine to place downward pressure on freight rates. Lower bunker prices, improving schedule reliability and reduced network disruption should all help to moderate carrier costs and enhance effective vessel supply. At the same time, some of the extraordinary demand drivers that have underpinned freight markets in recent years are beginning to weaken. Assuming peace negotiations continue to advance, container freight rates are therefore expected to begin easing in the coming months.

The prospect of a more stable operating environment has prompted Drewry to revise its outlook for the global container shipping balance. Drewry's supply-demand index, where a reading of 100 indicates equilibrium and values below 100 imply overcapacity, is now projected to average 88.1 in 2026, compared with a previous forecast of 86.5 issued in March.

Two factors underpin this upgrade. First, the demand outlook has improved modestly, with global container throughput now expected to increase by 3.0% this year. Second, Drewry has become more pessimistic regarding port productivity, anticipating that operational inefficiencies will persist for longer than previously assumed. Together, these developments more than offset the gradual release of latent vessel capacity associated with a phased return to Suez transits.

A more stable operating environment, combined with improved demand outlook and worsening port productivity triggers an upgrade to Drewry's supply-demand index for 2026

Figure 4.5 Estimated impact of lower port productivity on effective capacity



Source: Drewry Maritime Research

Supply-demand analysis

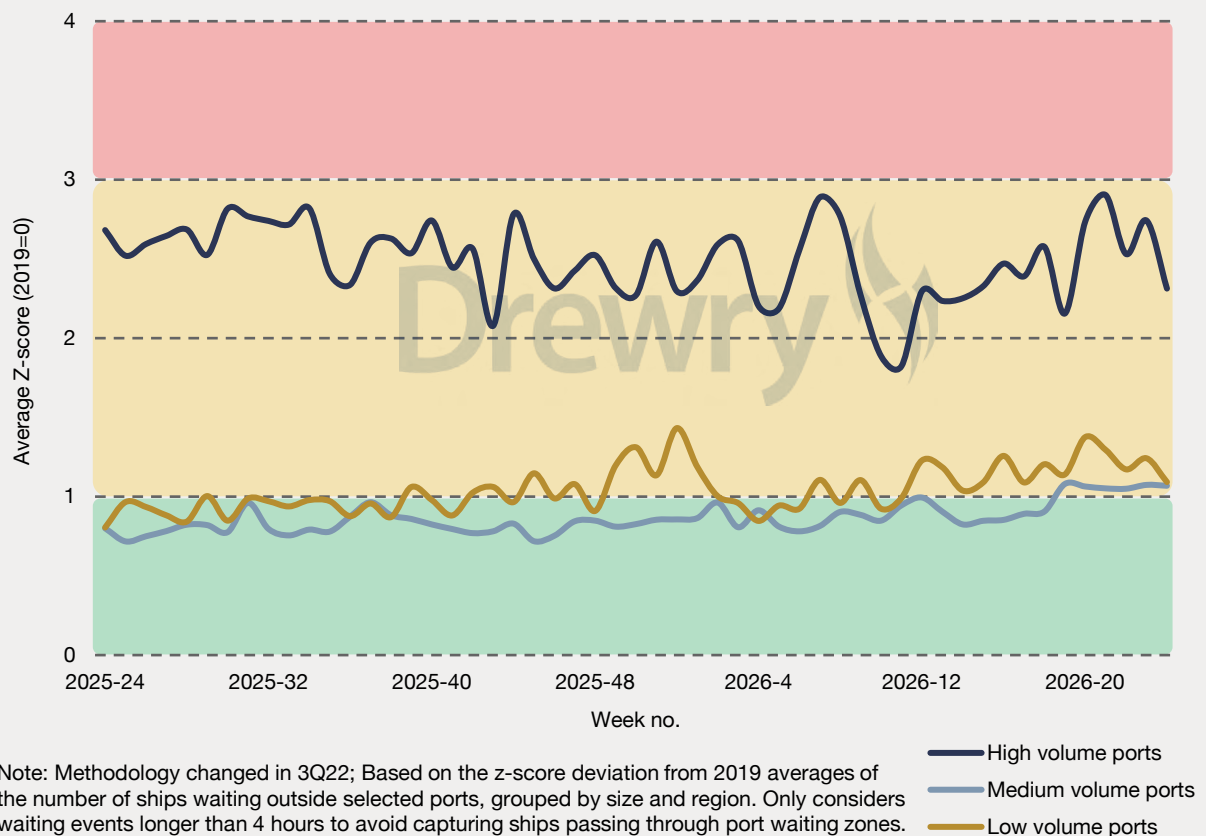
At the height of the Red Sea crisis, diversions around the Cape of Good Hope were estimated to have reduced effective global container capacity by approximately 9%. That artificial tightening is now expected to diminish steadily as services migrate back to Suez, disappearing entirely by July 2027.

Yet the very developments that provide near-term support for market fundamentals also sow the seeds of a much more challenging environment further ahead. As Suez transits normalise and carriers regain access to shorter voyage distances, effective supply will rise sharply. Combined with an expected 8.1% expansion of the global containership fleet in 2027, this will exert substantial downward pressure on market balance.

Drewry forecasts that the global supply-demand index will decline by 10.7 percentage points in 2027, making it the third-largest annual deterioration recorded since the series began in 1980. Beyond 2027, the outlook becomes even more concerning, with the index projected to remain below 70 for much of the period between 2028 and 2030 – levels associated with severe and prolonged overcapacity.

Market balance will face significant downward pressure from 2027 onwards

Figure 4.6 Drewry Port Congestion Z-score Indicator (number of ships waiting)



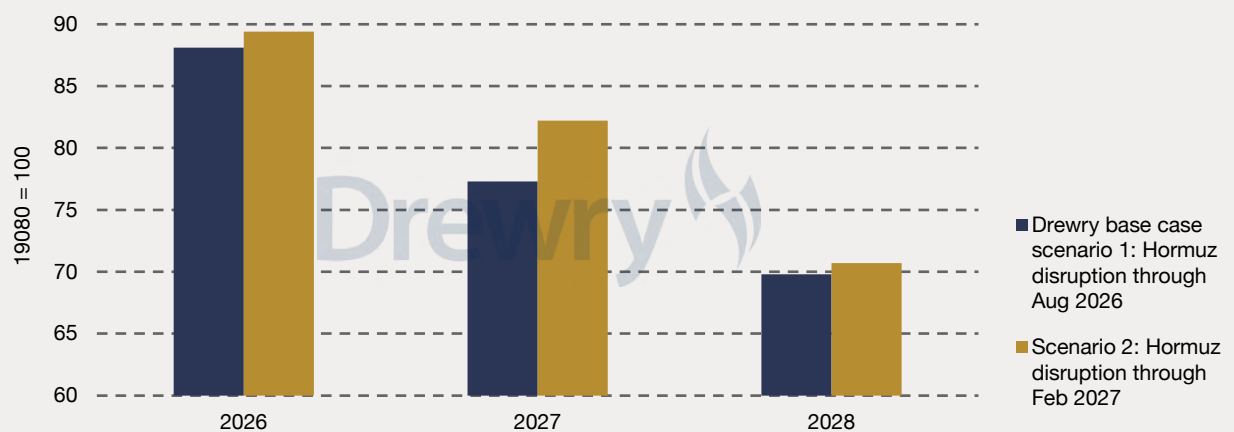
Source: Drewry Maritime Research

Supply-demand analysis

Importantly, these projections already assume that ports continue to operate below 2019 productivity standards throughout the forecast horizon and that carriers progressively reduce vessel speeds year after year in pursuit of fuel savings and emissions targets. In other words, the industry's existing coping mechanisms are already embedded within the forecast and still prove insufficient to prevent a significant deterioration in market fundamentals.

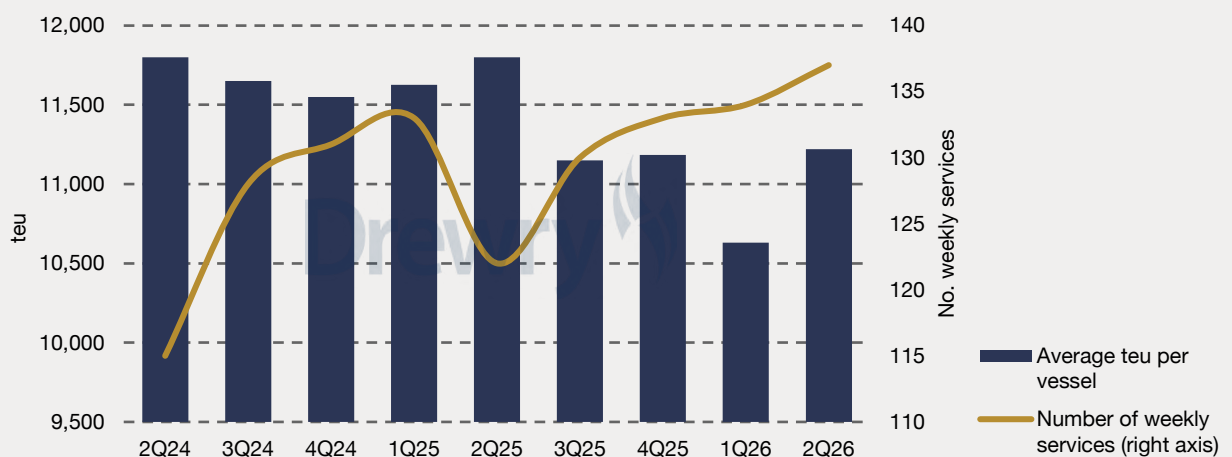
The message for carriers and shipowners is therefore clear. While the prospect of peace in the Gulf offers welcome short-term relief, it should not distract from the structural challenge looming over the industry. Unless supply growth is brought under tighter control, the container sector risks entering another prolonged period of depressed earnings and destructive competition. Operators still have an opportunity to mitigate that outcome by exercising greater discipline in newbuilding orders and accelerating the demolition of older, less efficient tonnage. The warning signs are already visible; the question is whether the industry will act before overcapacity once again becomes unmanageable.

Figure 4.7 Drewry's Global supply-demand index under different scenarios



Source: Drewry Maritime Research

Figure 4.8 Average size of vessels in main East-West trades



Source: Drewry Maritime Research

Supply-demand analysis

Table 4.4 Development of East-West trade profiles

	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Average nominal teu per trade											
Asia-N Europe	18,839	17,334	18,080	17,510	17,674	18,367	17,426	16,954	16,467	15,924	16,797
Asia-Med	13,523	12,656	13,285	13,699	13,968	12,997	13,831	13,095	13,082	12,560	13,119
Asia-WCNA	9,271	9,172	9,204	9,333	9,009	9,712	9,178	8,672	8,698	8,071	8,608
Asia/ECNA-Suez/Cape of Good Hope*	11,227	10,928	9,912	10,503	10,203	10,308	9,950	9,375	10,413	9,557	11,414
Asia-ECNA (Panama)	10,831	10,297	10,702	10,704	11,000	11,065	11,706	11,135	10,900	10,063	10,520
Asia-WCNA and ECNA	14,456	14,114	14,114	13,738	12,946	13,757	13,693	13,525	13,461	13,230	
N Europe- N Atlantic	5,128	4,853	4,853	4,330	4,452	4,720	4,966	4,518	4,677	4,825	5,556
N Europe-Gulf/Mex	5,254	5,129	5,179	5,077	4,809	4,689	4,909	5,126	5,641	5,319	5,436
N Europe-Montreal	4,213	4,213	4,213	4,053	3,662	3,753	3,639	3,105	3,128	3,281	3,614
N Europe-WCNA	4,911	4,909	4,909	4,907	4,907	4,948	4,976	4,455	3,292	4,228	2,959
All main East-West	11,872	11,456	11,800	11,650	11,548	11,627	11,800	11,150	11,184	10,631	11,220
No. of weekly services											
Asia-N Europe	18	18	17	18	18	18	19	20	21	21	22
Asia-Med	14	15	15	15	16	20	17	17	18	18	22
Asia-WCNA	44	46	43	57	57	53	45	52	53	55	54
Asia/ECNA-Suez/Cape of Good Hope*	5	8	8	8	10	12	9	10	10	8	10
Asia-ECNA (Panama)	17	14	15	12	11	10	11	11	12	13	13
Asia-WCNA and ECNA	1	1	1	1	1	1	1	1	1	1	0
N Europe- N Atlantic	10	9	9	9	9	14	14	12	12	11	10
N Europe-Gulf/Mex	5	5	5	5	5	3	3	4	3	3	3
N Europe-Montreal	3	3	3	4	5	5	5	5	5	5	5
N Europe-WCNA	1	1	1	1	1	1	1	1	1	1	1
All main East-West	117	118	115	128	131	133	122	130	133	134	137
Number of large ships deployed per trade lane (10,000+ teu)											
Asia-N Europe	179	182	208	220	215	234	255	258	262	249	267
Asia-Med	98	117	134	144	151	165	180	181	176	172	202
Asia-WCNA	132	138	143	187	163	194	140	165	181	182	189
Asia/ECNA-Suez/Cape of Good Hope*	30	44	28	40	45	56	43	35	59	33	75
Asia-ECNA (Panama)	101	66	87	71	66	63	72	79	80	79	83
Asia-WCNA and ECNA	21	21	21	21	19	20	20	20	20	20	0
N Europe- N Atlantic	4	2	2	1	2	3	4	4	4	3	4
N Europe-Gulf/Mex											
N Europe-Montreal											
All main East-West	586	591	644	644	641	677	673	703	743	721	761

Note: Totals excludes double counting of multi-trade and pendulum services, * since 1Q24 data is consider from Cape of Good Hope

Source: Drewry Maritime Research

Supply-demand analysis

Table 4.5 Missed sailings on East-West trades

Trade / Alliance	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	YTD 2026
Asia-N Europe							
Gemini Cooperation	-	2	-	-	-	-	2
MSC	-	3	1	-	1	-	5
Ocean Alliance	3	6	4	4	4	5	27
Premier Alliance	3	5	2	2	2	2	17
Others/Independent	-	-	-	-	-	-	-
Total	6	17	8	6	8	8	52
Estimated % of headhaul operational capacity deducted	-6.5%	-20.9%	-7.6%	-7.1%	-9.6%	-9.3%	
Asia-Med							
Gemini Cooperation	-	2	-	-	-	-	2
MSC	-	1	-	-	-	1	2
Ocean Alliance	3	5	4	1	6	-	20
Premier Alliance	-	3	1	-	2	-	6
Others/Independent	3	5	4	3	4	8	29
Total	6	17	10	4	13	9	59
Estimated % of headhaul operational capacity deducted	-7.8%	-23.5%	-12.4%	-4.9%	-16.4%	-6.9%	
Asia-WCNA							
Gemini Cooperation	-	4	-	-	-	-	4
MSC	3	5	2	-	-	-	11
Ocean Alliance	9	18	5	8	10	3	53
Premier Alliance	2	12	3	6	4	2	29
Others/Independent	8	23	13	10	11	11	76
Total	22	63	24	24	25	16	174
Estimated % of headhaul operational capacity deducted	-10.9%	-30.1%	-8.9%	-10.9%	-13.2%	-7.7%	
Asia-ECNA							
Gemini Cooperation	-	3	1	-	1	-	5
MSC	3	3	-	2	3	2	13
Ocean Alliance	3	13	6	4	6	6	40
Premier Alliance	2	8	1	7	-	-	17
Others/Independent	-	1	-	2	-	-	3
Total	8	28	9	15	11	9	79
Estimated % of headhaul operational capacity deducted	-6.8%	-29.4%	-10.1%	-15.0%	-11.7%	-9.6%	
Grand Total	42	126	50	49	56	41	364

Source: Drewry Maritime Research

Supply-demand analysis

Table 4.6 Summary of idle fleet below and above 5,000 teu (kteu)

	Apr 26	May 26	Jul 26
Below 5,000 teu	360	298	326
Above 5,000 teu	855	561	665
Nominal teu (total)	1,215	859	992
Share of Global Fleet	3.7%	2.6%	3.0%
Liner Operators	55.4%	55.4%	62.2%
Independent Owners	44.6%	44.6%	37.8%

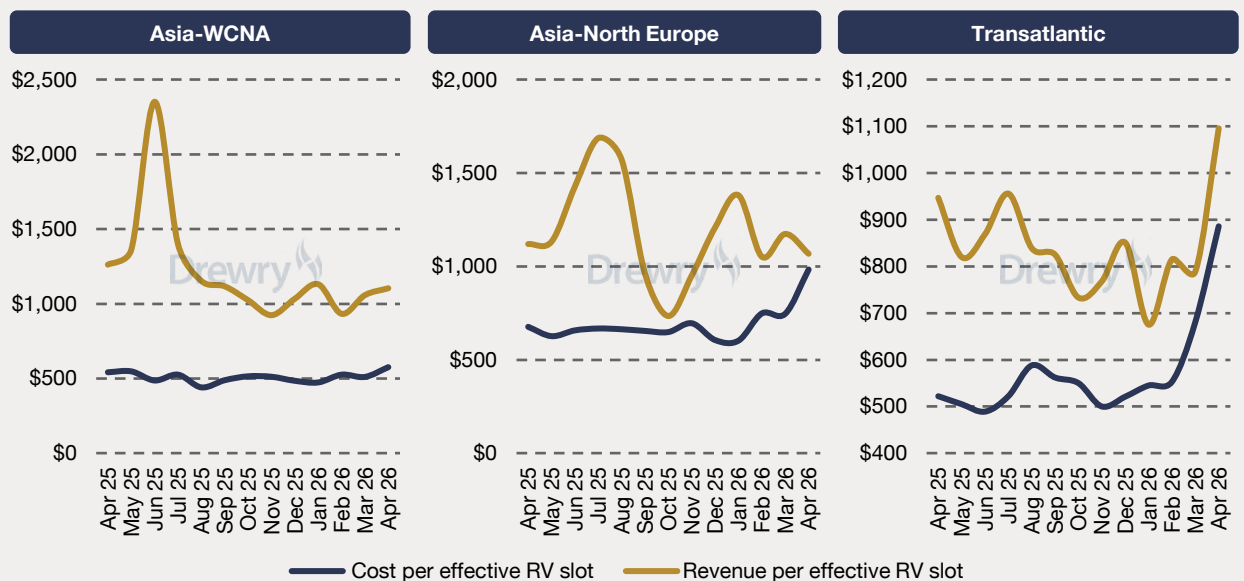
Source: Drewry Maritime Research, Drewry AIS

Table 4.7 Estimated global idle fleet, 1 June 2026

Vessel (nominal teu)	Ownership (teu basis)			
	Vessels	kteu	Operators	Independent
<1,000	57	29	57.4%	42.6%
1,000-2,000	45	63	60.4%	39.6%
2,000-3,000	32	80	74.7%	25.3%
3,000-5,000	37	155	74.7%	25.3%
5,000-8,000	32	200	61.2%	38.8%
8,000-10,000	17	150	82.3%	17.7%
10,000-12,000	5	53	39.4%	60.6%
12,000+	16	261	45.5%	54.5%
Total	241	992	62.2%	37.8%

Source: Drewry Maritime Research, Drewry AIS

Figure 4.9 Representative round voyage cost and revenue per slot on selected East-West container trades (\$ per teu)



Notes: Round voyage costs are based on a representative service using carrier-owned ships operating at prevailing average trade vessel utilisation for the month, alongside estimated vessel, port, fuel and canal transit costs; revenue is derived from Drewry's World Container Index; Data is subject to change.

Source: Drewry Maritime Research, Drewry AIS

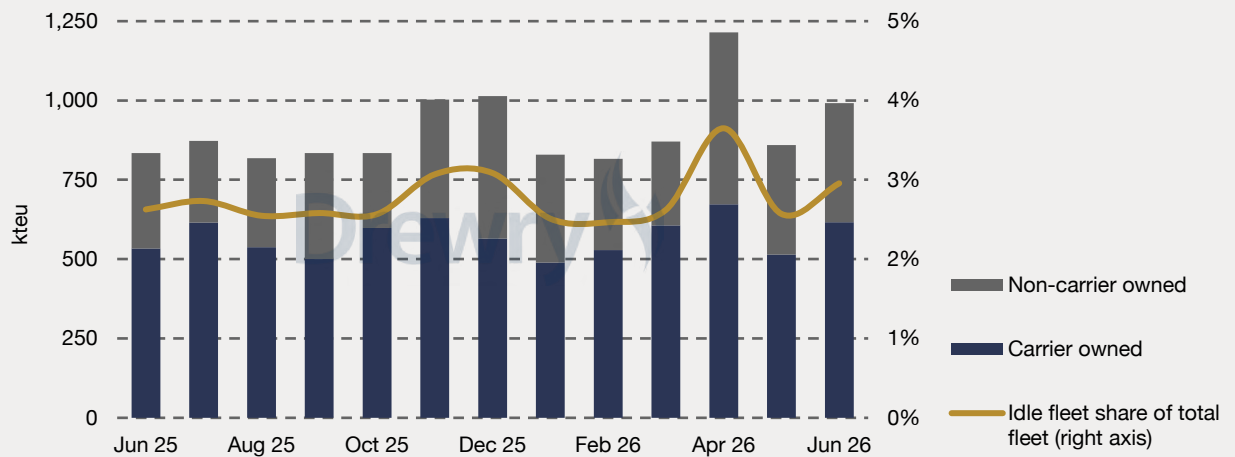
Supply-demand analysis

Table 4.8 Deployment of reactivated ships, Mar 26 to Jun 26

	Intra-regional trade	E-W core trade	E-W secondary trade	N-S trade
3,000-4,999 teu	5	5	4	7
5,000-7,999 teu	1	6	4	3
8,000-9,999 teu		8	6	1
10,000-11,999 teu			4	1
12,000+ teu		8	3	1
Total	6	27	21	13

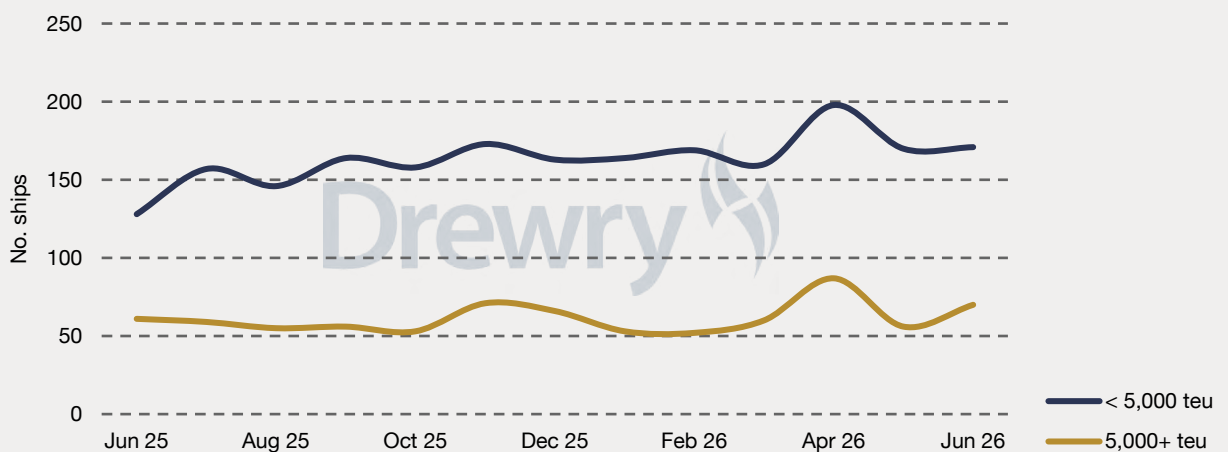
Source: Drewry Maritime Research

Figure 4.10 Idle capacity



Source: Drewry Maritime Research, Drewry AIS

Figure 4.11 Number of idled ships above and below 5,000 teu



Source: Drewry Maritime Research, Drewry AIS

5. Trade Route Analysis

Transpacific

The Asia-North America container trade, commonly referred to as the Transpacific trade, remains the largest inter-regional container shipping trade in the world. The Transpacific eastbound trade saw its fourth consecutive quarterly YoY contraction in the first quarter of 2026, with volume down 3.6%. The trade had posted a 4.2% annual decline in 2025, sharply reversing the 14.8% growth of 2024, underscoring the significant volatility over the last few years (2023: -4.1%)

However, unlike in 2025, Drewry predicts a revival in demand over the next three quarters, resulting in a 7.3% increase for 2026; and trade volume reaching a high of 24.4 mteu. A particularly robust second quarter is in the cards, as the peak season appears to be starting earlier, likely driven by cargo front-loading amid uncertainties surrounding tariff deadlines and anticipated cost increases. Preliminary April data already show almost 11% YoY growth. Drewry expects growth to moderate to 2.7% in 2027, followed by annual growth rates of between 1.8% and 2.5% through 2030.

At the destination level in 1Q26, the US and Canada saw YoY declines: the US (-3.2%), Canada (-9.9%). Notably, while this is the smallest drop for the US since 2Q25, it is the largest contraction for Canada in the same period, suggesting the trade may be moving in different directions for the two countries. Meanwhile, Mexico reported nominal 0.6% YoY growth, ending a streak of four consecutive negative quarters.

The US holds the lion's share (80%) of the Transpacific eastbound trade. In 1Q26, the US West Coast ports (USWC), which handled 55% of total US imports from Asia, saw a 4.4% YoY decrease in trade volume, its smallest contraction over the previous three quarters. For the same period, inbound container traffic to US East Coast ports (USEC) was down 2% while US Gulf ports (USG) volume was effectively flat at -0.1% YoY. These trends highlight the differing regional impacts of the trade contraction.

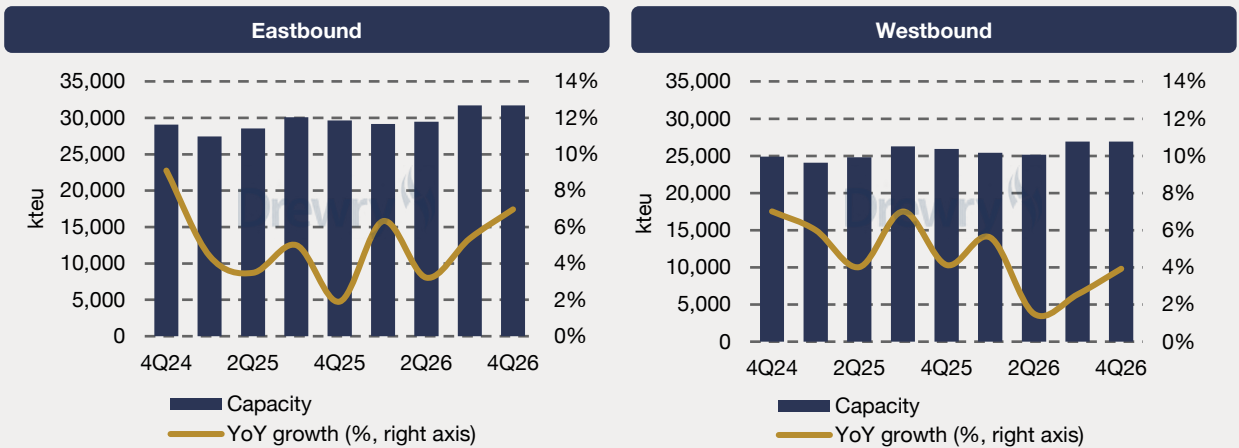
The Transpacific remains the largest deep-sea container shipping trade in the world. The eastbound trade contracted YoY for the fourth quarter running in 1Q26, down 3.6%

Unlike 2025, Drewry predicts a revival in demand over the next three quarters, resulting in a 7.3% increase for 2026. April data already show almost 11% YoY growth

Asian exports to the US and Canada recorded YoY declines in 1Q26, while Mexico saw nominal 0.6% growth

Transpacific eastbound YoY volume to USWC, USEC and USGC shrinks in 1Q26, USWC most affected, down 4.4%

Figure 5.1 Annualised Transpacific effective capacity



Source: Drewry Maritime Research

Transpacific

Looking at trade performance from the origin perspective, exports from the Greater China sub-region to the US plunged nearly 13% YoY in 1Q26 (lower than the average 15% annual decline in 2025). Exports from the Southeast Asia subregion, on the other hand, were up almost 15% YoY, while those from the East Asia subregion slipped by almost 5% over the same period.

There are also notable changes in the trade share from origin regions. Greater China-origin imports into the US tumbled from almost 56% to about 50%, while Southeast Asia-origin traffic jumped from 32% to above 37%. Share of exports from East Asia remained at around 12.5%.

While the Greater China region's share of trade has eroded considerably (it used to be above 60%), it still commands about half of eastbound trade. US importers continue to diversify their sourcing to offset tariffs and reduce exposure to China while maintaining the benefits of Asian sourcing. However, this shift did not offset the decline in Chinese exports, thereby reducing trade flows between Asia and the US.

Freight rates on the Transpacific Eastbound trade (Asia exports to North America) have risen sharply since late April as US importers replenished inventories and vessel capacity has tightened. Anecdotal feedback from shippers suggests that space on US-bound routes was scarce, with most capacity already booked through June in mid-April.

Greater China-origin and East Asia box exports to the US plunged 13% and 5% in 1Q26, while Southeast Asia origin box exports surged 15% YoY

Greater China's share of the Transpacific Eastbound trade falls sharply from 56% to 50% in 1Q26, while Southeast Asia's share rose from 32% to above 37%

US importers continue to diversify their sourcing to offset tariffs and reduce exposure to China while maintaining the benefits of Asian sourcing

US-bound rates surge sharply in the second quarter

Table 5.1 Transpacific – forecast cargo volumes

		Eastbound	Growth	E/W	Westbound	Growth
		<i>kteu</i>	<i>YoY</i>	<i>Ratio</i>	<i>kteu</i>	<i>YoY</i>
2024		23,681	14.8%	3.68	6,429	1.7%
2025		22,729	-4.0%	3.69	6,156	-4.2%
2026		24,388	7.3%	3.55	6,863	11.5%
2027		24,941	2.3%	3.55	7,025	2.4%
2028		25,388	1.8%	3.55	7,146	1.7%
2029		26,031	2.5%	3.55	7,327	2.5%
2030		26,684	2.5%	3.55	7,511	2.5%
2024	1Q	5,300	20.2%	3.16	1,678	6.1%
	2Q	5,725	16.6%	3.47	1,649	7.8%
	3Q	6,495	13.1%	4.17	1,559	-0.2%
	4Q	6,161	10.6%	3.99	1,544	-6.3%
2025	1Q	5,679	7.1%	3.68	1,543	-8.0%
	2Q	5,255	-8.2%	3.55	1,481	-10.2%
	3Q	5,996	-7.7%	3.87	1,549	-0.6%
	4Q	5,799	-5.9%	3.66	1,583	2.5%
2026	1Q	5,473	-3.6%	3.46	1,582	2.6%
	2Q	6,159	17.2%	3.57	1,724	16.4%
	3Q	6,521	8.8%	3.64	1,791	15.6%
	4Q	6,235	7.5%	3.53	1,766	11.6%

Note: Data subject to change

Source: Drewry Maritime Research

Transpacific

Drewry's World Container Index (WCI) reports spot container freight rates across eight major East-West trade routes. As of 18 June, the WCI reached an 18-month high. On the Transpacific route, spot rates from Shanghai to New York hit \$6,769 per 40ft, an eye-watering 142% increase on the mid-February reading. Similarly, the Shanghai-to-Los Angeles route rose to \$5,142 per 40ft container, a 132% increase over the same period, as carriers upped rates and added a flurry of surcharges, such as Emergency Fuel Surcharges (EFS) and Peak Season Surcharges (PSS).

According to Drewry's Container Capacity Insight, six blank sailings were planned on the trade in the third week of June, a clear indication of carriers' deliberate capacity management. The question now on everyone's mind is whether demand can be sustained. Some observers argue that the current surge is but an early peak season and will only last through July. Imports will weaken thereafter as inflation and consumer uncertainty weigh on demand.

WCI's Shanghai to New York route reached \$6,769 per 40ft on 18 June, a 142% increase from mid-February. The Shanghai-to-Los Angeles route rose to \$5,142, a 132% increase over the same period

Some observers argue that the current surge is but an early peak season and will only last through July

Table 5.2 Development of Transpacific capacity

		Eastbound*			Westbound**		
		Capacity	Growth		Capacity	Growth	
		kteu	QoQ	YoY	kteu	QoQ	YoY
2022	1Q	6,612	-3.4%	9.9%	5,713	-3.4%	8.8%
	2Q	7,140	8.0%	11.7%	6,187	8.3%	11.3%
	3Q	6,770	-5.2%	-3.0%	5,859	-5.3%	-3.0%
	4Q	6,322	-6.6%	-7.6%	5,436	-7.2%	-8.1%
2023	1Q	5,968	-5.6%	-9.7%	5,106	-6.1%	-10.6%
	2Q	6,896	15.6%	-3.4%	5,977	17.1%	-3.4%
	3Q	6,669	-3.3%	-1.5%	5,827	-2.5%	-0.5%
	4Q	6,667	-0.0%	5.4%	5,817	-0.2%	7.0%
2024	1Q	6,574	-1.4%	10.2%	5,705	-1.9%	11.7%
	2Q	6,901	5.0%	0.1%	5,963	4.5%	-0.2%
	3Q	7,171	3.9%	7.5%	6,144	3.0%	5.4%
	4Q	7,271	1.4%	9.1%	6,224	1.3%	7.0%
2025	1Q	6,860	-5.7%	4.4%	6,021	-3.3%	5.6%
	2Q	7,142	4.1%	3.5%	6,202	3.0%	4.0%
	3Q	7,525	5.4%	4.9%	6,569	5.9%	6.9%
	4Q	7,409	-1.5%	1.9%	6,481	-1.3%	4.1%
2026	1Q	7,294	-1.6%	6.3%	6,358	-1.9%	5.6%
	2Q	7,371	1.1%	3.2%	6,295	-1.0%	1.5%
	3Q	7,928	7.6%	5.4%	6,736	7.0%	2.5%
	4Q	7,925	-0.0%	7.0%	6,735	-0.0%	3.9%

Note: Basis 13 operating weeks per quarter; data subject to change

Adjusted for Out-Of-Scope cargo (0.2% Eastbound and 1.8% Westbound)

* After making an allowance of 5.7% because of high-cube adjustments

** After making an allowance of 16% for unusable slots because of deadweight limitations from Jan 2015 only

Source: Drewry Maritime Research

Transpacific

Drewry research shows that capacity growth in the Transpacific Eastbound market increased by 6.3% YoY but declined by 1.6% QoQ in the first quarter of the year (see Table 5.2). The average net slot utilisation in 1Q26 fell to 75% but is expected to climb to around 83% over the next two quarters, then fall below 80% in the final quarter, potentially weakening support for spot rates.

Meanwhile, ongoing uncertainty over US–China trade policy continues to weigh on market sentiment. The US Department of Justice's indictment of four of the world's largest container manufacturers is just the latest development in a series of US–China supply chain disputes, following earlier altercations that included reciprocal port fees and tariffs on Chinese-made port equipment.

Net slot utilisation in 1Q26 fell to 75%, but is expected to climb to around 83% over the next two quarters before sliding to 80% in the final quarter

Ongoing uncertainty over US–China trade policy continues to weigh on market sentiment

Table 5.3 Transpacific supply-demand position (kteu)

		Net capacity*		Cargo demand		Net slot utilisation	
		E/b	W/b	E/b	W/b	E/b	W/b
2022	1Q	6,612	5,713	5,736	1,531	86.7%	26.8%
	2Q	7,140	6,187	5,653	1,603	79.2%	25.9%
	3Q	6,770	5,859	5,468	1,519	80.8%	25.9%
	4Q	6,322	5,436	4,649	1,467	73.5%	27.0%
	Total	26,845	23,194	21,507	6,122	80.1%	26.4%
2023	1Q	5,968	5,106	4,408	1,581	73.9%	31.0%
	2Q	6,896	5,977	4,910	1,530	71.2%	25.6%
	3Q	6,669	5,827	5,744	1,562	86.1%	26.8%
	4Q	6,667	5,817	5,568	1,648	83.5%	28.3%
	Total	26,200	22,727	20,631	6,320	78.7%	27.8%
2024	1Q	6,574	5,705	5,300	1,678	80.6%	29.4%
	2Q	6,901	5,963	5,725	1,649	83.0%	27.7%
	3Q	7,171	6,144	6,495	1,559	90.6%	25.4%
	4Q	7,271	6,224	6,161	1,544	84.7%	24.8%
	Total	27,918	24,036	23,681	6,429	84.8%	26.7%
2025	1Q	6,860	6,021	5,679	1,543	82.8%	25.6%
	2Q	7,142	6,202	5,255	1,481	73.6%	23.9%
	3Q	7,525	6,569	5,996	1,549	79.7%	23.6%
	4Q	7,409	6,481	5,799	1,583	78.3%	24.4%
	Total	28,936	25,272	22,729	6,156	78.6%	24.4%
2026	1Q	7,294	6,358	5,473	1,582	75.0%	24.9%
	2Q	7,371	6,295	6,159	1,724	83.5%	27.4%
	3Q	7,928	6,736	6,521	1,791	82.3%	26.6%
	4Q	7,925	6,735	6,235	1,766	78.7%	26.2%
	Total	30,519	26,124	24,388	6,863	79.9%	26.3%

Note: Data subject to change; Utilisation can exceed 100% because our capacity data is a snapshot taken from carrier schedules at the start of the relevant period. There will be some instances when capacity is adjusted after we have captured the data, but we believe the utilisation reading gives a strong measure of how full ships were on average.

Adjusted for Out-Of-Scope cargo (0.2% Eastbound and 1.8% Westbound)

* After making allowances for 16% of unusable slots because of deadweight limitations on westbound trades and 5.7% high-cube limitations on eastbound trades

Source: Drewry Maritime Research

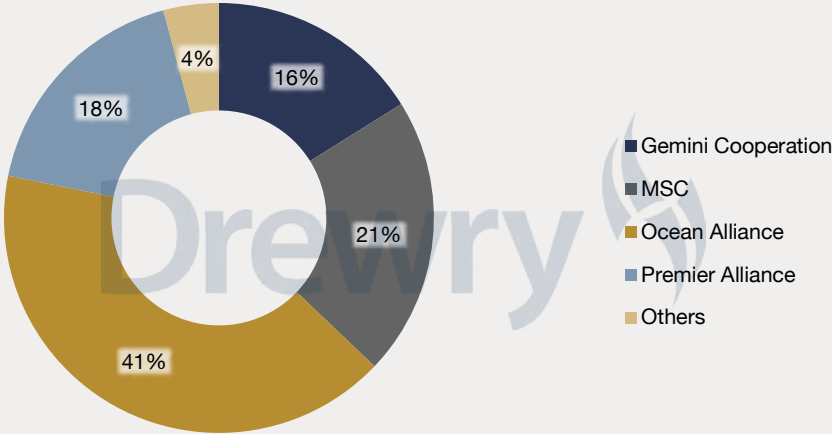
Transpacific

Westbound backhaul traffic from North America to Asia grew by 2.6% in 1Q26, following a similar rise in the previous quarter. Drewry is optimistic on the trade’s prospects this year, forecasting double-digit growth over the next three quarters, bringing full-year performance to +11.5%. If the forecast comes to pass, it will mark the highest growth for the trade in more than a decade. Thereafter, Drewry also forecasts steady growth of between 1.7% and 2.5% from 2027 through to 2030.

Given the positive projections, the trade appears poised for a turnaround towards sustained growth. That said, it should be viewed in a broader context: the westbound trade has been underperforming for some time, and the expected volume is unlikely to reach the 2013 peak of 7.7 mteu, even by 2030. As it stands, the 2030 forecast is only 7.5 mteu.

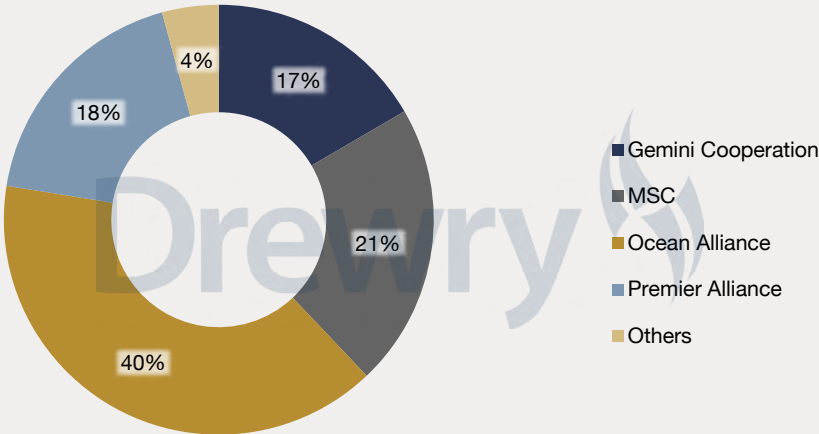
Backhaul traffic from North America to Asia increased 2.6% YoY in 1Q26. Forecast shows double-digit growth over the next three quarters, bringing full-year performance to +11.5%

Figure 5.2 Asia-ECNA headhaul effective capacity market shares, Apr 26



Source: Drewry Maritime Research

Figure 5.3 Asia-ECNA headhaul effective capacity market shares, Apr 25



Source: Drewry Maritime Research

Transpacific

Meanwhile, the average net slot utilisation for the westbound trade in 1Q26 stood at nearly 25%, which, though still chronically low, is marginally above the 2025 annualised net average utilisation of 24.4%. In line with the expected improvement in demand, the annual average net utilisation for 2026 is also forecast to improve to 26.3%

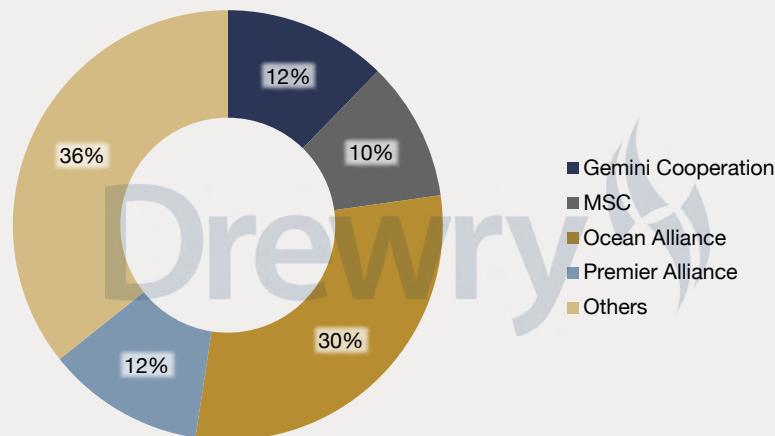
With persistently low utilisation, the likelihood of higher rates is slim. Transpacific westbound freight rates tend to be relatively stable, trading within a narrow band. Drewry's Transpacific Westbound Index rose 1% MoM to \$985 per 40ft container in May. Spot rates were 9% higher YoY and 3% above the 2019 benchmark.

US containerised exports to Asia continue to be anchored by a mix of agricultural goods, forest products, recyclables, and industrial inputs, commodities that rely on competitive US production and steady Asian demand. The economic conditions in 2026 have become favourable for exporters, yet they remain shaped by global overcapacity, geopolitical volatility, and uneven performance across commodities.

Net slot utilisation for the westbound trade stood at of 25% in 1Q26, but with stronger demand, the average net utilisation for 2026 is expected to improve to 26.3%

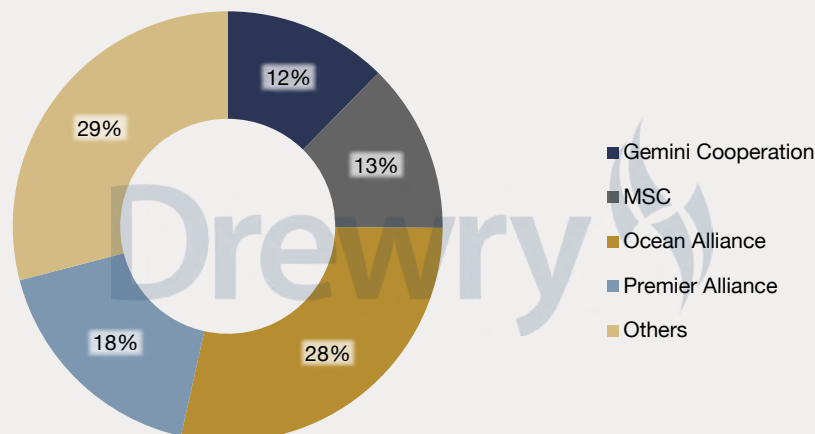
The economic conditions in 2026 have become more favourable for US exports to Asia

Figure 5.4 Asia-WCNA headhaul effective capacity market shares, Apr 26



Source: Drewry Maritime Research

Figure 5.5 Asia-WCNA headhaul effective capacity market shares, Apr 25



Source: Drewry Maritime Research

Asia-North Europe

In the first quarter of 2026, Asia-North Europe westbound trade surged 15.2% YoY, blowing past the already robust 9.8% forecast in our last edition. It also marks the twelfth straight quarter of growth for the trade, dating back to 1Q23. Despite the war in Europe and the Middle East, persistent congestion at many European ports, and diversion via the Cape of Good Hope, trade remained remarkably resilient, underpinned by insatiable demand for Asian exports.

Drewry expects growth to taper in the remaining quarters but still deliver a decent 4.5% for full-year 2026. However, the trade is expected to contract marginally by 0.4% in 2027. Thereafter, moderate annual growth of between 1.5% and 1.8% is forecast through 2030.

It is apparent that cargo owners are accelerating shipments to avoid higher bunker fuel costs resulting from the change on 1 July. Bunker prices surged after the war in the Middle East began in February, with emergency surcharges applied to spot shipments. Contract cargo is tied to quarterly bunker adjustment factors, which will increase rates in the third quarter. Demand is partly driven by the continued rerouting around the Cape of Good Hope, against earlier expectations of a gradual return to the Suez Canal. The Cape of Good Hope route means a longer transit time (supply chain), and capacity risk needs to be considered.

Examining Asian export origins for 1Q26, the Greater China region maintains its predominant position, with exports surging by nearly 17%, raising its market share to 78.4%. By contrast, the Transpacific eastbound trade saw China's share falls sharply to 50%. Southeast Asia and North Asia also reported export growth of 14% and 8%, respectively, with corresponding market shares of 14% and 8%.

Asia-North Europe westbound trade surges 15.2% YoY in 1Q26, blowing past forecast and marking its 12th straight quarterly growth

Growth of 4.5% forecast for 2026, as growth is expected to taper over the course of the year

Cargo owners are accelerating shipments to avoid higher bunker fuel costs and capacity risk carriers defer return to the Suez Canal

Greater China region container export volume up nearly 17% in 1Q26, raising its trade market share above 78%. Southeast Asia exports also saw double-digit growth

Figure 5.6 Annualised Asia-North Europe effective capacity



Source: Drewry Maritime Research

Asia-North Europe

Container Trades Statistics (CTS) origin-to-destination data highlights varying European import growth in 2025. Figure 5.9 shows that large Western economies - Germany, the UK, France, and the Netherlands – all saw explosive growth in 1Q26. This is an abrupt turnaround from the previous quarter, when import growth into the same countries was slowing. The YoY comparison also showed a higher growth rate. For example, the UK's import growth in 1Q26 was up nearly 17%, compared with +6.7% in 1Q25. Likewise, the Netherlands' imports jumped 17.5% in 1Q26, following a +7.3% gain in the same period last year. Similar explosive growth was seen for France (+16.5%), Belgium (+18.6%) and Scandinavia (+14%).

Notably, the Eastern European countries (Belarus, the Czech Republic (NWC), Estonia, Hungary (NWC), Latvia, Lithuania, Poland, and Slovakia (NWC)) continued their vigorous import binge, growing by 21.6% YoY in 1Q26, on top of 16.3% growth in 1Q25. Eastern European countries' import growth rate has been outpacing that of their western neighbours, highlighting the region's growing importance within the wider European trade landscape.

Large Western economies and Eastern European countries saw container imports accelerate

Table 5.4 Asia-North Europe - forecast cargo volumes

		Eastbound	Growth	E/W	Westbound	Growth
		<i>k teu</i>	<i>YoY</i>	<i>Ratio</i>	<i>k teu</i>	<i>YoY</i>
2024		4,146	-4.9%	0.37	11,209	10.5%
2025		3,875	-6.5%	0.32	12,009	7.1%
2026		3,739	-3.5%	0.30	12,548	4.5%
2027		3,702	-1.0%	0.30	12,499	-0.4%
2028		3,768	1.8%	0.30	12,709	1.7%
2029		3,838	1.9%	0.30	12,938	1.8%
2030		3,897	1.5%	0.30	13,134	1.5%
2024	1Q	1,037	-2.5%	0.41	2,554	9.2%
	2Q	1,068	-2.6%	0.37	2,910	8.2%
	3Q	1,027	-5.5%	0.35	2,917	9.7%
	4Q	1,015	-9.1%	0.36	2,829	15.2%
2025	1Q	988	-4.7%	0.36	2,728	6.8%
	2Q	957	-10.4%	0.31	3,127	7.5%
	3Q	960	-6.6%	0.30	3,200	9.7%
	4Q	971	-4.3%	0.33	2,954	4.4%
2026	1Q	931	-5.7%	0.30	3,143	15.2%
	2Q	917	-4.2%	0.29	3,147	0.6%
	3Q	963	0.3%	0.30	3,207	0.2%
	4Q	928	-4.4%	0.30	3,051	3.3%

Note: Data subject to change

Source: Drewry Maritime Research

Asia-North Europe

Capacity in the Westbound trade expanded by 8.6% YoY in 1Q26 but fell 1.1% QoQ. Trade capacity is expected to increase steadily over the next few quarters, reaching nearly 4 mteu by 4Q26 (see Table 5.5).

Accordingly, headhaul net slot utilisation, which stood at 84.5% in the first quarter, is expected to slide to 76.5% by the last quarter of 2026 (see Table 5.6). The lower utilisation, driven by capacity growth outstripping demand, will put downward pressure on freight rates.

But in the meantime, according to the most recent Drewry's Container Capacity Insight, only three blank sailings have been announced on the Asia-to-Europe trade route for the third week of June, reflecting tight capacity. Early peak-season demand, driven by cargo frontloading ahead of the expected 1 July bunker fuel adjustment, has prompted carriers to introduce a flurry of surcharges, including PSS, on top of higher FAK (freight all kinds) spot rates.

Trade capacity increased nearly 8.6% in 1Q26 YoY. Net slot utilisation is expected to slide from 84.5% in 1Q26 to 76.5% by the last quarter of 2026

Table 5.5 Development of Asia-North Europe capacity

		Westbound			Eastbound		
		Capacity	Growth		Capacity	Growth	
		kteu	QoQ	YoY	kteu	QoQ	YoY
2022	1Q	3,328	-0.6%	6.0%	2,443	-1.3%	4.5%
	2Q	3,434	3.2%	5.8%	2,541	4.0%	6.1%
	3Q	3,291	-4.2%	-0.7%	2,503	-1.5%	2.2%
	4Q	3,260	-0.9%	-2.6%	2,517	0.5%	1.7%
2023	1Q	3,087	-5.3%	-7.2%	2,393	-4.9%	-2.0%
	2Q	3,394	10.0%	-1.2%	2,485	3.9%	-2.2%
	3Q	3,315	-2.3%	0.7%	2,439	-1.8%	-2.5%
	4Q	3,188	-3.8%	-2.2%	2,346	-3.8%	-6.8%
2024	1Q	3,081	-3.4%	-0.2%	2,287	-2.5%	-4.4%
	2Q	3,283	6.6%	-3.3%	2,537	10.9%	2.1%
	3Q	3,399	3.5%	2.5%	2,614	3.0%	7.2%
	4Q	3,360	-1.1%	5.4%	2,600	-0.5%	10.8%
2025	1Q	3,427	2.0%	11.2%	2,639	1.5%	15.4%
	2Q	3,669	7.1%	11.7%	2,836	7.5%	11.8%
	3Q	3,721	1.4%	9.5%	2,897	2.1%	10.8%
	4Q	3,760	1.1%	11.9%	2,889	-0.3%	11.1%
2026	1Q	3,720	-1.1%	8.6%	2,870	-0.6%	8.7%
	2Q	3,899	4.8%	6.3%	3,105	8.2%	9.5%
	3Q	3,980	2.1%	7.0%	3,173	2.2%	9.5%
	4Q	3,988	0.2%	6.1%	3,179	0.2%	10.1%

Adjusted for Out-Of-Scope cargo (5.8% Eastbound and 1% Westbound)

After making allowances of 23% for slots unusable because of deadweight limitations on the eastbound trade and 8.5% for high-cube and deadweight stowage limitations on the westbound trade from Jan 2015 only

Source: Drewry Maritime Research

Asia-North Europe

Drewry's World Container Index (WCI) reports spot container freight rates across eight major East-West trade routes. As of 18 June, the WCI reached an 18-month high. On the Asia-Europe trade route, spot rates have spiked. Freight rates from Shanghai to Rotterdam reached \$4,342 per 40ft container, a massive 112% jump from the level on 5 March. Meanwhile, the easing of geopolitical tensions in the Middle East in late June is expected to stabilise oil and bunker fuel prices, potentially easing cost pressures on ocean carriers. The question remains whether demand can be sustained long enough to keep ocean freight elevated.

Asia-Europe demand rises ahead of July bunker hike. WCI Asia-Europe trade route Shanghai to Rotterdam reached \$4,342 per 40ft container on 18 June, a massive 112% jump from the level on 05 March

Table 5.6 Asia-North Europe supply-demand position (kteu)

		Net capacity		Cargo demand		Net slot utilisation	
		E/b	W/b	E/b	W/b	E/b	W/b
2022	1Q	2,443	3,328	1,146	2,637	46.9%	79.2%
	2Q	2,541	3,434	1,161	2,635	45.7%	76.7%
	3Q	2,503	3,291	1,125	2,530	44.9%	76.9%
	4Q	2,517	3,260	1,163	2,226	46.2%	68.3%
	Total	10,003	13,313	4,595	10,028	45.9%	75.3%
2023	1Q	2,393	3,087	1,063	2,339	44.4%	75.8%
	2Q	2,485	3,394	1,097	2,689	44.1%	79.2%
	3Q	2,439	3,315	1,087	2,659	44.5%	80.2%
	4Q	2,346	3,188	1,116	2,456	47.6%	77.0%
	Total	9,662	12,984	4,362	10,142	45.1%	78.1%
2024	1Q	2,287	3,081	1,037	2,554	45.3%	82.9%
	2Q	2,537	3,283	1,068	2,910	42.1%	88.6%
	3Q	2,614	3,399	1,027	2,917	39.3%	85.8%
	4Q	2,600	3,360	1,015	2,829	39.0%	84.2%
	Total	10,037	13,124	4,146	11,209	41.3%	85.4%
2025	1Q	2,639	3,427	988	2,728	37.4%	79.6%
	2Q	2,836	3,669	957	3,127	33.7%	85.2%
	3Q	2,897	3,721	960	3,200	33.1%	86.0%
	4Q	2,889	3,760	971	2,954	33.6%	78.6%
	Total	11,261	14,576	3,875	12,009	34.4%	82.4%
2026	1Q	2,870	3,720	931	3,143	32.5%	84.5%
	2Q	3,105	3,899	917	3,147	29.5%	80.7%
	3Q	3,173	3,980	963	3,207	30.4%	80.6%
	4Q	3,179	3,988	928	3,051	29.2%	76.5%
	Total	12,327	15,588	3,739	12,548	30.3%	80.5%

Note: Data subject to change; Utilisation can exceed 100% because our capacity data is a snapshot taken from carrier schedules at the start of the relevant period. There will be some instances when capacity is adjusted after we have captured the data, but we believe the utilisation reading gives a strong measure of how full ships were on average.

Adjusted for Out-Of-Scope cargo (5.8% Eastbound and 1% Westbound)

After making allowances for 23% of slots unusable because of deadweight limitations on the eastbound trade and 8.5% for high-cube and deadweight stowage limitations on the westbound trade from Jan 2015 only

Source: Drewry Maritime Research

Asia-North Europe

Egypt's hopes of container shipping lines returning to the Suez en masse were dashed by yet another outbreak of hostilities in the Middle East. Carriers have opted to maintain diversions around the Cape of Good Hope until stability returns. As a result, the imminent risk of latent capacity being gradually restored to the Asia-North Europe trade has been put on hold. This, in turn, supports Asia-North Europe freight rates, as persistent capacity constraints reduce downward pressure on them.

While the Asia-North Europe westbound (headhaul) trade has been thriving, the eastbound (backhaul) trade continues to struggle, declining by a further 5.7% YoY in 1Q26. The contrast could not be starker - there has been no quarterly growth in this trade since 1Q21. The last time it recorded annual growth was in 2020, and it has been downhill ever since.

Not surprisingly, Drewry does not expect a recovery in 2026, forecasting a further 3.5% annual decline. Growth is projected to resume only in 2028, at a modest 1.8%. Thereafter, the trade is expected to stabilise, with modest annual growth of 1.5% to 1.9% through 2030.

In 1Q26, exports from Northern Europe to the Greater China region fell 3% YoY. China still accounts for around 48% of the trade market share. Exports to East Asia and Southeast Asia fell even more, by 10% and 7% YoY, respectively. At the same time, the Intra-Asia container trade has been booming – this suggests that the Asia region does not lack demand, but rather that demand for Northern European goods is weak.

European goods are increasingly uncompetitive due to high production costs, including energy and material prices. Heavy industrial exports, such as chemicals, metals, and other energy-intensive products, continue to face challenges from rising production costs, undermining competitiveness.

Meanwhile, as capacity is projected to grow significantly and enter the trade in 2026, the backhaul trade's persistently low net utilisation, at 32.5% in 1Q26, is expected to slip further to 29.2% by the end of 2026 (see Table 5.9).

As a result of the trade imbalance, tensions between the European Union (EU) and China are mounting. The EU has warned that its economic relationship with China is increasingly fraught, citing a record EUR 359.9 billion trade deficit in 2025 and concerns over Chinese overcapacity. Brussels is considering new measures, including an "overcapacity instrument", to restrict access to EU markets where Chinese industrial surpluses threaten strategic sectors. China has rejected claims that it deliberately seeks a trade surplus, says it remains open to dialogue, and warns it will retaliate if the EU imposes discriminatory measures. The risk of further trade friction, therefore, remains a downside for Europe's container outlook.

A return to Suez Canal transit is delayed until stability returns

Asia-Northern Europe backhaul trade falls 5.7% in 1Q26 – no growth on this trade since 2020. Recovery not expected until 2028

Exports to Greater China fall by 3% YoY in 1Q26, with a higher 7% decline for Southeast Asia, showing a wider trend of weakening European export activity across multiple Asian markets

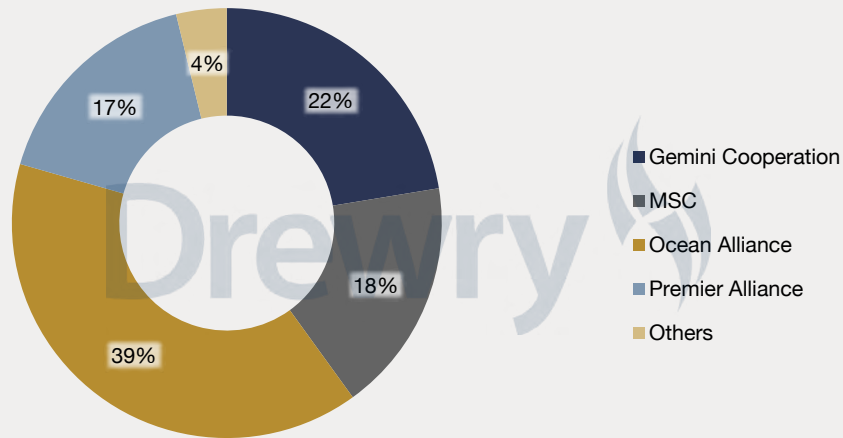
European goods are increasingly uncompetitive due to high production costs, including energy and material prices

Net utilisation, at 32.5% in 1Q26, is expected to slip further to 29.2% by the end of 2026

EU-China trade tension mounting as a result of trade imbalance

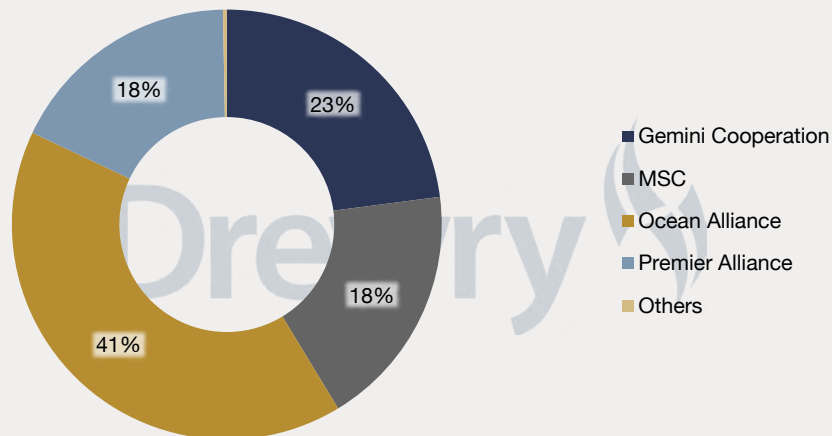
Asia-North Europe

Figure 5.7 Asia-North Europe headhaul effective capacity market shares, Apr 26



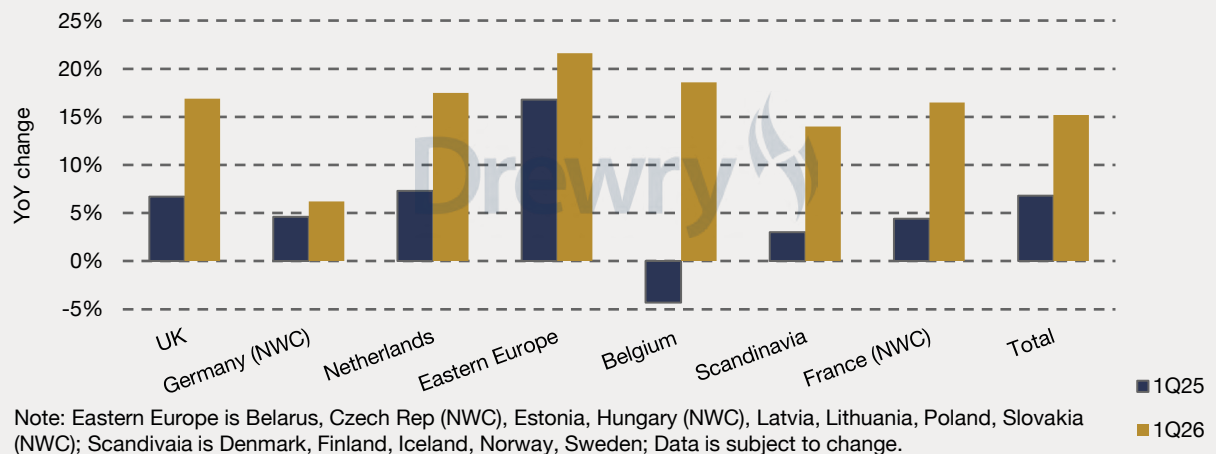
Source: Drewry Maritime Research

Figure 5.8 Asia-North Europe headhaul effective capacity market shares, Apr 25



Source: Drewry Maritime Research

Figure 5.9 Asia-North Europe - Westbound import region growth



Source: Container Trades Statistics

Asia-Mediterranean

The westbound Asia-Mediterranean trade recorded its thirteenth consecutive quarter of growth, with a stellar 14.6% YoY rise in 1Q26. More remarkably, the first quarter's growth builds on the robust 13% increase seen in 1Q25. The trade, which has already achieved two years of annual growth (2024: 6%, 2025: 12.3%), looks set to add another year of growth, with Drewry projecting 9.4% for full-year 2026. However, the trade is expected to contract in 2027 (-2.2%) before recovering to a steady growth rate of 2.4% to 2.5% through to 2030.

We can gain further insight into inbound distribution using origin-to-destination data from the Container Trades Statistics (CTS) for January through March 2026 (see Figure 5.13). Asian imports into all subregions recorded double-digit growth in the first quarter of the year. The Black Sea countries registered the highest import growth, rising by a stunning 31.3% YoY, followed by the North Africa region at +17%. Other subregions that saw substantial import growth include the West Mediterranean (+14%), the Adriatic (+12.6%), and the East Med (+10.8%).

Countries with ports on the Black Sea include Bulgaria, Russia, Romania, Georgia, and Ukraine. Countries grouped under the East Mediterranean include Cyprus, Greece, Israel, Lebanon, Syria, and Turkey. Countries under North Africa include Algeria, the Canary Islands, Egypt, Libya, Morocco, and Tunisia.

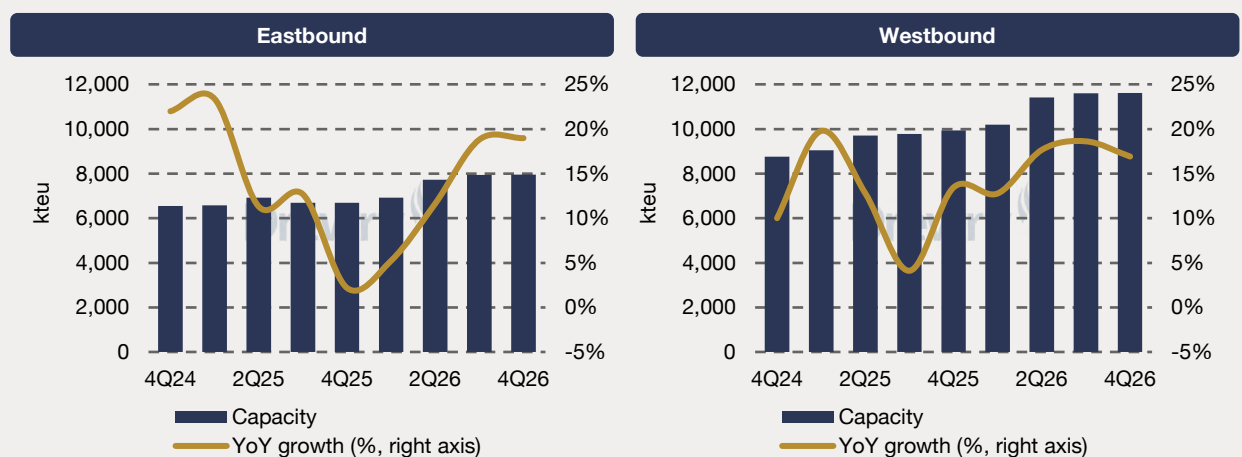
In 2025, the westbound trade saw substantial capacity growth. The trend has continued into the first quarter of 2026, with capacity growth of 2.6% QoQ and 12.8% YoY. Drewry expects even more substantial growth in the second quarter, with projected capacity growth of 11.9% QoQ and 17.7% YoY, bringing the trade's net capacity to 2.85 mteu. The net capacity for the trade is expected to reach 2.9 mteu by the last quarter of the year, exceeding 70% of the Asia-North Europe Trade. Notably, the capacity growth rate for the trade is substantially higher than that for the Asia-North Europe Trade for the same period.

Loaded shipments from Asia to the Mediterranean surged 14.6% in 1Q26, building on recent strong performances. Full year 2026 growth projected at 9.4%

Strong double-digit growth of Asian imports to all subregions led by Black Sea at +31% and North Africa at +17%

Trade capacity growth of 2.6% QoQ and 12.8% YoY in 1Q26. Net capacity for the trade is expected to reach 2.9 mteu by the last quarter of 2026, about 70% of the Asia-North Europe Trade

Figure 5.10 Annualised Asia-Med effective capacity



Source: Drewry Maritime Research

Asia-Mediterranean

The net average utilisation for the trade in 2025 was 76.2%, but net utilisation in 1Q26 fell to 74.2%. Despite strong demand, aggressive capacity additions will pull the trade's net utilisation down to a low of 65.5% by 4Q26, putting pressure on freight rates. Despite this relatively low utilisation, Asia-Mediterranean westbound freight rates have surged, in line with the Asia-North Europe rate trend.

The Shanghai to Genoa component of Drewry's WCI spiked from \$2,826 in late February to \$5,756 per 40 ft container on 18 June, a whopping 104% increase. As in the Asia-North Europe westbound market, cargo owners are rushing shipments to avoid higher bunker fuel costs following the post-February Middle East war price surge, with emergency surcharges on spot shipments. Contract rates linked to quarterly bunker factors will rise in the third quarter.

Net utilisation in 1Q26 fell to 74.2%. Aggressive capacity additions will bring the trade's net utilisation down to a low of 65.5% by 4Q26

The Shanghai to Genoa component of Drewry's WCI spiked from \$2,826 in late February to \$5,756 per 40 ft container on 18 June, a 104% increase

Table 5.7 Asia-Med – forecast cargo volumes

		Eastbound	Growth	E/W	Westbound	Growth
		kteu	YoY	Ratio	kteu	YoY
2024		1,965	-0.7%	0.30	6,519	6.0%
2025		1,887	-4.0%	0.26	7,324	12.3%
2026		1,970	4.4%	0.25	8,010	9.4%
2027		1,917	-2.7%	0.24	7,843	-2.1%
2028		1,963	2.4%	0.24	8,040	2.5%
2029		2,012	2.5%	0.24	8,241	2.5%
2030		2,060	2.4%	0.24	8,437	2.4%
2024	1Q	498	8.8%	0.34	1,462	5.0%
	2Q	523	5.6%	0.31	1,664	1.8%
	3Q	491	-0.1%	0.30	1,638	2.1%
	4Q	453	-15.2%	0.26	1,755	15.8%
2025	1Q	465	-6.5%	0.28	1,651	12.9%
	2Q	475	-9.1%	0.26	1,829	9.9%
	3Q	473	-3.8%	0.25	1,913	16.8%
	4Q	474	4.6%	0.25	1,932	10.1%
2026	1Q	477	2.6%	0.25	1,892	14.6%
	2Q	530	11.5%	0.24	2,173	18.8%
	3Q	496	5.0%	0.24	2,041	6.7%
	4Q	466	-1.5%	0.25	1,904	-1.5%

Note: Data subject to change

Source: Drewry Maritime Research

Asia-Mediterranean

Demand is also driven by the continued rerouting around the Cape of Good Hope, contrary to earlier expectations of a return to the Suez Canal. This route extends transit time and increases capacity risk for shippers. Clearly, healthy demand and the circumstances of this trade have allowed carriers to benefit from these conditions. But whether these rate levels can be sustained into the second half of the year is another question.

The Asia-Mediterranean eastbound trade recorded a 2.6% YoY increase in 1Q26, marking the second consecutive quarterly increase. Drewry has a positive outlook for the next two quarters, which will take full-year growth to +4.4%. However, a 2.7% decline is forecast for 2027. Subsequently, the projection is for growth of between 2.4% and 2.5% through 2023.

Demand is also driven by the continued rerouting around the Cape of Good Hope as it heightens capacity risk for shippers

Asia-Mediterranean eastbound trade up 2.6% in 1Q26, with full year 2026 forecast at +4.4%

Table 5.8 Development of Asia-Med capacity

		Westbound			Eastbound		
		Capacity	Growth		Capacity	Growth	
		k teu	QoQ	YoY	k teu	QoQ	YoY
2022	1Q	1,687	0.5%	8.9%	1,182	1.6%	16.0%
	2Q	1,711	1.5%	2.9%	1,174	-0.7%	4.6%
	3Q	1,670	-2.4%	0.6%	1,089	-7.2%	-4.9%
	4Q	1,646	-1.4%	-1.9%	1,036	-4.9%	-11.0%
2023	1Q	1,681	2.1%	-0.3%	1,049	1.3%	-11.2%
	2Q	1,969	17.1%	15.1%	1,290	22.9%	9.8%
	3Q	2,008	1.9%	20.2%	1,338	3.7%	22.8%
	4Q	1,999	-0.4%	21.4%	1,344	0.4%	29.7%
2024	1Q	1,888	-5.6%	12.3%	1,332	-0.8%	27.0%
	2Q	2,151	13.9%	9.2%	1,553	16.6%	20.4%
	3Q	2,168	0.8%	8.0%	1,606	3.4%	20.1%
	4Q	2,190	1.0%	9.6%	1,636	1.9%	21.8%
2025	1Q	2,261	3.2%	19.8%	1,644	0.5%	23.4%
	2Q	2,426	7.3%	12.8%	1,729	5.2%	11.3%
	3Q	2,444	0.7%	12.7%	1,672	-3.3%	4.1%
	4Q	2,485	1.7%	13.5%	1,672	0.0%	2.2%
2026	1Q	2,550	2.6%	12.8%	1,731	3.5%	5.3%
	2Q	2,855	11.9%	17.7%	1,931	11.5%	11.7%
	3Q	2,899	1.6%	18.6%	1,987	2.9%	18.8%
	4Q	2,906	0.2%	16.9%	1,990	0.1%	19.0%

Adjusted for Out-Of-Scope cargoes (8.8% Eastbound and 6.2% Westbound)

After deducting 8.5% from westbound trades for unusable slots because of deadweight and high-cube limitations and 31% from eastbound trades for deadweight limitations from Jan 2015 only

Source: Drewry Maritime Research

Asia-Mediterranean

An analysis of exports from the Mediterranean region to various Asian subregions in 2025 and the first quarter of 2026 indicates evolving trade patterns. China's share of eastbound Mediterranean trade decreased from 39% to 37%. This trend highlights a significant decline in export activity from the Mediterranean region to key Asian markets, especially Greater China.

With a substantial increase in capacity forecast to enter the trade in 2026, the backhaul trade's chronically low net utilisation (27.6% in 1Q26) is expected to further slip to 25.8% by the fourth quarter of 2026 (see Table 5.9). At this level, it is about four percentage points below the Asia-Europe backhaul, which faces comparable challenges, including higher production costs.

Notable weakening in export activity to major Asian destinations, particularly Greater China. Share of exports to Greater China slides from 39% to 27% in 1Q26

Backhaul trade's low net utilisation expected to further slip to 25.8% by 4Q26

Table 5.9 Asia-Med – supply-demand position (kteu)

		Net capacity*		Cargo demand		Net slot utilisation (%)	
		E/b	W/b	E/b	W/b	E/b	W/b
2022	1Q	1,182	1,687	516	1,290	43.6%	76.5%
	2Q	1,174	1,711	484	1,266	41.2%	74.0%
	3Q	1,089	1,670	469	1,230	43.0%	73.7%
	4Q	1,036	1,646	437	1,211	42.2%	73.5%
	Total	4,482	6,714	1,905	4,997	42.5%	74.4%
2023	1Q	1,049	1,681	458	1,392	43.6%	82.8%
	2Q	1,290	1,969	495	1,635	38.4%	83.0%
	3Q	1,338	2,008	492	1,604	36.8%	79.9%
	4Q	1,344	1,999	534	1,516	39.7%	75.8%
	Total	5,021	7,657	1,979	6,147	39.4%	80.3%
2024	1Q	1,332	1,888	498	1,462	37.4%	77.5%
	2Q	1,553	2,151	523	1,664	33.7%	77.4%
	3Q	1,606	2,168	491	1,638	30.6%	75.5%
	4Q	1,636	2,190	453	1,755	27.7%	80.1%
	Total	6,129	8,396	1,965	6,519	32.1%	77.6%
2025	1Q	1,644	2,261	465	1,651	28.3%	73.0%
	2Q	1,729	2,426	475	1,829	27.5%	75.4%
	3Q	1,672	2,444	473	1,913	28.3%	78.3%
	4Q	1,672	2,485	474	1,931	28.3%	77.7%
	Total	6,718	9,616	1,887	7,324	28.1%	76.2%
2026	1Q	1,731	2,550	477	1,892	27.6%	74.2%
	2Q	1,931	2,855	530	2,173	27.4%	76.1%
	3Q	1,987	2,899	496	2,041	25.0%	70.4%
	4Q	1,990	2,906	466	1,904	23.4%	65.5%
	Total	7,638	11,209	1,970	8,010	25.8%	71.5%

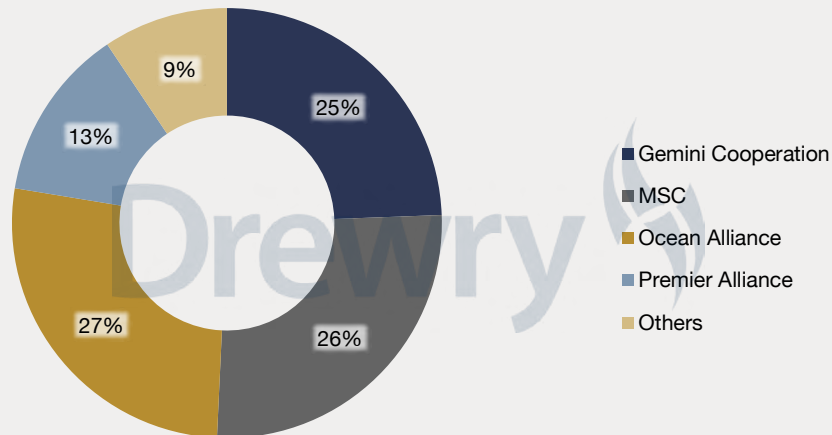
Adjusted for Out-Of-Scope cargoes (8.8% Eastbound And 6.2% Westbound)

* After making allowances of 8.5% for unusable slots because of high-cube and deadweight limitations on westbound trades and 31% for deadweight limitations on eastbound trades from Jan 2015 only

Source: Drewry Maritime Research

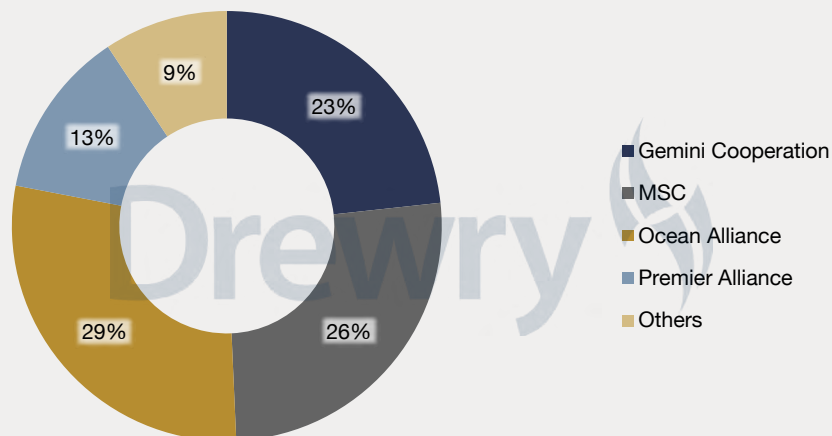
Asia-Mediterranean

Figure 5.11 Asia-Med headhaul effective capacity market shares, Apr 26



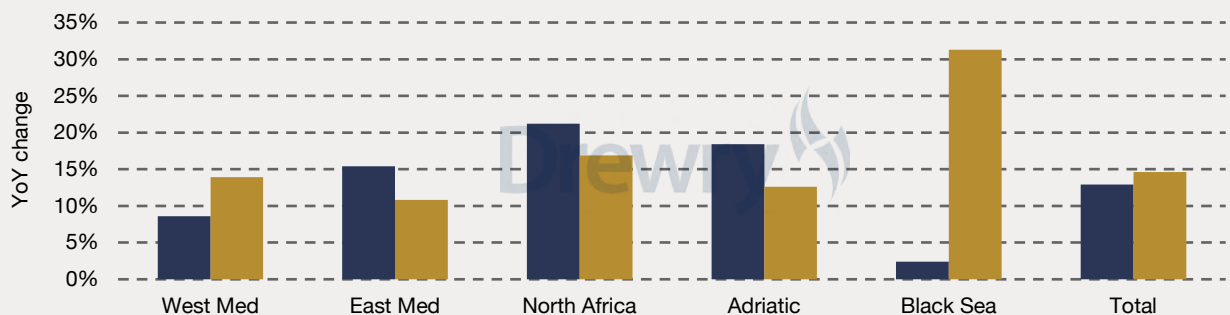
Source: Drewry Maritime Research

Figure 5.12 Asia-Med headhaul effective capacity market shares, Apr 25



Source: Drewry Maritime Research

Figure 5.13 Asia-Mediterranean - Westbound import region growth



West Med = France (Med), Italy, Malta, Spain (Med). North Africa = Algeria, Canary Islands, Egypt, Libya, Morocco, Tunisia. Adriatic = Albania, Austria (Med), Bosnia, Croatia, Czech Rep (Med) Hungary (Med), Macedonia, Serbia & Montenegro, Slovakia (Med), Slovenia. East Med = Cyprus, Greece, Israel, Lebanon, Syria, Turkey. Black Sea = Bulgaria, Russia, Former Soviet Union, Georgia, Romania, Russia (Black Sea), Ukraine. Data is subject to change.

Source: Container Trades Statistics

Transatlantic (North Europe)

North Europe-North America westbound trade slumped 1.1% YoY in 1Q26, after near stagnation in the previous two quarters. Nonetheless, Drewry remains optimistic for the rest of the year and forecasts full-year growth of 2.5% for 2026. Looking ahead, growth is expected to persist through 2030, though at a modest annual rate of 1.1% to 1.7%.

It should be noted that the trade has been languishing in recent years, particularly in 2023, when volume fell by 11%. In fact, the projected 2026 volume of 3.3 mteu remains below the 3.43 mteu done in 2019. Based on our latest forecast, it will only slightly surpass the 2019 figure in 2029, a decade later.

In the first quarter of 2026, container exports from the North Europe region to the US, Canada, and Mexico contracted by 1.6%, 4.8%, and 4.9% YoY, respectively. The market share of the three destination countries remained unchanged, with the US holding the lion's share at 69%, followed by Canada (16%) and Mexico (15%)

Notably, import traffic specifically to the US East Coast Ports (USEC), the primary entry point (80% of US imports), recorded a nominal YoY growth of 0.1%. The US West Coast Ports (USWC) bore the brunt, falling 12.6%, while the US Gulf Ports (USGC) fell 4.7%.

In 1Q26, the westbound trade saw a reduction in capacity by 4.5% QoQ and 0.2% YoY, while net slot utilisation remained at 69.1% (the net average utilisation for 2025). Drewry anticipates further YoY capacity decreases in the remaining quarters, with the trade capacity of 1.1 mteu in 4Q26. With the corresponding forecast for demand growth, net slot utilisation is expected to climb to 76% in 4Q26.

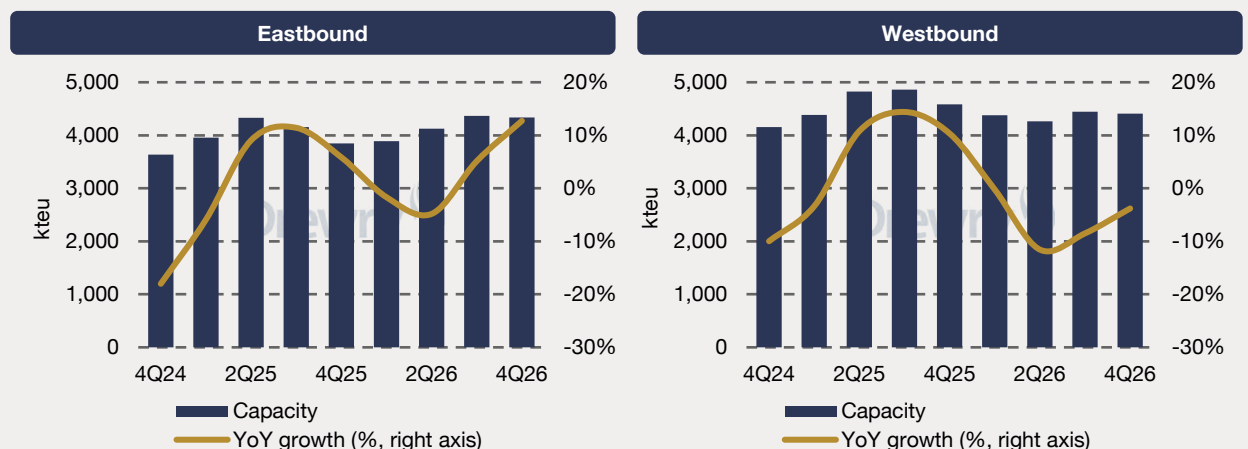
Westbound trade contracts 1.1% YoY in 1Q26, but the full-year 2026 forecast shows 2.5% gain

Europe's exports to the US, Canada and Mexico decline in 1Q26. The US still accounts for nearly 70% of import volume

Imports to USEC flat while USWC saw the biggest decrease

Net slot utilisation remained at 69.1% in 1Q26, but expected to improve to 76% by 4Q26

Figure 5.14 Annualised Transatlantic effective capacity



Source: Drewry Maritime Research

Transatlantic (North Europe)

Meanwhile, the Drewry's Transatlantic Westbound Index rose 10% MoM to \$2,885 per 40ft container in May, supported by capacity cuts and the rollout of PSS by carriers. Compared with the February level, it is up by more than 43%. With seasonal demand expected to strengthen, rates are likely to rise further in June.

The trade had faced chronic overcapacity for much of 2025, keeping rates below pre-pandemic levels from September until the onset of the Middle East conflict. Carriers have been announcing GRIs (General Rate Increase) and PSS (Peak Season Surcharge) to capitalise on the current market. However, it remains to be seen whether higher rates can hold into the latter part of the year.

The US Trade Representative (USTR) has proposed tariffs on more than 60 economies, including the EU and the UK, for failing to enforce bans on forced labour. If implemented, the EU could face a 10% tariff, while the UK could face a 12.5% tariff, affecting major exporters such as Germany and Ireland.

These tariffs will raise costs for European goods entering the US, hurting export sectors such as machinery, automotive, chemicals, and luxury goods. Countries such as Germany, Italy, and the UK, already strained by weak industrial output, high energy costs, and low demand, would face greater economic pressure. The EU's concerns and potential WTO challenges could escalate Transatlantic trade tensions, adding further uncertainty to supply chains.

Drewry's Transatlantic Westbound Freight Index up 43% since February

The proposed USTR tariff will have implications for UK and EU exports to the US

Table 5.10 Transatlantic – forecast cargo volumes

		Eastbound	Growth	E/W	Westbound	Growth
		k teu	YoY	Ratio	k teu	YoY
2024		1,837	1.7%	0.58	3,186	4.4%
2025		1,880	2.3%	0.58	3,221	1.1%
2026		1,960	4.3%	0.59	3,302	2.5%
2027		1,982	1.1%	0.59	3,356	1.6%
2028		1,998	0.8%	0.59	3,394	1.1%
2029		2,030	1.6%	0.59	3,450	1.6%
2030		2,064	1.7%	0.59	3,507	1.7%
2024	1Q	495	1.8%	0.65	764	4.3%
	2Q	477	2.0%	0.61	778	5.1%
	3Q	458	7.2%	0.54	844	4.8%
	4Q	407	-4.1%	0.51	801	3.7%
2025	1Q	476	-3.9%	0.62	765	0.1%
	2Q	519	8.9%	0.64	811	4.3%
	3Q	463	1.1%	0.55	845	0.1%
	4Q	421	3.5%	0.53	801	0.0%
2026	1Q	483	1.5%	0.64	756	-1.1%
	2Q	501	-3.6%	0.59	845	4.2%
	3Q	487	5.1%	0.56	863	2.2%
	4Q	489	16.2%	0.58	838	4.6%

Note: Data subject to change

Source: Drewry Maritime Research

Transatlantic (North Europe)

The Transatlantic eastbound trade (North American exports to North Europe) registered a moderate growth of 1.5% YoY in 1Q26 – which marks its fourth straight quarterly growth. Drewry expects stronger growth over the course of the year and has forecast a decent 4.3% growth rate for 2026. Thereafter, growth will be maintained at a steady rate between 0.8% to 1.7% through 2030. Notably, the trade has already notched up two years of growth in 2024 and 2025. That means that if the growth predictions hold, the trade would have enjoyed 7 continuous years of growth by 2030.

Despite the seemingly rosy picture, the eastbound trade, as with the westbound, is just “playing catch-up”. To provide context, the projected 2030 trade volume, estimated at 2.06 mteu, remains below the 2.14 mteu achieved in 2019. Indeed, one can say that the trade has seen better days.

In 1Q26, container traffic from North America to North Europe saw US exports leading growth with a 2.2% YoY increase. Canadian exports remained unchanged, and Mexican exports declined by 0.6% YoY during the same period. Importantly, the US held over 73% of the eastbound trade market share in 2025.

Transatlantic eastbound trade grows 1.5% in 1Q26, marking its fourth consecutive quarter of expansion. Full year 2026 forecast at 4.3%

US exports to North Europe up 2.2% 1Q26, the only country to record growth

Table 5.11 Development of Transatlantic capacity

		Westbound			Eastbound		
		Capacity	Growth		Capacity	Growth	
		kteu	QoQ	YoY	kteu	QoQ	YoY
2022	1Q	1,004	-1.9%	2.6%	902	0.9%	3.2%
	2Q	1,128	12.4%	14.4%	984	9.2%	12.3%
	3Q	1,115	-1.2%	9.9%	1,019	3.5%	13.6%
	4Q	1,110	-0.5%	8.4%	1,051	3.1%	17.6%
2023	1Q	1,170	5.5%	16.6%	1,104	5.1%	22.5%
	2Q	1,269	8.4%	12.4%	1,203	8.9%	22.2%
	3Q	1,197	-5.7%	7.3%	1,202	-0.1%	17.9%
	4Q	1,152	-3.7%	3.8%	1,103	-8.2%	5.0%
2024	1Q	1,136	-1.4%	-2.9%	1,050	-4.8%	-4.9%
	2Q	1,089	-4.2%	-14.2%	994	-5.4%	-17.4%
	3Q	1,062	-2.5%	-11.2%	933	-6.1%	-22.4%
	4Q	1,039	-2.2%	-9.8%	908	-2.6%	-17.7%
2025	1Q	1,097	5.6%	-3.4%	989	8.8%	-5.9%
	2Q	1,206	10.0%	10.8%	1,084	9.6%	9.0%
	3Q	1,215	0.7%	14.4%	1,039	-4.1%	11.4%
	4Q	1,146	-5.7%	10.3%	962	-7.5%	5.8%
2026	1Q	1,094	-4.5%	-0.2%	972	1.1%	-1.7%
	2Q	1,067	-2.5%	-11.6%	1,031	6.1%	-4.8%
	3Q	1,112	4.2%	-8.5%	1,092	5.9%	5.1%
	4Q	1,103	-0.8%	-3.8%	1,084	-0.8%	12.7%

Adjusted for Out-Of-Scope cargo (1% For Westbound And 3% For Eastbound)

After making allowances for 7% of slots unusable because of deadweight limitations on eastbound trades and 7% of slots unusable because of high-cube and deadweight limitations on westbound trades from Jan 2015 only

Source: Drewry Maritime Research

Transatlantic (North Europe)

Compared with other key East-West trades, the backhaul transatlantic trade has relatively higher utilisation levels. The net slot utilisation in 1Q26 was 49.7%, just ten percentage points below the westbound trade level. However, with more capacity expected to be added to the trade in the second half of the year (exceeding demand growth), a lower net slot utilisation level is forecast in 4Q26 at 45.2%

Drewry's Transatlantic Eastbound Index fell 2% to \$1,566 per 40ft container in May. Spot rates were 26% higher YoY and 39% above pre-pandemic levels. Rates are likely to remain stable in June. Recent data show a widening gap between front-haul and backhaul rates on major East-West lanes. The Transatlantic eastbound route is an exception, with freight rates still about 39% higher than 2019 levels, while most other backhaul routes struggle to trade above pre-pandemic benchmarks. This makes the Transatlantic eastbound lane the only backhaul market showing sustained resilience amid an otherwise soft backhaul market.

Compared with other key East-West trades, the backhaul transatlantic trade has relatively higher utilisation levels. The net slot utilisation in 1Q26 was 49.7%

Drewry's Transatlantic Eastbound freight Index fell 2% MoM to \$1,566 per 40ft container in May. But spot rates were 26% higher YoY and 39% above pre-pandemic levels

Table 5.12 Transatlantic supply-demand position (kteu)

		Net capacity		Cargo demand		Net slot utilisation (%)	
		W/b	E/b	W/b	E/b	W/b	E/b
2022	1Q	1,004	902	785	470	78.1%	52.1%
	2Q	1,128	984	880	496	78.0%	50.4%
	3Q	1,115	1,019	912	464	81.8%	45.5%
	4Q	1,110	1,051	845	434	76.1%	41.3%
	Total	4,358	3,956	3,421	1,865	78.5%	47.1%
2023	1Q	1,170	1,104	733	486	62.7%	44.1%
	2Q	1,269	1,203	740	468	58.3%	38.9%
	3Q	1,197	1,202	805	427	67.3%	35.6%
	4Q	1,152	1,103	774	424	67.1%	38.4%
	Total	4,788	4,612	3,052	1,806	63.7%	39.1%
2024	1Q	1,136	1,050	764	495	67.3%	47.1%
	2Q	1,089	994	778	477	71.4%	48.0%
	3Q	1,062	933	844	458	79.4%	49.1%
	4Q	1,039	908	801	407	77.1%	44.8%
	Total	4,326	3,885	3,186	1,837	73.7%	47.3%
2025	1Q	1,097	989	765	476	69.7%	48.1%
	2Q	1,206	1,084	811	519	67.2%	47.9%
	3Q	1,215	1,039	845	463	69.5%	44.6%
	4Q	1,146	962	801	421	69.9%	43.8%
	Total	4,665	4,073	3,221	1,880	69.1%	46.2%
2026	1Q	1,094	972	756	483	69.1%	49.7%
	2Q	1,067	1,031	845	501	79.2%	48.5%
	3Q	1,112	1,092	863	487	77.6%	44.6%
	4Q	1,103	1,084	838	489	76.0%	45.2%
	Total	4,375	4,179	3,302	1,960	75.5%	46.9%

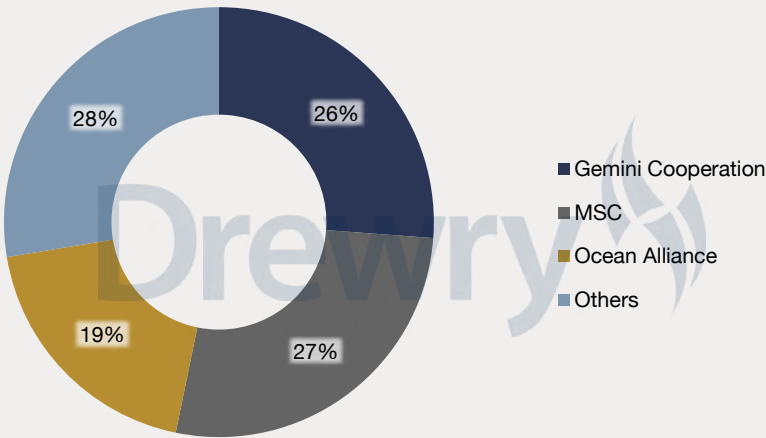
Adjusted for Out-Of-Scope cargo (1% Westbound And 3% Eastbound)

After making allowances for 7% of unusable slots because of deadweight limitations on eastbound trades and 7% unusable slots because of deadweight and high-cube limitations on westbound trades from Jan 2015 only

Source: Drewry Maritime Research

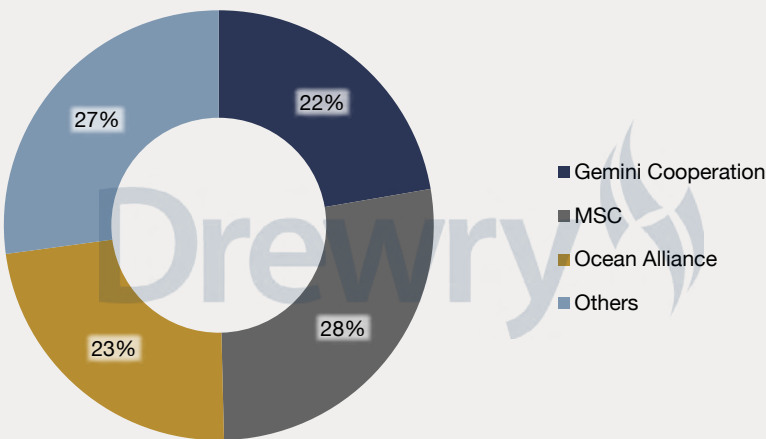
Transatlantic (North Europe)

Figure 5.15 Transatlantic headhaul effective capacity market shares, Apr 26



Source: Drewry Maritime Research

Figure 5.16 Transatlantic headhaul effective capacity market shares, Apr 25



Source: Drewry Maritime Research

6. Freight Rates and Carrier Financials

Freight rate outlook

Energy prices increased more than we had anticipated in our previous base case scenario, published March, which assumed a resolution of the Middle East conflict by the end of April. That prediction has lapsed, but four months into the war, crude oil prices are falling after the MoU ceasefire agreed between the US and Iran on 17 June.

While still inherently fragile, the preliminary agreement paves the way to normalise Strait of Hormuz traffic. Drewry's new base case scenario is that Hormuz will remain disrupted through August 2026, while our pessimistic scenario sees Hormuz disruption through February 2027.

In the revised base case scenario, Drewry's forecast for East-West freight rates (incl. fuel surcharges) in 2026 improved from a 15.9% fall to a 5.3% drop, while for Global average freight rates, our outlook improved from a 4.9% decline to a smaller decrease of 1.3%.

The duration of the US/Israel war with Iran remains the crux upon which Drewry hinges its forecasting scenarios

2026 East-West freight rates to drop 5.3% and Global freight rates 1.3%

2026 freight rate forecast summary & adjustments (base case)

	2Q26 edition	1Q26 edition	Difference
East-West	-5.3%	-15.9%	10.6%
Global	-1.3%	-4.9%	3.6%

Figure 6.1 Forecast scenario assumptions

		Assumptions for Scenario 1: Hormuz disruption ending August 2026 (Base case)	Assumptions for Scenario 2: Hormuz disruption ending February 2027
Brent crude in 2026		Avg. \$93/bbl; peak of \$114/bbl (Apr 2026)	Avg. \$116/bbl; peak of \$150/bbl (Dec 2026)
VLSFO bunkers in 2026		Avg. \$671/ton; peak of \$864/ton 2Q26	Avg. \$827/ton; peak of \$962/ton 4Q26
Ship routing in 2026		Gradual return of Suez Canal transits from 2H26 (releasing latent capacity)	Return to Suez Canal transits delayed until 2027-28 (no release of latent capacity)
Supply- demand balance in 2026		Balance to weaken in 2H26 as Hormuz-related front-loading fades + phased return of Suez transits	Balance weakens marginally due to degraded port productivity, slower steaming and ongoing Cape diversions

Source: Drewry Maritime Research

Freight rate outlook

Table 6.1 Forecast estimated average unit rate, East-West container market* (\$ per teu)

Drewry base case scenario 1: Hormuz disruption through Aug 2026				
Year	East-West supply/demand index	% Change	Weighted East-West freight rate including fuel charges	% Change
2023	91.1	-0.7%	\$1,046	-58.7%
2024	97.6	7.1%	\$1,126	7.6%
2025	92.2	-5.5%	\$909	-19.2%
2026**	90.2	-2.1%	\$861	-5.3%
2027**	86.4	-4.2%	\$712	-17.3%
Year	Estimated East-West average fuel surcharge	% Change	Weighted East-West freight rate excluding fuel charges	% Change
2023	\$248	-11.2%	\$798	-64.6%
2024	\$228	-8.2%	\$898	12.5%
2025	\$196	-13.9%	\$713	-20.6%
2026**	\$241	22.9%	\$620	-13.0%
2027**	\$204	-15.1%	\$508	-18.2%

Scenario 2: Hormuz disruption through Feb 2027				
Year	East-West supply/demand index	% Change	Weighted East-West freight rate including fuel charges	% Change
2023	91.1	-0.7%	\$1,046	-58.7%
2024	97.6	7.1%	\$1,126	7.6%
2025	92.2	-5.5%	\$909	-19.2%
2026**			\$927	2.0%
2027**			\$844	-8.9%
Year	Estimated East-West average fuel surcharge	% Change	Weighted East-West freight rate excluding fuel charges	% Change
2023	\$248	-11.2%	\$798	-64.6%
2024	\$228	-8.2%	\$898	12.5%
2025	\$196	-13.9%	\$713	-20.6%
2026**	\$329	68.0%	\$598	-16.1%
2027**	\$237	-28.2%	\$608	1.7%

* Weighted average of two-way Transpacific, Europe-Far East and Transatlantic trades, inclusive of THCs and intermodal rates where appropriate, covering both spot and contract markets

** Full-year projection

Source: Drewry Maritime Research

Freight rate outlook

Table 6.2 Forecast estimated average unit rate, global container market* (\$ per teu)

Drewry base case scenario 1: Hormuz disruption through Aug 2026				
Year	Global supply/demand index	% Change	Weighted Global freight rate including fuel charges	% Change
2023	77.9	-21.9%	\$1,155	-55.7%
2024	84.6	8.7%	\$1,300	12.5%
2025	86.7	2.4%	\$1,056	-18.7%
2026**	88.1	1.7%	\$1,042	-1.3%
2027**	77.3	-12.2%	\$897	-14.0%
Year	Estimated Global average fuel surcharge	% Change	Weighted Global freight rate excluding fuel charges	% Change
2023	\$248	-11.2%	\$907	-61.0%
2024	\$228	-8.2%	\$1,072	18.1%
2025	\$196	-13.9%	\$860	-19.8%
2026**	\$241	22.9%	\$801	-6.8%
2027**	\$204	-15.1%	\$692	-13.6%

Scenario 2: Hormuz disruption through Feb 2027				
Year	Global supply/demand index	% Change	Weighted Global freight rate including fuel charges	% Change
2023	77.9	-21.9%	\$1,155	-55.7%
2024	84.6	8.7%	\$1,300	12.5%
2025	86.7	2.4%	\$1,056	-18.7%
2026**			\$1,114	5.4%
2027**			\$1,021	-8.4%
Year	Estimated Global average fuel surcharge	% Change	Weighted Global freight rate excluding fuel charges	% Change
2023	\$248	-11.2%	\$907	-61.0%
2024	\$228	-8.2%	\$1,072	18.1%
2025	\$196	-13.9%	\$859	-19.9%
2026**	\$329	68.0%	\$784	-8.8%
2027**	\$237	-28.2%	\$784	0.0%

* Average of all deep-sea trades (including intra-Asia), inclusive of THCs and intermodal rates where appropriate, covering both spot and contract markets

** Full-year projection

Source: Drewry Maritime Research

Freight rate outlook

Furthermore, for 2027 we forecast a further reduction in East-West freight rates (incl. fuel surcharges), of 17.3% in our base case scenario and 8.9% in our pessimistic scenario (as latent capacity is released in the market again in both cases only later in the latter) while for Global rates our forecasts point to a reduction of 14.0% in the base case scenario and 8.4% if the conflict persists.

2027 East-West freight rates to drop 17.3% and Global freight rates 14%

2027 freight rate forecast summary & adjustments (base case)

	2Q26 edition	1Q26 edition	Difference
East-West	-17.3%	-9.0%	-8.3%
Global	-14.0%	-9.9%	-4.1%

2Q26 review

After a 1Q during which some carriers reported negative operating margins, container freight markets strengthened markedly during 2Q26 as shippers accelerated cargo movements in response to a combination of geopolitical uncertainty, trade policy risks and ongoing network disruptions.

During 2Q26 the container freight markets strengthened markedly

The tightening market enabled carriers not only to pass through higher bunker costs (EBAF), but also to implement Peak Season Surcharges (PSS) across a growing number of trade lanes.

At the centre of the current uncertainty lies the effective closure of the Strait of Hormuz, following the military confrontation between the US-Israel coalition and Iran. The prolonged closure has raised concerns over the availability not only of raw materials like energy products, but also of several intermediate products and petrochemicals.

Uncertainty about the price and availability of industrial inputs triggered an early peak season across both East-West and intra-regional trades

This uncertainty triggered an early peak season across both East-West and intra-regional trades, with cargo owners increasing safety stock levels and bringing forward shipments early to secure inventories and anticipate further operational disruptions.

At the same time, the container shipping market continued to operate under constrained network conditions: extended voyage durations due to the ongoing Red Sea diversions and congestion spikes in Asia, Europe, and the Middle east absorbed vessel capacity, while carriers also remained disciplined in their capacity management through a combination of blank sailings and vessel redeployments.

Another notable development during the quarter was a shift in carrier pricing behaviour. As market conditions tightened and demand accelerated, carriers became increasingly reluctant to maintain large numbers of individual Named Account rates and instead relied more heavily on FAK (Freight All Kinds) pricing mechanisms. This enabled carriers to simplify rate management, respond more quickly to changing market conditions and capture a greater share of the upside from strengthening demand. The trend was particularly evident on the major East-West trades, where carriers sought to restore pricing discipline following a prolonged period of rate weakness.

Carriers increasingly pushed named account rates onto the FAK market to maximise revenues

Freight rate outlook

Drewry's Composite World Container Index, a weighted average of weekly spot rates on the eight major East-West trades, gained 74%, rallying from \$2,287 per 40ft in early April to \$3,969 by late June, despite remaining broadly stable throughout April. Rates increased the most on the Transpacific Eastbound trade (+93% to USWC and +97% to USEC), followed by the Asia-Europe trade (+71% to North Europe and 61% to Med) and then the Transatlantic Westbound (+59%).

On the intra-Asian trades, freight rates strengthened on all major headhaul routes, as the early demand spike for consumer products also pulled in advanced shipments of semi-finished products. On the connections between Greater China and Southeast Asia, freight rates increased on average 35-40% since the start of 2Q. Drewry's weekly Intra-Asia Container Index increased, on average, by 55% during 2Q because the closure of the Strait of Hormuz caused some outliers. Following the closure, most carriers temporarily halted bookings to the Persian Gulf but activated alternative routes within a matter of weeks, mostly by inserting a transshipment port, organising a land bridge via an alternative gateway port, or both. These alternative routes operate at a lower capacity and a higher cost level than the original all-water routes.

Drewry's Composite World Container Index rose 74% to reach \$3,969 per 40ft container

Intra-Asian freight rates increased on average 55%

Table 6.3 Estimated average unit rate by quarter, East-West container market (base case forecast)

Year		\$ per teu	Change QoQ	Change YoY
2023		\$1,046		-58.7%
2024		\$1,126		7.6%
2025		\$909		-19.2%
2026		\$861		-5.3%
2027		\$712		-17.3%
2023	Q1	\$1,629	-16.2%	-38.5%
	Q2	\$1,065	-34.7%	-63.3%
	Q3	\$773	-27.4%	-70.6%
	Q4	\$719	-7.0%	-63.1%
2024	Q1	\$1,007	40.2%	-38.2%
	Q2	\$1,087	7.9%	2.1%
	Q3	\$1,343	23.5%	73.8%
	Q4	\$1,065	-20.7%	48.2%
2025	Q1	\$986	-7.5%	-2.2%
	Q2	\$932	-5.5%	-14.3%
	Q3	\$891	-4.4%	-33.7%
	Q4	\$829	-6.9%	-22.2%
2026	Q1	\$861	3.8%	-12.7%
	Q2	\$906	5.2%	-2.8%
	Q3	\$869	-4.1%	-2.5%
	Q4	\$810	-6.7%	-2.2%
2027	Q1	\$750	-7.4%	-12.8%
	Q2	\$713	-5.0%	-21.2%
	Q3	\$703	-1.5%	-19.1%
	Q4	\$682	-3.0%	-15.8%

Source: Drewry Maritime Research

Freight rate outlook

Consequently, freight rates from Shanghai to Nhava Sheva are now almost \$2,500 per 40ft (50-60% higher than at the start of 2Q) while rates to Jebel Ali are \$6,500 - \$7,000 (up from a YTD average of \$1,750 before the Hormuz closure).

Freight rates also strengthened on North-South Trades. Drewry's monthly North-South index for May was \$2,711 per 40ft, up 13% from April and 48% higher than February, i.e. before the closure of Hormuz.

Since the start of 2Q, rates increased the most on the South China – Australia trade (+42%) and the South China to Brazil trade (38%). The increase on the South China to South Africa corridor (+1%) was smaller but here rates were already inflated due to the Red Sea diversions.

On North-South trades, freight rates also strengthened

Table 6.4 Estimated average unit rate by quarter, East-West container market (scenario 2 forecast)

Year		\$ per teu	Change QoQ	Change YoY
2023		\$1,046		-58.7%
2024		\$1,126		7.6%
2025		\$909		-19.2%
2026		\$927		2.0%
2027		\$844		-8.9%
2023	Q1	\$1,629	-16.2%	-38.5%
	Q2	\$1,065	-34.7%	-63.3%
	Q3	\$773	-27.4%	-70.6%
	Q4	\$719	-7.0%	-63.1%
2024	Q1	\$1,007	40.2%	-38.2%
	Q2	\$1,087	7.9%	2.1%
	Q3	\$1,343	23.5%	73.8%
	Q4	\$1,065	-20.7%	48.2%
2025	Q1	\$986	-7.5%	-2.2%
	Q2	\$932	-5.5%	-14.3%
	Q3	\$891	-4.4%	-33.7%
	Q4	\$829	-6.9%	-22.2%
2026	Q1	\$861	3.8%	-12.7%
	Q2	\$906	5.2%	-2.8%
	Q3	\$981	8.3%	10.1%
	Q4	\$962	-1.9%	16.0%
2027	Q1	\$958	-0.4%	11.3%
	Q2	\$874	-8.7%	-3.4%
	Q3	\$819	-6.3%	-16.5%
	Q4	\$726	-11.4%	-24.5%

Source: Drewry Maritime Research

Table 6.5 Summary of selected weekly World Container Index spot rates after 25 weeks in 2026 (US\$/40ft container)

Port pair	YTD avg	Y/Y % chg	High	Low	Spread	STDEV (2025)	STDEV (2026)	Volatility
Shanghai to Rotterdam	\$2,574	-8%	\$4,342	\$2,052	\$2,290	\$726	\$567	↓
Shanghai to Genoa	\$3,596	-3%	\$5,756	\$2,826	\$2,930	\$786	\$763	↓
Shanghai to Los Angeles	\$3,000	-22%	\$5,142	\$2,191	\$2,951	\$1,117	\$775	↓
Shanghai to New York	\$3,765	-27%	\$6,769	\$2,771	\$3,998	\$1,315	\$1,005	↓
Rotterdam to New York	\$1,936	-15%	\$2,560	\$1,504	\$1,056	\$286	\$399	↑

Source: World Container Index, Drewry Maritime Research

Freight rate outlook

Freight rate forecast – highlights

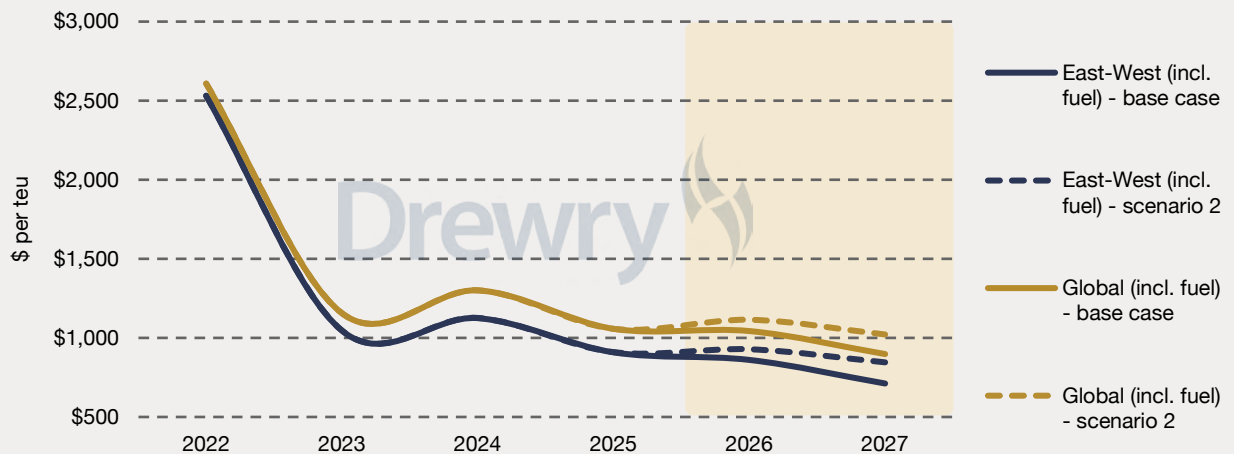
The continuation of the US/Israel conflict with Iran forced Drewry to revise its forecast assumptions. In our base case scenario, we now assume a resolution of the conflict within 2 months (i.e. through August), and in the worst case we retained our assumption of a 12-month conflict (i.e. through Feb 2027).

In the base case scenario, the outlook for 2026 East-West freight rates (incl. fuel surcharges), improved from a 15.9% drop to a 5.3% drop, while for Global average freight rates, our outlook improved from a 4.9% drop to a 1.3% drop. For 2027 we forecast a further reduction in East-West freight rates (incl. fuel surcharges), of 17.3% in our base case scenario and 8.9% in our worst-case scenario (as latent capacity is released in the market again).

Drewry's base case scenario assumes Hormuz disruption through August

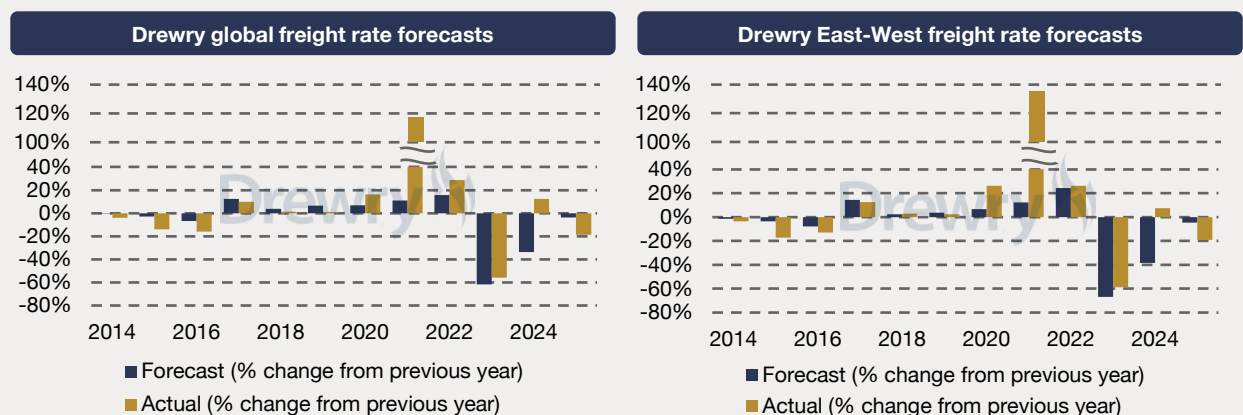
East-West freight rates to drop 5.3% in 2026 and 17.3% in 2027

Figure 6.2 Annual freight rate forecast



Source: Drewry Maritime Research

Figure 6.3 Drewry freight rate forecast performance



Note: Forecasts taken from December Container Forecaster reports prior to the year in question.

Source: Drewry Maritime Research

Freight rate outlook

Freight rate forecast – rationale

The revisions to our forecasts were driven by:

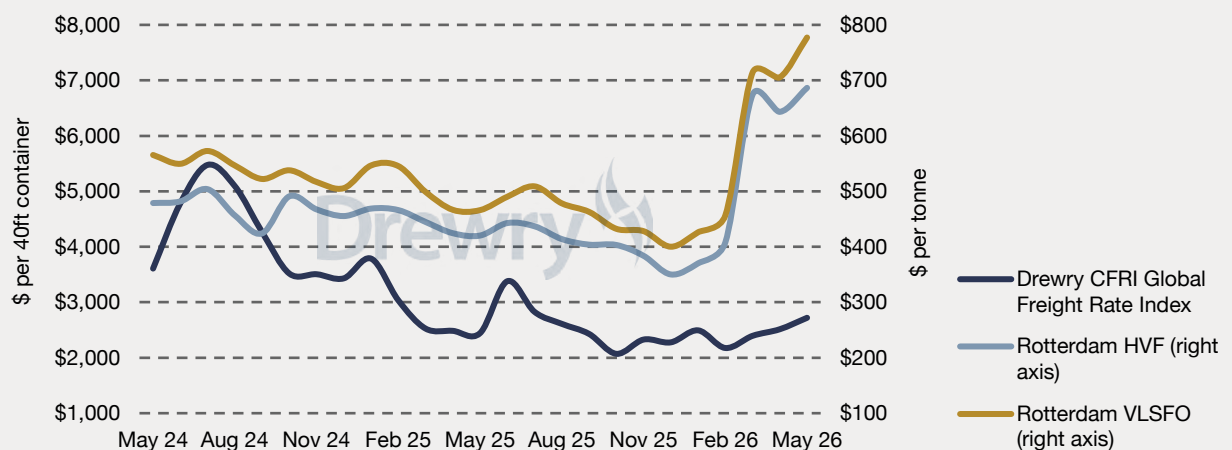
- The necessity to update our base case scenario assumptions as at the end of 1Q, we had assumed a resolution of the of the US/Israel conflict with Iran within 2 months i.e. by end of April.
- The length of the Iran conflict has pushed up freight rates and increased energy prices. This in turn has triggered an early peak season during 2Q.
- The ‘return to Suez’ assumption need to be updated. Our base case now assumes a gradual return of Suez Canal transits from 2H26 (releasing latent capacity) and our worst case assumes that the return to Suez Canal transits is delayed until 2027-28 (no release of latent capacity)

Freight rate forecasts – sensitivities

The main uncertainties around our updated freight rate forecasts hinge on the duration and intensity of the US/Israel conflict with Iran:

- **Energy prices:** So far, the conflict has caused a moderate reduction in the structural oil producing capacity of the region, as well as a reduction in strategic oil reserves. In this new situation, the price elasticity of oil has increased significantly, which does not bode well if there is any re-escalation if the intensity of the conflict.
- **Operational disruption:** It remains to be seen how substitute hub ports for the Middle East cope; any significant efficiency degradation could reduce effective capacity
- **Demand destruction:** With energy prices now structurally at a higher level, it remains to be seen to what extent this will result in demand destruction through higher prices.

Figure 6.4 Trends in container spot rates, bunker prices, monthly averages



Source: Drewry Maritime Research, Drewry Container Freight Rate Insight

Freight rate outlook

Figure 6.5 Forecast bunker prices for different fuel types

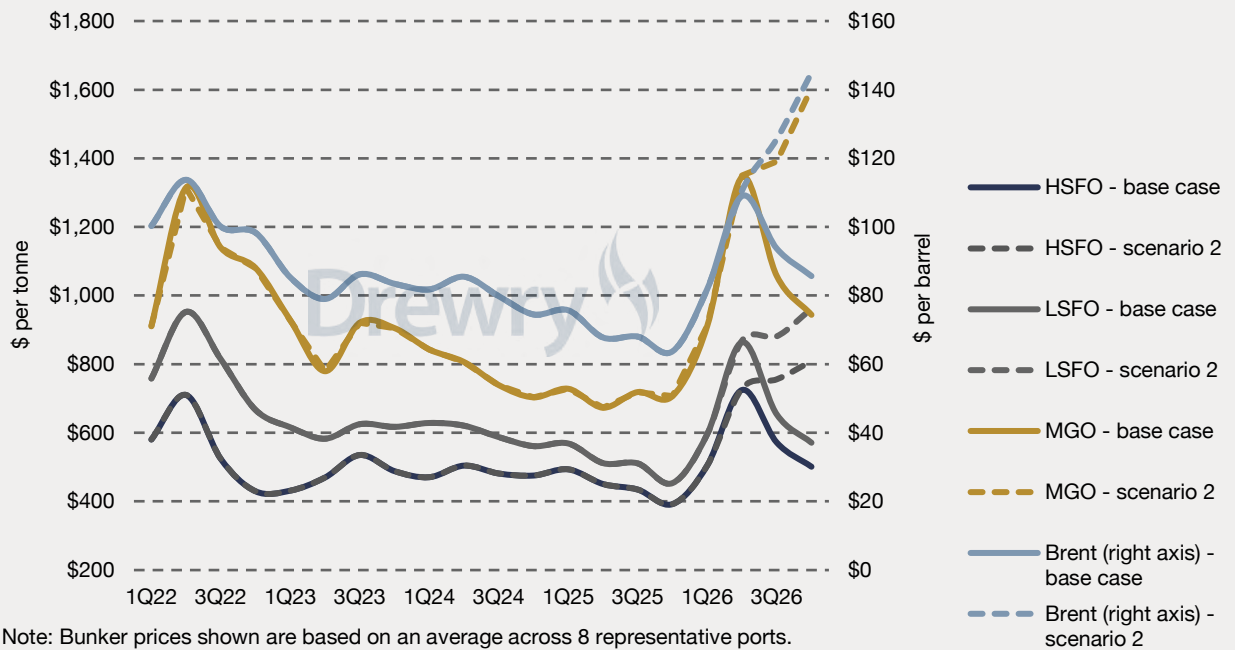
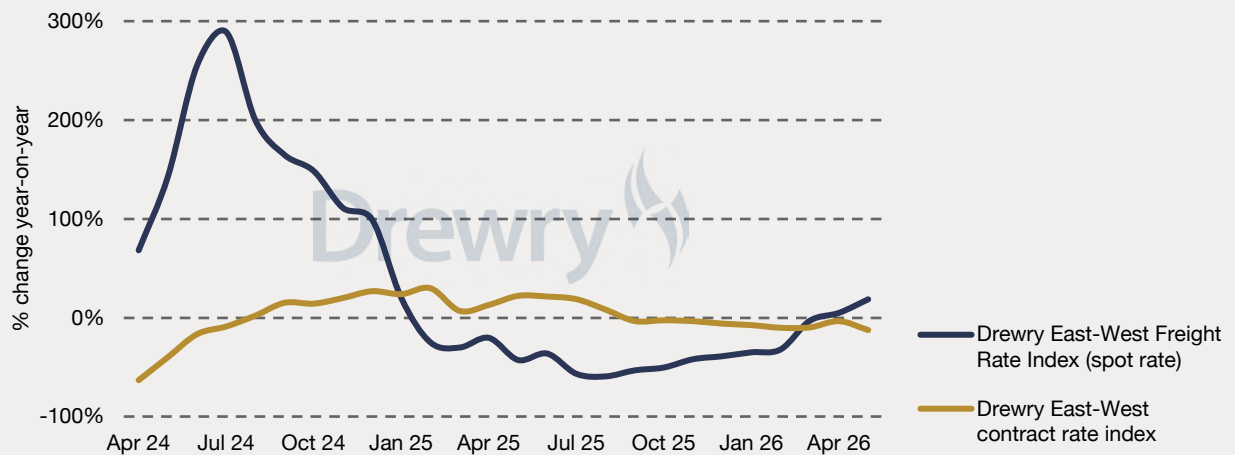


Figure 6.6 Development of average East-West spot freight rates and contract freight rates



Source: Drewry Benchmarking Club

Industry Profitability and Financial Trends

It was a patchy start to the year for container lines, with some major carriers losing money in 1Q26, and all experiencing significant revenue and profit YoY declines. A sharp increase in freight rates since, driven by geopolitical-related factors, suggests that carriers' financial results will improve for 2Q26, but despite improving near-term fundamentals, persistent overcapacity risk (from an expanding orderbook), higher leverage, and declining cash reserves will pressure margins and balance sheets.

Based on available company data, the industry's EBIT margin for the first quarter of 2026 dropped to 4.3%, down 0.2 percentage points on 4Q26 and 11.7 p.p. versus 1Q25. It was the lowest quarterly industry profit margin recorded since 4Q23 (-4.2%).

While the general direction of travel is clear, the performances of individual carriers was remarkably varied in 1Q26. The industry average was dragged down by losses at three of the Top 10 carriers that report financials; Maersk's container division reported an EBIT deficit of \$192 million, Hapag-Lloyd's liner unit posted an operating loss of \$174m, while Zim reported an EBIT loss of \$18m. Raising the average, Cosco's container shipping division (incorporating Cosco and OOCL) posted an EBIT profit of \$1 billion, while other Asia-based carriers also performed strongly (see Table 6.6).

The high-low spread in EBIT margins within our sample of carriers was nearly 25 percentage points in 1Q26, from a high of 19.8% (Regional Container Lines) to a low of -5.0% (Eimskip). This is actually quite typical for an industry where the players often operate in very different markets, with different customer mixes and spot-contract ratios, among other peculiarities. In recent years, we have observed carriers with greater focus on Intra-Asia trades have outperformed others in the sample, reporting higher EBIT margins driven by lower operating costs benefitting from short-haul trades and leaner environmental regulations.

Historically, regional carriers have outperformed global carriers during cyclical downturns, while global carriers tend to perform better during upturns in the shipping cycle. The primary reason for this is that freight rates on long-haul trade routes, such as Asia-Europe and the Transpacific, are significantly more volatile and tend to experience larger gains during periods of market strength.

The Middle-East conflict continues to dominate the headlines with carriers worried about higher bunker prices and demand destruction

Carriers report weak result in 2Q26 with major carriers reporting operating losses

How Drewry calculates container shipping industry profitability

Step	Calculation	Note
Gross carrier income	Loaded container moves (m teu) x revenue per teu = Gross Carrier Income (US\$Bn)	Revenue per teu is the same as the Weighted Global freight rate including fuel charges (see Table 6.2) that incorporates both spot and contract prices
Industry EBIT margin	Based on sample carriers as listed in footnote in Figure 6.6	Target is to include a wide mix of carriers from large to small and include liner division results only whenever possible. The sample does change dependent on the number of carriers that publish financials
EBIT	Gross Carrier Income (US\$Bn) x EBIT margin = EBIT (US\$Bn)	Any changes to quarterly loaded container moves or revenue per teu are liable to change this assessment (rarely by a significant margin)

Industry Profitability and Financial Trends

Cost control remains a key focus point for carriers, and while industry operating cost did increase 2.5% YoY in 1Q26, that was just a function of higher volumes transported - loaded volumes were 3.5% higher YoY. On a unit cost basis, average costs declined 1.0% YoY, mainly due to lower bunker prices (they only started to increase from March).

While sample operating expenses increased, unit cost decreased because of lower bunker prices

While carriers across our sample reported a decline in unit costs, Hapag-Lloyd was the anomaly in reporting an increase. The German company attributed this to severe weather disruptions in Northern Europe, along with disruptions in the Middle East, which it said affected the company disproportionately because of its significant exposure to these trade lanes.

Along with rising costs, carriers were hit by revenue contraction in 1Q26, caused by declining freight rates. Regional carriers again outperformed global carriers, reporting a smaller contraction due to the relative strength of regional spot rates.

Table 6.6 Financial results of selected carriers, 3 months 2024-25 (\$ million)

Carrier/Group	Revenue			Operating profit			Operating margin		Net profit		
	2025	2026	%	2025	2026	%	2025	2026	2025	2026	%
3 months (Jan-Mar)											
AP Moller-Maersk (ocean)	8,910	8,178	-8%	743	-192	n.m	8.3%	-2.3%	n.a	n.a	n.a
COSCO SHIPPING Holdings (container shipping business) [1] [2]	7,673	7,171	-7%	2,027	1,007	-50%	26.4%	14.0%	1,614	794	-51%
COSCO SHIPPING Lines [1]	5,390	5,036	-7%	1,417	658	-54%	26.3%	13.1%	1,015	449	-56%
OOIL/OOCL [1]	2,283	2,136	-6%	610	349	-43%	26.7%	16.3%	600	345	-43%
Eimskip (Liner services) [1]	109	121	11%	-5	-6	n.m	-4.6%	-5.0%	n.a	n.a	n.a
Evergreen Marine [1]	3,345	2,735	-18%	892	283	-68%	26.7%	10.3%	832	262	-69%
Hapag-Lloyd (Liner Shipping) [1]	5,219	4,775	-9%	472	-174	n.m	9.0%	-3.6%	n.a	n.a	n.a
HMM (containers) [1]	1,699	1,549	-9%	398	126	-68%	23.4%	8.1%	n.a	n.a	n.a
Matson (ocean transportation)	637	607	-5%	74	55	-26%	11.5%	9.0%	n.a	n.a	n.a
Ocean Network Express [3]	4,312	4,042	-6%	223	74	-67%	5.2%	1.8%	309	55	-82%
Regional Container Lines [1]	275	266	-3%	59	53	-11%	21.7%	19.8%	n.a	n.a	n.a
Wan Hai [1]	1,128	1,063	-6%	281	184	-35%	24.9%	17.3%	266	242	-9%
Yang Ming [1]	1,384	1,222	-12%	220	24	-89%	15.9%	2.0%	236	45	-81%
Zim	2,007	1,396	-30%	464	-18	n.m	23.1%	-1.3%	295	-86	n.m

Notes: n.a = not available; n.m = not meaningful

[1] Local currency numbers were converted into US dollars using the average exchange rate for relevant financial period

[2] These are the combined figures for COSCO SHIPPING Lines and OOIL/OOCL; EBIT for 1Q24 based on published USD sum, not after usual conversion due to absence of results in local currency

[3] Ocean Network Express is based on calendar year rather than its financial year

Source: Drewry Maritime Research, derived from ocean carrier financial reports

Industry Profitability and Financial Trends

While most global carriers reported topline deficits in line with the sample – Drewry estimates that gross carrier income reduced 10.0% YoY in 1Q26 – Zim reported the steepest contraction of 30.4%, as it experienced a sharp decline in both volumes and freight rates. This clearly highlights the company's struggle to gain volume despite offering significantly reduced freight rates.

A saving grace for carriers was the robust increase in loaded global container volumes, which rose 3.5% in 1Q26. Major carriers like Cosco and Maersk reported nearly 10% volume growth, outperforming others in the sample; however, this was achieved by reducing freight rates much below the industry-average.

The second quarter of this year has been largely shaped by developments in the Middle East, with investor confidence flip-flopping depending on how close a ceasefire agreement appeared. Container lines witnessed a sharp spike in freight rates, supported by higher fuel surcharges (revenue neutral) and increased demand (revenue positive) as shippers looked to build up safety stocks of goods. As of 18 June, Drewry's World Container Index (WCI) – a benchmark of spot rates on eight East-West container trades – was 74% higher than at the start of 2Q26, reaching an 18-month high of \$3,969 per 40ft container.

This positive momentum in freight rates and demand all but ensures a better result for carriers in 2Q26, although it is likely to bring only a brief respite from the downwards profitability trend. Lower bunker prices, reduced network disruption and suppressed drivers of demand growth should all see container freight rates start to recede quickly.

Nonetheless, the outlook for the full-year is much brighter than it was three months ago, and Drewry has upgraded 2026 forecasts for both loaded container traffic and revenue per teu. As a result, the industry EBIT forecast for 2026 has been raised to \$16 billion, up from our previous assessment of \$10bn. At the same time, the EBIT margin for the year has been upgraded to 5.6%, versus the earlier 3.7%.

Volume growth and freight rate forecast upgraded on the back on strength in freight market seen in 2Q26

2026 carrier profit forecast summary & adjustments

	2Q26 edition	1Q26 edition	Difference
EBIT (\$bn)	\$16	\$10	\$6
EBIT margin	5.6%	3.7%	1.9%

2027 carrier profit forecast summary & adjustments

	2Q26 edition	1Q26 edition	Difference
EBIT (\$bn)	\$1	\$1	\$0
EBIT margin	0.4%	0.4%	0.0%

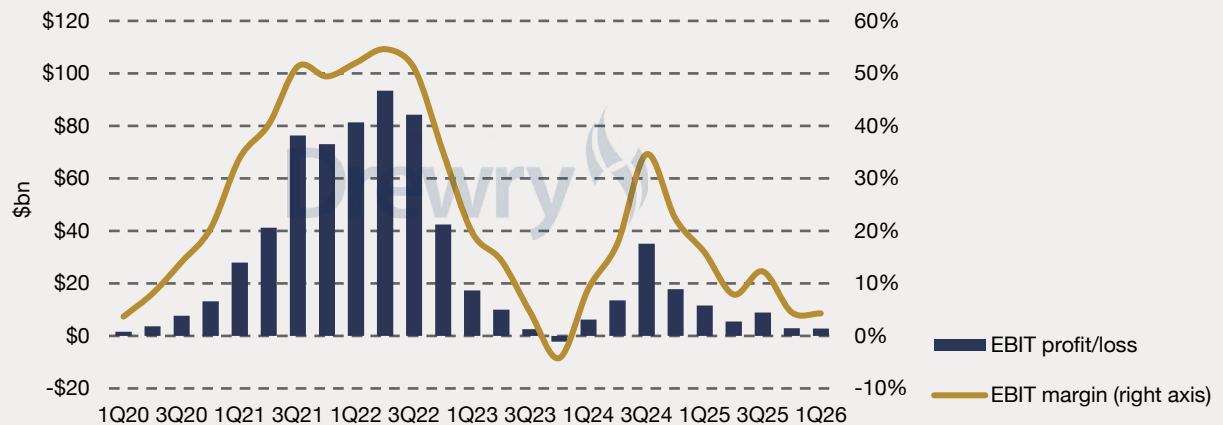
Industry Profitability and Financial Trends

Moving across from carriers' income statement to their balance sheets, cash reserves across major container carriers declined for the fourth consecutive quarter in 1Q26, primarily driven by capital expenditure on newbuild ordering and weaker profitability.

Although total capital expenditure decreased on a YoY basis, it remains focused on newbuild ordering, which continues to be a popular choice of investment for most carriers. This has in turn bloated the industry orderbook to nearly 13 mteu, or 38.5% of the active fleet. That ratio has gained 9.1 percentage points over the past 12 months, a major, and rising, risk for the sector.

Cash reserves continue to decline in 1Q26 driven by capex outflow for newbuild order which remains the favourite activity of carriers despite persistent risk of overcapacity

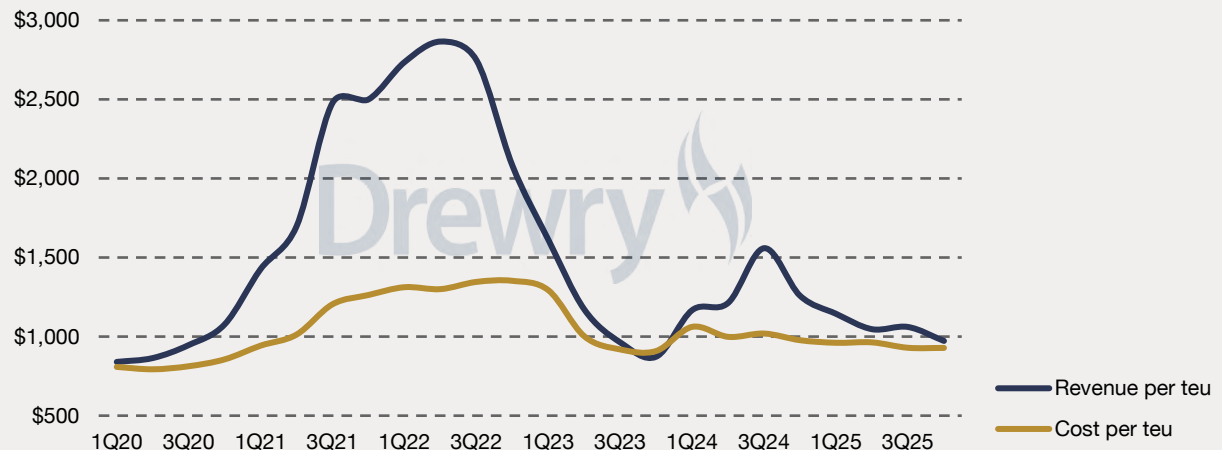
Figure 6.7 Estimated carrier industry ebit profit/loss and ebit margins



Note: EBIT margins based on average of sample carriers after currency conversion to US dollars when necessary. Sample consists of APL - excluded post 4Q15; China COSCO (container shipping) - from 1Q19; CMA CGM (container shipping) - stopped reporting from 2Q23; Eimskip (Liner services) - from 1Q14; Evergreen Marine Corp; Hanjin Shipping (container) - excluded post 2Q16; Hapag-Lloyd; HMM (container unit only); Maersk Line - excluded 1Q18-4Q19; Matson (ocean transportation); ONE - from 2Q20; Regional Container Lines; Samudera Container Lines (excluded post 4Q19); Wan Hai; Yang Ming; Zim; MOL (containerships), NYK (liner) and K Line (containerships) - excluded post 1Q18.

Source: Drewry Maritime Research

Figure 6.8 Estimated industry freight rates, unit costs



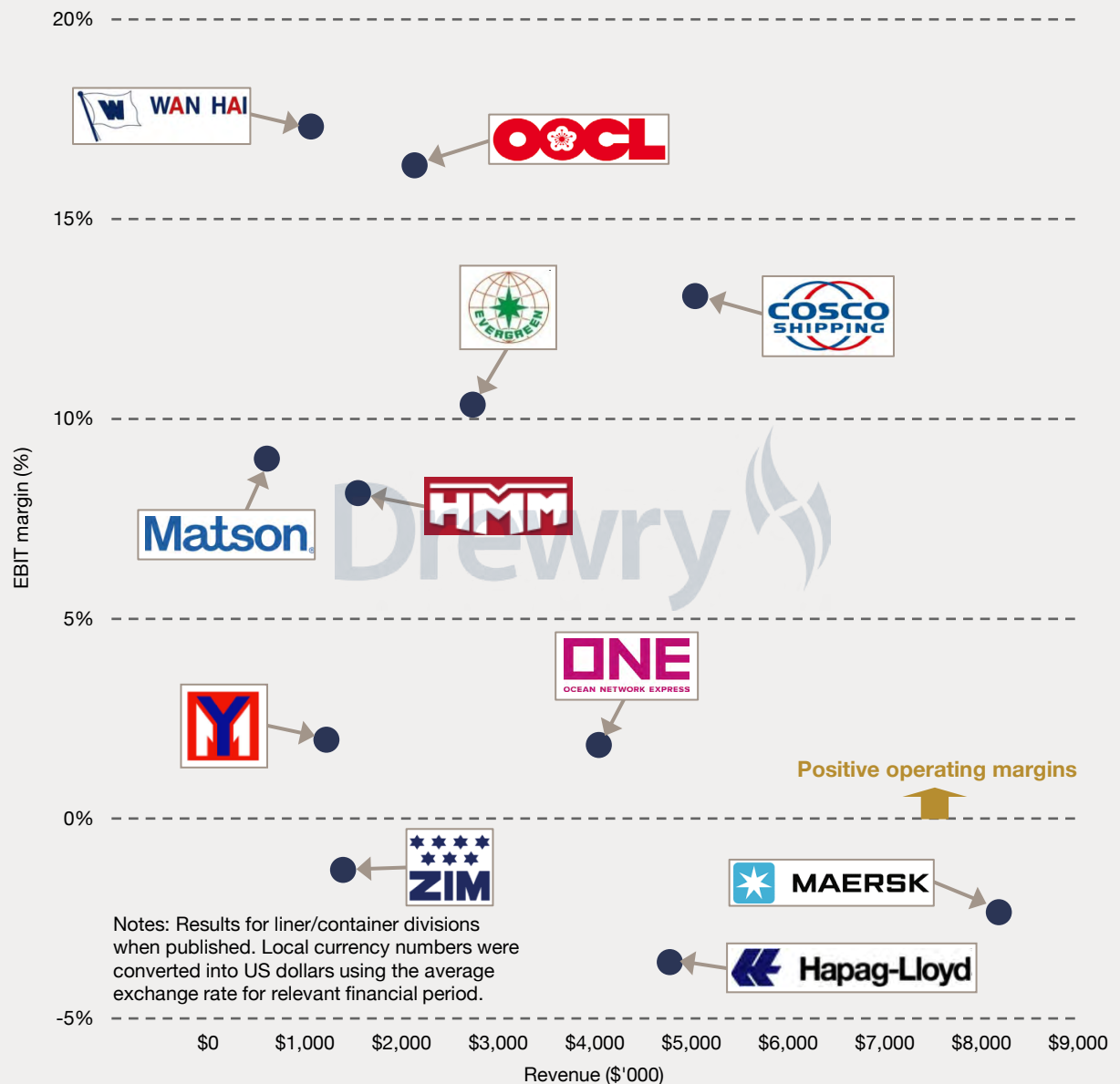
Source: Drewry Maritime Research

Industry Profitability and Financial Trends

However, given the consolidated nature of the industry, carriers remain incentivised to invest in fleet growth to defend market share, particularly as large carriers like MSC continue to pursue aggressive capacity expansion strategies. As a result, carriers may find it difficult to materially reduce newbuild commitments despite the risk of overcapacity re-emerging once the Middle-East situation stabilises.

While this has been the broader industry trend, some carriers have shifted their capital allocation priorities. Maersk, for example, increased terminal-related capital expenditure 35.7% YoY in 1Q26, while capex in its Ocean segment declined 38.6% YoY. This reflects a growing emphasis on strengthening their presence in terminal operations and integrated logistics services. Such diversification not only provides more stable cash flows but also helps reduce operating costs amid earnings volatility.

Figure 6.9 3-month 2026 scorecard: comparison of ebit margins, revenue of selected carriers



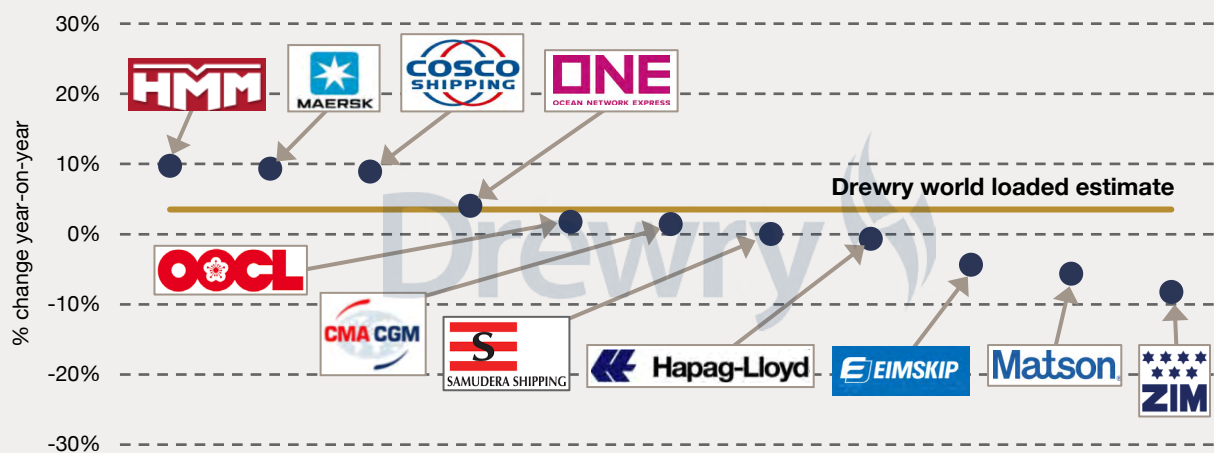
Source: Drewry Maritime Research, derived from ocean carrier financial reports

Industry Profitability and Financial Trends

Alongside declining cash balances, industry leverage continues to rise, reflecting ongoing capital expenditure commitments and reduced focus on debt repayment. Consequently, the industry's net gearing ratio increased 8.5 p.p. YoY to -5.7% in 1Q26 while still remaining in the negative territory. While the increase in leverage is unlikely to pose an immediate concern given carriers' healthy liquidity positions and the current strength of the freight market, balance sheet risks could become more pronounced once the market cycle turns. A normalisation of freight rates over the coming year, combined with higher debt burdens and the constant influx of newbuild deliveries, could pressure earnings impacting cash flow of carriers across the sector.

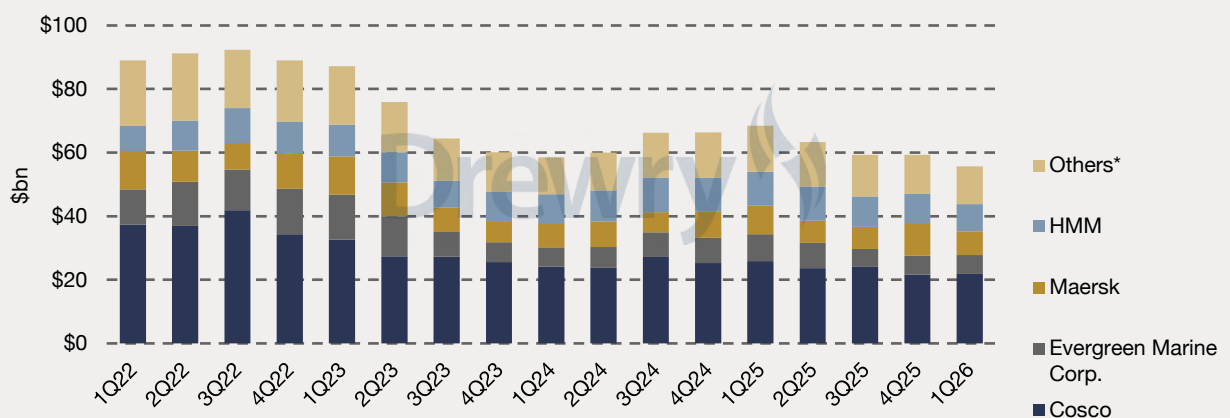
Higher leverage along with declining cash reserves increases net gearing ratio of carriers

Figure 6.10 Selected carriers' 1Q26 volume growth



Source: Drewry Maritime Research

Figure 6.11 Historical cash reserves of selected carriers



* Others include HMM, Matson, RCL, Wan Hai, Yang Ming, and Zim.

Source: Drewry Maritime Financial Research

Industry Profitability and Financial Trends

Hapag-Lloyd's acquisition of Israeli carrier Zim would ordinarily be the leading story in the market, but geopolitical events have pushed it somewhere down the pecking order. To date, the proposed transaction has received approval from the majority of Zim shareholders, but Hapag-Lloyd is yet to secure approval from the Israeli authorities, with the Golden Share approval still pending and remaining the primary hurdle to the completion of the deal.

Hapag-Lloyd-Zim merger remains pending, awaiting approval for ZIM's golden share

Figure 6.12 Historical net gearing ratio of industry

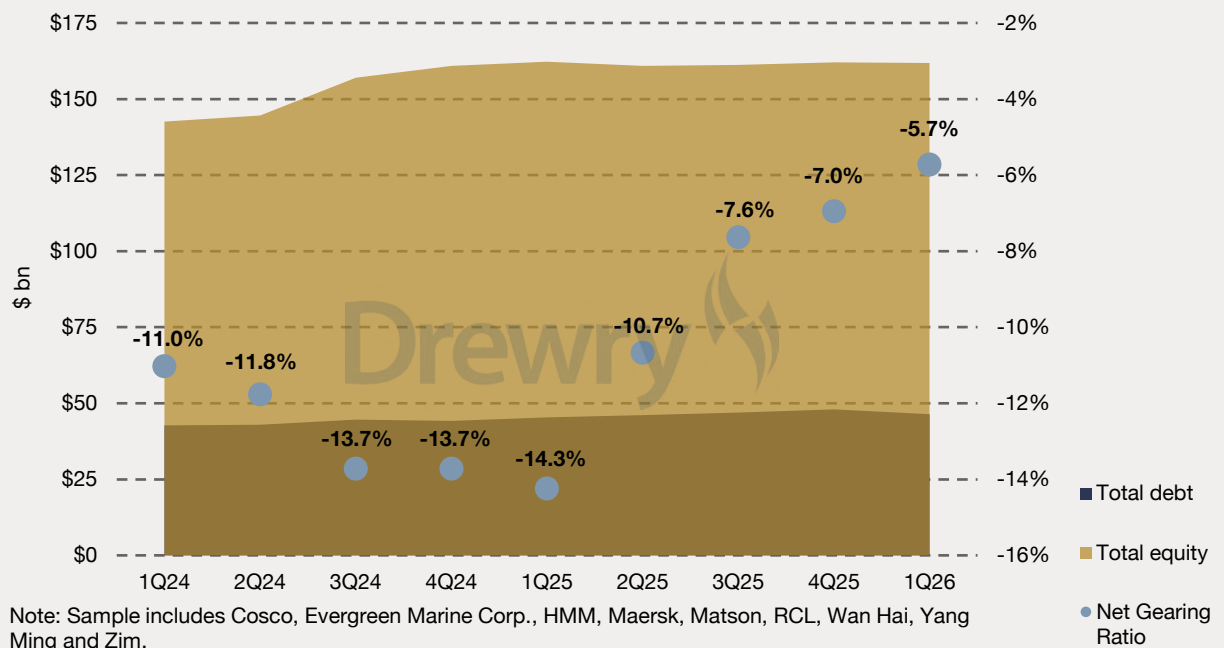
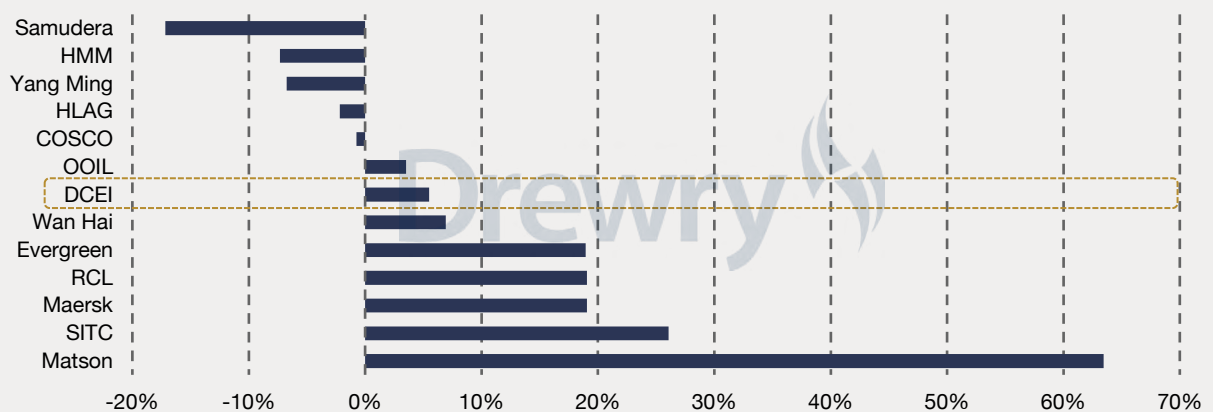


Figure 6.13 Container shipping stocks performance YTD



Source: Various exchanges, Drewry Maritime Financial Research

Industry Profitability and Financial Trends

In a recent development, Israeli businessman Haim Sakal placed a higher bid of \$4.5 billion (vs Hagag-Lloyd's \$4.2bn) to acquire Zim at \$37.5 per share (vs Hagag-Lloyd's \$35 per share), surprising investors. While there is a higher likelihood of an Israeli buyer receiving government approval, the bid is unlikely to be considered due to the binding nature of the existing merger agreement.

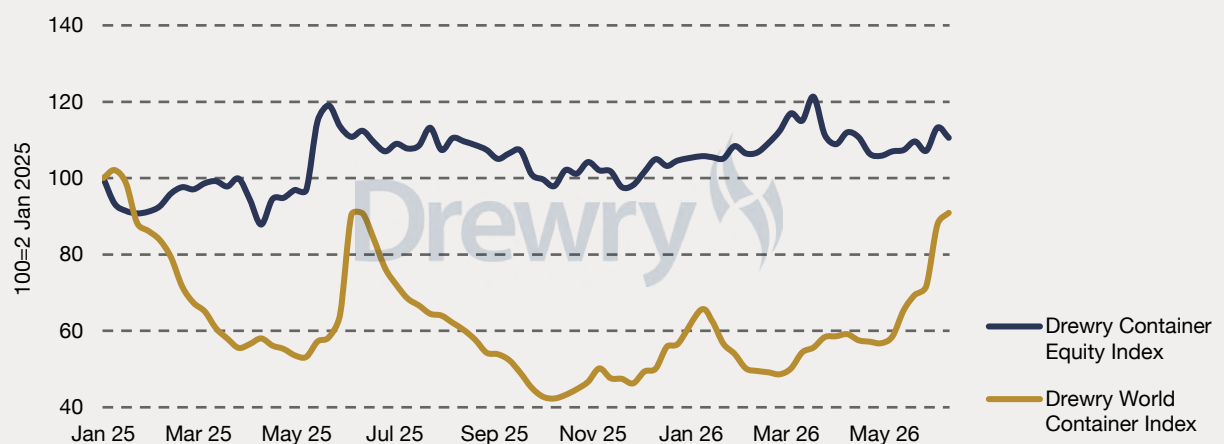
One speculative story that did garner significant attention was a rumour that MSC was preparing a bid to take a stake in Hapag-Lloyd. MSC has flatly denied any credence to the story and it does seem very far-fetched. However, if MSC was looking to cause maximum disruption to its main rivals, that would certainly be one way to go about it.

In terms of equity performance, the Drewry Container Equity Index (DCEI) was up 5.5% on a YTD basis (as of 12 June 2026), underperforming the S&P 500, which rose 8.6% during the same period, driven by AI-related gains in tech stocks. Among individual stocks, Matson Inc. was the top performer, rising 63.4% YTD, primarily due to a surge in cargo demand to the US. Samudera Shipping Line was the worst performer, declining 17.2%, as the uneven impact of its fleet size and market exposure continued to weigh on the stock.

The DCEI's current P/B ratio stands at 0.76, slightly below the 10-year average of 0.91 (excluding the pandemic years of 2020–22) suggesting a fair valuation of equities. While the current strength in the freight market is supporting the upward momentum in the DCEI, we expect the index to decline once the shipping cycle turns and demand softens. Due to this, investors should exercise caution when investing, rather than being swayed by the current optimism in the market.

DCEI is up 5.5% on YTD basis with US based Matson being the top performer

Figure 6.14 Drewry Container Equity Index versus Drewry World Container Index



Note: The Drewry Container Equity Index is a USD market cap weighted index of the following companies: AP Moller Maersk, Cosco (A Share), Evergreen Marine, Hapag-Lloyd, HMM, Matson, OOIL, RCL, Samudera, SITC, Wan Hai, and Yang Ming.

Source: Various exchanges, World Container Index assessed by Drewry, Drewry Maritime Financial Research

Industry Profitability and Financial Trends

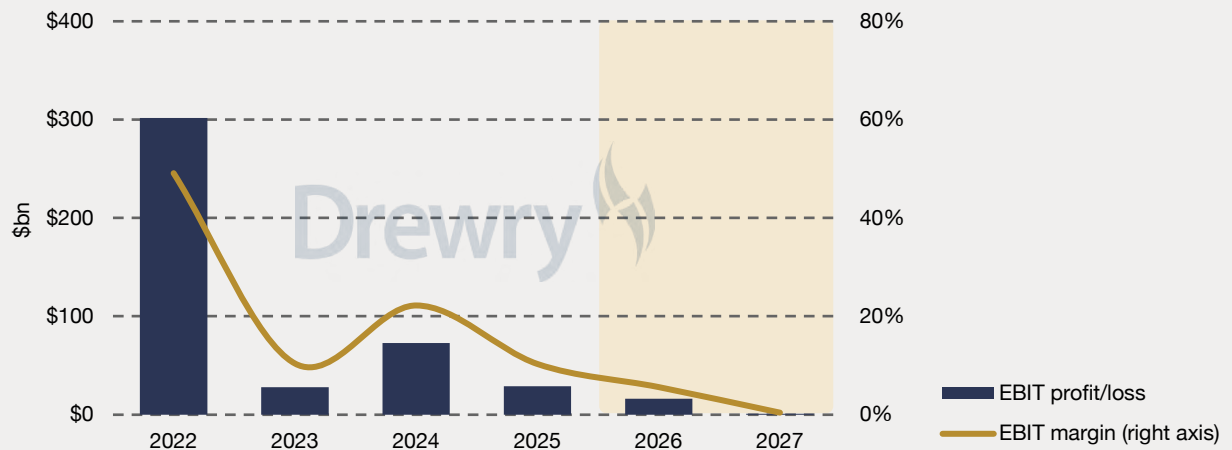
Figure 6.15 Drewry Container Equity Index vs. S&P 500



Note: The Drewry Container Equity Index is a USD market cap weighted index of the following companies: AP Moller Maersk, Cosco (A Share), Evergreen Marine, Hapag-Lloyd, HMM, Matson, OOIL, RCL, Samudera, SITC, Wan Hai, and Yang Ming.

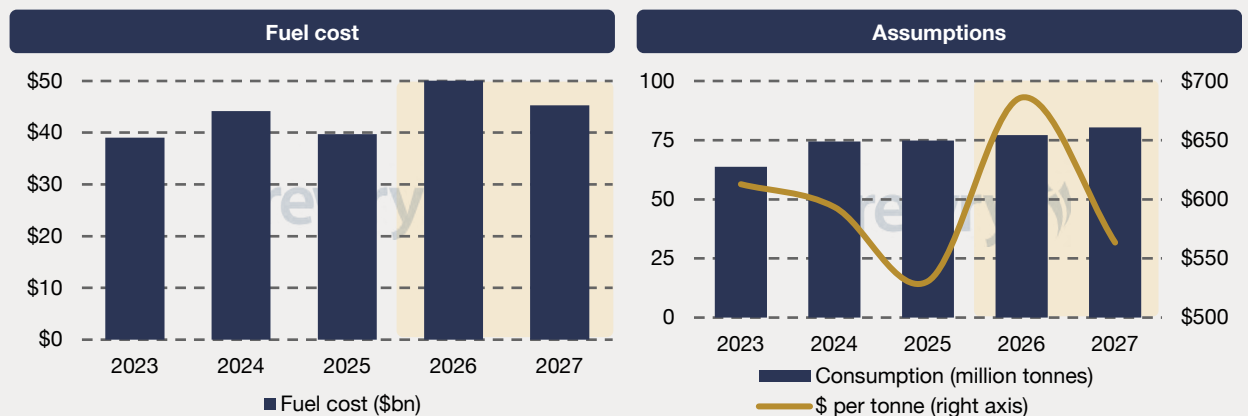
Source: Various exchanges, Drewry Maritime Financial Research

Figure 6.16 Forecast carrier industry ebit profit/loss and ebit margins



Source: Drewry Maritime Research

Figure 6.17 Estimated annual fuel cost to the container industry



Note: Cost per tonne is weighted 90% LSFO, 10% HSFO.

Source: Drewry Maritime Research

Industry Profitability and Financial Trends

Table 6.7 Financial results of selected carriers, 12 months 2024-25 (\$ million)

Carrier/Group	Revenue			Operating profit			Operating margin		Net profit		
	2024	2025	%	2024	2025	%	2024	2025	2024	2025	%
12 months (Jan-Dec)											
AP Moller-Maersk (ocean)	37,388	34,975	-6%	4,743	1,386	-71%	12.7%	4.0%	n.a	n.a	n.a
COSCO SHIPPING Holdings (container shipping business) [1] [2]	31,353	29,307	-7%	8,741	5,258	-40%	27.9%	17.9%	6,945	4,103	-41%
COSCO SHIPPING Lines [1]	21,653	20,573	-5%	6,092	3,720	-39%	28.1%	18.1%	4,367	2,599	-40%
OOIL/OOCL [1]	9,700	8,734	-10%	2,648	1,538	-42%	27.3%	17.6%	2,578	1,504	-42%
Eimskip (Liner services) [1]	615	469	-24%	11	3	-73%	1.8%	0.6%	n.a	n.a	n.a
Evergreen Marine [1]	14,433	12,165	-16%	4,980	2,379	-52%	34.5%	19.6%	4,342	2,201	-49%
Hapag-Lloyd (Liner Shipping) [1]	20,287	20,604	2%	2,717	1,005	-63%	13.4%	4.9%	n.a	n.a	n.a
HMM (containers) [1]	7,440	6,501	-13%	2,478	911	-63%	33.3%	14.0%	n.a	n.a	n.a
Matson (ocean transportation)	2,810	2,736	-3%	501	456	-9%	17.8%	16.7%	n.a	n.a	n.a
Ocean Network Express [3]	18,785	16,890	-10%	3,804	459	-88%	20.3%	2.7%	4,290	592	-86%
Pacific International Lines	4,305	4,268	-1%	1,459	1,145	-22%	33.9%	26.8%	1,342	1,049	-22%
Regional Container Lines [1]	1,001	1,125	12%	233	253	9%	23.3%	22.5%	n.a	n.a	n.a
Samudera Shipping Line (container shipping)	490	556	14%	81	85	5%	16.4%	15.2%	n.a	n.a	n.a
SITC	3,058	3,412	12%	1,054	1,251	19%	34.5%	36.7%	1,028	1,223	19%
T.S. Lines	1,340	1,285	-4%	367	331	-10%	27.4%	25.8%	366	329	-10%
Wan Hai [1]	5,038	4,504	-11%	1,573	1,066	-32%	31.2%	23.7%	1,476	1,010	-32%
Yang Ming [1]	6,934	5,249	-24%	2,104	475	-77%	30.3%	9.0%	1,998	549	-73%
Zim	8,427	6,904	-18%	2,527	1,016	-60%	30.0%	14.7%	2,148	481	-78%

Notes: n.a = not available; n.m = not meaningful

[1] Local currency numbers were converted into US dollars using the average exchange rate for relevant financial period

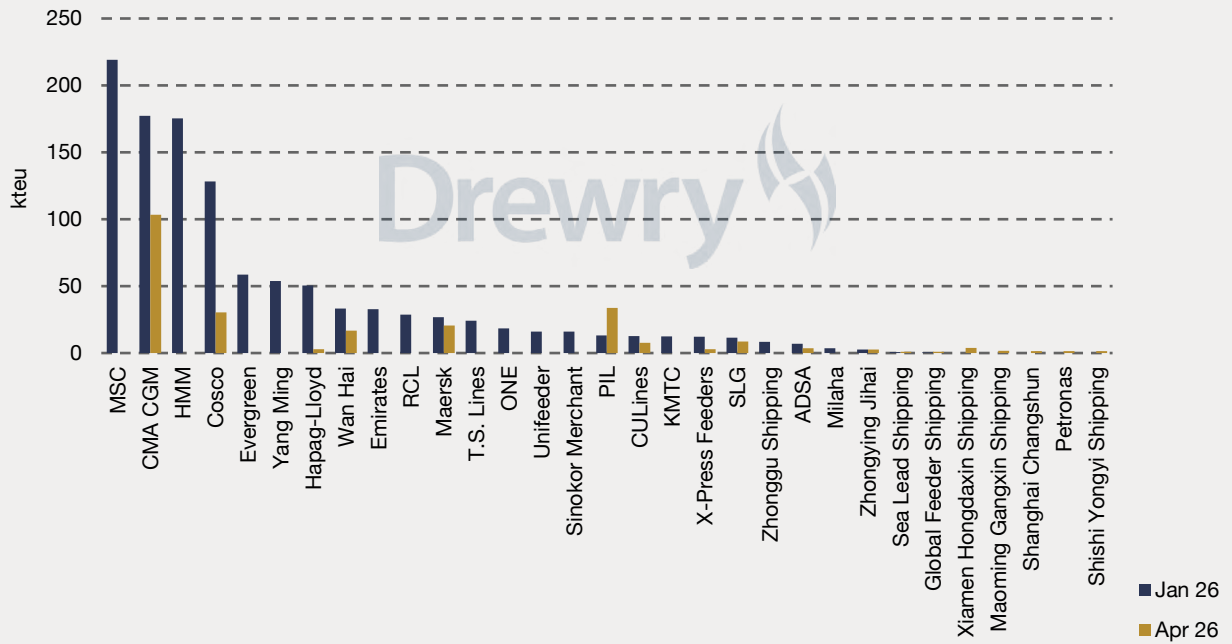
[2] These are the combined figures for COSCO SHIPPING Lines and OOIL/OOCL; EBIT for 1Q24 based on published USD sum, not after usual conversion due to absence of results in local currency

[3] Ocean Network Express is based on calendar year rather than its financial year

Source: Drewry Maritime Research, derived from ocean carrier financial reports

Industry Profitability and Financial Trends

Figure 6.18 Effective capacity changes on Asia-MidE WB trade



Source: Drewry Maritime Research

Table 6.8 Carrying of selected carriers (kteu)

Carrier/Group	1Q25	1Q26	% Change	2024	2025	% Change
Maersk	5,862	6,406	9.3%	24,676	25,884	4.9%
CMA CGM	5,850	5,930	1.4%	23,570	24,240	2.8%
Cosco (excl. OOCL)	4,518	4,919	8.9%	18,344	19,560	6.6%
Hapag-Lloyd	3,225	3,203	-0.7%	12,467	13,470	8.0%
Ocean Network Express [1]	3,071	3,195	4.0%	12,681	12,804	1.0%
OOCL	1,963	1,997	1.7%	7,595	7,874	3.7%
HMM	926	1,016	9.7%	3,821	3,944	3.2%
Zim	944	866	-8.3%	3,751	3,663	-2.3%
Samudera Shipping Line	490	490	0.0%	1,911	2,062	7.9%
Matson	183	173	-5.7%	802	781	-2.6%
Eimskip	52	50	-4.4%	207	212	2.3%
Sample total	27,085	28,244	4.3%	109,825	114,494	4.3%

[1] Ocean Network Express is based on calendar year rather than its financial year

Source: Drewry Maritime Research

Industry Profitability and Financial Trends

Table 6.9 Z-scores of selected carriers or parent companies

Company	Period	Period Ended	Unit	Net Sales	EBIT	Assets		Book Value of Equity	Liabilities		Retained Earnings	Z-score
						Total	Current		Total	Current		
SITC International Holdings	12 months	31-Dec-25	million US\$	3,412	1,156	3,478	1,223	2,501	976	725	2,047	4.61
OIL (parent of OOCL)	12 months	31-Dec-25	million US\$	9,722	1,533	17,669	7,181	13,413	4,256	2,486	13,343	4.10
Pacific International Lines	12 months	31-Dec-25	million US\$	4,268	1,145	8,503	3,155	6,279	2,225	1,470	5,466	3.77
Seaboard Corp. (parent of Seaboard Marine)	3 months	31-Mar-26	million US\$	2,400	96	8,430	3,763	5,360	3,070	1,584	5,669	3.59
Regional Container Lines	3 months	31-Mar-26	million THB	8,410	1,663	78,914	22,059	57,135	21,779	8,494	52,708	3.42
Hyundai Merchant Marine	3 months	31-Mar-26	billion Won	2,719	269	36,090	15,004	27,781	8,309	3,603	12,971	3.29
Yang Ming	3 months	31-Mar-26	million NT\$	38,661	667	460,181	211,388	329,772	130,409	47,890	264,597	3.10
Wan Hai	3 months	31-Mar-26	million NT\$	33,641	5,751	420,232	141,008	287,042	133,191	35,567	239,292	2.89
Samudera Shipping Line	12 months	31-Dec-25	million US\$	606	78	1,072	494	637	434	197	558	2.75
AP Moller-Maersk	3 months	31-Mar-26	million US\$	12,970	203	86,607	29,126	55,218	31,389	14,739	52,073	2.73
Evergreen Marine Corp	3 months	31-Mar-26	million NT\$	86,511	8,676	935,103	244,501	605,006	330,098	151,672	510,485	2.48
Matson, Inc.	3 months	31-Mar-26	million US\$	758	56	4,583	436	2,730	1,853	530	2,432	2.43
Ocean Network Express Holdings, Ltd	12 months	31-Mar-25	million Yen	3,028,057	586,733	5,354,320	2,488,648	3,438,578	1,915,756	717,272	2,085	2.40
Hapag-Lloyd Holding	3 months	31-Mar-26	million euro	4,201	-144	29,901	8,776	18,323	11,578	6,097	15,435	2.21
China Cosco (parent of Cosco Container Lines)	3 months	31-Mar-26	million RMB	51,503	6,678	486,023	174,761	287,262	198,761	115,109	195,652	2.18
Zim	3 months	31-Mar-26	million US\$	1,397	-39	10,578	2,555	3,828	6,750	2,150	3,824	1.37

Note: US academic Edward Altman, using statistical analysis, developed the corporate distress Altman "Z-score" in the 1960s. Well known and respected by practitioners and academics, this score uses statistical techniques to predict a company's probability of failure in the next 2 years, using data from a company's financial statements

The Z-score is calculated as follows:

$T1 = (\text{Current Assets} - \text{Current Liabilities}) / \text{Total Assets}$

$T2 = \text{Retained Earnings} / \text{Total Assets}$

$T3 = \text{Annualised Earnings Before Interest and Taxes} / \text{Total Assets}$

$T4 = \text{Book Value of Equity} / \text{Total Liabilities}$

$T5 = \text{Annualised Sales} / \text{Total Assets}$

$Z\text{-score bankruptcy rating} = 1.2T1 + 1.4T2 + 3.3T3 + 0.6T4 + 1.0T5$

A Z-score at or above 2.99 indicates that the company is "safe", based on these financial figures only. A Z-score between 1.8 and 2.99 indicates that one should exercise caution ("grey zone"), based on these financial figures only. A Z-score below 1.8 indicates a higher risk of the company going bankrupt ("distress zone"), based on these financial figures only

The Z-score company ratings shown here are objective calculations based on the well-known Z-score methodology and are provided to subscribers in good faith. They do not necessarily reflect the opinion of Drewry Shipping Consultants about the future prospects of the companies

Source: Drewry Maritime Research, from company reports

Competition Monitor / Regulatory Watch

The conflict in the Middle East has had a profound impact on competition across the region's container shipping markets. Security concerns, operational uncertainty and rising costs associated with serving Gulf ports have forced carriers to reassess their networks, leading many to suspend bookings or reduce services.

The biggest impact has been felt on the Asia-Middle East trade. According to Drewry research, effective capacity on the corridor fell by 79% between January and April 2026, while the number of active operators declined from 27 to 18. The reduction was driven largely by the booking suspension of several major carriers as the risks of serving the region increased.

The largest operator on the trade at the start of the year, MSC, suspended bookings for worldwide cargo destined for the Middle East. Given MSC's January effective capacity of more than 219 kteu, the decision removed a significant amount of capacity from the market. Concerns over vessel safety, insurance costs, operational disruption and uncertainty over access to affected ports all played a role.

Several other major carriers also stepped back from the trade. HMM, Evergreen, Yang Ming, Emirates Shipping, RCL, ONE and T.S. Lines had all suspended services by April, further reducing shipper choice and altering the competitive balance on the corridor.

The conflict in the Middle East has reshaped competition on regional shipping trades

Table 6.10 Herfindahl-Hirschman Index (HHI) - market concentration in selected container trades

Trade	No. Ship Operators			Herfindahl-Hirschman Index			Concentration level	
	Jan 26	Apr 26	Direction	Jan 26	Apr 26	Direction	Jan 26	Apr 26
Europe-ECSA NB	7	7	→	2,746	2,335	↓	High	Moderate
Europe-MidE EB	14	12	↓	2,306	2,876	↑	Moderate	High
South Asia-North America EB	6	7	↑	2,284	2,327	→	Moderate	Moderate
Asia-West Africa SB	8	8	→	2,129	2,167	→	Moderate	Moderate
Europe-South Asia WB	14	17	↑	2,219	1,972	↓	Moderate	Moderate
North Europe-North America WB	13	13	→	2,139	1,867	↓	Moderate	Moderate
Asia-MidE WB	27	18	↓	1,063	2,291	↑	Competitive	Moderate
Asia-ECSA SB	10	10	→	1,568	1,697	↑	Moderate	Moderate
Asia-Med WB	21	23	↓	1,483	1,534	↑	Competitive	Moderate
Asia-North Europe WB	12	13	↑	1,304	1,327	→	Competitive	Competitive
Asia-ECNA EB	12	12	→	1,195	1,157	→	Competitive	Competitive
Asia-WCNA EB	26	25	↓	1,017	1,112	↑	Competitive	Competitive
Asia-South Asia WB	32	34	↑	846	783	↓	Competitive	Competitive

Notes: Based on effective capacity, treating subsidiaries as part of the parent i.e. OOCL is included within Cosco; No accounting for slot charter agreements.

The Herfindahl-Hirschman Index (HHI) is a commonly accepted measure of market concentration, calculated by squaring the market share (in this case the effective headhaul capacity as a proxy) of each company competing in a market, and then summing the resulting numbers, ranging from close to zero to 10,000 (indicative of a monopoly).

The higher the number the lower the competition, or more concentrated a market is considered to be. Direction arrows only alter when comparison change is 50 points or more.

Key: <1,500 = competitive marketplace 1,500-2,500 = moderately concentrated marketplace >2,500 = highly concentrated marketplace

Source: Drewry Maritime Research

Competition Monitor / Regulatory Watch

Not all carriers chose to retreat. Several adapted their networks in an effort to maintain a presence in key Middle East markets despite the disruption.

CMA CGM, for example, reopened import and export bookings for Iraq, Kuwait, Qatar, Bahrain, Saudi Arabia and the UAE through land bridge solutions after initially suspending services. Although its effective capacity was still 42% lower than in January, the carrier emerged as the largest operator on the trade by April.

Cosco, Hapag-Lloyd, Wan Hai and Maersk also maintained services on the corridor, albeit generally with reduced capacity. Their continued presence helped preserve some degree of service continuity, but was not enough to offset the substantial capacity withdrawn elsewhere.

Periods of market disruption often create opportunities for more agile operators, and the Middle East trade was no exception.

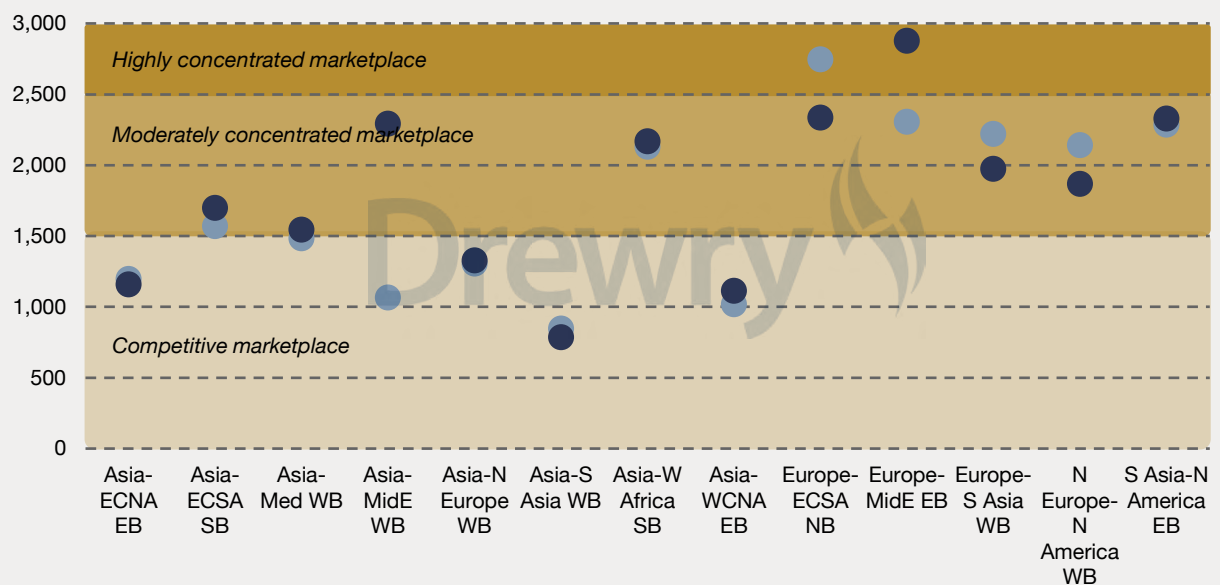
PIL was the most notable beneficiary, increasing its effective capacity by 157%, from 13.1 kteu in January to 33.7 kteu in April. The expansion was supported by additional services linking India, China and Southeast Asia with Jeddah, allowing the carrier to capture demand from shippers seeking alternative routing options into the region.

A number of smaller regional operators also expanded beyond their traditional markets. Chinese and Southeast Asian carriers such as Xiamen Hongdaxin Shipping, Maoming Gangxin Shipping, Shanghai Changshun, Petronas and Shishi Yongyi Shipping all increased their participation as larger competitors withdrew.

Some major carriers continue operating in the region, but at lower capacity levels

The disruption created opportunities for smaller, more agile carriers to expand their footprint

Figure 6.19 Concentrating - summary of competitiveness (HHI) by trade



Notes: Based on effective capacity, treating subsidiaries as part of the parent i.e. OOCL is included within Cosco; No accounting for slot charter agreements.

● Jan 26
● Apr 26

Source: Drewry Maritime Research

Competition Monitor / Regulatory Watch

While these operators provided additional choice for shippers, the scale of their expansion remained modest compared with the capacity removed by the major global carriers. As a result, overall competitive conditions deteriorated despite the arrival of new entrants.

The effects of the conflict were not confined to Asia–Middle East services. Europe–Middle East trade also experienced a significant reduction in competition.

Between January and April, the corridor lost two carriers and saw effective capacity shrink by 61%. Drewry's capacity-based Herfindahl-Hirschman Index (HHI) shows that the trade moved from “moderately concentrated” to “highly concentrated” over the period. The Asia–Middle East corridor also became less competitive, shifting from “competitive” to “moderately concentrated”.

Looking across Drewry's sample of 13 deep-sea trades, the average HHI increased from 1,795 in January to 1,845 in April. The overall market therefore remained “moderately concentrated”, but this masks the much sharper deterioration seen on trades connected to the Middle East.

While some carriers were able to adapt and others sought to exploit the disruption, the suspension of services by major operators had a far greater impact. For shippers, that has meant fewer service options, a more concentrated competitive landscape and higher freight rates at a time when uncertainty was already running high.

7. The Charter Market and S&P

Charter Market

The current situation in the Strait of Hormuz remains highly uncertain. While discussions continue regarding a potential reopening of the waterway, the underlying geopolitical drivers that have shaped regional instability remain unresolved.

From a charter market perspective, the persistence of geopolitical disruptions is arguably the most important takeaway. The continuation of rerouted services, longer voyage distances and network inefficiencies effectively removes vessel capacity from the market and sustains demand for chartered tonnage.

These principal drivers that have supported charter rates over the last two years are likely to remain intact throughout the remainder of 2026, albeit diminishing as the months tick by. Under these circumstances, a significant deterioration in charter market fundamentals appears unlikely in the near term.

Seasonally, the second quarter traditionally marks the strongest period for charter rate appreciation, as liner operators secure vessels to cover peak-season requirements and year-end commitments. While some moderation after the summer cannot be ruled out, the underlying supply-demand balance remains comparatively tight. Most importantly, there is very limited prompt tonnage available across many segments, restricting charterers' ability to exert downward pressure on rates.

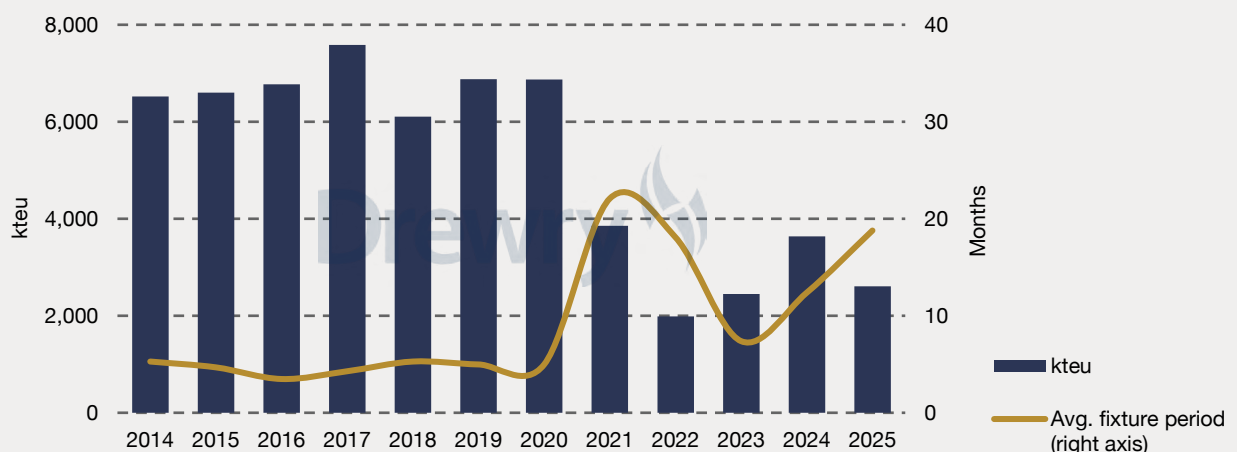
The main downside risk to the market remains an increase in vessel re-deliveries by liner operators. However, given the lack of alternative deployment opportunities and the continued profitability of maintaining expanded networks, widespread re-deliveries appear more likely to emerge in 2027–2028 rather than in the coming quarters.

Consequently, charter rates are expected to remain broadly supported through the winter period, with any correction likely to be gradual rather than abrupt.

While there has been progress in reopening the Strait of Hormuz and Suez transits are increasing, normalisation is still some distance off. Longer voyage distances and network inefficiencies will continue to sustain demand for chartered tonnage in the near term

Re-deliveries are the main downside risk to daily charter rates, but only expected to emerge in 2027-28

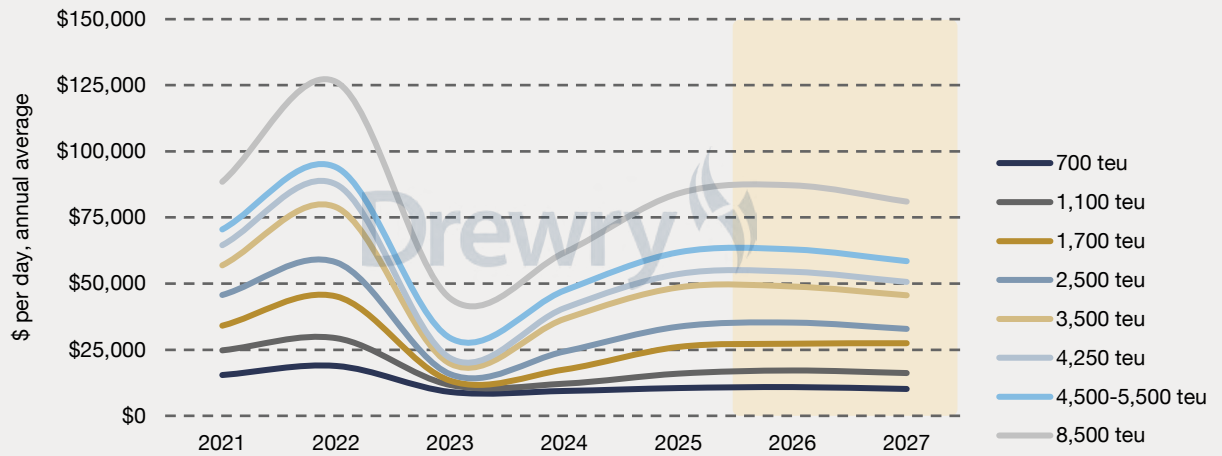
Figure 7.1 Recorded charter fixtures by year



Source: Drewry Maritime Research

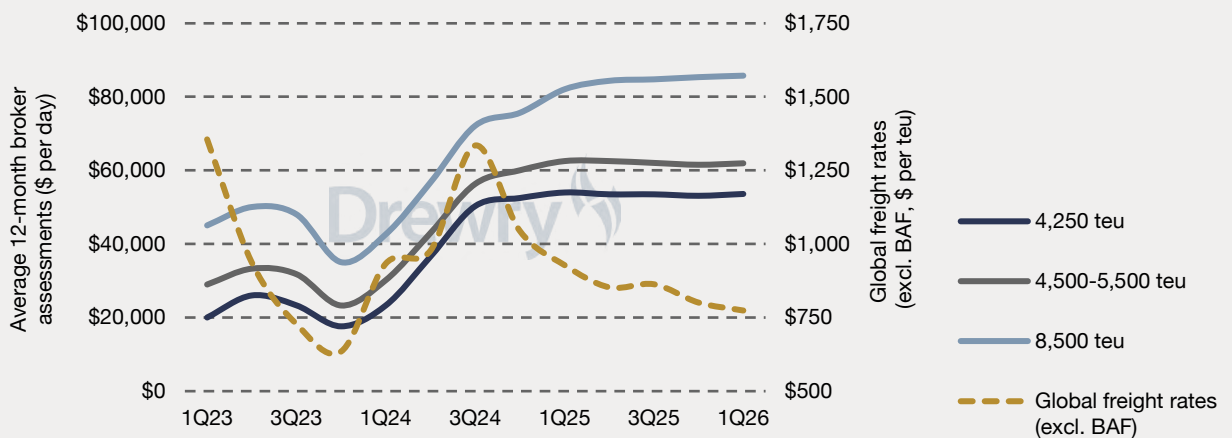
Charter Market

Figure 7.2 12-month time charter forecasts



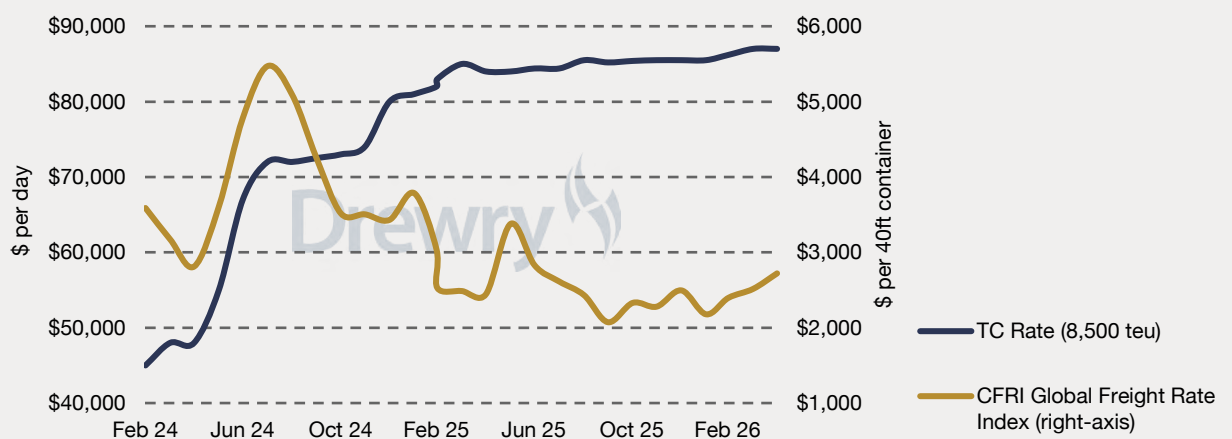
Source: Drewry Maritime Research

Figure 7.3 Development of charter and freight rates



Source: Drewry Maritime Research

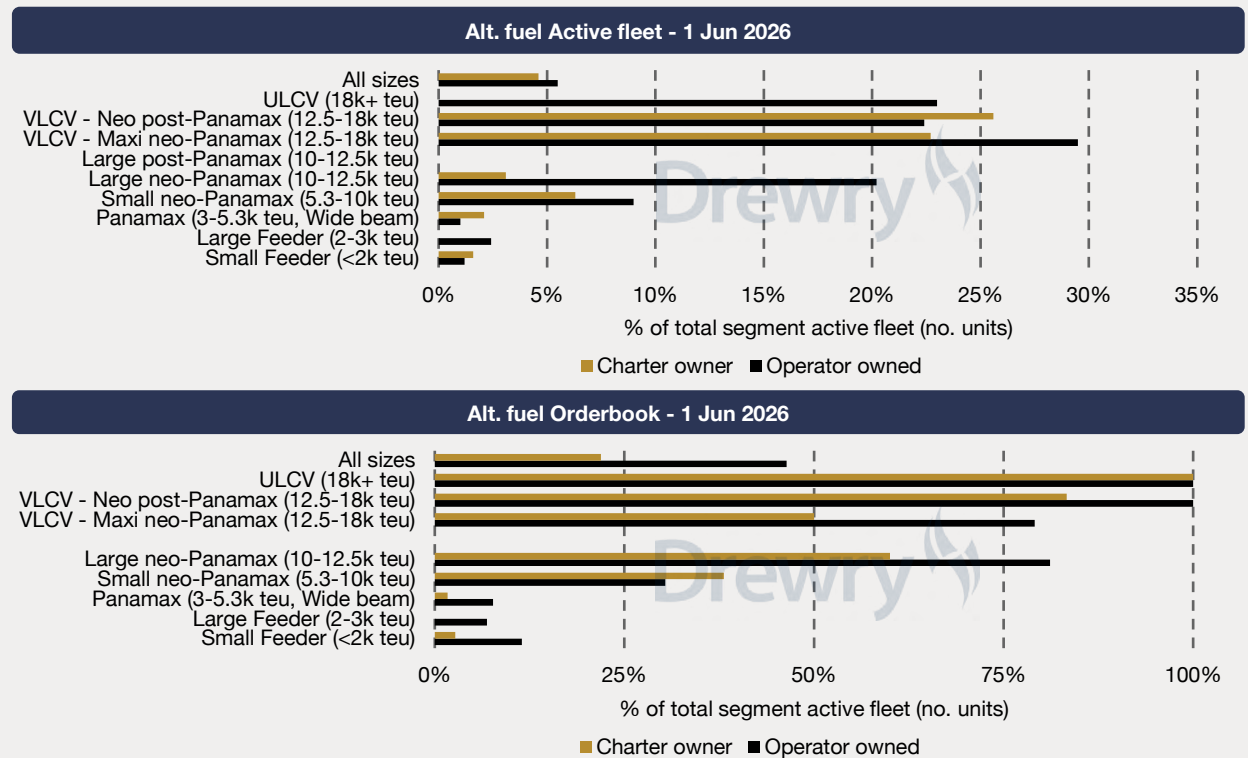
Figure 7.4 Development of monthly charter and freight rates



Source: Drewry Shipping Insight, Container Freight Rate Insight

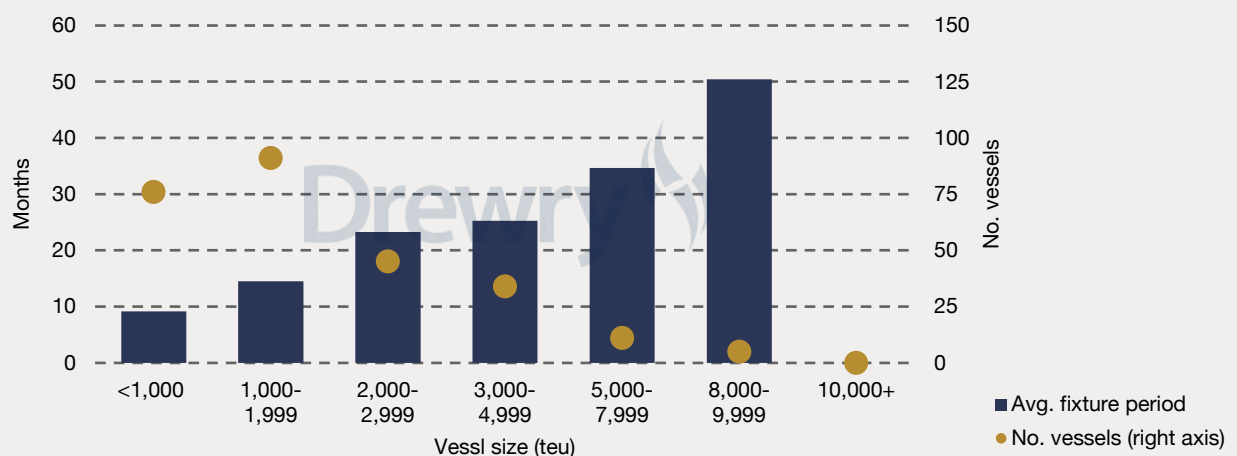
Charter Market

Figure 7.5 Comparison between operators and charter owners of alternative fuel capable containership units, by ship size



Source: Drewry Maritime Research, Clarksons Research

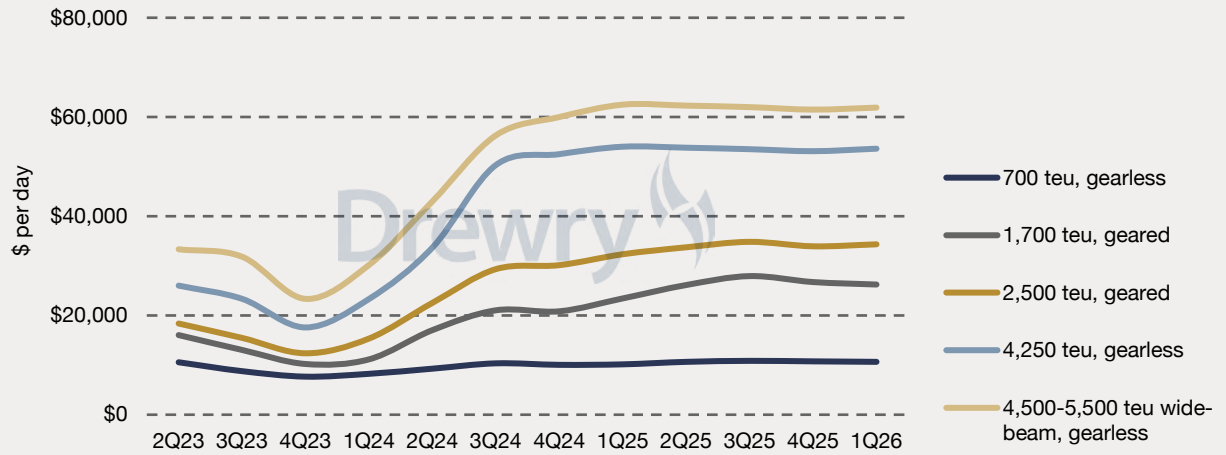
Figure 7.6 Average fixture periods by vessel size, 1Q26



Source: Drewry Maritime Research

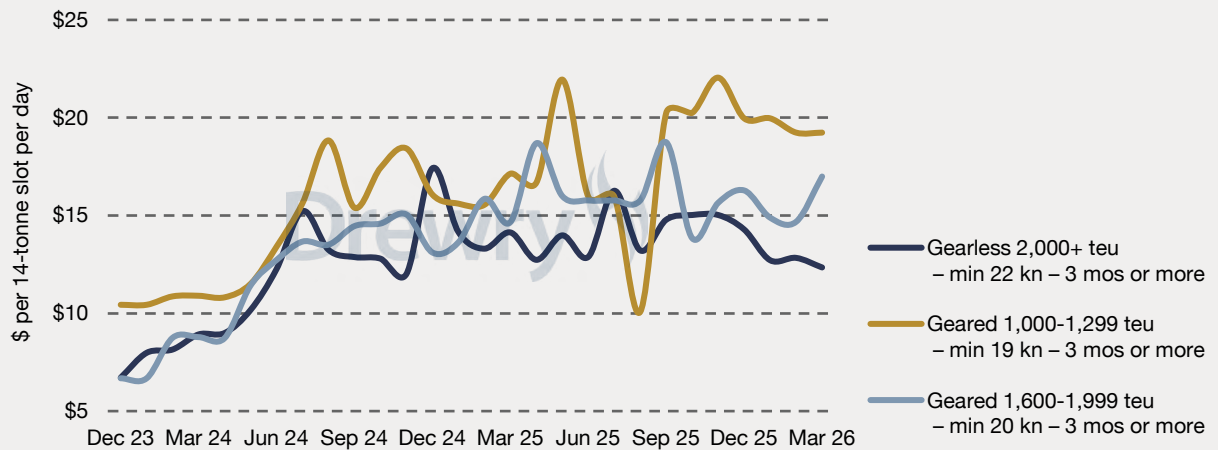
Charter Market

Figure 7.7 Average 12-month time charter broker assessments



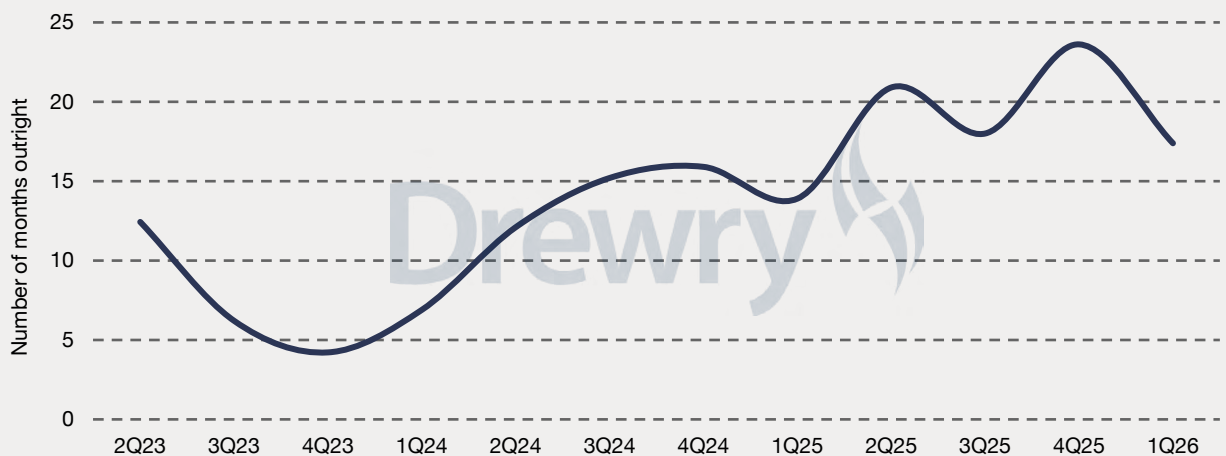
Source: Drewry Maritime Research, derived from brokers' reports

Figure 7.8 Recorded monthly time charter rates



Source: Hamburg Shipbrokers Association

Figure 7.9 Average fixture period



Source: Drewry Maritime Research

Charter Market

Table 7.1 Recorded charter fixtures, 1Q26

Range (teu)	kteu	No. vessels	Avg. fixture (months)	Fixtures over 12 months
<1,000	56	76	9.2	6
1,000-1,999	126	91	14.5	37
2,000-2,999	112	45	23.3	33
3,000-4,999	126	34	25.3	29
5,000-7,999	67	11	34.6	8
8,000-9,999	46	5	50.4	4
10,000+				
Grand total	533	262	17.4	117

Source: Various broker reports

Table 7.2 Average 12-month time charter broker assessments (\$/Day)

	Teu	700	1,110	1,700	2,500	3,500	4,250	4,500-5,500	8,500
	Dwt	9,000	13,500	23,000	35,000	40-45,000	50,000	Wide-beam	100,500
	Type	Gearless	Geared	Geared	Geared	Gearless	Gearless	Gearless	Gearless
Standard 12-month period									
2024		\$9,425	\$12,125	\$17,475	\$24,300	\$36,600	\$40,675	\$47,375	\$61,750
YoY % change		4%	4%	32%	54%	86%	87%	61%	39%
2025		\$10,550	\$15,875	\$26,025	\$33,675	\$48,525	\$53,600	\$62,075	\$84,075
YoY % change		12%	31%	49%	39%	33%	32%	31%	36%
2024	1Q	\$8,200	\$9,300	\$11,100	\$15,300	\$20,300	\$23,300	\$30,200	\$42,600
QoQ % change		6%	1%	9%	24%	25%	32%	30%	22%
YoY % change		-11%	-24%	-20%	-9%	11%	17%	4%	-3%
	2Q	\$9,200	\$10,700	\$17,000	\$22,500	\$33,600	\$36,600	\$43,000	\$56,700
QoQ % change		12%	15%	53%	47%	66%	57%	42%	33%
YoY % change		-12%	-23%	6%	23%	44%	41%	29%	13%
	3Q	\$10,300	\$14,200	\$21,000	\$29,300	\$45,000	\$50,300	\$56,300	\$72,100
QoQ % change		12%	33%	24%	30%	34%	37%	31%	27%
YoY % change		18%	27%	62%	90%	116%	116%	77%	50%
	4Q	\$10,000	\$14,300	\$20,800	\$30,100	\$47,500	\$52,500	\$60,000	\$75,600
QoQ % change		-3%	1%	-1%	3%	6%	4%	7%	5%
YoY % change		30%	55%	104%	145%	191%	198%	158%	116%
2025	1Q	\$10,100	\$14,900	\$23,400	\$32,300	\$48,500	\$54,000	\$62,500	\$82,000
QoQ % change		1%	4%	13%	7%	2%	3%	4%	8%
YoY % change		23%	60%	111%	111%	139%	132%	107%	92%
	2Q	\$10,600	\$15,600	\$26,100	\$33,700	\$48,700	\$53,800	\$62,300	\$84,300
QoQ % change		5%	5%	12%	4%	0%	-0%	-0%	3%
YoY % change		15%	46%	54%	50%	45%	47%	45%	49%
	3Q	\$10,800	\$16,700	\$27,900	\$34,800	\$49,100	\$53,500	\$62,000	\$84,700
QoQ % change		2%	7%	7%	3%	1%	-1%	-0%	0%
YoY % change		5%	18%	33%	19%	9%	6%	10%	17%
	4Q	\$10,700	\$16,300	\$26,700	\$33,900	\$47,800	\$53,100	\$61,500	\$85,300
QoQ % change		-1%	-2%	-4%	-3%	-3%	-1%	-1%	1%
YoY % change		7%	14%	28%	13%	1%	1%	2%	13%
2026	1Q	\$10,600	\$16,100	\$26,200	\$34,300	\$47,800	\$53,600	\$61,900	\$85,700
QoQ % change		-1%	-1%	-2%	1%	0%	1%	1%	0%
YoY % change		5%	8%	12%	6%	-1%	-1%	-1%	5%

Source: Drewry Maritime Research derived from brokers' reports

Charter Market

Table 7.3 Average time charter rates and period

		Teu		700		1,110		1,700		2,500		3,500		4,250	
		Dwt		9,000		13,500		23,000		35,000		40-45,000		50,000	
		Type		Gearless		Geared		Geared		Geared		Gearless		Gearless	
Actual recorded rate (\$/Day) and average period (months)															
2024				\$7,975		\$12,000		\$18,600		\$22,825		\$26,325		\$29,000	
YoY % change				-10%		1%		31%		44%		39%		49%	
2025				\$10,525		\$15,875		\$22,675		\$28,000		\$31,550		\$34,325	
YoY % change				32%		32%		22%		23%		20%		18%	
2024	1Q	\$7,000	2.9	\$9,500	6.0	\$13,700	6.7	\$16,750	8.8	\$14,800	7.2	\$21,600	9.6		
QoQ % change		0%		2%		26%		29%		-4%		29%			
YoY % change		-31%		-27%		-9%		3%		-23%		16%			
	2Q	\$7,030	3.6	\$10,400	6.1	\$16,200	12.0	\$22,000	17.6	\$27,800	21.8	\$24,400	23.9		
QoQ % change		0%		9%		18%		31%		88%		13%			
YoY % change		-29%		-22%		-4%		22%		26%		9%			
	3Q	\$8,850	3.5	\$13,900	7.4	\$21,300	13.2	\$26,000	21.4	\$31,300	28.0	\$33,500	27.0		
QoQ % change		26%		34%		31%		18%		13%		37%			
YoY % change		6%		16%		53%		60%		66%		68%			
	4Q	\$9,020	2.6	\$14,200	9.4	\$23,200	9.4	\$26,500	19.2	\$31,400	28.8	\$36,500	27.8		
QoQ % change		2%		2%		9%		2%		0%		9%			
YoY % change		29%		53%		113%		104%		104%		119%			
2025	1Q	\$9,900	5.8	\$14,800	12.4	\$22,400	15.3	\$26,800	22.0	\$34,800	23.0	\$36,100	22.8		
QoQ % change		10%		4%		-3%		1%		11%		-1%			
YoY % change		41%		56%		64%		60%		135%		67%			
	2Q	\$10,700	7.8	\$15,900	15.6	\$22,800	15.9	\$29,200	25.7	\$31,400	26.0	\$35,500	15.3		
QoQ % change		8%		7%		2%		9%		-10%		-2%			
YoY % change		52%		53%		41%		33%		13%		45%			
	3Q	\$10,500	4.8	\$16,700	10.2	\$24,400	11.7	\$29,000	15.6	\$34,800	24.0	\$34,400	30.0		
QoQ % change		-2%		5%		7%		-1%		11%		-3%			
YoY % change		19%		20%		15%		12%		11%		3%			
	4Q	\$11,010	4.4	\$16,100	9.3	\$21,100	15.5	\$27,000	16.0	\$25,225	61.5	\$31,300	45.7		
QoQ % change		5%		-4%		-14%		-7%		-28%		-9%			
YoY % change		22%		13%		-9%		2%		-20%		-14%			
2026	1Q	\$10,100	7.6	\$15,200	7.4	\$22,871	14.3	\$26,300	24.6	\$33,700	24.7	\$35,400	28.6		
QoQ % change		-8%		-6%		8%		-3%		34%		13%			
YoY % change		2%		3%		2%		-2%		-3%		-2%			

Note: Some smaller vessel categories have been changed and historical data will not be 100% in line with previously published reports.

Values in the parenthesis indicates average period

Source: Drewry Maritime Research, derived from brokers' reports

Charter Market

Table 7.4 Average slot charter rates (\$/nominal slot)

<i>Teu</i>	700	1,110	1,700	2,500	3,500	4,250
<i>Dwt</i>	9,000	13,500	23,000	35,000	40-45,000	50,000
<i>Type</i>	Gearless	Geared	Geared	Geared	Gearless	Gearless
Standard 12-month period						
2024	\$13	\$11	\$10	\$10	\$10	\$10
2025	\$15	\$14	\$15	\$13	\$14	\$13
2024	1Q	\$12	\$8	\$7	\$6	\$6
	2Q	\$13	\$10	\$10	\$9	\$10
	3Q	\$15	\$13	\$12	\$12	\$13
	4Q	\$14	\$13	\$12	\$12	\$14
2025	1Q	\$14	\$13	\$14	\$13	\$14
	2Q	\$15	\$14	\$15	\$13	\$14
	3Q	\$15	\$15	\$16	\$14	\$14
	4Q	\$15	\$15	\$16	\$14	\$14
2026 1Q	\$15	\$15	\$15	\$14	\$14	\$13
Actual recorded rate for periods as fixed						
2024	\$16	\$12	\$12	\$9	\$8	\$7
2025	\$21	\$16	\$15	\$11	\$9	\$8
2024	1Q	\$14	\$10	\$9	\$7	\$4
	2Q	\$14	\$10	\$11	\$9	\$8
	3Q	\$18	\$14	\$14	\$10	\$9
	4Q	\$18	\$14	\$15	\$11	\$9
2025	1Q	\$20	\$15	\$15	\$11	\$10
	2Q	\$21	\$16	\$15	\$12	\$9
	3Q	\$21	\$17	\$16	\$12	\$10
	4Q	\$22	\$16	\$14	\$11	\$7
2026 1Q	\$20	\$15	\$15	\$11	\$10	\$8

Source: Drewry Maritime Research

Asset Market

The resilience of the charter market continues to feed directly into the sale-and-purchase (S&P) market. Contrary to widespread expectations in late 2025 that liner companies would experience a succession of loss-making quarters, freight markets have remained firmer than anticipated and freight rates on several trades have recovered to levels not seen since 2024.

As long as liner operators continue to generate acceptable returns and maintain their appetite for chartered tonnage, owners remain reluctant sellers. This combination of sustained earnings visibility and limited availability of acquisition candidates has served to inflate asset prices.

Over the past three months, vessel values, particularly for older tonnage, have increased by approximately 10% on average. The strongest appreciation has been observed in geared feeder vessels, reflecting a structural shortage of such ships. While shipyards continue to deliver large numbers of gearless vessels, geared units remain scarce, and demand from smaller regional operators serving niche trades remains robust.

The 1,700 teu sector was once again the most liquid segment in the S&P market, recording approximately twelve reported transactions, the majority involving vessels aged 15 years or older. The willingness of buyers to acquire older vessels at elevated price levels illustrates the confidence that market participants continue to place in medium-term charter income.

A strong charter market is feeding directly into the sale-and-purchase (S&P) market where asset values continue to rise

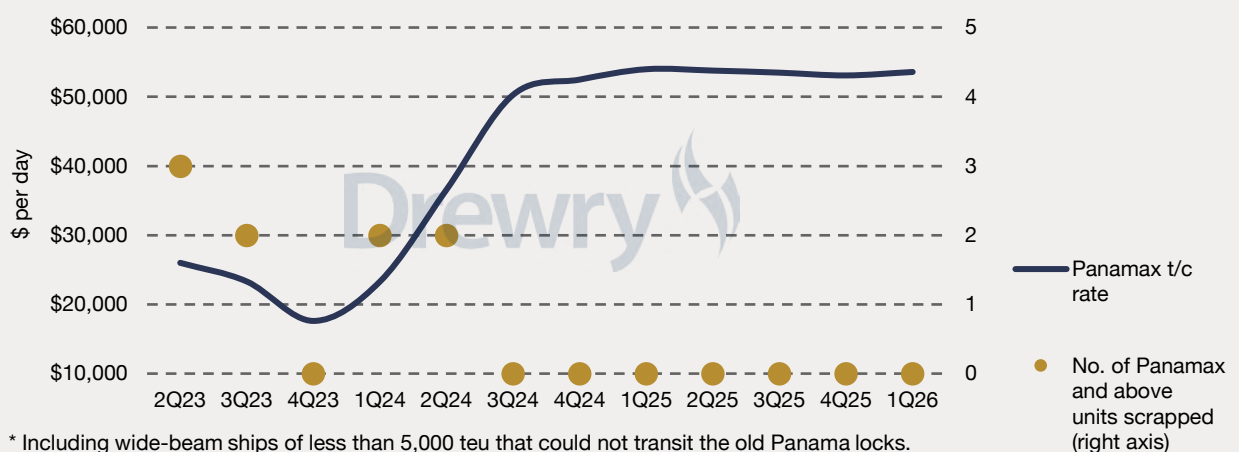
Table 7.5 Recent container sale & purchase activity

	2025		1Q25		2Q25		3Q25		4Q25		1Q26		2Q26*	
Size (teu)	No.	k teu	No.	k teu	No.	k teu	No.	k teu	No.	k teu	No.	k teu	No.	k teu
<1,000	20	17	2	2	3	3	12	10	3	2	0	0	2	1
1,000-1,999	72	116	27	43	25	36	5	13	15	24	24	34	16	24
2,000-2,999	29	79	11	26	8	20	4	17	6	16	4	10	4	11
3,000-4,999	21	84	7	27	6	25	0	0	8	31	14	60	2	8
5,000-7,999	7	49	0	0	4	25	3	25		0	2	10	5	27
8,000-9,999	41	153	2	17	8	68	28	41	3	26	0	0	0	0
10,000+	3	41	0	0	0	0	1	13	2	28	2	28	0	0
Total	193	538	49	115	54	177	53	119	37	126	46	142	29	71

Note: S&P data based on Drewry research and brokers' reports and may be subject to alterations, * sales recorded as of 1 June 2026

Source: Drewry Maritime Research

Figure 7.10 Development of classic Panamax* rates and scrapping



Source: Drewry Maritime Research

Asset Market

Perhaps even more telling was the sale of a 6,000 teu vessel built in 2000 for more than twice its estimated scrap value, despite delivery only being scheduled for December 2027 and dry-docking liabilities falling due upon delivery. Transactions of this nature would normally be difficult to justify based on residual asset values alone and suggest that buyers continue to attribute considerable value to future employment opportunities.

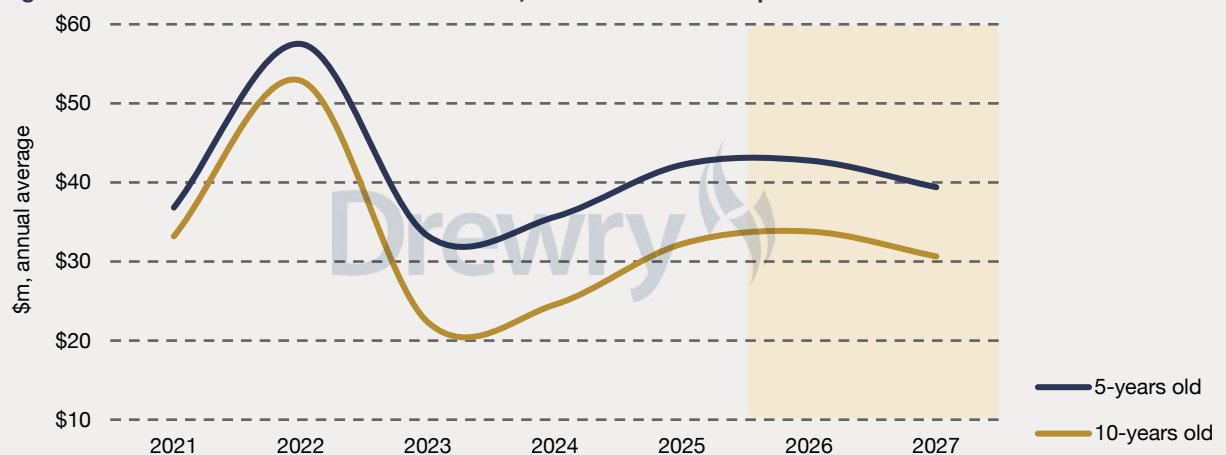
Despite the prevailing strength in both charter and S&P markets, buyers are becoming increasingly selective. The residual risk attached to acquiring expensive second-hand tonnage remains significant, particularly for vessels expected to become open in 2027 or 2028.

In addition, the continued expansion of the orderbook suggests that a market correction later in the decade is becoming increasingly likely. However, timing such a correction has proven exceptionally difficult. Recent years have demonstrated that the container shipping market has repeatedly defied consensus expectations, with analysts consistently underestimating the ability of geopolitical disruptions and network inefficiencies to sustain vessel demand, charter earnings and asset values for longer than anticipated.

The willingness of buyers to acquire older vessels at elevated price levels illustrates the confidence that market participants continue to place in medium-term charter income

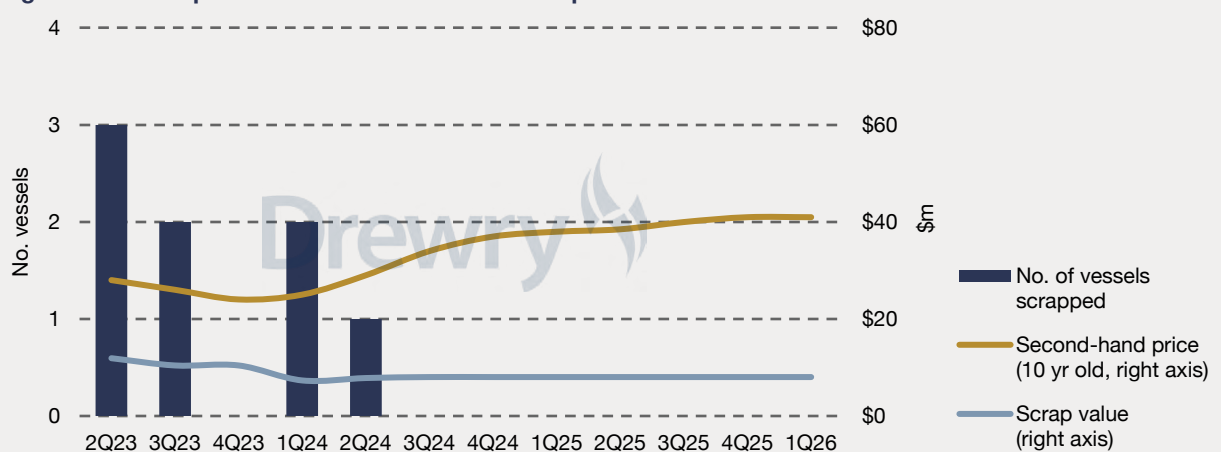
The continued expansion of the orderbook suggests that a market correction for asset values later in the decade is becoming increasingly likely

Figure 7.11 Second-hand value forecast for 3,500 teu containerships



Source: Drewry Maritime Research

Figure 7.12 Comparison of second-hand and scrap values of classic Panamax vessels



Source: Drewry Maritime Research

Asset Market

Table 7.6 Demolition prices (\$/Idt)

		South Asia (10,000+ Idt)		
		Bangladesh	India	Pakistan
2023		\$545	\$531	\$519
2024		\$498	\$491	\$509
2025		\$429	\$422	\$426
2023	1Q	\$555	\$547	\$533
	2Q	\$583	\$536	\$518
	3Q	\$528	\$513	\$511
	4Q	\$515	\$529	\$512
2024	1Q	\$498	\$487	\$512
	2Q	\$525	\$515	\$545
	3Q	\$505	\$495	\$522
	4Q	\$465	\$465	\$455
2025	1Q	\$447	\$441	\$436
	2Q	\$454	\$440	\$444
2025	3Q	\$406	\$418	\$422
	4Q	\$408	\$388	\$403
2026	1Q	\$402	\$399	\$409

Source: Drewry Maritime Research

Table 7.7 Scrap value of container vessels (\$ million)

Range (teu)	<1,000	1-2,000	2-3,000	3-4,000	4,000+
2022	\$2.3	\$3.3	n.a	n.a	n.a
2023	\$2.1	\$4.6	\$6.3	\$8.5	\$12.3
2024	\$1.5	\$4.1	\$5.8	\$7.8	\$13.2
2025	\$0.9	\$2.2	n.a	n.a	n.a
2022	1Q	n.a	n.a	n.a	n.a
	2Q	n.a	n.a	n.a	n.a
	3Q	n.a	n.a	n.a	n.a
	4Q	\$2.3	\$3.3	n.a	n.a
2023	1Q	\$1.4	\$3.9	n.a	\$12.9
	2Q	\$2.5	\$6.2	\$7.3	\$12.0
	3Q	\$2.7	\$4.3	\$5.0	\$11.9
	4Q	\$1.9	\$4.2	\$7.3	n.a
2024	1Q	\$1.4	\$4.1	\$5.2	\$13.2
	2Q	\$1.6	\$3.2	\$6.9	\$13.2
	3Q	\$1.5	\$4.5	\$6.9	\$8.0
	4Q	\$1.5	\$4.6	\$4.3	\$8.1
2025	1Q	\$1.0	n.a	n.a	n.a
	2Q	\$1.0	n.a	n.a	n.a
	3Q	\$0.7	\$2.2	n.a	n.a
	4Q	n.a	n.a	n.a	n.a
2026	1Q	\$0.3	n.a	n.a	n.a

Note: Residual values for vessels are based on a representative sample only and where data is available; n.a reflects that no market data is available

Source: Drewry Maritime Research

Asset Market

Table 7.8 Development of newbuilding prices (\$ million)

Teu	1,800	2,500	3,800	4,800	6,500
Dwt	24,000	35,000	40-45,000	65-70,000	75,000
Type	Geared	Gearless	Gearless	Gearless	Gearless
2022	\$31.3	\$40.6	\$52.3	n.a	\$85.0
2023	\$29.6	\$40.5	\$52.3	n.a	\$88.5
2024	\$31.3	\$40.3	\$53.8	n.a	\$92.3
2025	\$32.1	\$42.1	\$57.8	n.a	\$94.0
2022	1Q	\$33.0	\$40.0	n.a	\$83.5
	2Q	\$33.0	\$41.0	n.a	\$84.5
	3Q	\$30.0	\$41.0	n.a	\$86.0
	4Q	\$30.0	\$40.5	n.a	\$86.0
2023	1Q	\$29.0	\$40.0	n.a	\$86.0
	2Q	\$29.5	\$40.0	n.a	\$87.0
	3Q	\$30.0	\$41.0	n.a	\$90.0
	4Q	\$30.0	\$41.0	n.a	\$91.0
2024	1Q	\$30.0	\$40.0	n.a	\$91.0
	2Q	\$31.0	\$40.0	n.a	\$92.0
	3Q	\$32.0	\$40.3	n.a	\$93.0
	4Q	\$32.0	\$41.0	n.a	\$93.0
2025	1Q	\$32.5	\$41.5	n.a	\$93.0
	2Q	\$32.0	\$41.5	n.a	\$93.5
2025	3Q	\$32.0	\$42.5	n.a	\$95.0
	4Q	\$32.0	\$43.0	n.a	\$94.5
2026	1Q	\$32.0	\$43.5	\$58.0	\$93.0

Notes: All prices are estimates only on the basis that there are either none or very few representative samples on which to calculate them; prices will vary dependent on individual specifications (engine size, environmental features, wide beam, shallow draught, shipyards etc); n.a reflects that no market data is available

Source: Drewry Maritime Research

Table 7.9 Estimated newbuilding costs for vessels of 8,000 teu and over (\$ million)

	<i>Teu</i> <i>Dwt</i> <i>Type</i> <i>Built</i>	8-10,000 teu wide-beam		14,000 teu		23,000-24,000 teu	
		105,000	105,000	150,000	150,000	225,000	225,000
		Gearless	Gearless	Gearless	Gearless	Gearless	Gearless
		China	S Korea	China	S Korea	China	S Korea
2022	1Q	\$105	\$109	\$155	\$162	\$188	\$210
	2Q	\$107	\$111	\$160	\$165	\$188	\$210
	3Q	\$107	\$111	\$161	\$167	\$188	\$210
	4Q	\$106	\$110	\$158	\$165	\$190	\$215
2023	1Q	\$106	\$110	\$155	\$164	\$190	\$215
	2Q	\$107	\$111	\$157	\$165	\$200	\$220
	3Q	\$109	\$113	\$159	\$167	\$204	\$224
	4Q	\$109	\$113	\$159	\$167	\$214	\$235
2024	1Q	\$109	\$113	\$160	\$170	\$225	\$260
	2Q	\$110	\$114	\$162	\$173	\$229	\$265
	3Q	\$110	\$114	\$162	\$173	\$239	\$270
	4Q	\$111	\$115	\$162	\$174	\$241	\$274
2025	1Q	\$110	\$115	\$160	\$174	-	\$268
	2Q	\$110	\$115	\$160	\$174	-	-
	3Q	\$110	\$115	\$160	\$174	-	-
	4Q	\$110	\$116	-	\$187	-	-
2026	1Q	\$110	\$116	-	-	-	-

Notes: All prices are based on known market transactions; Where there are gaps it is because no deals have been done or there is no known public data on prices concluded; prices will vary depending on individual specifications (engine size, environmental features, wide beam, shallow draught shipyard, etc)

*scrubbers fitted

Source: Drewry Maritime Research, brokers reports

Asset Market

Table 7.10 Development of second-hand prices (\$ million)

<i>Teu</i>	650	1,000	1,700	2,700	3,500	4,000	6,500
<i>Dwt</i>	9,000	13,500	23,000	37,000	40-45,000	50-55,000	80,000
<i>Type</i>	Geared	Geared	Geared	Gearless	Gearless	Gearless	Gearless
5-Year old							
2023	\$6.9	\$16.3	\$22.8	\$28.5	\$33.5	\$37.3	\$71.8
2024	\$6.5	\$17.3	\$22.6	\$31.8	\$35.6	\$39.8	\$71.8
2025	\$6.9	\$19.8	\$27.1	\$39.1	\$42.1	\$45.6	\$79.0
2023	1Q	\$7.0	\$16.0	\$23.0	\$28.0	\$35.0	\$75.0
	2Q	\$7.0	\$16.0	\$24.0	\$29.0	\$34.0	\$75.0
	3Q	\$7.0	\$17.0	\$23.0	\$29.0	\$33.0	\$70.0
	4Q	\$6.5	\$16.0	\$21.0	\$28.0	\$32.0	\$67.0
2024	1Q	\$6.5	\$16.5	\$21.0	\$29.0	\$32.0	\$67.0
	2Q	\$6.5	\$17.0	\$22.0	\$31.0	\$34.0	\$73.0
	3Q	\$6.5	\$17.5	\$23.0	\$33.0	\$37.0	\$74.0
	4Q	\$6.5	\$18.0	\$24.3	\$34.0	\$39.5	\$74.0
2025	1Q	\$6.5	\$18.0	\$25.5	\$35.0	\$40.5	\$75.0
	2Q	\$7.0	\$19.0	\$27.0	\$38.0	\$42.0	\$77.0
	3Q	\$7.0	\$21.0	\$28.0	\$41.0	\$43.0	\$81.0
	4Q	\$7.0	\$21.0	\$28.0	\$42.5	\$43.0	\$83.0
2026	1Q	\$7.0	\$21.5	\$28.5	\$43.5	\$44.0	\$83.0
10-Year old							
2023	\$5.8	\$11.0	\$15.6	\$19.6	\$22.5	\$27.0	\$53.3
2024	\$5.5	\$11.7	\$17.1	\$22.5	\$24.5	\$31.3	\$55.0
2025	\$5.9	\$16.0	\$23.3	\$29.3	\$32.3	\$39.4	\$60.8
2023	1Q	\$6.0	\$11.0	\$15.0	\$20.0	\$25.0	\$55.0
	2Q	\$6.0	\$11.5	\$16.5	\$20.5	\$23.0	\$55.0
	3Q	\$6.0	\$11.5	\$16.0	\$20.0	\$22.0	\$53.0
	4Q	\$5.0	\$10.0	\$15.0	\$18.0	\$20.0	\$50.0
2024	1Q	\$5.5	\$10.5	\$15.0	\$19.0	\$21.0	\$51.0
	2Q	\$5.5	\$11.0	\$17.0	\$22.0	\$23.0	\$55.0
	3Q	\$5.5	\$12.0	\$18.0	\$24.0	\$26.0	\$57.0
	4Q	\$5.5	\$13.3	\$18.5	\$25.0	\$28.0	\$57.0
2025	1Q	\$5.5	\$14.0	\$20.3	\$26.0	\$30.0	\$58.0
	2Q	\$6.0	\$15.5	\$23.0	\$28.0	\$32.0	\$60.0
	3Q	\$6.0	\$17.0	\$25.0	\$31.0	\$33.0	\$62.0
	4Q	\$6.0	\$17.5	\$25.0	\$32.0	\$34.0	\$63.0
2026	1Q	\$6.0	\$17.8	\$25.7	\$33.0	\$35.0	\$63.0

Note: All prices are estimates only on the basis that there are either none or very few representative samples on which to calculate them; some data has been re-calculated for different vessel sizes and so historical data might not align with previously published reports.

Source: Drewry Maritime Research, from brokers' reports

Asset Market

Table 7.11 Selected second-hand vessel sales during 1Q26

Vessel name	Built year	Age (years)	Teu capacity	Seller	Buyer	Price (\$m)
A-Rex Dexterity	2008	18	3,534	A-REX Shipinvest	Clients of MSC	\$36
N/B Nantong Yahua YH-342*	2026	0	4,491	Shengsi Pusheng	Clients of MSC	enbloc price \$200m
N/B Nantong Yahua YH-343*	2027	-1	4,491	Shengsi Pusheng	Clients of MSC	
N/B Nantong Yahua YH-345*	2027	-1	4,491	Shengsi Pusheng	Clients of MSC	
N/B Nantong Yahua YH-346*	2027	-1	4,491	Shengsi Pusheng	Clients of MSC	
Lisa	2009	17	4,249	XT Group	MSC	\$23
Jiangnan H2871	2026	0	14,000		MSC	\$170
Jiangnan H2872	2026	0	14,000		MSC	\$170
Grace Bridge	2005	21	4,738	Sinokor Merchant	Undisclosed Interests	\$120
Rio Kobe	2009	17	3,534	Marlow Navigation	Greta Shipping	\$29
Titan	1996	30	1,122	Jebsen Shipping	Undisclosed	\$6
Transimex Sun	2009	17	1,060	Transimex	Clients of Hai An	\$16
Hansa Fresenburg	2013	13	1,740	Leonhardt & Blumberg	Clients of GFS Ship Mgmt	\$25
Spirit of Dubai	2009	17	1,131	Asian Spirit Company	Undisclosed Interests	\$12
Seaspan Jakarta	2006	20	4,253	Atlas Corp (Seaspan)	Undisclosed Interests	\$17
H Cygnus	2022	4	1,781	Yangzijiang Holdings	Undisclosed Interests	\$34
Kanway Lucky	2022	4	1,930	Kanway Line	Greek interests	\$33
Mount Cameron	2016	10	1,730	Mandarin Shipping	Undisclosed Interests	\$28
Nobility	2012	14	1,012	Cosmoship Management	Vietnamese interests	\$16
Rio Grande	2008	18	4,253	Danaos Corp	Singaporean interests	\$32
Asiatic Reunion	2008	18	1,049	Asiatic Lloyd	Undisclosed Interests	\$11
Seaspan Saigon	2006	20	4,253	Atlas Corp (Seaspan)	Undisclosed interests	\$17
Erasmus Oasis	2008	18	1,049	Erasmus Corp	Undisclosed interests	\$11
Songa Wolf	2007	19	1,732	Castor Maritime	Undisclosed interests	\$19
Hammonia Baltica	2011	15	2,798	Hammonia Reederei	HAI AN	\$31
Sunny Phoenix	2002	24	4,250		Undisclosed interests	\$18
Felixstowe	2002	24	4,250	Unknown Japanese	Undisclosed interests	\$18

Source: Drewry Maritime Research

Glossary of terms

Adjusted Capacity

Drewry's measurement of forecast fleet adjusted for slippage, cancellations, demolitions and unconfirmed new orders

East-West Trades

The core trade lanes: transpacific, transatlantic, Asia-North Europe and Mediterranean

Effective Capacity

Represents the period-end standing slot capacity (i.e. actual nominal capacity) adjusted for slow steaming, deadweight, speed and other factors

Effective Demand / Net Cargo Slot Moves

Drewry's measurement of demand derived from our global port handling figure. It is the total number of laden seaborne containers moved during a year on either a mainline deep-sea service or a feeder or oncarriage leg, adjusted for changes in average distance

Out Of Scope Cargo

Cargo transhipped at either origin or destination region from/to an area outside the origin/destination regions. An example might be cargo loaded in Australia, but transhipped in Asia for the Mediterranean

Global Supply-Demand Index

Drewry's unique measurement of supply and demand, taking into account effective supply of the world containership fleet and demand, where 1980 is deemed the base year representing an index of 100.

Any figure above 100 represents a period where demand is comparatively strong or exceeds supply, with any number below 100 representing a weak market or overcapacity.

The Global Supply/Demand Index (adjusted for idle fleet) is Drewry's global supply/demand index adjusted to allow for vessel lay up/inactivity.

East-West Supply/Demand Index

This index is derived from a snapshot of effective headhaul capacity at the start of the period for the following trades: Transpacific, Asia-North Europe, Asia-Med and Transatlantic (North Europe). Demand applies to the entire period for the same trades.

Wayport

Vessels calling at an intermediate non-core port on an end-to-end service where cargo is discharged, loaded or transhipped for other out-of-scope destinations. For example, this might include a call at Colombo on an Asia to North Europe service.

World Container Traffic

The total volume of containerised cargo moved from point of origin to destination under a single transaction, which may or may not include one or more transhipments

Glossary of terms

A Note on Our Tables

Where we show data on a quarterly basis, the data refers to the first day of the quarter period under review i.e. 1Q12 is 1 January 2012.

A Note on Service Definitions

ETE means end-to-end. This refers to a service that starts at a region, going to a second region and returning to the first region, for example, South Asia-North Europe-South Asia.

Pdm Means Pendulum

This refers to a service starting in a region, going to a second region, then a third region, returning to the second and then the first region; for example, Asia-North America-North Europe-North America-Asia.

Triangular Means A Service Starting at...

Region 1, then going to Region 2 and then Region 3 before returning to Region 1. This is common within intra-Asia, and an example is Japan-Vietnam-Thailand-Japan.

Airfreight Insight – online access through Container Freight Portal, \$2,400

Our all-new Airfreight Insight provides detailed monthly analysis of the global airfreight markets. It includes market summary and key ocean vs airfreight comparisons, global airfreight capacity, demand and load factors by major route, Drewry's unique Airfreight vs Maritime Price Multiplier, East-West airfreight rate benchmarks on 127 airport-to-airport lanes and more.

Container Freight Rate Insight – Pdf and online access through Container Freight Portal, \$4,150

Container Freight Rate Insight is the world's first and only global source of container market freight rates on all the major routes, and is a 'must-have' tool for importers, exporters and freight forwarders as well as other industry stakeholders who require reliable, independent and well-researched cost benchmarks for container shipping.

Standard Subscription – access to benchmark freight rates by trade route (670 port pairs)

Glossary of terms

Global Container Terminal Operators Annual Review & Forecast 2025/26 – US\$3,495 pdf

The report provides an invaluable update on the main container terminal-operating companies. It investigates the current industry structure, giving league tables of the main operators, their capacity development plans and their varying performances, both financially and operationally. A comprehensive review of mergers and acquisitions over the past year is included. In addition, each operator is profiled individually with details of their investment portfolios, strategies and capacity projections.

Reefer Shipping Market Annual Review and Forecast – 2025/26 – US\$2,350 pdf

The report provides an updated analysis of all sectors of the refrigerated shipping industry. It includes key insights and data on demand, including a breakdown of individual commodities, supply of tonnage, operators, logistics, freight rates, reefer equipment and ship economics. As well as looking at the major operators in the industry, the future of the industry is considered, as are the forces that are shaping it.

Container Census and Leasing 2025/26 – Annual Review and Forecast –

US\$2,750 pdf SINGLE COPY OR Subscription including the Container Equipment Forecaster – US\$4,100 pdf

The report provides an annual review of the container leasing industry, including a range of forecasts unique to Drewry. The key areas of analysis include lease company rank, lease structures, rates and financials, trends and forecast for the leased and owned fleet, leased fleet type and value and reefer and tank container market.

Container Equipment Forecaster, published in July, October, January and April, this exclusive Insight is only available to subscribers of Drewry Census and Leasing reports.

Ship Operating Costs Annual Review and Forecast 2025/26 – US\$2,350 pdf

One of Drewry's flagship reports, Ship Operating Costs 2017/18 provides one of the most complete annual assessments of ship operating costs available in a single source. Operating cost assessments are provided for 44 representative ship types, spanning the oil, chemical, LNG, LPG, dry, bulk, container, general cargo, reefer and ro-ro sectors.

Glossary of terms

For each ship type/size covered the report shows the historical trend in annual ship operating costs for the period 2012 to 2017, broken down by main cost head, and an assessment of 2017 ship operating costs by main cost head (e.g. Insurance) and by sub-head (e.g. protection and indemnity insurance). The report contains annual projections of total ship operating costs by ship type and size to 2022. In addition, as well as assessments for the Drewry standard 10-year old ship, the report contains assessments of 2017 operating costs by vessel age.

A comprehensive, global study of this nature is a powerful tool, enabling you to benchmark specific ship operating costs with confidence and clarity. No other source of information provides such a depth and breadth of insight, allowing you to drill down into specific cost heads.

Please contact the containers and ports team for further details of any of the above products by email containers@drewry.co.uk

Publications:

Container Forecaster	Published every March, June, September & December
Container Freight Rate Insight	Accessed online
Airfreight Insight	Accessed online
Container Census & Leasing Industry 2026	June-26
Global Container Terminal Operators Annual Review & Forecast, 2025/26	July-25
Reefer Shipping Market Review and Forecast 2026/27	May-26
Container Market Annual Review and Forecast 2025/26	Oct-25
Ship Operating Costs Annual Review and Forecast 2025/26	Nov-25

Tables and figures listing

Tables

TABLE 1.1 CHANGES TO DREWRY'S KEY FORECASTS	3
TABLE 1.2 EARLY PEAK SEASON; WHICH FACTORS ARE TEMPORARY AND WHICH ARE STRUCTURAL?	3
TABLE 2.1 FORECAST DEVELOPMENT OF WORLD CONTAINER TRAFFIC (MTEU)	22
TABLE 2.2 FORECAST OF CONTAINER ACTIVITY BY REGION (KTEU)	23
TABLE 2.3 2-YEAR QUARTERLY FORECAST OF CONTAINER GROWTH BY REGION (YOY CHANGE)	24
TABLE 2.4 2-YEAR QUARTERLY FORECAST OF CONTAINER ACTIVITY BY REGION (KTEU)	25
TABLE 2.5 FORECAST OF CONTAINER GROWTH IN ASIA (KTEU)	26
TABLE 2.6 FORECAST OF CONTAINER GROWTH IN EUROPE (KTEU)	30
TABLE 2.7 FORECAST OF CONTAINER GROWTH IN NORTH AMERICA (KTEU)	33
TABLE 2.8 FORECAST OF CONTAINER GROWTH IN LATIN AMERICA (KTEU)	36
TABLE 2.9 FORECAST OF CONTAINER GROWTH IN MIDDLE EAST, SOUTH ASIA (KTEU)	38
TABLE 2.10 FORECAST OF CONTAINER GROWTH IN AFRICA (KTEU)	41
TABLE 2.11 FORECAST OF CONTAINER GROWTH IN OCEANIA (KTEU)	43
TABLE 2.12 5-YEAR HISTORY OF ANNUAL GROWTH IN CONTAINER ACTIVITY BY REGION (KTEU)	44
TABLE 3.1 WORLD CELLULAR CONTAINERSHIP FLEET BY SIZE RANGE (1 JUNE 2026)	45
TABLE 3.2 RECENT NEWBUILD CONTRACTS (CONFIRMED AS OF 1 JUNE 2026)	46
TABLE 3.3 UNADJUSTED CONTAINERSHIP ORDERBOOK BY SIZE AND SCHEDULED DELIVERY YEAR (1 JUNE 2026) ..	50
TABLE 3.4 ADJUSTED GLOBAL CONTAINERSHIP FLEET AND ORDERBOOK (KTEU)	51
TABLE 3.5 UNADJUSTED VESSEL DELIVERY SCHEDULE FOR 2026	55
TABLE 3.6 TOP 10 OCEAN CARRIER-OPERATING FLEETS (1 JUNE 2026)	57
TABLE 3.7 TOP 10 CARRIERS BY FLEET, ORDERBOOK (1 JUNE 2026)	58
TABLE 3.8 TOP 20 OCEAN CARRIER-OWNED FLEETS, 1 JUNE 2026 (KTEU)	59
TABLE 3.9 TOP 20 INDEPENDENT SHIPOWNERS, 1 JUNE 2026 (KTEU)	60
TABLE 3.10 RECENT CONTAINERSHIP SALES FOR DEMOLITION (KTEU)	61
TABLE 4.1 FORECAST GLOBAL SUPPLY-DEMAND BALANCE (BASE CASE SHORT-WAR SCENARIO)	63
TABLE 4.2 FORECAST DEVELOPMENT EAST-WEST HEADHAUL SUPPLY-DEMAND BALANCE	64
TABLE 4.3 SUMMARY OF SELECTED MAJOR EAST-WEST SERVICES	67
TABLE 4.4 DEVELOPMENT OF EAST-WEST TRADE PROFILES	71
TABLE 4.5 MISSED SAILINGS ON EAST-WEST TRADES	72
TABLE 4.6 SUMMARY OF IDLE FLEET BELOW AND ABOVE 5,000 TEU (KTEU)	73
TABLE 4.7 ESTIMATED GLOBAL IDLE FLEET, 1 JUNE 2026	73
TABLE 4.8 DEPLOYMENT OF REACTIVATED SHIPS, MAR 26 TO JUN 26	74
TABLE 5.1 TRANSPACIFIC – FORECAST CARGO VOLUMES	76
TABLE 5.2 DEVELOPMENT OF TRANSPACIFIC CAPACITY	77
TABLE 5.3 TRANSPACIFIC SUPPLY-DEMAND POSITION (KTEU)	78
TABLE 5.4 ASIA-NORTH EUROPE - FORECAST CARGO VOLUMES	82
TABLE 5.5 DEVELOPMENT OF ASIA-NORTH EUROPE CAPACITY	83
TABLE 5.6 ASIA-NORTH EUROPE SUPPLY-DEMAND POSITION (KTEU)	84
TABLE 5.7 ASIA-MED – FORECAST CARGO VOLUMES	88
TABLE 5.8 DEVELOPMENT OF ASIA-MED CAPACITY	89
TABLE 5.9 ASIA-MED – SUPPLY-DEMAND POSITION (KTEU)	90
TABLE 5.10 TRANSATLANTIC – FORECAST CARGO VOLUMES	93
TABLE 5.11 DEVELOPMENT OF TRANSATLANTIC CAPACITY	94
TABLE 5.12 TRANSATLANTIC SUPPLY-DEMAND POSITION (KTEU)	95
TABLE 6.1 FORECAST ESTIMATED AVERAGE UNIT RATE, EAST-WEST CONTAINER MARKET* (\$ PER TEU)	98
TABLE 6.2 FORECAST ESTIMATED AVERAGE UNIT RATE, GLOBAL CONTAINER MARKET* (\$ PER TEU)	99
TABLE 6.3 ESTIMATED AVERAGE UNIT RATE BY QUARTER, EAST-WEST CONTAINER MARKET (BASE CASE FORECAST)	101

Tables

TABLE 6.4 ESTIMATED AVERAGE UNIT RATE BY QUARTER, EAST-WEST CONTAINER MARKET (SCENARIO 2 FORECAST)	102
TABLE 6.5 SUMMARY OF SELECTED WEEKLY WORLD CONTAINER INDEX SPOT RATES AFTER 25 WEEKS IN 2026 (US\$/40FT CONTAINER).....	102
TABLE 6.6 FINANCIAL RESULTS OF SELECTED CARRIERS, 3 MONTHS 2024-25 (\$ MILLION)	107
TABLE 6.7 FINANCIAL RESULTS OF SELECTED CARRIERS, 12 MONTHS 2024-25 (\$ MILLION)	115
TABLE 6.8 CARRYINGS OF SELECTED CARRIERS (KTEU)	116
TABLE 6.9 Z-SCORES OF SELECTED CARRIERS OR PARENT COMPANIES	117
TABLE 6.10 HERFINDAHL-HIRSCHMAN INDEX (HHI) - MARKET CONCENTRATION IN SELECTED CONTAINER TRADES.....	118
TABLE 7.1 RECORDED CHARTER FIXTURES, 1Q26	125
TABLE 7.2 AVERAGE 12-MONTH TIME CHARTER BROKER ASSESSMENTS (\$/DAY)	125
TABLE 7.3 AVERAGE TIME CHARTER RATES AND PERIOD	126
TABLE 7.4 AVERAGE SLOT CHARTER RATES (\$/NOMINAL SLOT)	127
TABLE 7.5 RECENT CONTAINER SALE & PURCHASE ACTIVITY	128
TABLE 7.6 DEMOLITION PRICES (\$/LDT)	130
TABLE 7.7 SCRAP VALUE OF CONTAINER VESSELS (\$ MILLION).....	130
TABLE 7.8 DEVELOPMENT OF NEWBUILDING PRICES (\$ MILLION).....	131
TABLE 7.9 ESTIMATED NEWBUILDING COSTS FOR VESSELS OF 8,000 TEU AND OVER (\$ MILLION).....	131
TABLE 7.10 DEVELOPMENT OF SECOND-HAND PRICES (\$ MILLION)	132
TABLE 7.11 SELECTED SECOND-HAND VESSEL SALES DURING 1Q26	133

Figures

FIGURE 1.1 FORECAST SCENARIO ASSUMPTIONS.....	4
FIGURE 1.2 GLOBAL CONTAINER PORT THROUGHPUT.....	5
FIGURE 1.3 DREWRY CONTAINER FORECAST, 2026.....	5
FIGURE 1.4 DREWRY CONTAINER FORECAST, 2027	6
FIGURE 1.5 FORECAST ANNUAL CONTAINERSHIP FLEET DEVELOPMENT	7
FIGURE 1.6 PORT THROUGHPUT, CONTAINER SHIP FLEET GROWTH.....	7
FIGURE 1.7 DREWRY GLOBAL SUPPLY-DEMAND INDEX (BASE CASE SHORT-WAR SCENARIO).....	7
FIGURE 1.8 DREWRY'S GLOBAL SUPPLY-DEMAND INDEX UNDER DIFFERENT SCENARIOS	8
FIGURE 1.9 ANNUAL FREIGHT RATE FORECAST.....	9
FIGURE 1.10 FORECAST CARRIER INDUSTRY EBIT PROFIT/LOSS AND EBIT MARGINS	9
FIGURE 2.1 DREWRY BASELINE GLOBAL ECONOMIC ASSUMPTIONS (REAL GDP)	19
FIGURE 2.2 DREWRY CONTAINER FORECAST, 2026.....	20
FIGURE 2.3 DREWRY CONTAINER FORECAST, 2027.....	21
FIGURE 2.4 GLOBAL CONTAINER PORT THROUGHPUT: ROLLING 4-QUARTER AVERAGE % CHANGE.....	21
FIGURE 2.5 REGIONAL THROUGHPUT GROWTH PERFORMANCES	27
FIGURE 2.6 REGIONAL CONTAINER FORECAST: ASIA	28
FIGURE 2.7 REGIONAL CONTAINER FORECAST: EUROPE	31
FIGURE 2.8 REGIONAL CONTAINER FORECAST: NORTH AMERICA.....	34
FIGURE 2.9 REGIONAL CONTAINER FORECAST: LATIN AMERICA	37
FIGURE 2.10 REGIONAL CONTAINER FORECAST: MIDDLE EAST AND SOUTH ASIA.....	39
FIGURE 2.11 REGIONAL CONTAINER FORECAST: AFRICA	42
FIGURE 2.12 REGIONAL CONTAINER FORECAST: OCEANIA	43
FIGURE 3.1 FORECAST ANNUAL CONTAINERSHIP FLEET DEVELOPMENT	47
FIGURE 3.2 FORECAST QUARTERLY CONTAINERSHIP FLEET DEVELOPMENT	48
FIGURE 3.3 FORECAST OF FLEET DELIVERY RATE (SLIPPAGE) FOR NEWBUILD CONTAINERSHIPS.....	48
FIGURE 3.4 FORECAST OF CONTAINERSHIP DEMOLITIONS	49

Figures

FIGURE 3.5 NEWBUILD CONTAINERSHIP CONTRACTS BY YEAR.....	51
FIGURE 3.6 CUMULATIVE CONTAINERSHIP NEWBUILD CONTRACTS, BY BROAD SIZE CLASS SINCE FEBRUARY 2020	52
FIGURE 3.7 EVOLUTION OF TOP 10 CARRIERS' FLEET	52
FIGURE 3.8 ORDERBOOK BY SIZE RANGE (% OF TEU CAPACITY).....	52
FIGURE 3.9 CONTAINERSHIP ORDERBOOK-TO-FLEET RATIO, START OF YEAR	53
FIGURE 3.10 INDUSTRY INVESTMENT IN NEWBUILD CONTAINERSHIPS.....	53
FIGURE 3.11 SHARE OF CONTAINERSHIP CONTRACTS BY COUNTRY (TEU).....	53
FIGURE 3.12 CHINA-BUILT SHIPS IN TOP 10 CARRIERS' FLEET, ORDERBOOK.....	53
FIGURE 3.13 AVERAGE AGE OF SELECTED CONTAINERSHIP SIZE RANGES	54
FIGURE 3.14 PERCENTAGE OF CONTAINERSHIPS 25-YEAR-OLD AND ABOVE.....	54
FIGURE 3.15 CAPACITY OF CONTAINERSHIPS AGED 25-YEARS-OLD AND ABOVE	54
FIGURE 3.16 DELIVERY BREAKDOWN OF UNADJUSTED ORDERBOOK BY SIZE RANGE.....	55
FIGURE 3.17 UNADJUSTED VESSEL DELIVERY SCHEDULE IN 2026 BY QUARTER.....	55
FIGURE 3.18 UNADJUSTED VESSEL DELIVERY SCHEDULE IN 2026 BY MAJOR OPERATOR GROUP	56
FIGURE 3.19 ROLLING TRACKER OF ALTERNATIVE FUEL CONTAINERSHIP ORDERS	56
FIGURE 3.20 TOP 10 CARRIERS' % OF ALTERNATIVE FUEL SHIPS IN OPERATING FLEET, ACTIVE AND ORDERBOOK ..	57
FIGURE 3.21 CONTRACTING FOR ALTERNATIVE FUEL CONTAINERSHIPS (CAPABLE AND READY)	57
FIGURE 3.22 RECENT NEWBUILD CONTAINERSHIP CONTRACTS BY SIZE RANGE.....	58
FIGURE 3.23 EVOLUTION OF CONTAINERSHIP SIZES (YEAR START)	59
FIGURE 3.24 CONTAINERSHIP EXHAUST SCRUBBER RETROFITS BY MONTH	60
FIGURE 4.1 GLOBAL AND EAST-WEST SUPPLY-DEMAND INDICES FORECASTS BY QUARTER (BASE-CASE)	62
FIGURE 4.2 CONTAINERSHIPS TRANSITS OF THE BAB AL-MANDAB STRAIT, NOMINAL TEU CAPACITY	65
FIGURE 4.3 CONTAINERSHIPS TRANSITS OF SUEZ CANAL, NOMINAL TEU CAPACITY	65
FIGURE 4.4 CONTAINERSHIP AIS TRANSMISSIONS IN PERSIAN / ARABIAN GULF.....	66
FIGURE 4.5 ESTIMATED IMPACT OF LOWER PORT PRODUCTIVITY ON EFFECTIVE CAPACITY	68
FIGURE 4.6 DREWRY PORT CONGESTION Z-SCORE INDICATOR (NUMBER OF SHIPS WAITING)	69
FIGURE 4.7 DREWRY'S GLOBAL SUPPLY-DEMAND INDEX UNDER DIFFERENT SCENARIOS	70
FIGURE 4.8 AVERAGE SIZE OF VESSELS IN MAIN EAST-WEST TRADES.....	70
FIGURE 4.9 REPRESENTATIVE ROUND VOYAGE COST AND REVENUE PER SLOT ON SELECTED EAST-WEST CONTAINER TRADES (\$ PER TEU).....	73
FIGURE 4.10 IDLE CAPACITY.....	74
FIGURE 4.11 NUMBER OF IDLED SHIPS ABOVE AND BELOW 5,000 TEU.....	74
FIGURE 5.1 ANNUALISED TRANSPACIFIC EFFECTIVE CAPACITY	75
FIGURE 5.2 ASIA-ECNA HEADHAUL EFFECTIVE CAPACITY MARKET SHARES, APR 26.....	79
FIGURE 5.3 ASIA-ECNA HEADHAUL EFFECTIVE CAPACITY MARKET SHARES, APR 25.....	79
FIGURE 5.4 ASIA-WCNA HEADHAUL EFFECTIVE CAPACITY MARKET SHARES, APR 26	80
FIGURE 5.5 ASIA-WCNA HEADHAUL EFFECTIVE CAPACITY MARKET SHARES, APR 25	80
FIGURE 5.6 ANNUALISED ASIA-NORTH EUROPE EFFECTIVE CAPACITY	81
FIGURE 5.7 ASIA-NORTH EUROPE HEADHAUL EFFECTIVE CAPACITY MARKET SHARES, APR 26	86
FIGURE 5.8 ASIA-NORTH EUROPE HEADHAUL EFFECTIVE CAPACITY MARKET SHARES, APR 25	86
FIGURE 5.9 ASIA-NORTH EUROPE - WESTBOUND IMPORT REGION GROWTH.....	86
FIGURE 5.10 ANNUALISED ASIA-MED EFFECTIVE CAPACITY	87
FIGURE 5.11 ASIA-MED HEADHAUL EFFECTIVE CAPACITY MARKET SHARES, APR 26	91
FIGURE 5.12 ASIA-MED HEADHAUL EFFECTIVE CAPACITY MARKET SHARES, APR 25	91
FIGURE 5.13 ASIA-MEDITERRANEAN - WESTBOUND IMPORT REGION GROWTH.....	91
FIGURE 5.14 ANNUALISED TRANSATLANTIC EFFECTIVE CAPACITY	92
FIGURE 5.15 TRANSATLANTIC HEADHAUL EFFECTIVE CAPACITY MARKET SHARES, APR 26	96
FIGURE 5.16 TRANSATLANTIC HEADHAUL EFFECTIVE CAPACITY MARKET SHARES, APR 25	96

Figures

FIGURE 6.1 FORECAST SCENARIO ASSUMPTIONS.....	97
FIGURE 6.2 ANNUAL FREIGHT RATE FORECAST.....	103
FIGURE 6.3 DREWRY FREIGHT RATE FORECAST PERFORMANCE.....	103
FIGURE 6.4 TRENDS IN CONTAINER SPOT RATES, BUNKER PRICES, MONTHLY AVERAGESST.....	104
FIGURE 6.5 FORECAST BUNKER PRICES FOR DIFFERENT FUEL TYPES.....	105
FIGURE 6.6 DEVELOPMENT OF AVERAGE EAST-WEST SPOT FREIGHT RATES AND CONTRACT FREIGHT RATES.....	105
FIGURE 6.7 ESTIMATED CARRIER INDUSTRY EBIT PROFIT/LOSS AND EBIT MARGINS.....	109
FIGURE 6.8 ESTIMATED INDUSTRY FREIGHT RATES, UNIT COSTS.....	109
FIGURE 6.9 3-MONTH 2026 SCORECARD: COMPARISON OF EBIT MARGINS, REVENUE OF SELECTED CARRIERS...	110
FIGURE 6.10 SELECTED CARRIERS' 1Q26 VOLUME GROWTH.....	111
FIGURE 6.11 HISTORICAL CASH RESERVES OF SELECTED CARRIERS.....	111
FIGURE 6.12 HISTORICAL NET GEARING RATIO OF INDUSTRY.....	112
FIGURE 6.13 CONTAINER SHIPPING STOCKS PERFORMANCE YTD.....	112
FIGURE 6.14 DREWRY CONTAINER EQUITY INDEX VERSUS DREWRY WORLD CONTAINER INDEX.....	113
FIGURE 6.15 DREWRY CONTAINER EQUITY INDEX VS. S&P 500.....	114
FIGURE 6.16 FORECAST CARRIER INDUSTRY EBIT PROFIT/LOSS AND EBIT MARGINS.....	114
FIGURE 6.17 ESTIMATED ANNUAL FUEL COST TO THE CONTAINER INDUSTRY.....	114
FIGURE 6.18 EFFECTIVE CAPACITY CHANGES ON ASIA-MIDE WB TRADE.....	116
FIGURE 6.19 CONCENTRATING - SUMMARY OF COMPETITIVENESS (HHI) BY TRADE.....	119
FIGURE 7.1 RECORDED CHARTER FIXTURES BY YEAR.....	121
FIGURE 7.2 12-MONTH TIME CHARTER FORECASTS.....	122
FIGURE 7.3 DEVELOPMENT OF CHARTER AND FREIGHT RATES.....	122
FIGURE 7.4 DEVELOPMENT OF MONTHLY CHARTER AND FREIGHT RATES.....	122
FIGURE 7.5 COMPARISON BETWEEN OPERATORS AND CHARTER OWNERS OF ALTERNATIVE FUEL CAPABLE CONTAINERSHIP UNITS, BY SHIP SIZE.....	123
FIGURE 7.6 AVERAGE FIXTURE PERIODS BY VESSEL SIZE, 1Q26.....	123
FIGURE 7.7 AVERAGE 12-MONTH TIME CHARTER BROKER ASSESSMENTS.....	124
FIGURE 7.8 RECORDED MONTHLY TIME CHARTER RATES.....	124
FIGURE 7.9 AVERAGE FIXTURE PERIOD.....	124
FIGURE 7.10 DEVELOPMENT OF CLASSIC PANAMAX* RATES AND SCRAPPING.....	128
FIGURE 7.11 SECOND-HAND VALUE FORECAST FOR 3,500 TEU CONTAINERSHIPS.....	129
FIGURE 7.12 COMPARISON OF SECOND-HAND AND SCRAP VALUES OF CLASSIC PANAMAXES.....	129

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Drewry Maritime Financial Research offers a truly independent investment research service on listed companies in key segments of the maritime and shipping industry. With no ties to other players in the shipping, finance or banking world, we are able to offer a unique, impartial view of the markets and companies we cover. Our combination of established sector expertise and robust financial analysis sets our research apart.

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Project assessments



Fairness opinion



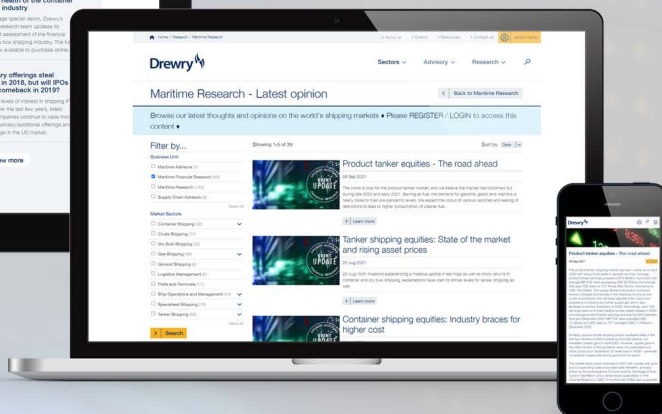
Business valuation

A number of complimentary financial research services are now available to registered/logged in users of our website, such as our Model Portfolio and the Financial Insights we regularly publish at <https://www.drewry.co.uk/opinions>



Drewry Model Portfolio

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We are authorised by the UK Financial Conduct Authority (FCA) to provide investment advice and are uniquely positioned to provide a product that offers rigorous and unbiased analysis.

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About Drewry Research

Drewry Maritime Research is the research arm of global shipping consultancy Drewry. The company has over 50 years' experience in the maritime sector and employs more than 90 specialists across its offices in London, Delhi, Singapore and Shanghai.

Our market research is renowned for its quality and is trusted by industry leaders around the world to deliver impartial, robust analysis and balanced opinion. This independence, alongside our sector knowledge and expertise, sets our research apart and gives clients the rich market insight they need to make informed business decisions.

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