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Monthly Newsletter

July 2026

Industry news · Air freight · Ocean freight

Agenda

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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

Fleet investment and the accelerating shift to electric shipping

NETWORK STRUCTURE

Structural Contraction of Global Liner Networks

The global liner shipping industry has undergone a fundamental structural transformation since 2020. While carriers continue to maintain broad global network coverage, they are operating significantly fewer services, creating a leaner network with lower sailing frequency and reduced flexibility for shippers. This represents a permanent operating model rather than a temporary response to recent disruptions.

Carriers have largely maintained their global port coverage, preserving approximately **10,000 direct deep-sea port connections**. The geographical footprint has remained relatively stable over the last three years, ensuring continued access to major global markets.

Although network reach has remained stable, the number of sailings has declined substantially. Prior to 2020, carriers increased both network reach and sailing frequency. Since 2020, they have maintained coverage while significantly reducing service frequency through blank sailings and capacity optimization.

Monthly network density has fallen from **more than 81,000 monthly port calls in 2018** to a structural range of **53,000-65,000 calls** today.

Rather than eliminating trade lanes, carriers have concentrated cargo through larger hub ports by:

- Reducing direct sailings
- Increasing reliance on transshipment
- Maximizing vessel utilization
- Optimizing network profitability

This enables carriers to improve efficiency while maintaining global coverage.

Fleet Development - MSC

MSC is reported to have placed an order for **up to 20 LNG dual-fuel ultra-large container vessels (20,000 TEU)** at China's **Hengli Heavy Industry**. The order includes a firm commitment with options and, if confirmed, would be **MSC's largest newbuilding order in 2026**.

The vessels are expected to be delivered from **H1 2029 onwards**, further expanding MSC's already significant orderbook and reinforcing the industry's continued investment in fleet growth and decarbonization.

20

LNG dual-fuel ULCVs on order

20,000 TEU

capacity per vessel

Delivery from H1 2029

Source: MB Shipbrokers / TradeWinds — order not yet officially confirmed by MSC or Hengli.

DECARBONIZATION

China Accelerates Electric Shipping

China is rapidly expanding its electric cargo vessel fleet, moving from pilot projects to commercial deployment — with larger bulk carriers, container ships and multipurpose vessels now entering service.

+950%

Electric cargo ships: 4 (2022) → 42 (2025)

14,000 DWT

Max vessel size, up from 3,000 DWT

500 km

Maximum operating range today

86%

Of electric vessels on inland waterways by end-2025

The 742 TEU all-electric containership Ningyuan Dianpeng is expected to save 800 tonnes of fuel and cut CO_2 emissions by more than 2,000 tonnes annually.

Source: ICCT

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Air Freight Update

Demand stayed resilient in June while rates held elevated

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Demand & Volume

Global air cargo demand remained strong in June 2026, with worldwide volumes increasing 9% year-on-year and remaining stable compared with May, despite a 2% week-on-week decline during the final full week of the month.

For H1 2026, global air cargo volumes increased 5% YoY, while Q2 volumes were up 6% YoY and 6% higher than Q1 — demonstrating continued market resilience despite disruptions in the Middle East.

Growth was supported by an 8% increase in H1 export volumes from Asia Pacific.

+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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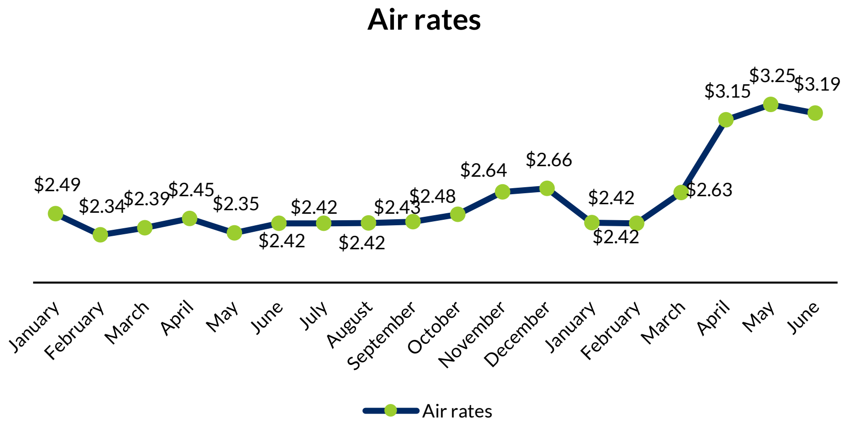
Regional Performance & Rate Development

June performance by region (YoY)

Middle East & South Asia (MESA)	**+47%**
Africa	**+25%**
North America	**+24%**
Asia Pacific	**+24%**
Europe	**+23%**
Central & South America	**+8%**



USD 3.19/kg

Average global spot rate in June 2026

+26%

Average global air freight rates vs June 2025

-4%

Global capacity vs prior two-week period

Freight rates stayed elevated despite improving capacity. Global air freight rates ran 26% above June 2025, and spot averaged USD 3.19/kg, up 26% YoY (vs +38% in May). The strongest spot gains came from MESA (+47%).

Capacity kept recovering, up 3% globally YoY, while the prior two-week period was down 4%.

Fuel prices eased in late June, prompting several airlines to cut fuel surcharges from 1 July. But that recovery may change in the coming weeks if the escalation of the US-Iran conflict continues.

Source: WorldACD Market Data

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Ocean Freight Update

Capacity outlook, spot rates and a structurally leaner network

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Global Ocean Capacity (Weeks 27-38)

Trade Lane	Capacity Outlook	Market Impact
Asia → North Europe	+15.7% YoY; increases Wks 27 & 30, reduction Wk 36	Improved reliability; tightening late August
Asia → Mediterranean	+37.5% YoY — strongest of all trades	Oversupply keeps rates under pressure through Q3
Asia → NAM East Coast	+14.2% YoY; up Wk 28, down Wk 31	Sufficient capacity; localized volatility Jul/Aug
Asia → NAM West Coast	+12.1% YoY after short dip Wk 27	Well supplied; competitive pricing
N. Europe → NAM East Coast	+4.3% YoY; added Wk 31, eases Wk 33	Balanced, relatively stable rates
Europe → NAM West Coast	-15.8% YoY — only contraction	Tighter space; upward rate pressure in peak

Source: Sea-Intelligence Maritime Analysis — Trade Capacity Outlook, 3 July 2026

Key Takeaways

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1. Asia-Mediterranean continues to see the strongest capacity expansion (+37.5% YoY), likely keeping rates competitive.

2. Asia-Europe and Transpacific trades remain well supplied, supporting stable service levels despite periodic blank sailings.

3. Europe-North America West Coast is the only trade with a capacity contraction (-15.8% YoY), increasing the risk of tighter space and firmer rates.

4. Most trade lanes show scheduled week-to-week capacity adjustments rather than structural reductions — carriers continue to actively manage supply.

Source: Sea-Intelligence Maritime Analysis — Trade Capacity Outlook, 3 July 2026

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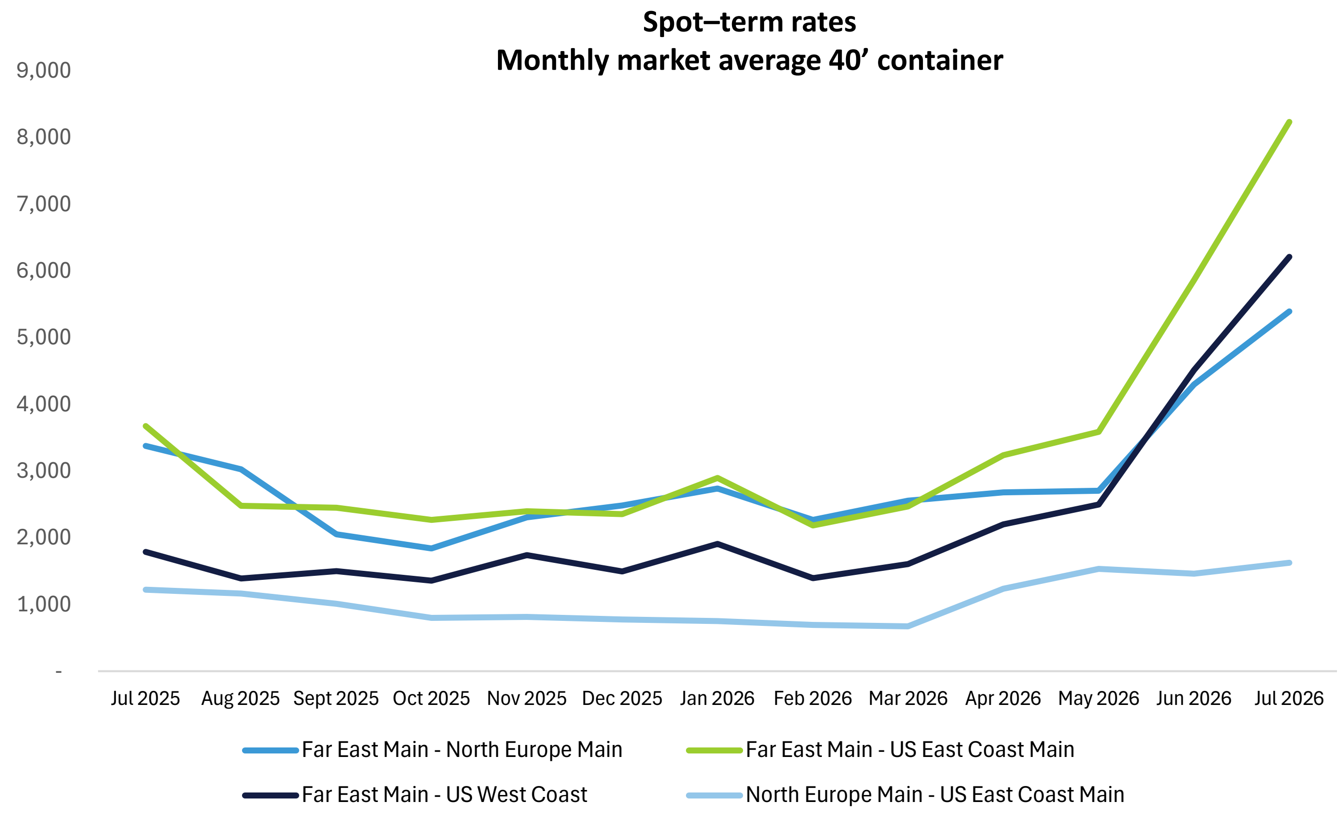
Spot Rate Trend Highlights



Far East → US East Coast
USD 8,236 +40% MoM **+124% YoY**

Far East → US West Coast
USD 6,212 +38% MoM **+248% YoY**

Far East → North Europe
USD 5,394 +26% MoM **+60% YoY**

N. Europe → US East Coast
USD 1,625 +11% MoM **+33% YoY**

CONCLUSION

What This Means for Customers

The post-2020 liner market has entered a structurally leaner operating model. Carriers have preserved global network reach while permanently reducing sailing frequency — creating a more efficient but less flexible network.

Longer Planning Horizons

Lower sailing frequency increases the risk of longer wait times if cargo misses scheduled departures.

Reduced Network Flexibility

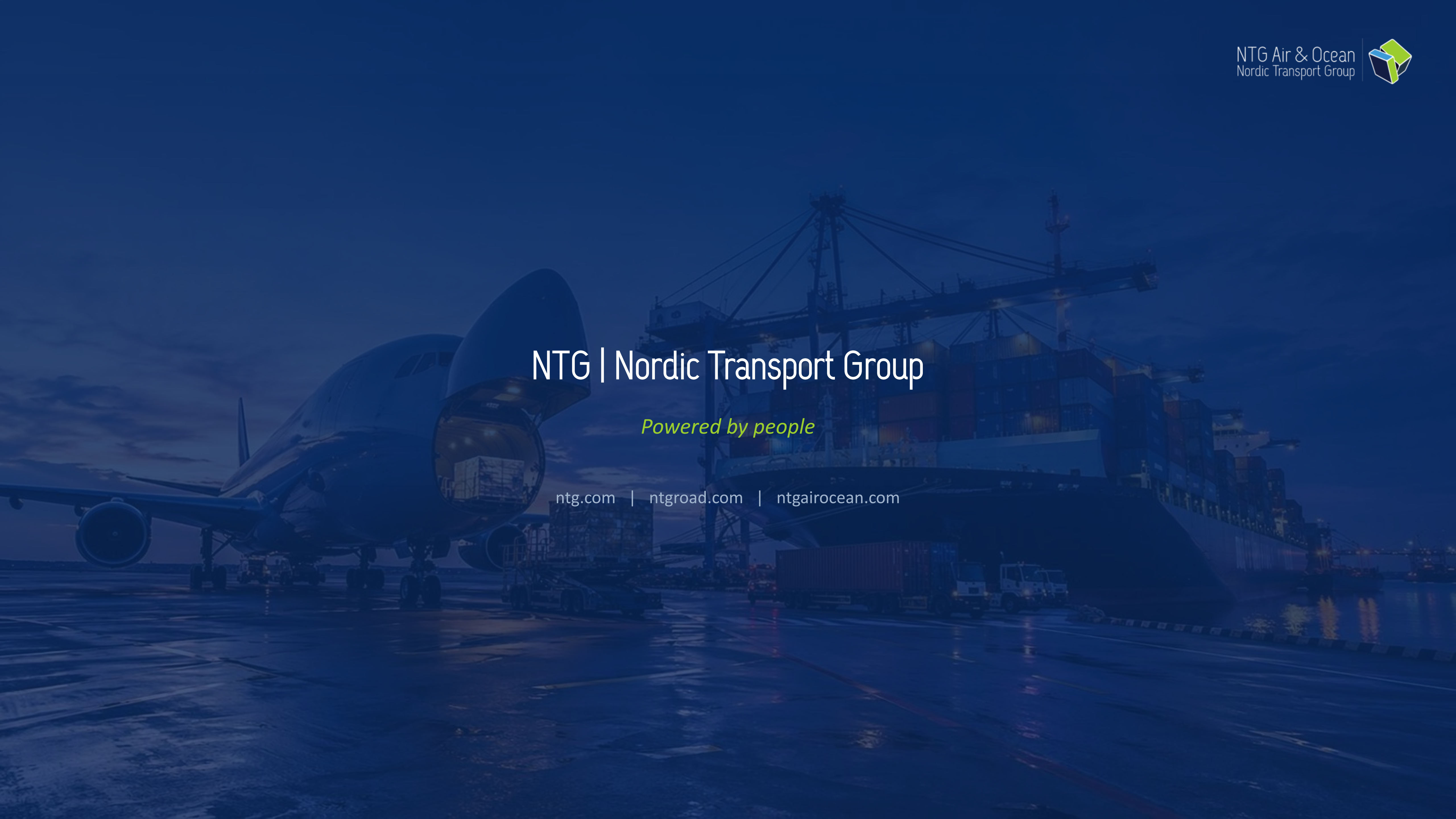
With fewer weekly sailings, recovery options after delays or rolled cargo are more limited.

Increased Inventory Planning

Build additional lead-time buffers into supply chains to protect production and service levels.

Stable Capacity Management

Blank sailings are now a permanent tool for balancing supply, demand and rate stability.



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