2026 Ocean Outlook

Shippers have been battered and bruised in 2024 and 2025 due to trade wars and geo-political conflict. However, the tables are starting to turn in shippers' favour, so 2026 could be a year to reimagine freight procurement and build greater resilience in supply chains.

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Introduction to Ocean Outlook

Overview: Ocean Freight Outlook 2026

Six Key Factors to Watch in 2026

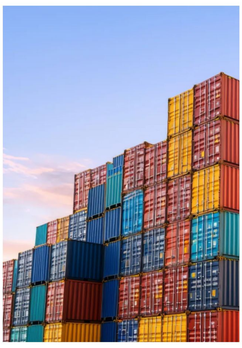
2024 was a year framed by the Red Sea conflict, while 2025 will be remembered for the carnage caused by tariffs and the US-China trade war, so ocean container shippers could be forgiven for looking ahead to 2026 with trepidation.

Shippers would be right to enter 2026 with eyes fully open, but many of the key pain points for the year ahead are largely known and set to stabilize (or at least not get much worse).

Take the Red Sea conflict as an example. Majority of ships are still sailing around the Cape of Good Hope, but the disruption has stabilized in 2025 to the extent freight rates are falling back to the pre-Red Sea crisis levels of December 2023.

We could possibly say the same about the US-China trade war, which has caused mayhem in global supply chains in 2025. There will inevitably be further tariff curveballs in 2026, but unlikely to the extent we have seen in 2025.

Shippers may not like the aggressive tariff policy of President Trump, but this is now a known disruption.



Painting this picture makes 2026 seem like a one-sided bet, but that is a dangerous position to take.

The lights on the geo-political dashboard are still flashing red and, as we have seen in recent years, trade is used as a weapon of war.

USTR port fees will be in effect in 2026 targeting China operated and built ships, while there is an arm wrestle between the US and China over control of global shipping infrastructure, most notably at the Panama Canal.

China has also recently passed legislation to allow countermeasures against any nation it believes is acting against its national trade interests.

The US-China trade war may only be getting started...

What does this mean for shippers in 2026?

The forecast is for 3% growth in ocean container shipping demand in 2026. With a record orderbook for new vessels and expected fleet growth of 3.6% - on top of the existing overcapacity - 2026 should play out more in shippers' favor.

Market fundamentals are stacked against the carriers and freight rates are expected to continue to fall in the remainder of 2025 and into 2026.

Ocean container freight rate forecast 2026:

Baselines used in forecast:

- Forecast uses a baseline of full quarter average freight rates in Q3 2025.
- Pre-Red Sea Crisis baseline is full quarter average freight rates in Q4 2023.
- Pre-Covid-19 baseline is full quarter average freight rates in Q4 2019.
- Forecast is based on no large-scale return of Red Sea transits in 2026.
- Forecast is based on data and market intelligence in October 2025. Geo-political and economic developments have potential to significantly impact forecast.

Forecast:

- Global average spot rates to fall -25% full year 2026.
- Global average long term rates to fall -10% full year 2026.
- Full year 2026 average spot rates to fall within 2% of pre-Red Sea Crisis levels.
- Full year 2026 average long term rates to fall 20% below pre-Red Sea Crisis levels.
- Full year 2026 average spot rates to fall within 5% of pre-Covid-19 levels.
- Full year 2026 average long term rates to fall within 20% of pre-Covid-19 levels.

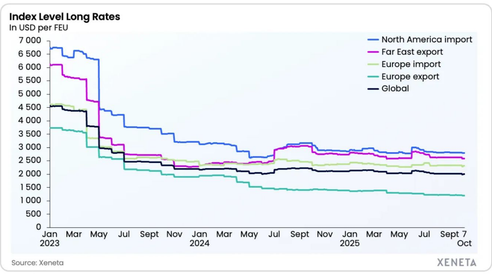
On 4 October, average spot rates from Far East to US East Coast and US West Coast were up just 6% and 2.3% respectively compared to 1 December 2023 (pre-Red Sea). Into North Europe and Mediterranean, they are holding a little stronger at +12% and +18%, but the direction of travel is clear.

This is no time for shippers to relax. 2026 is a huge opportunity to bring greater agility and resilience into supply chains after the carnage of 2024 and 2025.

Shippers should be using data and intelligence to not only achieve a more attractive freight rate during 2026 contract negotiations, but to identify the carrier that offers the optimal service and resilience. That is why Xeneta was proud to announce the acquisition of eeSea in August this year.

The Xeneta Ocean Outlook 2026 includes eeSea data and intelligence on global schedules, transit time and reliability. This will support BCO procurement teams to manage freight contracts and suppliers based on service levels - not just cost - no matter what the market conditions.

Falling freight rates mean carriers are heading towards the same loss-making territory they were in back in Q3 and Q4 2023.



Carriers will do what they can to protect revenues – and they are extremely good at it – whether that means slow-steaming, idling and blanked sailings.

Shippers do not need to accept poor performance. Carriers will be fighting hard for volumes in 2026, so shippers should use data to identify service providers that deliver on their promises of better reliability, transit times and network resilience.

Shippers have been battered and bruised in recent years – 2026 could be the year to reimagine freight procurement and build greater resilience in supply chains.

They should not waste this opportunity.

Meet the authors:

Peter Sand
Chief Analyst
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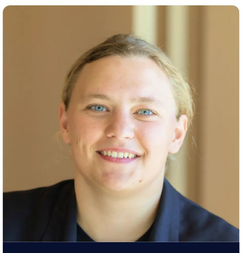

Emily Stausbøll
Senior Shipping Analyst
Xeneta

2026 Ocean Outlook
6 Key Themes for the Year Ahead

1 INSIGHT

Macro outlook: The exceptional factors disrupting ocean container shipping to stabilize

Improved GDP growth projections for US and EU

"With big questions over consumer spending in the US in 2026, many shippers will have uncertainties over the volumes of goods they will be importing.

"It is vital shippers retain flexibility in freight contracts to allow them to increase or decrease volumes as required while also managing freight spend effectively."

2 INSIGHT

Geopolitics and the unknown: Trade will remain at the center of conflict

Tariffs and trade wars will continue to wreak havoc in 2026

"It is easy to feel like a kite in a storm when the geo-political wars are raging, but with data and intelligence, shippers can make the right decisions at the right time to protect supply chains and minimize the financial damage."

3 INSIGHT

Demand: shifting global trade patterns

Forecast global container shipping growth of 3% in 2026

"Many shippers adopted a China+1 strategy following escalation of the US-China trade war during Trump's first term in office. The sweeping global tariffs of 2025 may have undermined this strategy to an extent, but it remains the case that shippers must still strive for as much flexibility in supply chains as possible."

4 INSIGHT

Demand: Ongoing impact of Red Sea conflict

Diversions continue to provide freight rate protection for carriers

"There may not be an immediate prospect of a large-scale return to the Red Sea in 2026, but shippers should be pushing carriers for improved transparency during negotiations for the next contract.

There is still justification for a Red Sea surcharge on trades directly and operationally impacted by diversions, but it should still be singled-out and lower in 2026."

5 INSIGHT

Supply: Record orderbook for new containerships

More than 10m TEU on order for future delivery and fleet growth of 3.6% in 2026.

"There is a record orderbook for new ships which will pile on the pressure for carriers in 2026, 2027 and 2028 and further play into the hands of shippers who will point to overcapacity in the market to negotiate more competitive freight contracts."

6 INSIGHT

Changing container shipping networks: Differing performance across carriers

Gemini leads the way on reliability

"Carriers will be hunting for volumes to fill their ships in 2026 and the competition will be fierce given the overcapacity in the market. Carriers will need to bring more to the table than lower freight rates - shippers will be looking for better reliability performance and network coverage for their chosen service provider."

1. Macro outlook: The exceptional factors disrupting ocean container shipping to stabilize

Summary:

- Advanced economies, such as US and EU, to see better GDP growth in 2026 compared to 2025.
- Main emerging markets and developing countries, including Brazil, China and Nigeria, likely to experience lower GDP growth in 2026.
- 2026 likely to bring a Trade-to-GDP Multiplier of 1 and a returning sense of parity between economic growth and trade activity.
- Negative impact on consumer spending on products directly impacted by US tariffs.
- Bunker Adjustment Factors not expected to experience high inflationary pressures in 2026.

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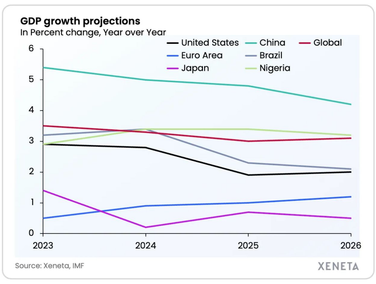
Geopolitical disruption will be an ongoing theme in 2026, which plays into the macro-economic factors impacting ocean container shipping.

2026 through the lens of the International Monetary Fund (IMF):

Main advanced economies, such as US and EU, will do better in 2026 compared to 2025. However, the US will be worse off compared to 2023 and 2024, so the picture isn't quite as positive.

Japan faces some headwinds, with GPD growth declining from 0.7% in 2025 to 0.5% in 2026.

Main emerging markets and developing countries, including Brazil, China and Nigeria, are likely to experience lower GDP growth in 2026 compared to 2025. On the other hand, India, Mexico, Saudi Arabia and South Africa should see stronger GDP growth in the year ahead.



Manufacturing activity across the globe is a mixed bag. The latest report from the US points to slowing business growth in September (three-month low), but a cooling in selling price inflation.

From the Eurozone, 'manufacturing PMI output' increased for the seventh month in a row in September, while the headline PMI fell back below the 50-threshold to a three-month low at 49.5. This is a small setback from August, which saw a three-year high for headline PMI (50.7) and a reading above 50 for the first time since 2023.

The outlook for Eurozone manufacturing is looking cloudy. Production is still growing, but the pace has been dragged down by domestic political turmoil in France. Hopes for an acceleration in growth are not justified as new orders dropped significantly in both Germany and France. (source: S&P Global)

Containerized European exports have fallen consistently since September 2021 – and the current outlook does not suggest a turnaround for that trend in 2026.

The macro-economic and container trade relationship

Generally, economic growth and activity is the main driver of demand for containerized goods, but that relationship is not what it used to be.

After many years of seeing the 'Trade-to-GDP multiplier' trending lower, 2024 and 2025 were off-trend and exceptionally strong. Looking ahead, 2026 is likely to bring a Trade-to-GDP Multiplier of 1 and a returning sense of parity between economic growth and trade activity.

The exceptional drivers that have pushed ocean container demand higher in recent years have stabilized - or at least not expected to intensify further in 2026. In particular, the uncertainty around supply chain resilience (ie, Red Sea) and a geo-political environment (ie, tariffs) that can appear unfriendly to international trade on a regional and global scale are now known disruptions that should not cause market shocks in the same way they have done previously.

Regional considerations

While the overall 'Trade-to-GDP multiplier' is above 1 in 2025, there are wide differences from one import region to another. In particular EU and US have a significant impact on global trade and therefore also the Trade-to-GDP Multiplier figure.

Ocean container demand has been driven by global geo-political uncertainty (Middle East and US) and uncertainty attached to the war between Ukraine and Russia and beyond.

European imports stand out, growing between 5.8% year-on-year in 2023 and 8.5% year-on-year in 2025 (first 7 months) – against GDP growth between 0.5% and 1% in the Euro Area in those respective periods.

American imports have been on a stop-go-stop-go cycle, seemingly detached from GDP growth between 2%-3% in 2023-2025. For the US in particular, there are question marks around inflation in 2026.

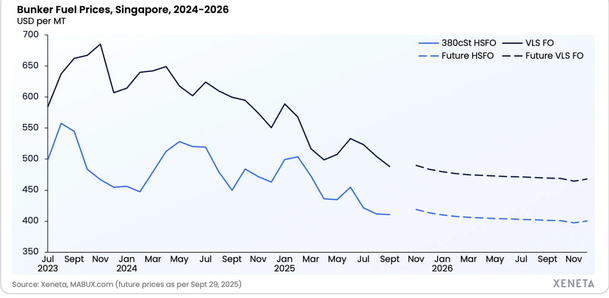
Data shows a negative impact on consumer spending on products directly impacted by US tariffs. Categories including furniture and home furnishings, sporting goods, bookstores and general merchandise stores are hit the most. This demonstrates there is no one-size-fits all strategy for shippers – it very much depends on their sector..

Bunker price and oil futures

Bunker prices have fallen since their 2022 peaks and, while still elevated from the level seen in 2019-2021, the downward trend is clear.

Based on prices in main bunkering hubs like Singapore and Rotterdam, the significant peaks for Very Low Sulphur Fuel Oil (VLSFO) were in Q4 and Q3 2023 at USD 687 per MT and $617 per MT respectively. For Heavy Sulphur Fuel Oil (HSFO), Q3 2023 was the spike for both locations, at $430 per MT in Singapore and $453 for Rotterdam.

Bunker Adjustment Factors (in whichever form they may take) should not experience high inflationary pressures in 2026 on the back of this outlook and overall falling trend since the 2023 spike - unless geopolitical events offset the current balance of the bunker fuel market.

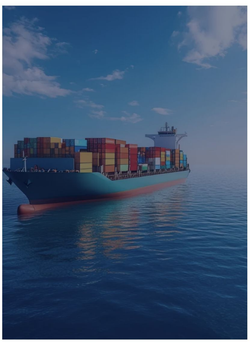


"One of the intriguing outcomes of the massive volatility of recent years is that it has severed the relationship between container shipping demand and the macro factors of economic growth and activity.

"Container demand in 2025 has been driven by panic and uncertainty in the wake of geo-political events rather than underlying macro economics. With big questions over consumer spending in the US in 2026, many shippers will have uncertainties over the volumes of goods they will be importing.

"It is vital shippers retain flexibility in their freight contracts to allow them to increase or decrease volumes as required while also managing freight spend effectively. Carriers must adapt networks and freight forwarders must act with agility when offering services to shippers in need of options."

Peter Sand
Chief Analyst, Xeneta



2. Geopolitics and the unknown: Trade will remain at the center of conflict

Summary:

- Shippers must understand how USTR port fees are passed on by carriers in 2026.
- Vital infrastructure likely to be at the heart of the trade power struggles in 2026 as China and the US look to control key global ports.
- New trade alliances - China invites India, Russia and North Korea to the Shanghai Cooperation Organization (SCO).
- Further US tariffs to come into effect in 2026.
- Geo-political turmoil will continue with the potential for major new events / conflicts.

Xeneta calls upon more than 700 million data points to support shippers in risk assessment and scenario planning in a world of geo-political turmoil.

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Factors which could positively or adversely impact container shipping in 2026:

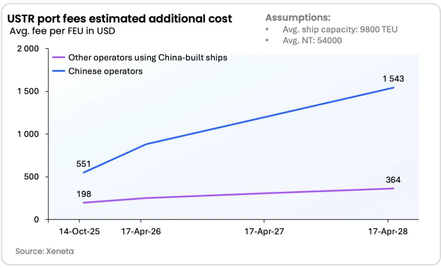
1. USTR Port Fees

USTR port fees will start to be phased in from mid-October targeting China-built ships and Chinese operators.

Most carriers have adjusted services in response and are already swapping out China-built vessels on services to the US to reduce exposure.

For example, Gemini shipping alliance is swapping out a total of 60 000 TEU across six China-built vessels on the US2 service, which calls at both the US East Coast and US West Coast. On the other hand, COSCO (and OOCL) are unable to completely avoid the fees due to them being Chinese operators.

Uncertainty surrounds the situation and shippers should keep a watchful eye on how these fees are passed on by carriers in 2026. The uncertainty will increase further when full implications of China's retaliation to the port fees are fully known.



Revision of USTR port fees from 14 Oct 2025:

- Chinese operators will face fee regardless of whether the ship is built based on percentage of active fleet and orderbook.
- Non-Chinese operators using Chinese built ships either NT or per container, whichever higher.
- Charged up to 5 times per year per ship.
- Separate scheme: SHIPS of America Act for fees based on active fleet and orderbook, on top of USTR fee.

2. Ownership and control of global ports

Trade is at the forefront of geopolitical conflict and control of vital infrastructure is part of this. For example, the US sees Chinese investments in global ports as a threat to its national security.

This could play out most clearly in the Panama Canal in 2026 as the US tries to gain greater control over the critical trade route. At the heart of this power struggle is a deal for a consortium including MSC and Blackrock to acquire the port operations at the Panama Canal from Hong-Kong based CK Hutchison Holdings Limited (however, Financial Times reported in September the deal is taking longer than expected).

3. Global trade alliances

The trade war between the US and China is the headline story but within this unfolding drama are various sub-plots that will make life more complicated for shippers in 2026.

The US trade policy seeks to defend its position as a world leader in response to what are deemed to be threats to national security.

In Asia, alliances are being forged/strengthened to counter the US trade policy. One clear example being China inviting India, Russia and North Korea to the SCO (Shanghai Cooperation Organization).

SCO has been in existence for 24 years, but is perhaps now more relevant than ever.

4. Legal case over US tariffs

The hearing into the legality of Trump's sweeping tariffs targeting nations will take place before the end of the year and potentially have a big impact for importers and exporters. The case will determine whether President Trump exceeded his powers in the way he introduced these tariffs.

One potential impact is shippers holding back some volume until a ruling is reached. If the ruling is that Trump did exceed his powers, it could also mean shippers are able to claim back money spent on importing costs due to tariffs that are deemed illegal.

The case is set to be heard in the first week of November 2025.

It is important to note this hearing does not cover all tariffs introduced in 2025 and, if the ruling goes against Trump, it is likely the US Government will identify alternative ways to introduce effectively the same tariffs.

5. Outstanding US trade issues

The US agreed various trade deals during 2025 following the announcement of sweeping tariffs in April, but there are uncertainties on their impact in 2026.

Watch out for US trade tactics with India, Mexico and Canada. The US focus is China, but this trade war is played out on a global scale and will have collateral damage.

It is not just nations of origin that determine tariff impact, the range of products to be hit by the tariffs is also a massive cause for uncertainty and worry.

For 2026, new tariffs will impact US imports of, among other goods, robotics and industrial machinery, personal protective equipment (PPE), medical consumables, and medical equipment (including devices).

Discretionary Presidential Orders can also throw a tariff curveball in 2026. For example, at the end of September, a social media post from President Trump announced plans for +25% tariffs on heavy trucks, +50% on kitchen cabinets and bathroom vanities, +30% on upholstered furniture and up to +100% on pharmaceuticals.

Tariffs may be implemented in different ways, such as Discretionary Presidential Orders, or within different pieces of legislation – but the end result is they wreak the same havoc. Of course, the impact will be felt by businesses in different ways across sectors.

However, where there is risk, there is opportunity. For example, freight forwarders could look at the tariff regime as a business opportunity to act as customs agents for shippers.

6. The unknown

In the Xeneta Ocean Outlook 2025 it was stated clearly that a forecast is based on known factors and that the geo-political turmoil could change the game significantly. This has proved to be the case with a Trump presidency throwing fuel on the US-China trade war.

The same caveats must be applied for 2026. Could we see a military escalation in the Taiwan Strait? Will the situation in the Middle East deteriorate or improve? No one can answer these questions with certainty, what is important for shippers in 2026 is that they have the data and intelligence to remain agile and make the right decision at the right time.

"The US-China power struggle will rage on in 2026 and trade will once again be weaponized. Shippers will be caught in the middle, whether that is the financial implications of tariffs between the US and China or disruption caused by the US and China fighting over maritime infrastructure.

"The implications will not be restricted to shipping goods between the US and China because nations across the globe are also hit by higher tariffs.

"Shippers must learn from recent years and be ready to act decisively to protect supply chains. It is easy to feel like a kite in a storm when the geo-political wars are raging, but with data and intelligence, shippers can make the right decisions at the right time to protect supply chains and minimize the financial damage."

Emily Stausbøll
Senior Shipping Analyst, Xeneta

3. Demand: shifting global trade patterns

Summary:

- Forecast of 3% growth for global container shipping in 2026.
- Falling US imports in the last months of 2025 due to tariffs to remain suppressed through 2026.
- US exports are also impacted due to reciprocal tariffs from other nations and importers choosing alternative sources.
- China total exports up 5.8% in the first seven months of 2025.
- Total China exports likely to increase in 2026 as it pursues growth in every region other than North America.
- China +1 investments in countries such as India and Vietnam could be undermined in 2026 due to tariffs.

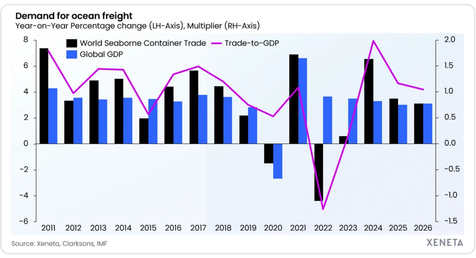
Stay up to date with the latest volume trends and the impact shifting trade patterns has on long and short term freight rates at a global, regional and port-to-port level.

Learn more

2025 is a tale of two halves, with a strong start to the year eventually losing steam.

2026 is likely to follow the subdued end to 2025 as ocean container shipping demand fails to keep pace with supply.

The forecast for 2026 is for global container shipping growth of 3%, bringing demand back in line with a trade-to-GDP-multiplier of 1. However, there are potentially very significant changes to trade patterns in 2026, largely through direct and indirect knock-on effects of US tariffs.



Lower imports into the US

The most direct impact of tariffs is on US imports, with falling volumes in the last months of 2025 remaining suppressed through 2026 as importers deal with the highest average tariff levels since the 1930s.

Demand data up to July does not yet show a clear picture of where US imports will land in 2025. For example, while imports from China are down 15% compared to July 2024, imports from the Indian sub-continent are up 33% year-on-year, despite imports from India now facing higher tariffs than those from China.

This bump in imports from India is last minute frontloading before the implementation of the 50% tariff earlier in the year. The rest of 2025 will likely show lower demand as importers draw down on the goods they have frontloaded.

Nuance then comes into play, because the picture in 2026 may have higher demand than expected if the outlook is based on the closing months of 2025 when inventories are being drawn down.

US exports also impacted

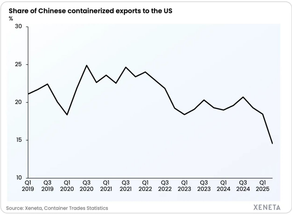
US imports are a key focus due to tariffs, but US exports are also shifting thanks to a combination of direct reciprocal tariffs from other nations and importers choosing alternative sources (if they can).

Because US trade is so imbalanced between imports and exports, this has a much lower impact for global container demand, but will nevertheless mean carriers struggle to fill ships on backhaul legs even more than they already do. In July this year, 4.4 loaded containers were shipped from the Far East to the US for every loaded container being sent the other way.

China finding new markets

Chinese exports to the US have taken a hit from tariffs, down 11% in the first seven months of 2025 and Q2 marking the first time less than 15% of Chinese exports were sent to the US (14.6%).

Despite this, China has managed to find alternatives to the US, with total exports growing 5.8% in the first seven months of the year - an increase of 2.0m TEU.

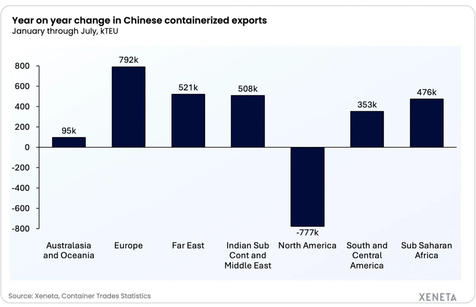


Where are exports going if China is seeing overall growth?

In TEU terms, the strongest growth has been exports to Europe, up 790 000 TEU, and in itself cancelling out the 777 000 TEU drop in exports to North America.

Also experiencing high growth are local exports within the Far East, particularly into South East Asia (+9%). This is much higher than growth in Chinese exports to North Asia (Japan and South Korea) which are up only 2%. Not included in these figures is the 6.3% growth in domestic volumes, which totalled 8.8m TEU in the first seven months of the year.

Could it now be the case in 2026 that, as well as a China +1 strategy, shippers are now also adopting a US+1 strategy?



Strength in exports to South East Asia is nothing new. Demand on this trade has been growing thanks to increased manufacturing in the region, in part following the first US-China trade war as well as shippers transhipping goods from China through the region to avoid the high tariffs.

Chinese containerized exports to South and Central America and Africa have also shown strong growth, up 14% and 29% respectively. A trend that is expected to continue as China continues to increase its presence in these regions through heavy investment.

Total Chinese exports will likely continue to increase in 2026 as it pursues growth in every region other than North America.

Note: when it comes to container shipping demand, the number of containers moved is only a part of the equation. The other is how far these containers need to be moved. Chinese exports to North America sail further than exports to almost any other region, such that the average TEU-miles generated by Chinese exports will fall as the share of goods going to the US drops.

Regions with year-on-year growth in exports from China in 2025:

Europe: +9.9%

Africa: +29.3%

Middle East: +13.1%

India Sub-Continent: +14.1%

Central & South America: +14.3%

Australasia & Oceania: +9.1%%

South East Asia: +9.2%

China +1 strategy undermined?

Trump's approach has been sweeping in 2025, meaning countries that previously benefited from lower tariffs are now also the target of higher tariffs..

Previous investments by businesses in these nations as part of a China +1 strategy may not be as beneficial as first envisaged - highlighting the immense difficulty in making long term strategic decisions during times of geo-political turmoil (eg, India and Vietnam getting hit with 50% and 20% tariffs respectively).

For now, however, exports out of South East Asia are still showing strong growth, up 12.8% in the first seven months of the year. Exports to all regions but Australasia are growing, including a 21% increase in exports to the US. Time will tell how much of this growth is from frontloading and where demand will settle in 2026 with these new tariff levels.

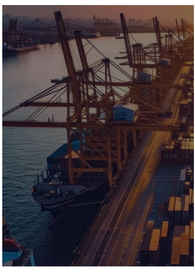
It is a similar case in India, where the impact of 50% tariffs has yet to show in the data. In July, its exports to the US were up 33%, but this was the pre-tariff rush. Whether the tariff in 2026 stays at 50% or is lowered to 25%, India will need to find new markets for its exports.

"Everyone is trying to adjust to rapidly-changing trade conditions, but shippers can't open new manufacturing set-ups at short notice and carriers can't shift capacity across trades at the click of a finger.

"Many shippers adopted a China+1 strategy following escalation of the US-China trade war during Trump's first term in office. The sweeping global tariffs of 2025 may have undermined this strategy to an extent, but it remains the case that shippers must still strive for as much flexibility in supply chains as possible.

"These shifting trade patterns are one reason why supply chains are becoming so complex, because shippers must have a plan A, B, C and D to enable them to react to evolving situations. Without data, intelligence and more effective ways of procuring freight, this would be an impossible task."

Emily Stausbell
Senior Shipping Analyst, Xeneta



4. Demand: Ongoing impact of Red Sea conflict

Summary:

- Freight rates falling back to pre-Red Sea crisis levels despite no large-scale return to region.
- Slight increase in ships transiting the region, with majority operated by CMA CGM.
- Increase in transport work generated by diversions continues to offer carriers some protection from collapsing rates.
- Carrier price war and hunt for volumes in 2026 could see CMA CGM and COSCO at a competitive advantage if they are able to return to Red Sea sooner.
- Carriers will need assurance of long term stability before large-scale return - potential for massive disruption.

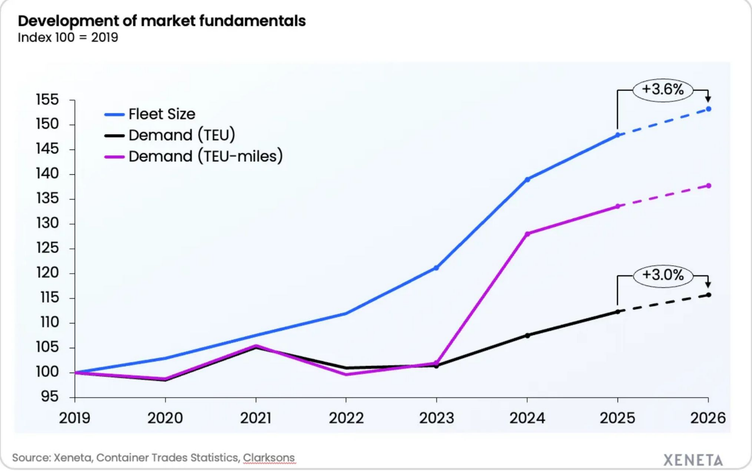
Xeneta allows shippers to benchmark carriers across rates, reliability, capacity, transit times, surcharges and CO2 emissions

Learn more

In many ways little has changed on this topic from the Xeneta 2025 Ocean Outlook. If anything, a full return of container shipping to the Red Sea seems further away now than it did 12 months ago. However, the impact of carriers continuing to divert around the Cape of Good Hope, as well as the impact should there be a return in 2026, are too important to ignore.

The biggest impact of the Red Sea disruption is the increase in TEU-miles that are generated by the diversions, increasing the amount of 'transport work' for container ships.

Even with the artificial boost in transport work due to diversions, freight rates on many major trades are falling back to 2023 levels - before the crisis pushed them up (and kept them up). Even now with these lower rates, the Red Sea continues to offer some protection for carriers - should that extra capacity be released in the event of a largescale return, carriers would be faced with even more unemployed ships.



In the 2025 Ocean Outlook, three scenarios for the Red Sea were outlined:

1. No return of container ships to the Red Sea
2. Full return of container ships to the Red Sea
3. Partial return of container ships to the Red Sea

2025 landed between the first and second scenario, with a few more ships transiting the region. The vast majority of these ships are operated by CMA CGM, however this has, at times, required use of military presence to support certain transits and most of their ships are still sailing around the Cape of Good Hope.

A continuation of this status quo appears most likely for 2026.

Cynically, there is a logic for carriers to stay away from the Red Sea with the diversions absorbing significant capacity.

However, carriers' ongoing approach is justified. Geopolitical uncertainty has only increased over the course of 2025 and carriers will understandably need plenty of assurance over long-term stability before committing to a full return to the Red Sea.

The worst-case scenario is carriers returning to the Red Sea only for the decision to be reversed a few weeks or months later. In the immediate aftermath of the escalation of conflict in the first half of 2024, re-working global shipping networks caused immense disruption and the spiraling in freight rates.

There will be inevitable disruption when shipping networks do eventually return – but carriers will only accept this shorter-term disruption if there is certainty over long term stability.

What could push carriers back

All carriers will have different tolerances of risk and are exposed to risks to greater and lesser degrees. This will be important when shippers assess the potential impact of the Red Sea diversions in 2026. In a situation where freight rates close in on loss-making levels, a subsequent price war and a hunt for volumes could see carriers such as CMA CGM and COSCO at a competitive advantage if they are able to return sooner and offer shippers shorter transit times.

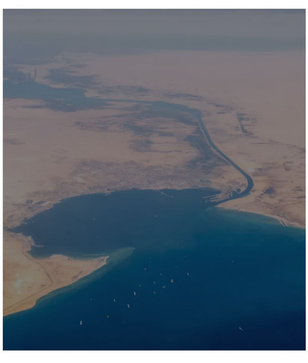
The Suez Canal Authority is also trying to tempt carriers back through economic means. The latest effort is a 15% rebate on transit fees for container ships in both directions. However, this is unlikely to be the deciding factor for any carrier, even as margins are being wiped out.

"Conflict in the Red Sea still casts a long shadow but the diversions around Cape of Good Hope are now baked into maritime supply chains to the extent that high-flying freight rates are coming in for landing.

"There may not be an immediate prospect of a large-scale return to the Red Sea in 2026, but shippers should be pushing carriers for improved transparency during negotiations for the next contract.

"There is still justification for a Red Sea surcharge on trades directly and operationally impacted by diversions, but it should still be singled-out and lower in 2026."

Peter Sand
Chief Analyst, Xeneta



5. Supply: Record orderbook for new containerships

Summary:

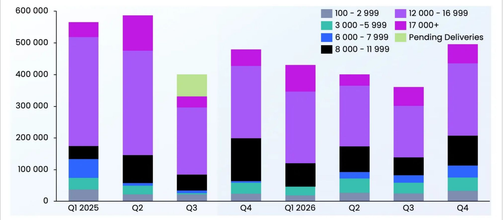
- Record orderbook for new ships (+10m TEU).
- 22% of the 10m TEU will be controlled by MSC and 34% by the partners of OCEAN Alliance.
- CMA CGM will take delivery of more capacity than any other carrier in 2026.
- Despite the record orderbook, 2026 will see total fleet growth at a four-year low of 3.6%.
- 75% of orderbook capacity to be built in China (measured in TEU).

Shippers are improving their supply chain resilience and cost management using Xeneta based index linked freight contracts.

Learn more

All-time high orderbook

The orderbook of containerships for future delivery has never been so high, exceeding 10m TEU (+1,000 ships) against a fleet of 32.4m TEU (+7,000 ships).



Source: Xeneta, Clarksons

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It is important to understand how the 10m TEU stacks up by carrier once deliveries are fulfilled. 22% of the 10m TEU will be controlled by MSC and 34% will be controlled by the partners of OCEAN Alliance. Maersk takes control of 9% and drops to number three in the rankings (overtaken by CMA CGM).

Orderbook by carrier (2025- 2030)

CARRIER (TOP 5)	**TEU** (OWNED AND CHARTERED)
MSC	2,192,992
CMA CGM	1,525,168
COSCO GROUP	1,214,608
MAERSK LINE	903,908
EVERGREEN MARINE	709,482

The split in terms of ship size is also important:

- 17,000 TEU and above - 38%
- 12,000 - 16,999 TEU - 35%
- 8,000 - 11,999 TEU - 20%
- 3,000 - 7,999 TEU - 3%
- 100 - 2999 TEU - 4%

Fleet growth

In 2025, MSC has taken delivery of more container shipping capacity than any other carrier, owned and chartered, fortifying its position as number one.

Focusing on deliveries in 2026 specifically, CMA CGM will take delivery of more capacity than any other, operating 544 000 TEU newbuilt container shipping capacity out of the total capacity of 1.69m TEU scheduled for delivery next year. This means a fleet growth of 13.5% from mid-September 2025 to end-2026 for CMA CGM.

Orderbook by carrier (2026 specific)

CARRIER (TOP 5)	**TEU** (OWNED AND CHARTERED)
CMA CGM	447,544
EVERGREEN MARINE	211,972
MSC	171,992
ONE	151,366
COSCO GROUP	108,236

Despite the record orderbook, these deliveries are mainly for 2027 onwards, with 2026 seeing total fleet growth at a four-year low of 3.6%. After three years of fleet growth at a level not since 2015 (6.4% to 10.1%), one year of lower fleet growth in 2026 will not result in a balanced market because overcapacity is built up over several years.

The delivery profile of 2025-2026 is clearly biased towards the larger, yet versatile ship types in the range of 12k-17k. This profile should not be a cause for concern, as they would fit nicely into new and changed trade patterns.

Demolition/ship-recycling

Demolition of container shipping capacity that is no longer commercially viable is at a 20-year low in 2025 - just nine ships have been demolished with a combined capacity of less than 5,000 TEU built between 1992-1998.

Expectation for demolition in 2026 is closely related to the Red Sea disruption. If carriers avoid Red Sea transits at large in 2026, demolition will stay below 100,000 TEU, whereas a partial or full return for the year will lift that threefold.

To emphasize the imbalance between supply and demand in the market, neutralizing the container ship orderbook would require scrapping every pre-2010 vessel - clearly something that will not happen in the near future.

Tactics other than just demolition must therefore be applied by carriers to manage capacity, including extended slow steaming, idling of ships, extending of networks and postponing delivery of ordered ships.

Built-in-China an issue?

75% of orderbook capacity is to be built in China (measured in TEU). Just three ships are on order at US shipyards (South Korean owned facility in Philadelphia).

The USTR port fees, in place from 14 October, may prevent the latest designed, and most commercially efficient, ships from calling at US ports, but that doesn't appear to have impacted ship owner decision makers yet Though we have seen the relocation of Seaspan HQ, from Hong Kong to Singapore, to circumvent the US-imposed fees on Chinese shipowners.

Make American Shipyards Great Again (MASGA)

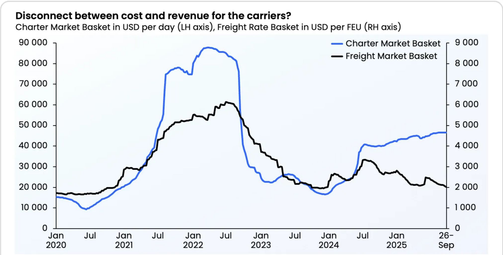
Korea's Big Three shipbuilding groups have outlined plans to deliver part of the 'Make American Shipyards Great Again' (MASGA) initiative. This is the maritime contribution to 'revitalize US shipbuilding industry with Korea's leading vessel construction technologies' and is a key element of the USD 350bn mega-deal entered by Korea and US in July 2025. This is a longer-term deal with no material impact on the 2026 Outlook.

Disconnect between carrier cost and revenue?

In broad terms, operating carriers rely on 50% of capacity coming from the chartering market.

The chart below shows freight rates against charter rates, showing they were historically closely related – until mid-2024. Operating costs have continued to rise, while revenue has fallen, and this will impact carriers as a higher than expected a break-even point

Charter hire is the single most important non-voyage related cost item for carriers. However, the chart below shows carriers are still willing to pay higher charter costs even in a falling freight rates market.



Source: Xeneta, Clarksons

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"There is a record orderbook for new ships which will pile on the pressure for carriers in 2026, 2027 and 2028 and further play into the hands of shippers who will point to overcapacity in the market to negotiate more competitive freight contracts.

"Shippers should gain an understanding of the carriers who have the biggest fleets and orderbook or those most exposed to factors such as USTR port fees today and in coming years and use it to in their procurement strategy."

Peter Sand
Chief Analyst, Xeneta

6. Changing container shipping networks: Differing performance across carriers

Summary:

- Gemini Cooperation has met 90% reliability target on Europe to North America trades, but not globally.
- There will be a significant spread in reliability performance across carriers in 2026.
- Changes in networks could be a possibility, as competitors try to keep up with Gemini Cooperation reliability performance.
- Blank sailings expected to be utilized even more by carriers in 2026.
- Shippers must assess long term performance across trades and carriers, not just short term trends.

In August 2025, Xeneta acquired fellow maritime and supply chain data company eeSea, furthering customers' ability to evaluate and optimize containerized freight.

The Xeneta Ocean Outlook 2026 analysis is informed by eeSea data and intelligence, including market-leading global schedule, transit time, and reliability data. The additional data supports procurement teams with managing freight contracts and suppliers based on service levels, and not just cost, no matter what the market conditions

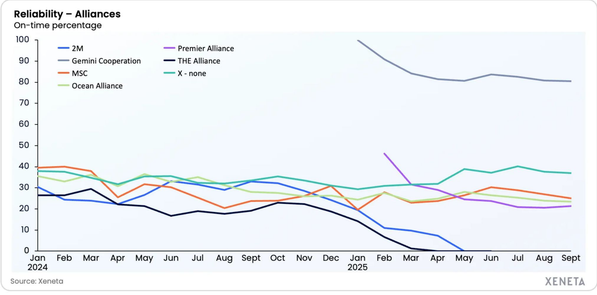
Learn more

2025 has seen many changes to global container shipping networks – but has the quality of the services improved for shippers?

Gemini reliability

Gemini Cooperation's lofty 90% reliability claim may not have been met on a global scale in 2025, but it has been achieved on Europe to North America trades. From Europe to Middle East and shuttles, reliability falls just shy of the 90% target. Gemini fairs less well from Far East to Middle East and Far East to Europe/North America.

Despite this mixed bag, Gemini is way ahead of the competition.



While there may be increased OTP (On-time performance) for carriers as a whole in 2025, a large spread in performance means choosing the right service provider in 2026 is not straightforward.

Shippers need to look at the detail in 2026 as no two trade lanes are alike in terms of freight rate developments, and no one carrier/alliance is performing identically across offered services and corridors.

Will we see improvements in OTP performance in 2026? As OTP only measures completed voyages and does not consider blank sailings, there is a fair chance of it holding up.

Bigger questions remain to be answered. Are customers willing to pay more for higher On-Time Performance? Historically, the answer is 'no', but that may change in a world full of disruptions.

If so, we could be in for changed networks among the competitors trying to keep up with Gemini Cooperation.

This will be easier said than done however, because the hub and spoke networks set up by Gemini requires ownership of terminals in the right hubs to control the most critical aspects of 'reliability'. The only one coming close to replicating Gemini Cooperation may be MSC, after the acquisition of Hutchinson Port facilities around the world.

Port congestion

The fact it takes more time to expand the capacity of ports and terminals than it takes to build new containerships has finally caught up.

The past couple of years have seen heavily disrupted operations in key ports around the world. This is no longer 'just' because of black swan events stress-testing the supply chains. Faster growing demand contributes too, along with a centralization of demand at attractive 'mega' hubs that have the hinterland connections, warehousing space, free trade zones, redistribution centers and much more.

Blank sailings

This is the first tool carriers turn to when deployed capacity offered into the market seems to overwhelm transportation demand – leading to declining freight rates. During 2025, managing carrier capacity through blank sailings has been extensively applied to Transpacific services in the wake of flip-flopping trade politics and tariffs.

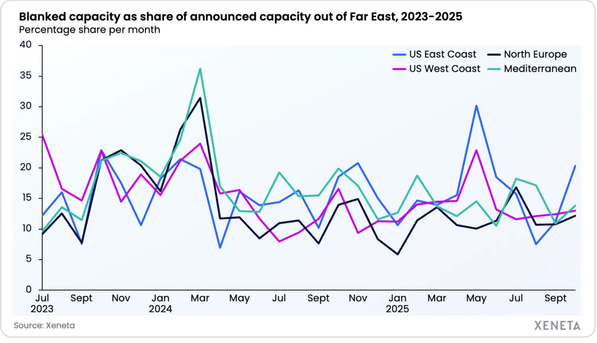
As we enter 2026, blank sailings are expected to be utilised even more by carriers as fundamental overcapacity continues to bite. In Q4-2023 (pre-Red Sea), blanked sailings were used significantly across all the main trade lanes.

Shippers must ask themselves (and consult the Xeneta platform for answers) which carriers and services are often impacted by blanked sailings.

Blank sailings may be concentrated on specific port-pairs and connections, straining supply chain resilience for shippers using those services. But there is no guarantee carriers will be successful in utilising blanked sailing to maintain higher rates. One carrier deciding to prioritise market share over higher rates could undermine the overall effectiveness of removing capacity.

It is also important to take a long view and not allow strategy to be completely dictated by short term trends. For example, look at volatility on the main Far East fronthauls measured by the share of blanked sailings against announced capacity.

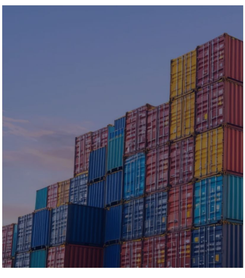
In the period 1 January to 30 September 2025, the trade to US East Coast has the highest volatility (6.5% of daily standard deviation) while the trade to North Europe has the lowest (3.5%). However, taking a longer view in the 28 months since July 2023, it may come as a surprise that the Transpacific to US West Coast has the lowest volatility (5.5% of daily standard deviation) while North Europe has the highest.



"Carriers will be hunting for volumes to fill their ships in 2026 and the competition will be fierce given the overcapacity in the market. Carriers will need to bring more to the table than lower freight rates - shippers will be looking for better reliability performance and network coverage from their chosen service provider.

"Shippers can use data to not only select the provider of choice but also hold them to account during the contract period to ensure they are delivering on promises. If ocean container shipping becomes a buyer's market in 2026, carriers need to up their game or risk falling behind the competition."

Emily Stausbøll
Senior Shipping Analyst, Xeneta



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Morten Nielsen, Director of Sea Freight Product DSV