



# Why So Many Transshipments?

**Understanding Transshipments in  
Global Logistics**



# The cause

Transshipments are integral to global trade, facilitating cargo movement between regions. However, they introduce challenges such as inconsistent transit times, missed feeder connections, and fragmented stakeholder communication, leading to supply chain disruptions and increased costs. So what are the roots of transshipments?

**Fierce Competition:** Container shipping operates in an intensely competitive, cost-sensitive environment. To remain competitive, shipping companies have prioritized economies of scale to maximize capacity and minimize costs.

**Gigantism and Its Ripple Effects:** This relentless focus on cost efficiency has driven market consolidation through mergers and acquisitions over the past two decades. The consolidation trend has also fueled the rise of mega-vessels. This gigantism creates operational constraints, as many ports cannot accommodate the largest ships.





# Global Container Shipping Alliance Market Share – 2025

## OCEAN ALLIANCE

29.10%



EVERGREEN

## GEMINI

21.60%



MAERSK



Hapag-Lloyd

## THE ALLIANCE

11.60%



## MSC

19.90%



## NON-ALLIANCE

17.80%

Non-alliance





# The Hub-and-Spoke Model:

The hub-and-spoke model has emerged as the industry's solution to the challenges posed by mega-vessels. In this system, major hubs serve as transshipment points, connecting intercontinental mega-vessels with smaller feeder ships that transport goods to regional ports.

## Operational Dependencies

This model introduces operational dependencies that amplify risks. The first vessel must arrive on schedule for its cargo to be transferred to the next. Delays in one leg of the journey can cascade, disrupting the entire supply chain.

## Complexities

Transshipments inherently add layers of complexity to logistic operations. Coordinating multiple vessels, ports, and schedules creates probabilities for delays and inefficiencies. A significant challenge is the inaccuracy of published transit times by shipping lines. Even for the same vessel, discrepancies in published information can create confusion and inefficiencies for shippers.



# The Problem



## Operational Complexity

As the container is moved between vessels, coordination becomes critical. A single missed connection can result in containers sitting idle for days, incurring additional costs.

## Delays

Delays at transshipment hubs disrupt the entire chain, leading to idling vessels and higher operational costs. For instance, vessels idling at European ports can incur opportunity costs of tens of thousands of dollars per day.

## Fragmented IT Systems

The maritime industry is not only operationally complex but also fragmented in terms of information sharing. Major carriers operating mega-vessels often subcontract smaller feeder lines, which may rely on legacy IT systems. This disparity creates silos, hindering real-time visibility across the supply chain.





# The solution

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## **End-to-End Visibility**

Some of the transshipment challenges can be solved by employing digital visibility tools to enable stakeholders to anticipate and mitigate risks, streamline operations, and improve collaboration across the ecosystem.

## **Diversify Carrier & Route Options**

Work with multiple carriers to explore direct shipping routes or alternative ports. This reduces over-reliance on congested transshipment hubs.

## **Strengthen Supplier & Partner Collaboration**

Share forecasts, transit schedules, and inventory plans across your supply chain network. Smooth coordination minimizes delays at transfer points.

## **Use Freight Forwarders with Strong Regional Expertise**

Choose partners with proven experience in your destination regions and transshipment hubs. Local know-how can help navigate complex transshipment routes efficiently.





# The conclusion



## Partner with Freightways for end-to-end supply chain visibility

Partnering with Freightways means gaining a strategic logistics ally equipped to tackle transshipment challenges head-on. With our deep global expertise, diversified carrier network, and robust customs support, we help clients avoid bottlenecks and streamline cargo flow. Our end-to-end solutions—ranging from warehousing and inventory management to real-time tracking—ensure visibility, agility, and resilience across your supply chain. Choose Freightways to simplify complexity, reduce delays, and move your business forward with confidence.

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