

# OCEAN MARKET UPDATE



The U.S. Federal Maritime Commission (FMC) denied requests from several major ocean carriers to waive the required 30-day notice period for war-related surcharges tied to the Middle East conflict. As a result, carriers must wait until early April before applying the charges on U.S.-bound and U.S.-origin shipments. The FMC stated that the filings did not provide sufficient support connecting the proposed surcharge levels to documented cost increases, emphasizing that expedited relief requires clear data on cost impacts and duration. Proposed surcharge amounts vary widely by trade lane and equipment type, with some levels reaching up to \$3,800 for specialized containers. The decision reinforces regulatory scrutiny of pricing practices, with a focus on transparency and limiting immediate cost pass-through without adequate justification.

Trans-Pacific contract negotiations are regaining pace after a major U.S. retailer finalized its 2026–27 agreements with multiple ocean carriers, effectively establishing a market reference point that is prompting the next wave of contracting. With large importers moving forward, NVOCC activity typically accelerates as intermediaries align their contract terms with the capacity and pricing secured by top shippers. Carriers are encouraging NVOCCs to commit earlier amid ongoing geopolitical uncertainty and recent market volatility. While fuel-related pressures and regional disruptions remain a backdrop to negotiations, the primary shift is a return to more standard contracting.

## MARKET FORECAST

Fuel-related disruption is expected to remain a near-term headwind for container networks, with tight bunker conditions in Asia likely to keep operating costs elevated and planning assumptions fluid. Carriers are expected to respond through tactical levers like speed management, opportunistic bunkering, and higher reserve levels. These levers may help protect network continuity but can lengthen transit times and reduce schedule consistency. If conditions tighten further, operators may concentrate capacity on priority services, add schedule buffers, and cut marginal sailings. Which would increase the likelihood of blank sailings, rolled bookings, and short-notice changes. While higher fuel costs can support firmer pricing in the short run, broader rate direction will still be constrained by excess capacity, uneven demand, and competitive pressure across major east–west trades, limiting carriers' ability to fully pass through costs.

The dispute over terminal control connected to the Panama Canal is creating both immediate operational friction and longer-run strategic uncertainty for ocean supply chains. The U.S. Federal Maritime Commission is monitoring reports of increased detentions and inspections of Panama-flagged vessels by Chinese authorities, actions that market observers interpret as retaliation following Panama's transfer of port operations from CK Hutchison to interim terminal operators. Beyond current delays, a prolonged legal process and heightened investor uncertainty could influence carrier and shipper confidence in Panama's reliability as a trade enabler. If the situation persists, industry participants may further diversify routings, revisit registry strategies, and adjust network planning to reduce geopolitical and commercial exposure, highlighting broader implications for infrastructure confidence and supply chain resilience.

Intra-Asia container shipping is expected to continue expanding as participants respond to firm demand and stronger pricing with additional capacity investment. Regional spot rates, including lanes such as Shanghai–South Korea and Shanghai–Singapore, are at multi-month highs, and volumes are projected to grow by roughly 3% in 2026. To support service frequency and capture longer-term cost advantages, regional carriers have announced more than \$1 billion in new vessel investment, with deliveries scheduled through 2029. These additions are expected to increase regional capacity, enable more frequent sailings, and strengthen positioning on key trade lanes such as China–Vietnam and broader Southeast Asia, signaling sustained investment and continued competition across intra-Asia networks.



Sources: Alphaliner, Journal of Commerce (JOC), The Loadstar, Freightos Terminal, Sea-Intelligence, Container-News.com, Seatrade Maritime, Descartes, eeSea, MaritimeGateway