



Ex China Ocean Freight Rates Soar

The Changes

In June 2025, China ocean freight rates are expected to see further increases due to a resurgence in demand following the easing of US-China tariffs. Carriers have announced General Rate Increases (GRIs) ranging from \$1,000 to \$3,000 per FEU (40-foot equivalent unit), potentially reaching \$8,000/FEU to the US West Coast, mirroring the peak rates of 2024. These increases are driven by increased demand, capacity challenges, and potential port congestion.



TARIFFS





Detailed Analysis:

RATE INCREASES:

Carriers are implementing GRIs in response to the rebound in demand following tariff reductions. Spot rates for transpacific routes are already rising, with some carriers considering hikes to \$8,000/FEU by mid-June.

CAPACITY CHALLENGES & ADJUSTMENTS:

The surge in demand has led to carriers scrambling to reinstate canceled sailings, causing capacity and equipment challenges for all destinations out of China. Carriers are likely to strategically deploy more vessels to the trans-Pacific Lane to capitalize on the potential for higher revenue and profitability leading to space and equipment shortages for the rest of the lanes.

PORT CONGESTION:

Increased demand and congestion at Chinese ports, along with weather-induced delays, are contributing to higher container prices.



Detailed Analysis:

TARIFFS UNCERTAINTY:

While the US-China tariffs have been lowered, potential further tariff increases in the future could lead to shippers prioritizing cargo movement before the new tariffs take effect, further impacting rates.

SHIPPING VOLUMES:

Some shipping volumes may shift from China to Southeast Asia as a result of tariffs and other factors, potentially impacting rates on different routes.

CONTRACT RATES:

Even though spot rates are fluctuating, contract rates are expected to remain significantly higher than pre-2023 levels well into the next year.

IMPACT ON COSTS:

The increased freight rates are expected to drive up costs for importers, potentially leading to higher consumer prices.



The conclusion

Overall, June 2025 is expected to see continued volatility in ocean freight rates, with potential for further increases due to the rebound in demand and the domino effect from ongoing challenges in the supply chain.

The onset of the global shipping's peak season typically from late July/early August through the holiday season, and into January will keep the ocean freight rates high out of China.

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