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Monthly Newsletter

August 2026

Industry news · Air freight · Ocean freight

Agenda

01 Industry News

Fleet investment and the accelerating shift to electric shipping

02 Air Freight Update

Demand stayed resilient in June while rates held elevated

03 Ocean Freight Update

Capacity outlook, spot rates and a structurally leaner network

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Industry News

Navigating a Changing Shipping Landscape: Risks, Regulation & Reliability

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Middle East Conflict Continues to Create Uncertainty for Global Shipping

Commercial shipping remains under pressure as attacks continue in the Red Sea and Strait of Hormuz

Security concerns across the Middle East continue to escalate following another attack on an ADNOC-operated vessel transiting the Strait of Hormuz.

The incident marks the 16th reported attack on an ADNOC vessel since the conflict between the United States, Israel and Iran intensified earlier this year, highlighting that commercial shipping remains directly exposed to the ongoing geopolitical tensions.

Although the latest vessel was able to continue safely without casualties, the frequency of attacks demonstrates that the security situation remains highly volatile.

At the same time, Houthi forces claimed responsibility for drone and missile attacks targeting Saudi Arabia's Jazan refinery and infrastructure around the Bab el-Mandeb Strait.

These incidents form part of a broader campaign against regional energy infrastructure and commercial shipping, increasing operational risks for vessels transiting one of the world's most strategically important maritime corridors.

Efforts to restore normal traffic through the Strait of Hormuz remain at a standstill, with negotiations yet to produce an agreement that would allow unrestricted navigation. As a result, shipping companies continue to operate with elevated security protocols, higher insurance costs and ongoing contingency planning.

While most services continue to operate, carriers remain prepared to adjust routing and schedules should the security situation deteriorate further.

EU Carbon Rules Continue to Reshape European Shipping Networks

Carriers increasingly shift cargo through non-EU hubs to reduce carbon costs
The European Union's Emissions Trading System (EU ETS) is continuing to reshape container shipping networks across Europe as carriers adapt their operations to reduce the cost of carbon emissions. Recent research by Spain's Puertos del Estado, supported by Alphaliner, indicates that the changes are no longer temporary but represent a structural shift in how cargo is routed into Europe.

Rather than making multiple direct calls within the European Union, many deep-sea services now discharge cargo at these hubs before transferring containers onto smaller feeder vessels for final delivery into Europe. This allows carriers to reduce their exposure to carbon costs while maintaining service coverage across the region.

The impact is already becoming visible across European ports. Notable example is Maersk's restructuring of its MECL service, where calls at Algeciras were replaced by Tanger Med, generating estimated annual carbon-related savings of €16-33 million.

As the European Commission prepares to review the ETS framework for the 2031-2040 period, further regulatory adjustments remain possible. Policymakers are now balancing climate objectives against concerns that investment, shipping services and cargo volumes may increasingly shift outside the European Union if current incentives remain unchanged.

76%
of observed network changes are estimated to be linked to the EU ETS

5%
reduction in direct container connectivity at Northern European ports since 2023

18%
reduction in direct connectivity across Eastern Mediterranean EU ports

Non-EU hubs such as Tanger Med, UK ports and Egypt continue to gain strategic importance within European supply chains.

Source: Splash247.

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Global schedule reliability recovered sharply in Q2 2026

Global schedule reliability improved during Q2, with on-time arrivals reaching 39% in May—the highest level since December 2023.
In addition, blank sailings fell to their lowest level of 2026 during June, reflecting improved network stability.

However, these improvements should be viewed with caution. The suspension of services in the Middle East earlier in the year removed many heavily delayed sailings from carrier schedules, while shipping lines continue to use blank sailings strategically to absorb delays and maintain schedule reliability.

On-Time Percentage

39%

The highest since December 2023

Average Delay

3.4 days

The lowest average delay since July 2025

Global Blank Sailings

9% of total planned TEU

Three consecutive months below year prior levels

Far East–Europe recorded the strongest improvement, with China–Mediterranean transit delays reduced from **4.4 to 2.0 days** between April and June.
Northern Europe and the **U.S. West Coast** also saw improved transit times.
In contrast, the **Middle East** remained disrupted, with on-time performance falling to **37%** and average delays increasing to **3.6 days**, reflecting ongoing regional instability

Source: ICCT

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Air Freight Update

Air freight rates are easing as capacity recovers, but remain elevated

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Demand & Volume

Demand remains positive, but growth is moderating

Global air cargo tonnage increased 5% YoY in July, with volumes 2% higher than June. Growth has eased from +9% YoY in June, mainly due to slower growth from Asia Pacific, Europe and MESA.

Asia Pacific remains the key growth driver

Asia Pacific export volumes were up 6% YoY in July, although growth has moderated from +11% in June.

Capacity continues to recover

Global air cargo capacity increased 1% WoW, supported by a 5% recovery in MESA and 2% from Asia Pacific. Capacity remains below pre-conflict levels in the Gulf, but continues to improve as regional tensions ease.

+9% Global volume growth YoY, June 2026

+5% H1 2026 volume growth YoY

+6% Q2 2026 volume growth YoY

Source: WorldACD Market Data

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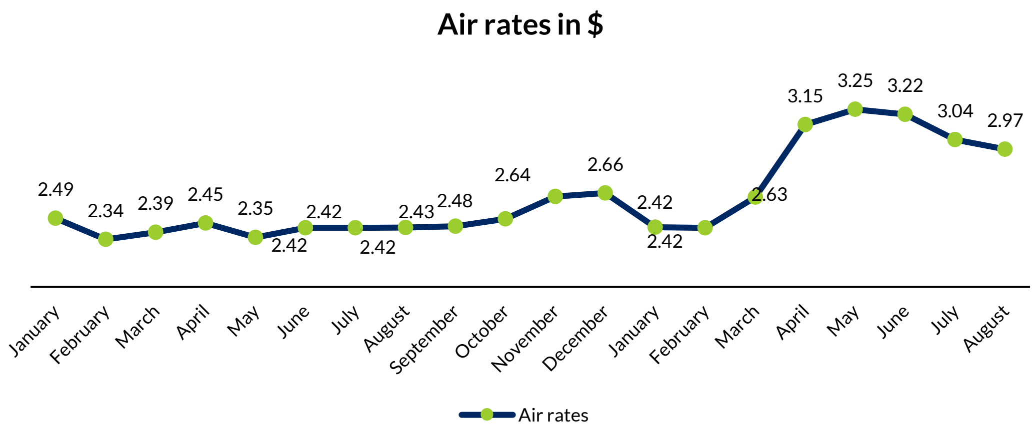
Regional Performance & Rate Development

July performance by region (YoY)

Middle East & South Asia (MESA)	**+46%**
Africa	**+23%**
North America	**+20%**
Asia Pacific	**+20%**
Europe	**+20%**
Central & South America	**+7%**



USD 2.97/kg

Average global spot rate in August 2026

+23%

Average global air freight rates vs August 2025

+1%

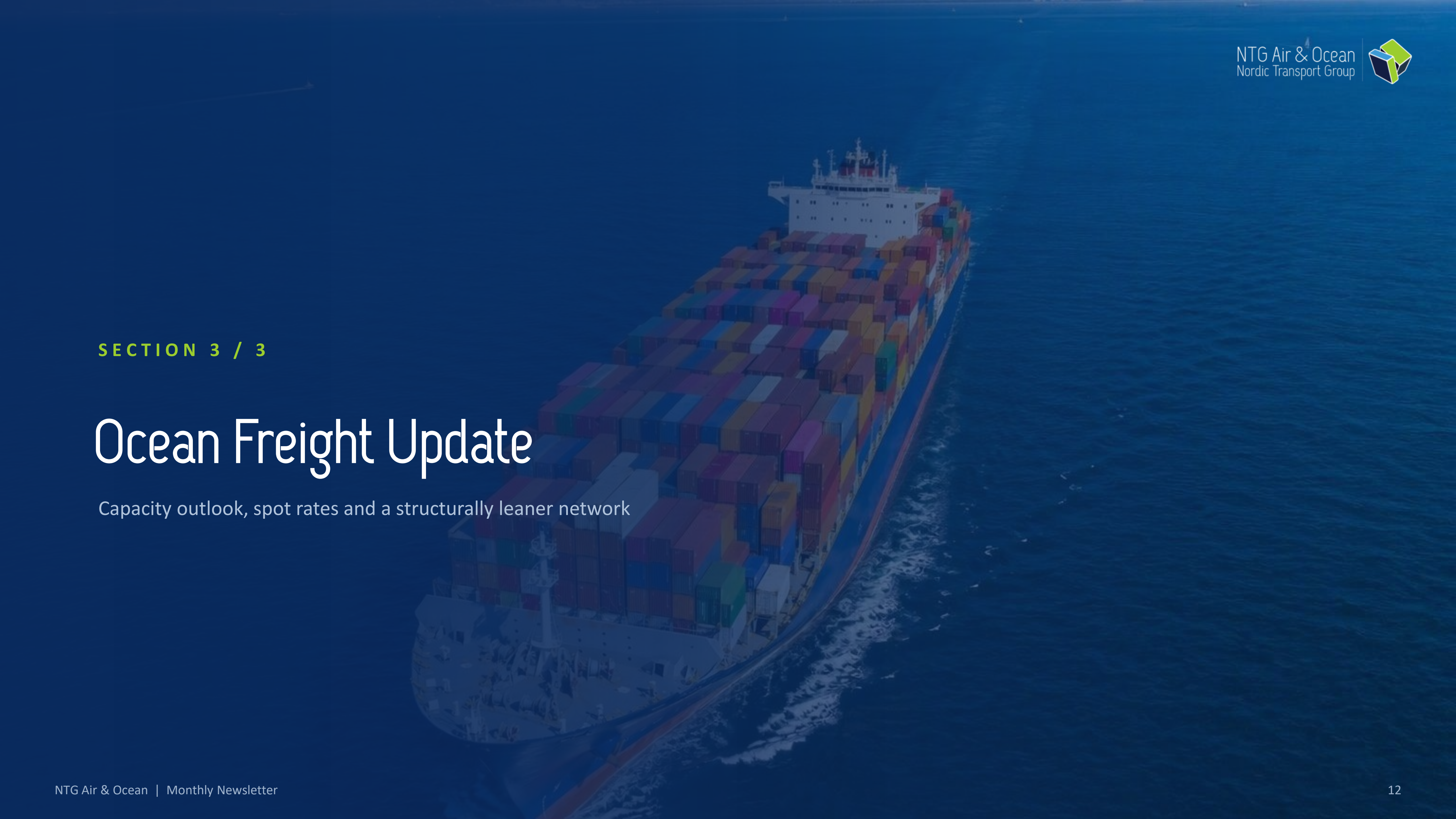
Global capacity vs prior two-week period

Rates are easing but remain elevated. Global air freight rates declined in July, down 8% MoM, while remaining 29% above last year. Capacity continues to recover, up 1% WoW, helping to improve availability.

China–Europe demand is softening. Air cargo volumes from China and Hong Kong to Europe have declined for six consecutive weeks, with July volumes down 12% YoY. Spot rates have also fallen significantly, offering some relief to customers on the trade.

Market remains dynamic. While capacity is improving, rates remain elevated across most regions, with strong demand and ongoing supply-demand imbalances continuing to influence the market.

Source: WorldACD Market Data



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Ocean Freight Update

Capacity outlook, spot rates and a structurally leaner network

CAPACITY OUTLOOK

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Global Ocean Capacity (Weeks 32-43)

Trade Lane	Capacity Outlook	Market Impact
Asia → North Europe	**+20.5% YoY**. Capacity increases in Week 35 before notable reductions in Weeks 37 and 42	Overall well supplied, although temporary tightening may occur during late August and October.
Asia → Mediterranean	**+38.9% YoY** – strongest capacity growth across all major trades.	Oversupply continues to support competitive freight rates throughout Q3.
Asia → NAM East Coast	**+16.2% YoY**. Capacity increases in Week 33 before easing in Week 40.	Market remains balanced with sufficient space despite periodic adjustments.
Asia → NAM West Coast	**+21.8% YoY**. Strong capacity additions in Weeks 33–34 followed by a temporary reduction in Week 35.	Capacity remains ample with competitive market conditions.
N. Europe → NAM East Coast	**+9.6% YoY**. Capacity increases in Week 32 before moderating later in the outlook.	Stable market conditions with moderate carrier adjustments.
Europe → NAM West Coast	**-0.3% YoY**. Capacity softens around Week 36 before recovering in Week 37.	Relatively balanced market with limited risk of prolonged capacity shortages.

Source: Sea-Intelligence Maritime Analysis — Trade Capacity Outlook, 7 Aug 2026

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Key Takeaways

1. **Asia–Mediterranean remains the most oversupplied trade lane**
Capacity is forecast to increase 38.9% year-on-year, the highest among all major east-west trades. Continued vessel deployment is expected to keep freight rates competitive while providing customers with ample space.

2. **Asia–Europe and Transpacific markets remain well supplied**
Asia–North Europe (+20.5%), Asia–North America West Coast (+21.8%) and Asia–North America East Coast (+16.2%) all continue to benefit from strong capacity growth. While carriers will adjust weekly sailings, no structural capacity shortages are expected during the next 12 weeks.

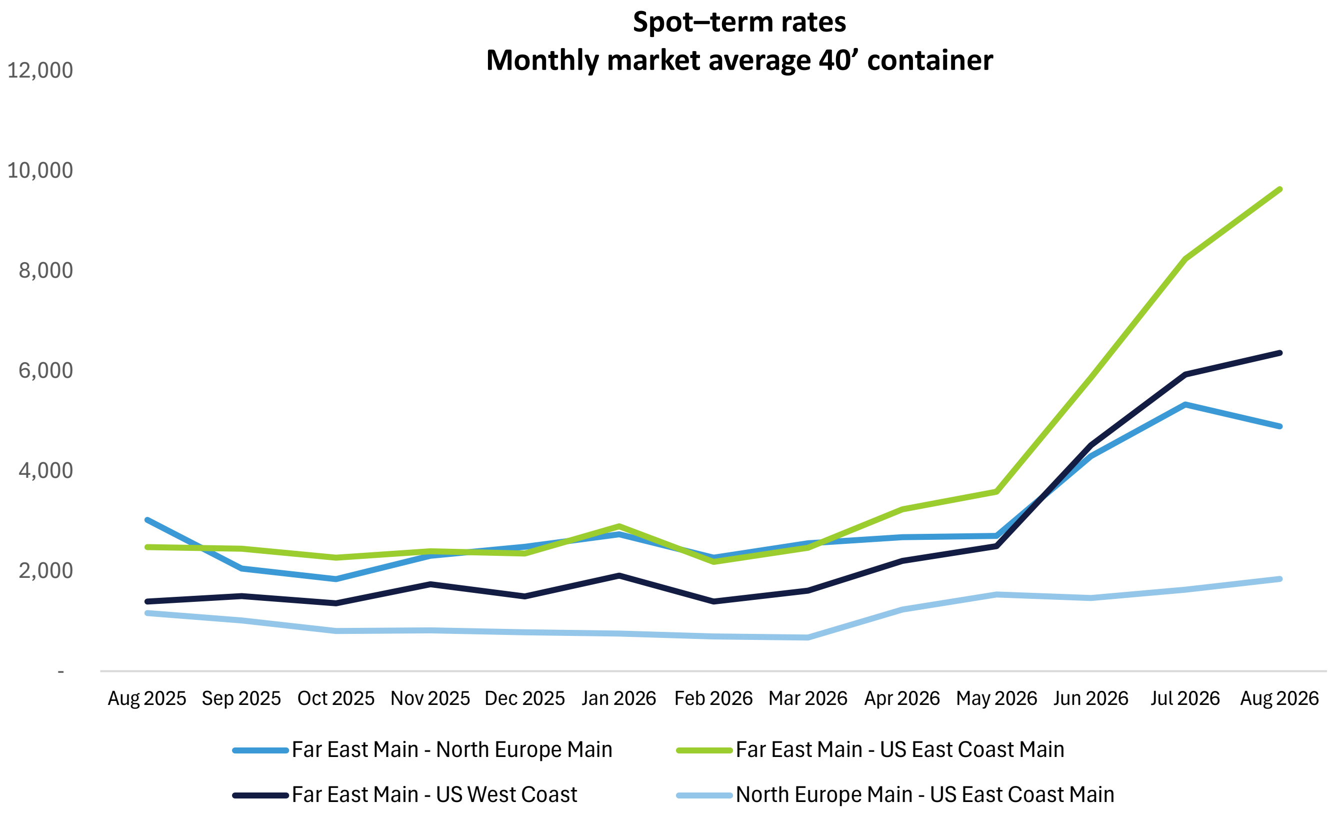
3. **Carrier capacity management remains highly dynamic**
Rather than reducing overall capacity, carriers continue to fine-tune weekly deployments across major trade lanes. Temporary capacity fluctuations are expected throughout August and September, but these reflect operational optimization rather than weakening market fundamentals

4. **Europe–North America West Coast remains the weakest trade**
Unlike the other major trades, Europe–North America West Coast is forecast to remain broadly flat at -0.3% year-on-year. While the market is expected to stay balanced, customers should monitor capacity developments closely during periods of scheduled reductions.

Source: Sea-Intelligence Maritime Analysis — Trade Capacity Outlook, 7 Aug 2026

DATA HIGHLIGHTS

Spot Rate Trend Highlights



Far East → US East Coast
USD 9,636 | +17% MoM | +289% YoY

Far East → US West Coast
USD 6,363 | +7% MoM | +358% YoY

Far East → North Europe
USD 4,893 | -8% MoM | +62% YoY

N. Europe → US East Coast
USD 1,844 | +13% MoM | +59% YoY

CONCLUSION

What This Means for Customers

Capacity is improving — but the market remains volatile
Strong capacity growth across Asia–Europe and Transpacific trades is improving space availability and should limit structural capacity shortages. However, elevated spot rates and significant YoY rate increases show that the market remains highly sensitive to carrier capacity management and weekly schedule changes.

More Capacity, More Competition

Capacity growth should improve availability and increase rate competition, particularly on Asia–Mediterranean and Asia–Europe

Rates Remain Elevated

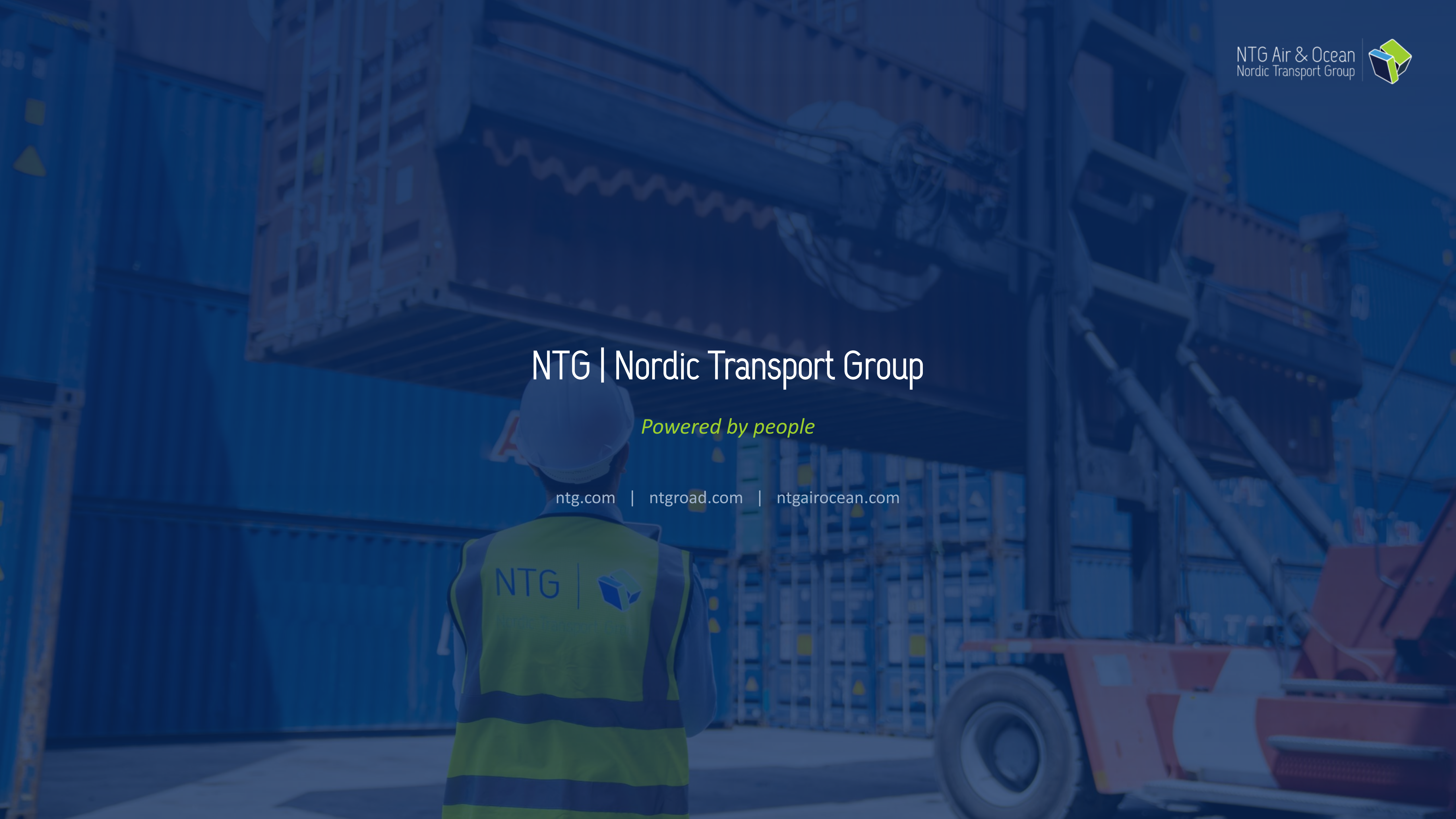
Spot rates remain elevated YoY, particularly Far East → North America, despite recent declines..

Expect Continued Volatility

Carriers continue to fine-tune capacity, creating short-term fluctuations in space and pricing..

Planning Remains Critical

More capacity means greater choice and competitive rates, while planning ahead remains key on tighter trades.



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