PUBLIC

OCEAN REEFER MARKET UPDATE

TEMPERATURE CONTROLLED BUSINESS

Q2 2025

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Introduction

The reefer container market in Q2 2025 remains under pressure from ongoing Red Sea disruptions, extended transit times, and evolving shipping alliances. Rerouting via the Cape of Good Hope continues to affect vessel schedules and equipment availability, particularly on Asia–Europe and Transatlantic trades.

Seasonal demand for perishables – including citrus, avocados, and berries – is peaking, tightening capacity from South America and Africa. At the same time, recent changes in alliance structures are impacting service patterns, especially on the Transatlantic westbound where capacity cuts are most visible.

U.S. trade policy is again in focus. New Section 301 proposals targeting China's maritime and logistics sectors are creating uncertainty, prompting some exporters to rethink routing and market priorities.

Rates remain stable to slightly soft in most trades. GRIs have been announced and Equipment tightness continues at selected origins during peak weeks.

Port congestion and labour actions in Northern Europe – notably Rotterdam, Le Havre, and Antwerp – are causing delays and adding pressure to cold chain operations.

DHL continues to support customers in navigating this complex landscape. We will be present at **LogiPharma 2025 in Lyon**, showcasing our solutions for resilient, compliant, and sustainable temperature-controlled logistics.

This update provides you with the latest developments shaping the reefer ocean freight landscape – helping you make informed, forward-looking decisions for your temperature-sensitive cargo.

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General Reefer Market Developments

News

General updates

- The U.S. plans high fees on Chinese-built ships to boost domestic shipbuilding, sparking concerns over rising shipping costs.
- The end of the ceasefire has dashed hopes for reopening the Red Sea corridor. Major carriers like Maersk and Hapag-Lloyd confirm they won't resume Suez routes in H1 2025.
- Latin America is facing a reefer equipment deficit - up to 73% shortage - driven by peak export season and longer round trips due to rerouting.
- MSC launched the iReefer system for real-time monitoring, and ONE introduced dual-temp reefers with CA (Controlled Atmosphere), supporting mixed cargoes and longer shelf life.

Outlook

Growth ahead despite challenges

- Reefer volumes continue to rise, especially on trades from South America to Europe and Asia to the Middle East. The buildup to Northern Hemisphere summer will increase demand for reefer imports (fruits, vegetables, seafood), tightening capacity on certain trade lanes (e.g., South America–Europe, Africa–Europe).
- After early 2024 rate spikes, Q2 is expected to see a plateau – still elevated due to extended routing but less volatile.
- Reefer container volumes are forecast to grow from 4 million TEU in 2023 to 7.1 million TEU by 2030 (CAGR 8.8%), driven by pharma, e-commerce, and perishable trade.

Environment

Perishable Update

- Q2 marks peak season for South American perishables, including Chilean grapes, blueberries, and citrus from Argentina and Uruguay. Exporters are facing delays and cargo backlogs due to reefer equipment shortages and longer vessel routing.
- More shippers are adopting CA reefer technology to extend shelf life for sensitive produce like bananas, avocados, and berries, especially with rerouted voyages adding up to 10 extra days.
- Delays at major European entry ports like Rotterdam, Antwerp, and Hamburg are impacting cold chain efficiency, with reports of reefer plug point shortages and longer inland dwell times.

Source: DHL, P&S Intelligence Report

Ocean Freight Market Outlook Q2 2025

Economic & Demand Outlook

The ocean freight market shows signs of stable demand, particularly in essential sectors like pharma, food, and perishables. However, the broader market remains sensitive to:

- Red Sea rerouting, which continues to disrupt trade flows and planning
- Soft consumer demand in Europe and North America due to ongoing inflation and cost of living pressures

Regional Insights:

- **Asia:** Export volumes remain moderate. Chinese manufacturing output is steady, but not surging, with limited spillover into significant trade volume spikes.
- **Europe:** Pharma and reefer food imports remain solid. Discretionary consumer goods volumes are still below pre-pandemic levels.
- **South America & Africa:** Continued high reefer demand from perishables (e.g., grapes, citrus, avocados, seafood), especially for Europe-bound lanes.

Freight Rates

Current Trends:

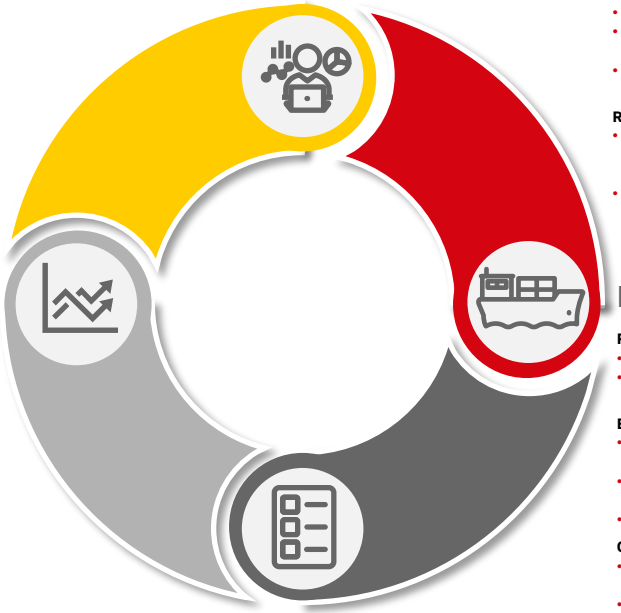
- Reefer rates are still high, especially on long routes like Asia–Europe and Africa–Europe.
- Extra charges apply when reefers stay longer in ports or use more plug-in time.
- Schedules remain unreliable due to longer transit times.

What's Driving Rates:

- Red Sea crisis: Ships go around Africa, making trips longer.
- Fresh fruit season adds pressure. Countries like Chile, Peru, South Africa, and Kenya are exporting large volumes of grapes, citrus, avocados, and berries.
- Despite lower oil prices, freight costs remain elevated due to longer voyages and EU ETS surcharges – both of which carriers continue to pass on.
- Some ports are congested, especially for reefers needing power plugs.

Outlook for Q2:

- Rates will likely stay high due to strong demand and longer routes.
- No big drop expected unless the Suez route reopens or seasonal volumes fall.



Capacity Outlook

Vessels & Network:

- Ships are still going around Africa (Cape of Good Hope) instead of through the Suez Canal due to the Red Sea crisis.
- This uses up more ships and time, making it harder to keep schedules.
- Even though new ships were delivered in Q1 and Q2, much of this is used to replace older ships or cover longer routes.
- New alliances are settling, and blank sailings are set to rise in Q2 as carriers adjust to the new setup and manage yields

Reefer Equipment:

- Shortages are reported in export-heavy regions like South America and parts of Africa, where seasonal exports of grapes, citrus, avocados, and seafood are peaking.
- Asia, as a reefer import region, faces a different challenge: many empty reefer containers arrive, but repositioning them out is slow due to vessel space limitations and network delays.

Regulations / News

Red Sea Crisis:

- Attacks near the Red Sea continue. Most shipping lines avoid the area.
- As of April 2025, there's no timeline for return to normal routing via Suez Canal.

EU Emissions Trading Scheme (EU ETS):

- Since January 2024, ocean carriers pay for CO2 emissions on voyages linked to the EU.
- In Q2 2025, these costs are being passed on more visibly in the form of "carbon surcharges."
- Especially relevant for pharma and food importers into Europe.

Cold Chain & Reefer Monitoring:

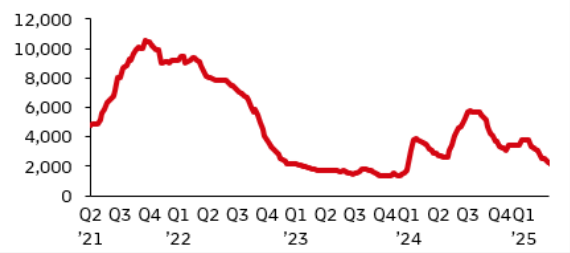
- Customers in pharma and food now expect full visibility of reefer temperatures and location.
- Carriers are rolling out more smart reefer tech – but not all containers are upgraded yet.

Port Strikes & Labour Actions:

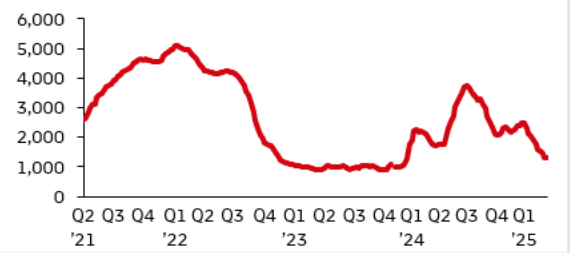
- Strikes are disrupting port operations in parts of Northern Europe and the US East Coast.
- Some terminals face delays, longer dwell times, and cargo handling backlogs.

Rates

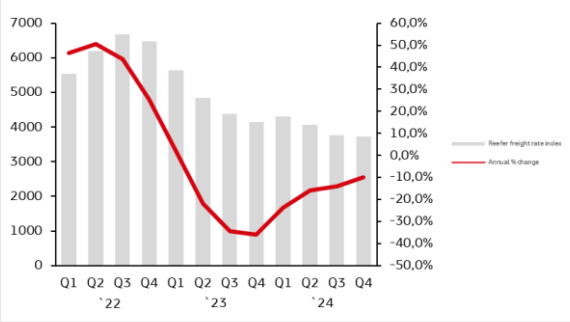
World Container Index (WCI)



Shanghai Containerized Freight Index (SCFI)



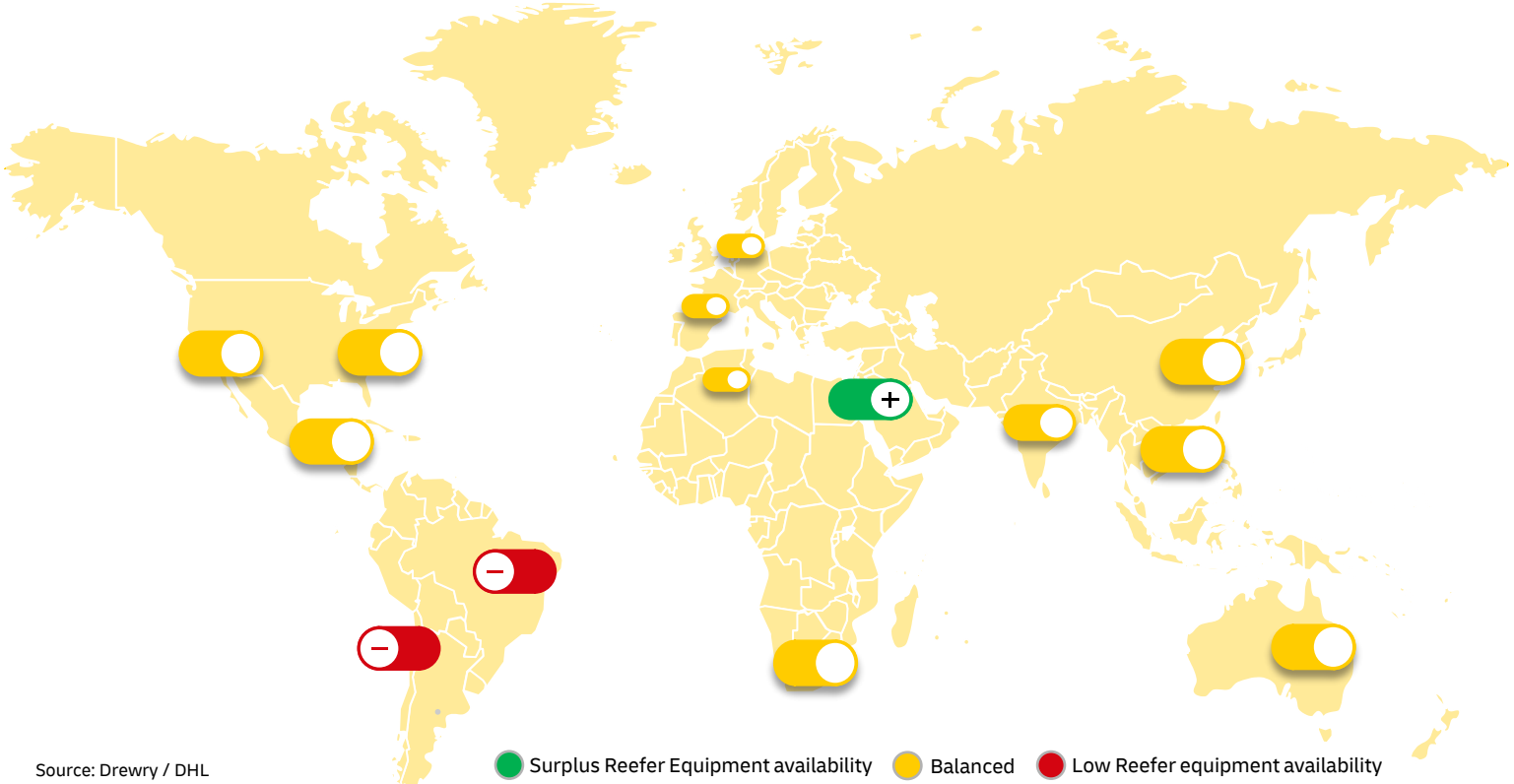
Global Reefer Container Freight Index



Note: Surcharges related to e.g., equipment & space availability are not reflected in WCI & SCFI; Source: Drewry, in USD/40ft container, including BAF & THC both ends, 8 individual routes, excluding intra-Asia routes; Shanghai Shipping Exchange, in USD/20ft ctnr & USD/40ft ctnr for US routes, including BAF, EBAF, CAF, PSS, WRS, PCS & SCS/SCF/PTF/PCC, excl. THC, 15 routes from Shanghai
Note: Global Reefer Container Freight Index: Based on weighted average freight rates across the main reefer intensive trade routes.

- Dry freight rates have been declining since January. Rates are now 75% below their 2021 peak but remain above pre-pandemic levels.
- Dry freight rates expected to increase in May and June as early peak season kicks in with continued avoidance of Suez canal.
- Increasing port congestion, potential tariff changes, and ongoing geopolitical tensions are also likely to influence future rate developments.
- Reefer rates are expected to remain stable in Q2, with slight increases on select trades due to equipment tightness and seasonal demand.

Reefer Container Equipment Availability Development

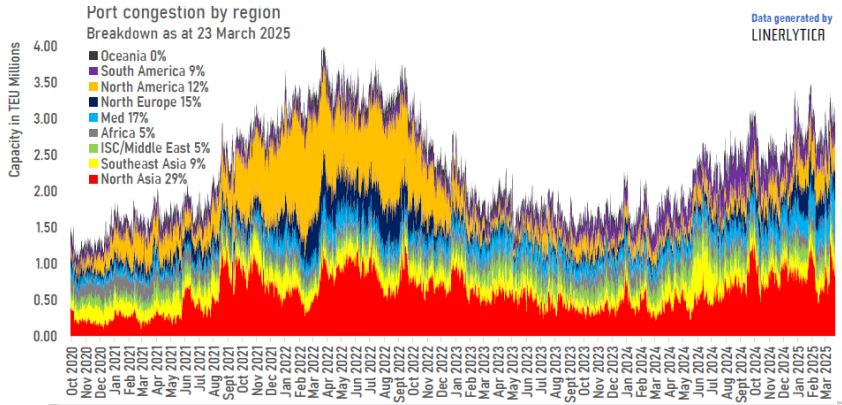


Source: Drewry / DHL

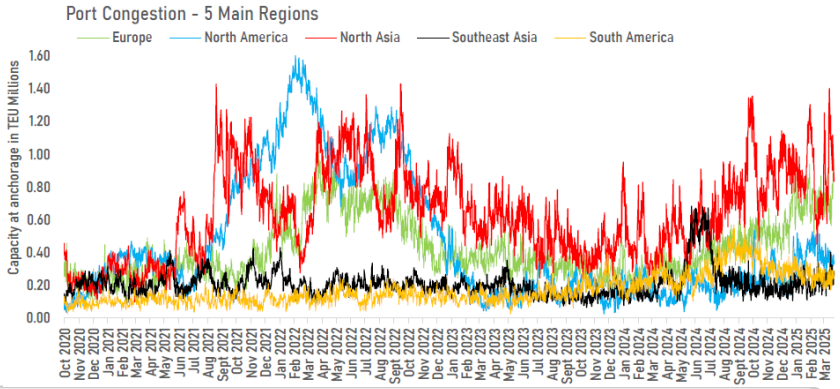
- Projected regional imbalances in reefer container equipment.

Port Congestion

Global Port Congestion



Port Congestion in 5 Main Regions

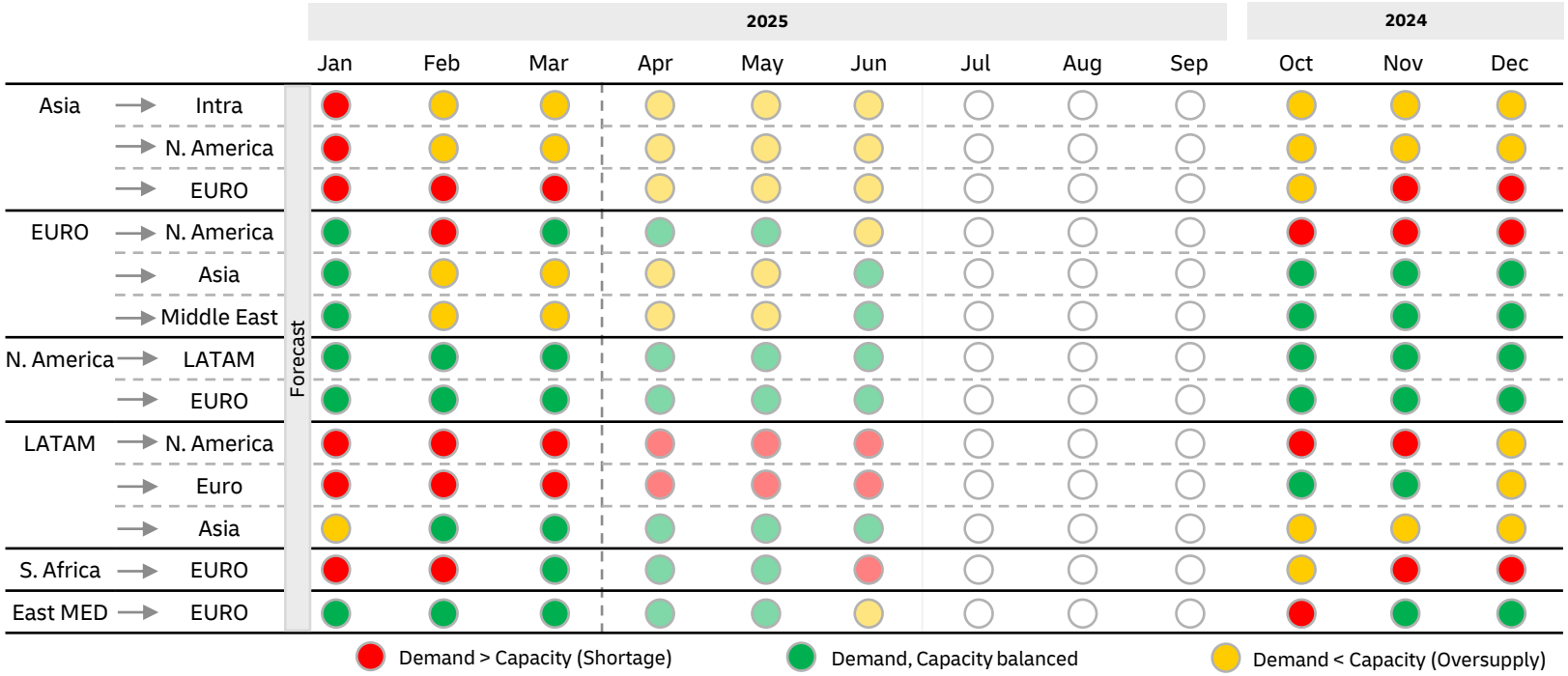


Shift to new carrier alliances has led to longer vessel turnaround times, reduced cargo flow, and heightened backlogs in already pressured port operations. Port congestion in Europe has worsened, with over 935,000 TEU waiting at North European and Mediterranean anchorages, accounting for 32% of the global total. Poor weather affected ports in Iberia, and Piraeus faced increased delays. In Northern Europe, Hamburg and Rotterdam remain severely congested, with Antwerp, Le Havre, and Southampton also experiencing longer berthing delays. Gemini Cooperation services, which had maintained a 90% schedule reliability, saw over 25% of its ships delayed at European ports last week, particularly affecting Transatlantic services. Congestion in China and Southeast Asia are disrupting schedules further due to ongoing adverse weather.

Source: Linerlytica, DHL

Regional Market Development – Major Reefer Trades

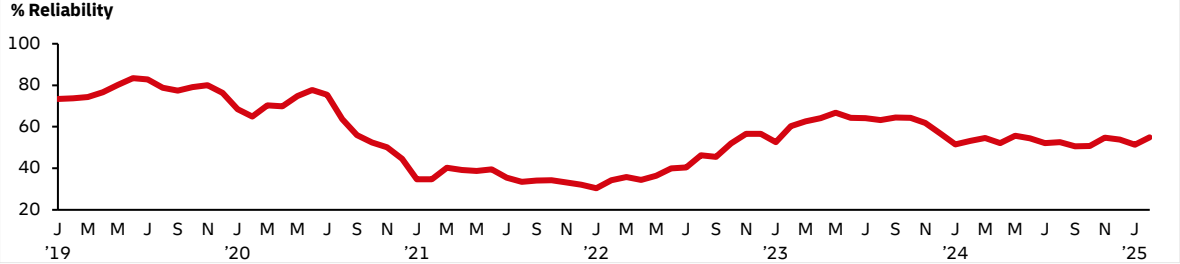
Market Development on Key Regional Tradelanes for Reefers



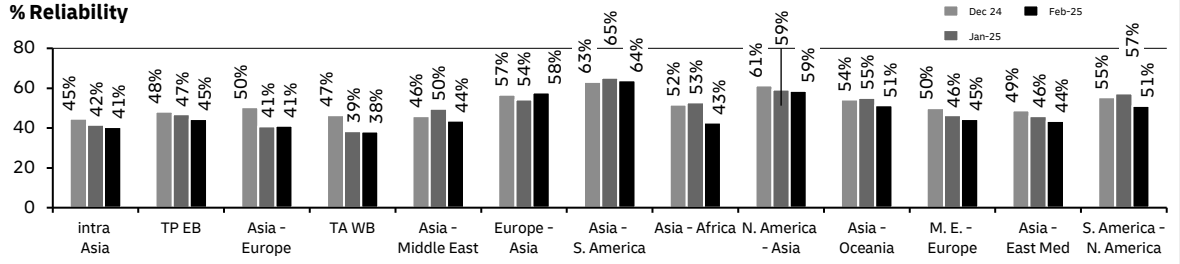
Source: DHL

Schedule Reliability

Global Schedule Reliability



Schedule Reliability by Trade



Source: Sea-Intelligence, Linerlytica; intra Asia = Asia – IBPC, TP EB = Asia-NAWC, Asia-Europe = Asia-N. Europe, Asia-S.America = Asia-WCSA, N. America-Asia = Transpacific WB, Asia-East Med = Asia-Med

- In February, global schedule reliability increased by 3.6 percentage points MoM, reaching 54.9%, the highest level since May 2024. YoY, the February figure was up by 1.8 percentage points.
- In February 2025, the month it began operations, Gemini Cooperation achieved a schedule reliability of 94.0% in origin ports, followed by MSC with 79.6% and Premier Alliance at 60.4%.
- Reliability expected to increase again once new alliance networks fully up and running.

Update from the Region – ASIA PACIFIC

News from the Region

Capacity

- On 26 March, MSC announced multiple blank sailings on the Transpacific trade:
  - Starting in week 14, six sailings on the Chinook service (Asia–US West Coast) will be skipped.
  - In week 17, two Asia–US West Coast and two Asia–US East Coast services will be blanked.
  - In week 18, the Empire service from Asia to the US East Coast will also be skipped.
- These changes impact space to North America, especially for exporters relying on fixed schedules.

Rates

- GRIs (General Rate Increases) were announced from March 1st across several trades.
- However, most GRIs have been delayed or not fully implemented, due to soft demand and overcapacity.
- Rate levels remain under pressure, especially for spot bookings.

Local updates & Regulations

- Thailand's durian season runs from May to August, with peak volumes in June–July.
- During this time, reefer space may be prioritized for durian exports, which could limit availability for other cargo types.
- Shippers should plan early to secure space for non-durian reefer cargo during peak weeks.

Update from the Region – AMERICAS

News from the Region

- The Life Sciences & Healthcare industry in the U.S. is expected to grow in 2025, with most industry leaders anticipating higher revenues and improved profitability.
- New U.S. import tariffs are creating uncertainty in supply chains, impacting sourcing strategies and cost expectations.
- Reefer exporters to the U.S. are now exploring alternative markets due to tariff risk.
- Brazilian poultry exports are growing faster than expected, as global demand rises after Avian Flu outbreaks in other regions.

Capacity

- Port congestion remains a challenge at key Intra-Americas hubs, affecting schedule reliability.
- LATAM–Asia trades are seeing some capacity injections, while U.S.–Asia services are cutting back capacity to protect rate levels.
- South Chile is facing allocation shortages for reefers, affecting key export commodities.

Rates

- AMR reefer export rates are expected to stay stable in Q2, with strong demand keeping levels firm.
- Carriers pushed for rate increases in Q1, especially on LATAM exports.
- LATAM–Asia volumes are slightly down, despite added capacity.
- U.S. export rates remain mostly unchanged, with no major swings expected in the short term.

Local updates & Regulations

- U.S. tariffs are being introduced gradually, which creates uncertainty for shippers and complicates planning.
- A USTR 301 hearing held on March 26 highlighted the negative impact on trade, while favoring U.S. domestic shipbuilding.

Source: DHL, Deloitte 2025

Update from the Region – MIDDLE EAST & AFRICA

News from the Region

- Major carriers still avoid the Red Sea, rerouting via the Cape of Good Hope due to safety concerns.
- Egypt's citrus production increased by 100,000 metric tons compared to last year.
- South Africa's citrus season looks promising, with higher export volumes expected.
- Kenya Railways launched reefer wagons to support the export of perishable goods.

Capacity

- Morocco's avocado exports are up 73% mid-season versus last year.
- Capacity could tighten in April and May, especially on routes to Europe and the Middle East.

Rates

- Freight rates from South Africa remain stable, but could change with new contracts for citrus season.
- The market is highly competitive, with low switching costs for exporters.
- South Africa's landside tariffs have been updated. New rates are in effect from 1 April 2025.

Local updates & Regulations

- New equipment arriving at Cape Town port is expected to improve efficiency.
- South Africa shipped its first lemons to India in March. Quality and sizing look better than in 2024.
- The Red Sea crisis continues, with global trade through the region down 75% as of March 2025.
- Delays and longer transit times are still impacting reefer schedules.

Update from the Region – EUROPE

News from the Region

- "Go Local & Yummy" export campaigns launched to boost EU food exports, especially dairy, fruit, and premium produce.
- Export volumes from Europe to the U.S. are currently under pressure due to recent U.S. trade actions. Several customers have already begun adjusting their shipping plans or reducing volumes in response. Exports to Canada show signs of growth in some sector.
- Preparations are underway for two key industry events in Europe:
  - LogiPharma 2025 taking place in Lyon this April, where DHL will be present to engage with pharmaceutical customers on cold chain solutions.
  - Seafood Expo Global coming up in Barcelona in May, which is expected to drive higher reefer demand around the event period.

Capacity

- Alliance restructuring reduced capacity, especially on Transatlantic westbound, the dominant export leg.
- Asia–Europe eastbound services are stable, no major issues reported.
- Port coverage varies by carrier, not only for Gemini services but others too, mainly on Asia trade lanes.
- Transatlantic and broader Americas lanes remain fully covered with direct services.

Rates

- Carriers are pushing for rate increases, but market acceptance is limited.
- On reefer-heavy trades, rates remain stable to under pressure due to soft demand.

Local updates & Regulations

- European ports are currently facing congestion in Rotterdam (NLRTM) and ongoing labour actions in Le Havre (FRLEH) and Antwerp (BEANR). These disruptions may lead to booking delays or rerouting, particularly for time-sensitive reefer shipments. Local capacity is tightening as a result.

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