

Updates in this report:

*This information is compiled from a number of sources—including market data from public sources and data from C.H. Robinson—that to the best of our knowledge are accurate and correct. It is always the intent of our company to present accurate information. C.H. Robinson accepts no liability or responsibility for the information published herein.

To deliver our market updates to our global audiences in the timeliest manner possible, we rely on machine translations to translate these updates from English.

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INSIGHTS AT A GLANCE

Navigating holiday shipping rush and what's in store for 2026

Published: Thursday, December 11, 2025 | 09:00 AM CDT

REPORT

The logo features the text "C.H. Robinson" in white on a dark blue background, followed by "Edge" in a large, light blue font with a trademark symbol. A large, light blue arrow points from the "REPORT" text towards the logo.

Truckload shipping

Seasonal holiday demand is tightening U.S. truckload capacity—especially in key regions. Additionally, the 2026 truckload cost forecast has increased, reflecting tighter post-holiday capacity.

[See our truckload rate forecasts into 2026, our holiday truckload capacity forecast, and insights on the flatbed market →](#)

LTL shipping

LTL shipping faces a prolonged freight recession as carriers battle high equipment costs, weaker industrial demand, and rising expenses.

[Get our tips for succeeding in today's challenging LTL market →](#)

Ocean freight

Tariffs, plunging Asian rates, and South America's surges will impact ocean freight in 2026. Discover where opportunities—and risks—are emerging next.

[See exactly how global ocean trade is shifting with complete lane-by-lane insights →](#)

Air freight

Asia's air freight demand stays high through mid-December but is expected to moderate before Lunar New Year drives another surge in late January.

[See what major air freight shifts can impact supply chains in early 2026 with complete lane-by-lane insights →](#)

Intermodal

While overall intermodal service remains in line with averages despite seasonal pressure, early peak season and volatile trade mean new surcharges through December.

[Discover what's shaping volumes and the review the evolving outlook for U.S. intermodal markets →](#)

Ports & drayage

Shifting U.S. driver rules, Canadian winter delays, and Houston port congestion are disrupting drayage capacity and transit times—find out what's next for global drayage.

[Monitor port drayage capacity trends to stay ahead of evolving booking delays and regulatory impacts →](#)

Canada, Mexico & cross-border

Non-automotive exports from Mexico surge as road blockades and tariffs reshape North American supply chains.

[Explore the export trends, operational risks, and strategic opportunities shaping North America cross-border shipping →](#)

Trade policy & customs

U.S. expands Brazil tariff exemptions, extends China exclusions, and advances CPSC import filing rules.

[Explore the latest trade policy shifts, including new tariff exemptions and regulatory deadlines for importers →](#)

Government & regulations

Nearly 44% of U.S. truck-driving schools may not meet training standards after a federal review, sparking greater scrutiny and higher enforcement.

[Discover how new government regulations could impact driver availability, safety, and costs →](#)

Diesel fuel

In November, U.S. diesel prices rose year-over-year while Mexico's remained steady and Canada's spiked briefly.

[Track the latest diesel price trends for North America to make informed fuel purchasing decisions →](#)

TRUCKLOAD SHIPPING

Holidays impact truckload capacity and new 2026 forecasts



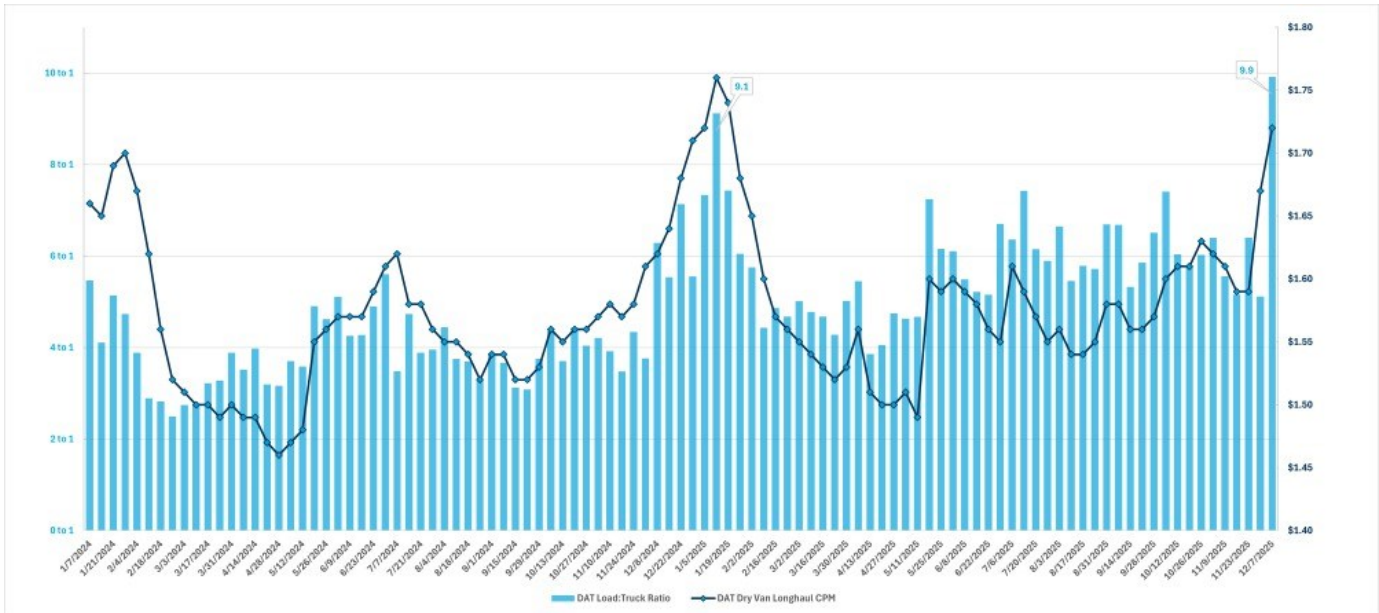
U.S. spot market

C.H. Robinson has increased the 2026 dry van truckload rate forecast from 4% year over year (y/y) growth to 6% growth y/y. The increase is driven by the supply side of the market: Capacity is tighter than expected post-Thanksgiving, and with only a few weeks left in the year, rate increase impacts will roll through into 2026.

Some weather events around Thanksgiving contributed to this change, and there is a normal seasonal decline in available capacity from Thanksgiving into year end. But the DAT load-truck-ratio spiked to 9.9-to-1 the week ending December 6, 2025. This was the highest of the current truckload downcycle and higher than the 9.1-to-1 ratio the week ending January 11, 2025 (see chart), which was driven by year-end carrier exits, holidays, and even more severe weather.

This decline of available capacity into year-end is more pronounced than in recent years and exacerbated by heightened scrutiny and enforcement of commercial driver's license (CDL) eligibility, which we expect to have an impact through 2026.

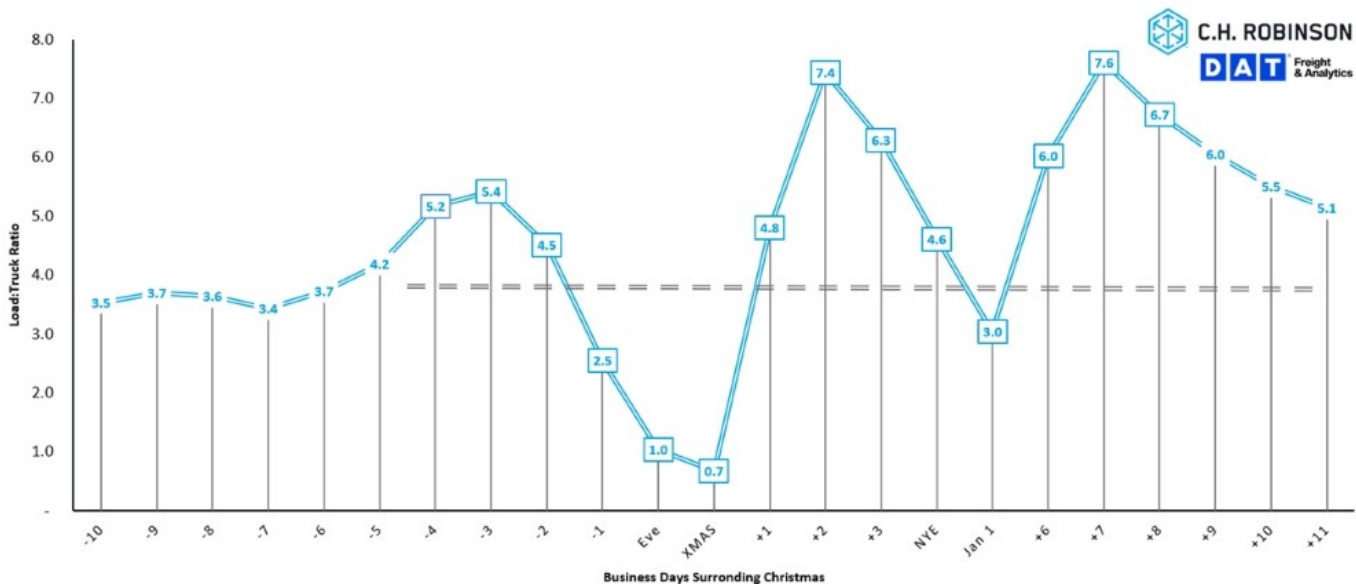
National weekly DAT load to truck ratio and cost/mile



As illustrated in the chart below, this typical seasonal trend includes a tightening of capacity before Christmas and between Christmas and New Year's. While some days show a decrease in the load-to-truck ratio, this isn't indicative of better capacity, but rather a large decrease in load and truck postings that skew the ratio.

Given the large decrease in available trucks over the holidays, costs will likely remain elevated during this time. Rescheduling pickup days or providing ample lead time will help mitigate cost increases.

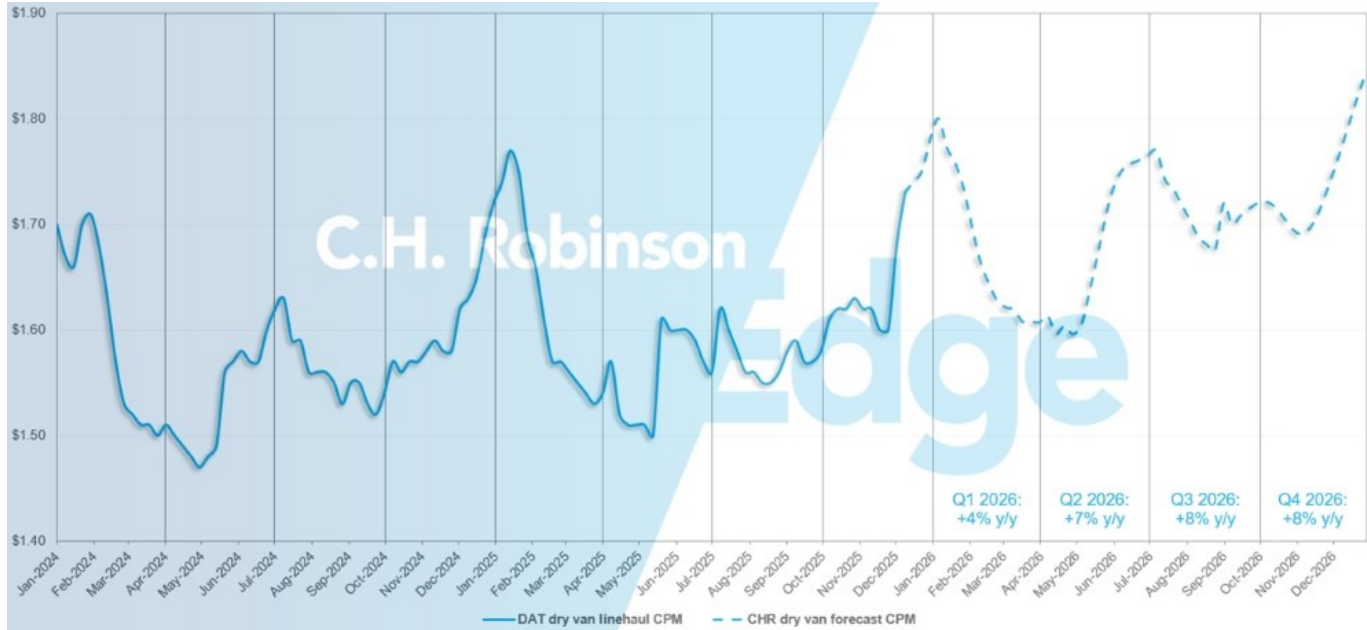
Christmas 10-year load:truck ratio impact



U.S. spot market forecast: Dry van truckload

The C.H. Robinson 2026 forecast is being increased to +6% year over year (y/y).

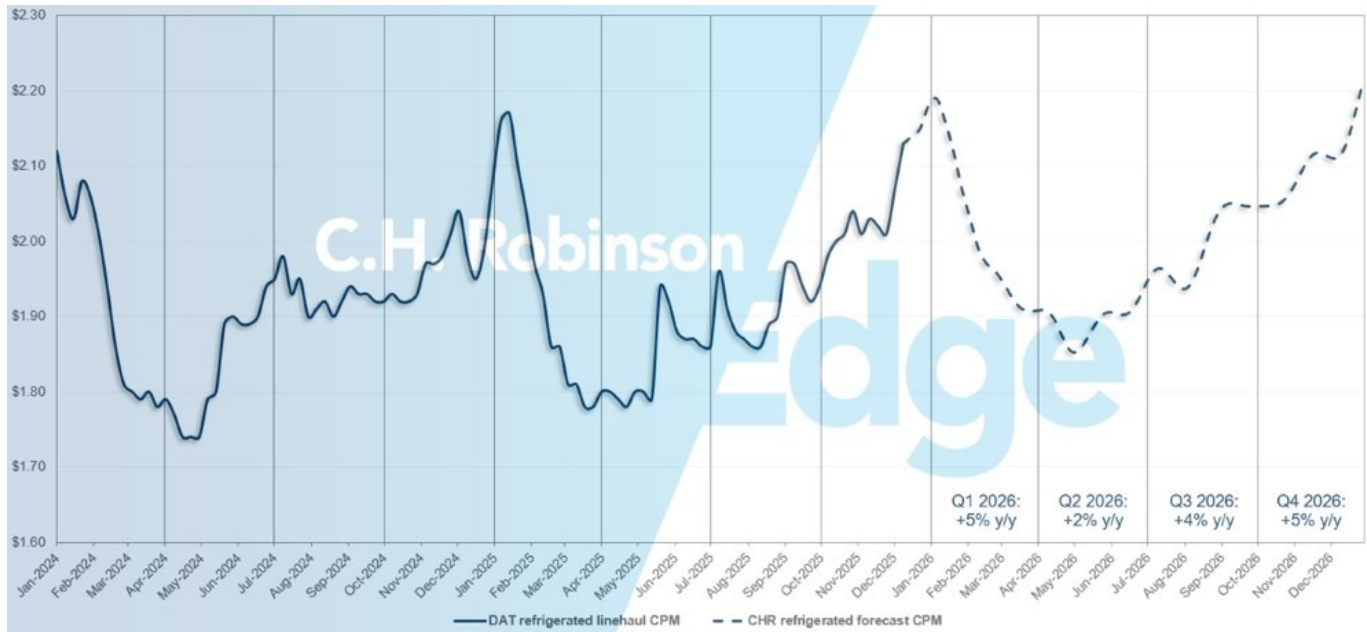
C.H. Robinson spot market dry van truckload forecast



U.S. spot market forecast: Refrigerated truckload

The C.H. Robinson 2026 refrigerated truckload forecast is being increased to +5% y/y.

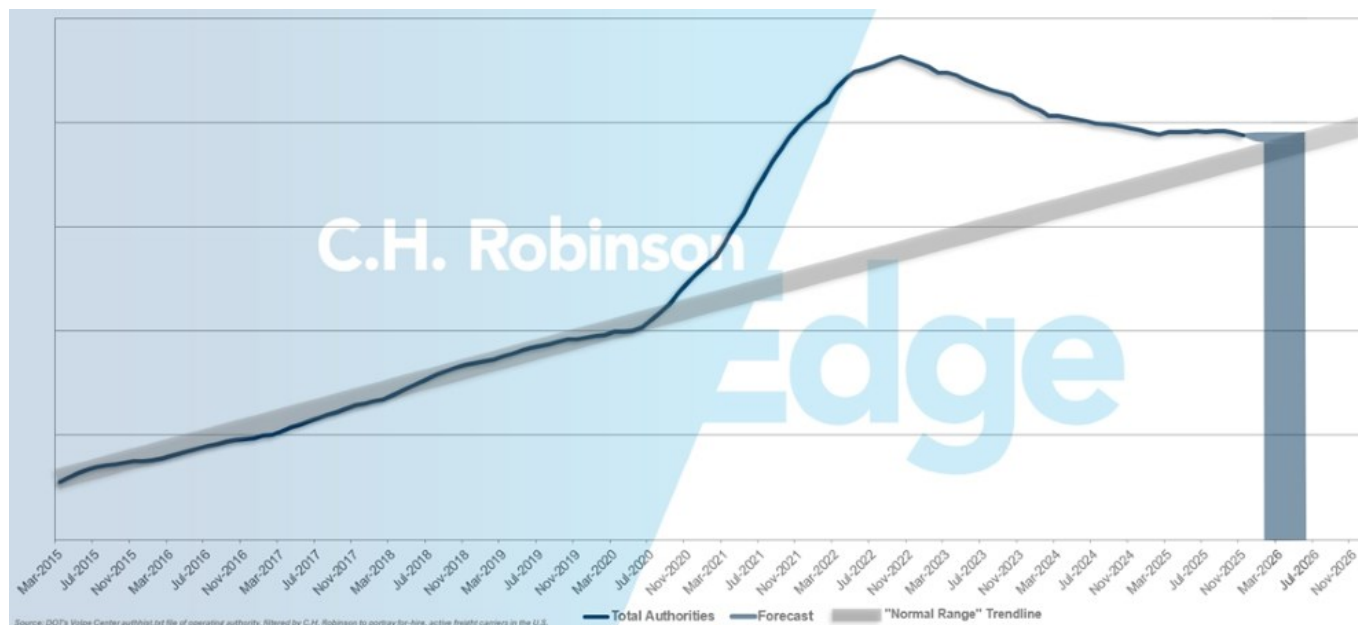
C.H. Robinson spot market refrigerated truckload forecast



For-hire carrier authorities forecast

If the current pace of U.S. carrier attrition continues, carrier authority counts would return to historical levels in early 2026, possibly later.

For-hire carrier forecast



Contract truckload environment

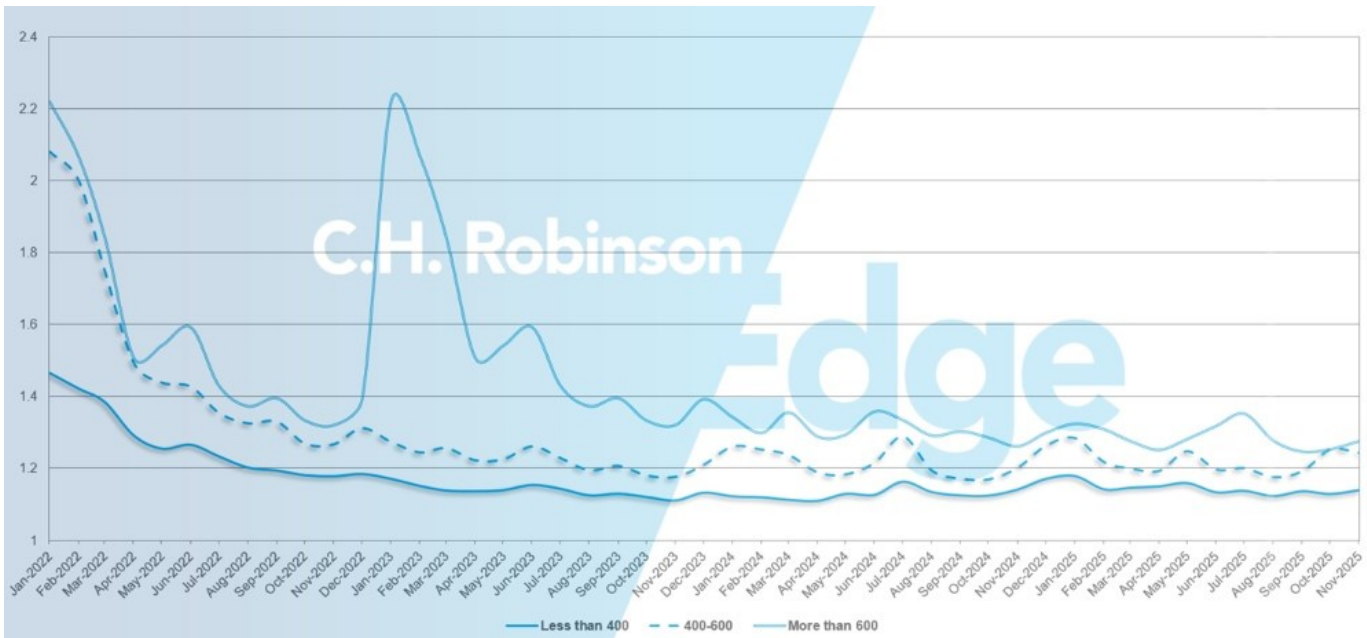
The following insights are derived from C.H. Robinson Managed Solutions™, which serves a large portfolio of customers across diverse industries.

Route guide depth is an indicator of how far a shipper needs to go into their backup strategies when awarded transportation providers reject a tender. 1 would indicate perfect performance and 2 would be extremely poor. As displayed in the following chart, route guide depth has remained flat at a historically low level for approximately two years.

For the month of November, route guide depth across all North America shipments was 1.19, flat compared to the previous month.

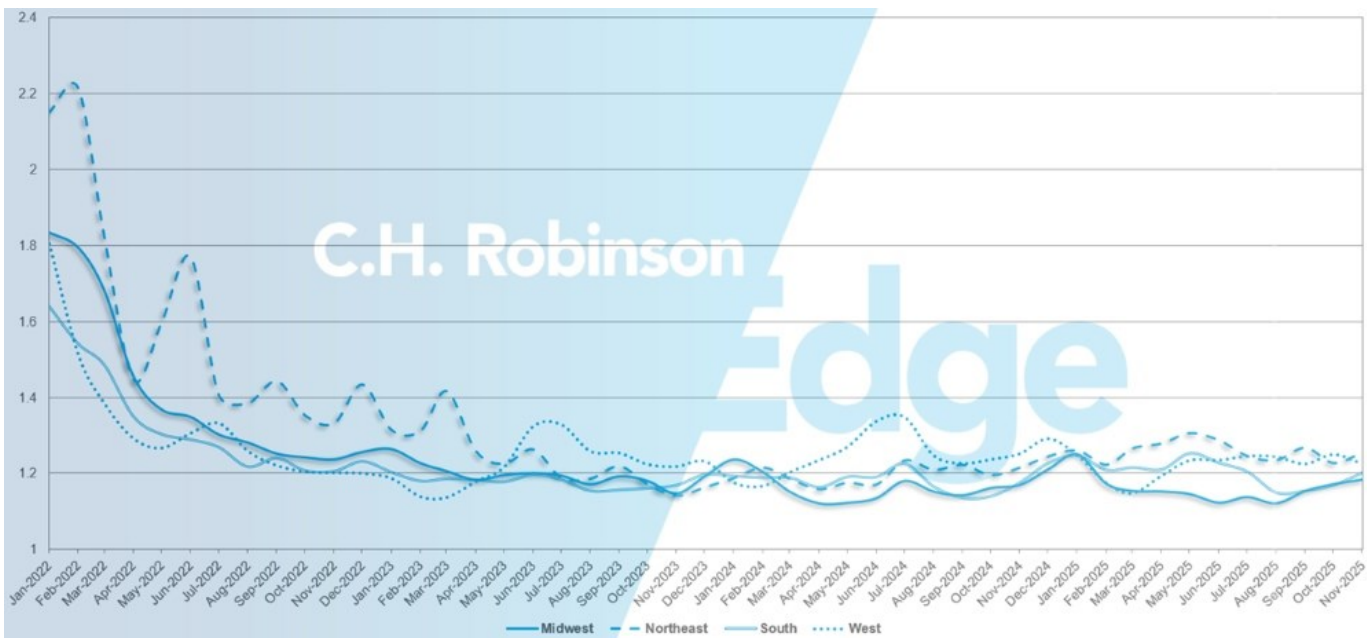
From a mileage perspective, long hauls of more than 600 miles had a route guide depth of 1.29 in November, which is worse compared to the prior month of October 2025 at 1.19, and worse compared to November 2024, which was at 1.17. For shorter hauls of less than 400 miles the route guide depth for November 2025 was 1.13, which is slightly better than the previous month of 1.14 but slightly worse than November 2024 at 1.12.

North America route guide depth metrics: By length of haul



Geographically, the South experienced the smallest change of all regions, worsening by 1.4% from the previous month, while the Northeast experienced the largest change, improving by 3.3%. Route guide depth still remains at low levels between 1.17 and 1.25 for all regions.

U.S. route guide depth metrics: By region



Refrigerated truckload

East Coast United States

The East Coast continues to follow typical seasonal trends, with modest holiday-driven volume increases. The first major winter storm of the season briefly tightened capacity in the Northeast, but impacts were short-lived. Barring additional severe weather, market conditions are expected to remain normal.

In the Southeast, conditions are also tracking with seasonal norms. Increased produce movement from Florida and south Georgia is adding some volume but is not materially affecting overall market balance. As the holidays approach, shippers should anticipate pockets of capacity tightening, particularly for last-minute freight across the region.

Central United States

The Midsouth has available capacity, but rates remain elevated. Clean, simple freight with one pickup and one delivery is moving the quickest, and that trend should continue into early 2026. In the central states of Missouri, Indiana, Arkansas, and Kansas, capacity is also available, but same-day rates are running high.

The Dallas area still has readily available capacity, with pricing being the main factor. South Texas remains loose for now, though conditions are expected to tighten closer to Christmas and New Year's. Weather remains the biggest wildcard, especially snow in the Midwest and any ice or winter weather across Arkansas, Oklahoma, or Texas.

West Coast United States

The West region continues to see steady capacity, with little change over the past several weeks. Even with capacity holding, rates have pushed higher out of both Southern California and the Pacific Northwest. Last-minute holiday and holiday-adjacent loads remain the most expensive, especially for temperature-controlled freight that requires tighter service. Moving through the season, expect the market to stay manageable on capacity but firm on pricing, particularly for urgent or weekend-to-holiday pickups.

Flatbed truckload

One strong segment of flatbed freight comes from the housing industry, and the Housing Market Index is one view of that industry's health. While the latest reading showed a 15.6% increase, the index is still more than 20% below what's considered neutral and 14% lower than a year ago. That gap reflects continued caution in residential construction. Without meaningful changes to federal interest rates, a notable rebound in housing activity—and by extension flatbed demand—remains unlikely in the near term.

Flatbed spot rates began to level off in October, ending a five-month slide, then spiked at the end of November. Market indicators point to broad stability, but seasonal patterns are starting to set in as winter approaches. Capacity typically tightens in northern and mountainous states as carriers work to avoid snow and ice, which can lead to limited willingness to haul into those areas and higher rates. These are localized pressures rather than structural ones, but regional fluctuations will become more noticeable through December.

Overall, trends continue to track with the five-year average, with capacity expected to tighten in the final weeks of December as some drivers step away for the holidays.

As winter progresses, flexibility and strong lead times remain the best way to navigate predictable tightening in weather-sensitive lanes. Considering alternate routes, wider pickup windows, or equipment flexibility can help reduce disruptions. Staying connected with your C.H. Robinson representative is the most effective way to stay ahead of regional shifts, understand exposure to winter-impacted markets, and make proactive adjustments that support consistent service and cost performance through year-end.

Voice of the Carrier

Observations from a cross-section of the contract carriers in the C.H. Robinson network:

Market

- Carriers continue to report weak and inconsistent demand, noting that meaningful recovery will require additional capacity to exit the market.
- Bid season has seen more activity this year than last year, with carriers saying most shippers are settling into reasonable rate adjustments.

Cost controls

- Rising operational expenses remain a major concern. Carriers are focused heavily on cost control, efficiency gains, and new revenue opportunities.

Equipment

- There is a lack of initiative to grow overall fleet size in the near term.
- While some carriers have been able to maintain their regular cycle of replacing old equipment with new, others are delaying, citing high costs for new tractors.

LTL SHIPPING

Ample capacity, moderate rate increases for LTL shippers



Extended freight recession

The less than truckload (LTL) industry continues to operate in an environment that many carriers now describe as an extended freight recession. A prolonged slowdown in the industrial and manufacturing sectors remains one of the largest contributors, as these segments historically drive a significant share of LTL demand.

Consumer-driven freight has been more stable but not strong enough to offset the decline in industrial activity, resulting in muted overall shipment growth. Adding further pressure, carriers report a continued drop in average weight per shipment, which affects their revenue. Seasonal patterns are also at play, with the typical fourth-quarter slowdown dampening volumes just as carriers work to maintain profitability.

Excess capacity continues

Excess capacity across LTL networks is pushing carriers to concentrate on improving trailer utilization, managing density more tightly, and scrutinizing operational efficiency across every part of the business. They're investing heavily in technology and AI to optimize routing. These efforts reflect a broader goal to strengthen long-term margins and ensure they can handle more volume efficiently when demand improves. In the meantime, most carriers have resisted aggressive discounting in light of rising labor, equipment, and maintenance costs.

Pricing up moderately

Despite soft tonnage and excess capacity, most carriers have been increasing pricing moderately. Their cost controls and network optimization have been able to keep the cost increases competitive for shippers, who may also benefit from improved service from this optimization. For shippers who've been using the same carriers for some time, it may be worth looking into other carriers that may now be servicing new lanes or doing so at higher service levels.

OCEAN FREIGHT

Tariff shifts reshape ocean trade heading into 2026 planning



Asia

Global trends

Spot rates across major export lanes are expected to remain low through December, continuing November's trend of softening prices. Carriers announced rate increases on some lanes effective December 1, 2025, but without corresponding capacity reductions, these hikes are unlikely to hold. Rate increases are only effective when capacity is constrained relative to demand; with ample availability, shippers can easily shift to lower-priced alternatives.

Capacity deployment for December appears robust, with fewer blank sailings scheduled despite the traditionally slack winter season. This continued supply abundance is keeping rates soft.

Port congestion—particularly at Rotterdam and Hamburg—continues to limit effective capacity and support healthy utilization on Asia–Europe trades. Vessels spend longer at berth or waiting in anchorage, effectively reducing available capacity even when the ships are deployed. This “hidden” reduction helps maintain vessel utilization rates (the percentage of container slots that are filled) amid soft overall demand.

Routing via the Suez Canal remains limited, with CMA CGM the only carrier operating through the Red Sea. A broader resumption of Suez routes could materially affect capacity and rates by reducing transit times. Ships that currently take six weeks for a round trip via the Cape of Good Hope could complete the trip in four to five weeks via the Suez, enabling more frequent sailings with the same number of vessels.

Regional highlights

Asia to North America

Forecast: Spot rates are expected to remain under pressure through December, with both United States West Coast (USWC) and United States East Coast (USEC) lanes approaching their lowest levels of 2025.

Market dynamics: Freight rates on Trans-Pacific trade lanes remain under significant pressure as carriers maintain capacity despite weak demand. December capacity is robust, with fewer blank sailings than usual for the winter season. Historically, carriers reduce capacity 15–20% in winter to match seasonal demand, but current deployments show minimal reductions.

Carriers are expected to use selective blank sailings to manage capacity and limit rate declines. Tactical cancellations remove individual voyages when bookings are weak, preventing very low vessel utilization. For shippers, multiple blank sailings in the same week can create short-term space constraints, leading to cargo rollovers where confirmed bookings are moved to the following week.

Asia to Europe

Forecast: Rates are expected to remain variable, with week-to-week fluctuations continuing through December. Carriers implemented a rate increase on December 1, 2025, and space is tightening—a trend likely to persist into January as demand remains steady and capacity fills quickly.

Market dynamics: Persistent port congestion—particularly at Rotterdam and Hamburg—is reducing the amount of effective capacity available on Asia–Europe services. When vessels are delayed waiting for berth space, they are unable to complete scheduled rotations, which keeps overall utilization higher than demand alone would support. This dynamic limits how far rates can soften, even in an otherwise softer market.

CMA CGM is preparing for a large-scale return to the Suez Canal, resuming eastbound sailings on Asia–Europe, Asia–Mediterranean and INDAMEX services from USEC to India. Starting January 14, 2026, CMA CGM plans to gradually resume westbound routing on the INDAMEX service to the United States, targeting 10 Suez voyages by the end of the month. Other carriers remain cautious and have not yet set a date to return to the Suez Canal.

While no broader return to the Suez route is under way, such a shift remains a possibility and would materially reshape capacity and rate dynamics if adopted by multiple carriers.

If Suez routing expands, transit times would shorten from 40–45 days (via the Cape) to 28–32 days. This would effectively increase vessel availability by 25–30% without adding ships, likely placing downward pressure on rates unless demand increases proportionally.

Key takeaways

- Monitor December rate adjustments closely, as carriers continue to push short-notice changes.
- Expect week-to-week variability on Asia–Europe lanes. Lock in favorable rates quickly, before spot market conditions shift.
- Track Suez Canal developments, as broader service resumption could reshape capacity, pricing, and equipment availability.

North America

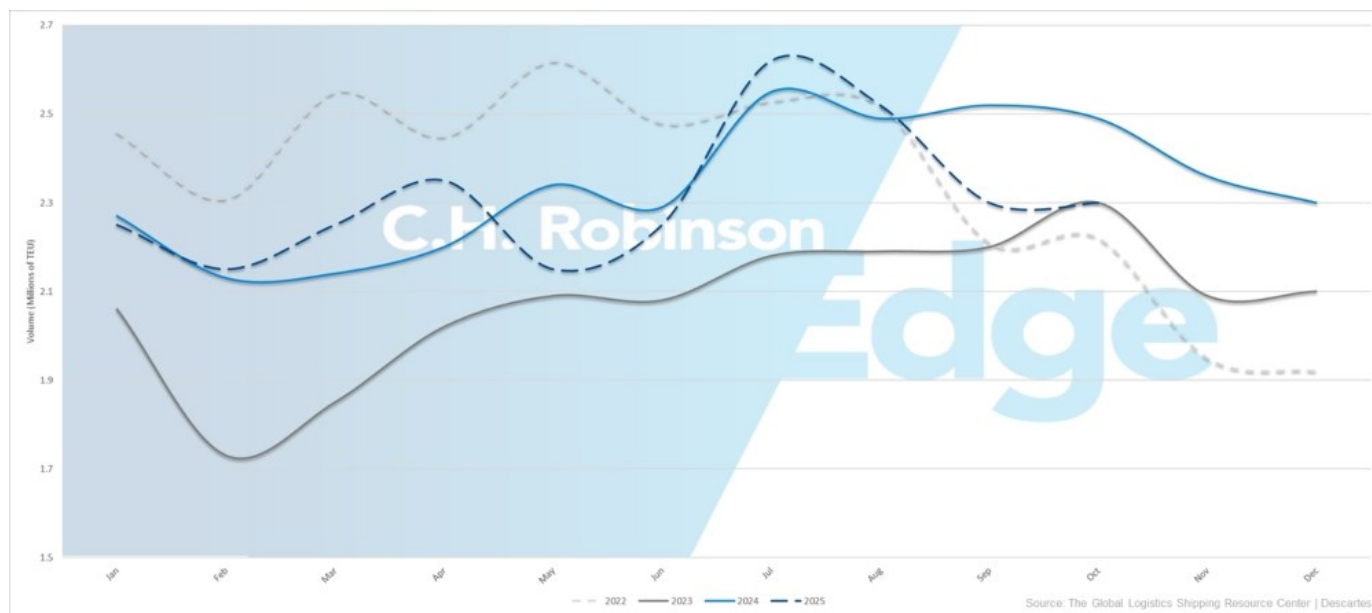
Global trends

North American export conditions continue to vary by lane, with some trades experiencing tight capacity while others still offer ample space. Global schedule reliability has risen to 65.2%, up 14.7% year over year (y/y), driven by carriers' efforts to strengthen schedule consistency and overall operations. However, congestion across Asia, Europe, South America, and the West Mediterranean continues to pressure transit times.

As a result, even with better on-schedule vessel arrivals, cargo availability can be delayed due to port backlogs, creating a disconnect between vessel arrival and final delivery.

U.S. import volumes are declining as the year closes, with Global Port Tracker projecting a 19.7% drop in November and 20.1% in December. The full-year 2025 forecast now stands at 24.7 million 20-foot equivalent units (TEUs)—down 3.4% from 2024.

U.S. container import volumes



Despite softer import demand, U.S. consumers remain resilient. The National Retail Federation expects holiday spending to surpass \$1 trillion for the first time during November and December, marking 3.7–4.2% growth over 2024. This divergence between consumer spending and import volumes reflects ongoing inventory rightsizing, as retailers draw down existing stock rather than replenish through new imports, alongside gradual shifts toward domestic production and nearshoring that reduce dependence on containerized freight.

As of November 10, 2025, the United States and China have agreed to a one-year pause on vessel- and port-related taxes and a 10% reduction in International Emergency Economic Powers Act (IEEPA) tariffs, bringing the effective rate on many

Chinese goods to 45%. These changes give carriers more flexibility in Trans-Pacific service deployment and offer shippers greater landed-cost predictability. It is still unclear, however, whether the tariff adjustment will materially boost U.S. import demand. Carriers continue to rely on blank sailings to balance utilization as they watch for any demand response.

At the Port of Montreal, space constraints are tightening due to rising demand and low water levels that restrict vessel loading. Both CMA CGM and Mediterranean Shipping Company (MSC) have implemented low water surcharges to offset associated costs. Shallow water limits vessel draft, reducing how much cargo each vessel can safely load. This decreases effective export capacity even when vessel calls remain unchanged, increasing competition for space and extending booking lead times.

Regional highlights

North America to Asia

Forecast: Softening demand on the Trans-Pacific eastbound (TPEB) head-haul lane is prompting carriers to scale back services, resulting in fewer backhaul sailings from North America to Asia. Recent withdrawals include Gemini's TP9 and Premier Alliance's PS5 services. Schedule reliability is holding near 70.3%, with modest improvement expected as carriers adjust capacity and streamline remaining services for more consistent performance.

Market dynamics: Hapag-Lloyd has reinstated Ningbo on its WC5 service, restoring direct access to a key Chinese manufacturing hub. Meanwhile, congestion at major intra-Asia hubs—especially Singapore—continues to tighten space into Southeast Asia more than into North Asia. Because Singapore is a primary transshipment hub, congestion there creates longer anchorage times and missed connections, often resulting in delays of 7–14 days for cargo awaiting the next available vessel.

A December 1, 2025, general rate increase (GRI) has been filed by several carriers and is currently under negotiation.

North America to Europe

Forecast: Peak season conditions are expected to continue through December, with the tightest capacity originating from United States Gulf Coast (USGC) ports where export volumes remain strong and vessel options are more limited. In contrast, USEC gateways offer comparatively better space availability due to more frequent service options and larger vessel deployments.

Trans-Atlantic eastbound (TAEB) schedule reliability continues to improve and remains among the strongest globally. Blank sailings will be relatively common across all carriers in December and early January due to the holiday season, which may create temporary space constraints on specific sailing weeks.

Market dynamics: Labor disruptions and operational backlogs at key European hubs—particularly Antwerp and Rotterdam—continue to slow vessel flow and create localized congestion. As primary entry points for European markets, delays at these ports cause vessels to queue at anchorage and disrupt onward schedules, reducing effective capacity across carrier networks.

Labor actions have concluded in Antwerp and Rotterdam, though intermittent strikes across Northern Europe may continue to create schedule variability and localized congestion through December. Container and chassis shortages persist throughout the European hinterland due to congestion and ongoing driver constraints, extending inland transit times by two to four days as cargo waits for available equipment and trucking capacity. These challenges are particularly acute in Belgium, Germany, and the Netherlands, where port-to-warehouse movements may face delays even when vessels arrive

on schedule.

Carriers have responded by adjusting rotations, including reinstating Antwerp on USGC services to add alternative discharge options and relieve pressure on congested ports. Multiple discharge points provide operational flexibility. If one port becomes constrained, carriers can redirect cargo to another with better availability. For shippers, this may result in cargo being discharged at a different port than originally planned, potentially affecting inland transport and delivery timelines.

Low water surcharges at Montreal—implemented by MSC and CMA CGM—remain in place as draft restrictions continue to limit vessel loading. These charges compensate carriers for lost capacity and should be included in landed cost planning for cargo routed through Montreal.

North America to South Asia, Middle East, Africa (SAMA)

Forecast: Carrier options are gradually expanding beyond MSC and CMA CGM, though these two carriers still offer the most reliable coverage, with the highest sailing frequency and broadest port networks. Rates remain elevated relative to pre-disruption norms, but modest softening is possible as additional carriers enter the market and competitive pressure increases. Space to India is beginning to improve as demand cools under ongoing tariff headwinds, while Pakistan and Bangladesh remain capacity-constrained due to fewer direct service options and continued reliance on congested transshipment hubs.

Market dynamics: Transshipment hubs—including Abu Dhabi, Colombo, Jebel Ali, Mundra, and key West Mediterranean ports—are expected to remain congested through the coming month, limiting routing flexibility and contributing to 7–14-day connection delays when cargo misses intended sailings. This will continue to create uncertainty around delivery timing, particularly for shippers with just-in-time or seasonal requirements.

COSCO's suspension of service is likely to keep regional capacity tight as the market adjusts to one fewer major carrier option. Carriers have extended existing rates through mid-December and deferred GRIs and peak season surcharges until December 15, 2025, signaling continued uncertainty about near-term demand. Over the next month, carriers may move quickly to implement rate increases if tariff relief triggers stronger booking activity. Shippers should remain prepared for short-notice rate adjustments as market conditions evolve.

North America to South America

Forecast: Peak season conditions are expected to continue, with schedule reliability holding at 79.6% though still below the 85%+ reliability seen on other trade lanes. Congestion at key South American transshipment hubs remains a primary source of delay, making direct services the most dependable option for maintaining schedule certainty. PSS remains in effect in several markets, particularly the Caribbean, through January 2026.

Market dynamics: Carrier performance continues to vary widely on this lane, with schedule reliability ranging from 60–90% depending on the carrier and service string. Congestion at major transshipment hubs—including Cartagena, Kingston, and Panama—continues to slow indirect routings. Cargo moving through these hubs may see three to seven days of additional transit time as vessels queue for berth space and await onward connections.

Month over month schedule reliability dipped slightly while the average delay for late arrivals increased to 5.02 days. When vessels do miss schedule, delays tend to be meaningful—nearly a week late on average—though still far better than 2024 levels, when delays regularly exceeded 10 days.

Low water surcharges previously applied at Manaus have been removed by most carriers as river levels have returned to

normal. This eliminates the surcharge in place earlier in 2025, offering cost relief for shippers moving cargo through Brazil's interior.

North America to Oceania

Forecast: The market is in a soft peak season. Demand is elevated compared to typical off-peak periods, but well below the holiday-driven peaks seen on other trade lanes. Space from USWC ports is slightly constrained due to a structural blank sailing that removed roughly 1,500–2,000 TEUs of weekly capacity. Even with this reduction, schedule reliability remains strong at 93%, the highest among North American export lanes. [Brown Marmorated Stink Bug season](#), effective September 1 based on vessel on-board dates, continues to require specific treatments for at-risk cargo.

Market dynamics: Schedule reliability improved by 2.6 percentage points sequentially to 93% and is up 17.8 points y/y from 2024 levels. This reflects carriers' increased focus on service integrity. Space remains generally available despite the structural blank sailing, and rates are competitive as carriers compete for cargo in a market where capacity slightly exceeds demand.

Fumigation capacity remains limited, with no approved providers in New York. Philadelphia and Baltimore continue to offer the most reliable options for stink bug treatment. This requirement adds two to three days to cargo preparation. New Zealand-bound cargo must also be fumigated at origin to meet biosecurity standards, and missing documentation can result in cargo rejection or mandatory destination fumigation—both of which add significant cost and delay.

Key takeaways

- Use USEC ports for Europe-bound cargo where space is strongest and diversify discharge ports to reduce exposure to congestion at any one gateway.
- Prioritize direct services for South America, as they help avoid three to seven day delays at congested transshipment hubs.
- Monitor tariff developments involving China and India, as policy changes can shift volumes quickly and tighten space or influence rate movements.
- Leverage East Coast Canadian ports (e.g., Halifax) for faster rail connectivity and lower dwell times, while accounting for the additional two to three days of ocean transit compared to Western Canada.

Europe

Global trends

Export markets remain favorable for shippers heading into year-end. Space is widely available, and Trans-Atlantic westbound (TAWB) rates continue a gradual decline expected to extend into Q1 2026.

The Port of Rotterdam continues to see elevated dwell times—averaging roughly 14 days at RWG and about four days at ECT—while the Port of Antwerp is still facing extended vessel wait times following recent labor disruptions. In France, an early December national rail strike caused some inland connectivity delays, though maritime impacts have been minimal so far.

CMA CGM has announced the first regular eastbound Suez sailing since disruptions began—a weekly FAL1 loop departure that started December 9 from the Port of Dunkerque in northern France. This addition is expected to improve schedule reliability for cargo moving toward Asia. However, westbound INDAMEX services will begin gradually returning via the Suez Canal starting January 14, 2026. Maersk recently met with the Suez Canal Authority but confirmed it will not resume Suez transits until security conditions materially improve.

Regional highlights

Europe to Asia

Forecast: A December GRI is expected to achieve modest rate increases. CMA CGM's Suez eastbound service launch on December 9, 2025, represents a significant development, though full industry resumption awaits broader carrier participation.

Market dynamics: CMA CGM's decision to route eastbound sailings through the Suez Canal will cut transit times from the current 40–45 days (via the Cape of Good Hope) to approximately 28–32 days. Shorter voyages would mean ships can complete more round trips in the same timeframe, effectively boosting capacity by an estimated 25–30% on the eastbound leg.

Meanwhile, westbound INDAMEX services will continue via the Cape for now, reflecting a cautious risk management approach as security concerns and insurance exposure remain elevated in the Red Sea region. This asymmetric routing (Suez eastbound/Cape westbound) aims to capture transit time improvements where operationally feasible while minimizing exposure on the return leg. CMA CGM plans to gradually resume westbound Suez sailings starting January 14, 2026.

Europe to North America

Forecast: Rates will continue their slow downward trend through December into Q1 2026. Space remains readily available across all carriers, with favorable conditions expected through the first half of 2026.

Market dynamics: Adequate vessel capacity and stable demand are sustaining downward pressure on rates. Carriers are offering competitive pricing on longer-term contracts—especially for higher-volume commitments—as they look to secure stronger forward volume visibility. At the same time, operational delays at key northern European ports, particularly Rotterdam and Antwerp, are driving longer container dwell times, which heightens detention and demurrage exposure for shippers.

Europe to South America

Forecast: Rates to South America are expected to remain stable through year-end, with space generally available.

Market dynamics: A balanced supply-demand environment is keeping rate levels relatively steady and capacity widely available. With carriers able to accommodate current volumes without major constraints, shippers are benefiting from greater flexibility in booking windows, service selection, and routing options.

Europe to Oceania

Forecast: Rates are expected to remain stable, with open capacity supporting relatively short booking lead times—often less than three weeks.

Market dynamics: Capacity continues to outpace current demand, which is helping maintain steady pricing and reasonable scheduling flexibility. Most shippers can secure space without premium solutions unless they have highly time-sensitive or specialized cargo.

Key takeaways

- Account for Rotterdam dwell times and potential Antwerp delays when calculating transit times.

South Asia, Middle East, Africa (SAMA)

Global trends

CMA CGM has tested multiple voyages through the Suez Canal in recent weeks, though most major carriers continue to avoid the route due to ongoing security concerns in the Red Sea and Gulf of Aden. Carriers are monitoring the situation closely and may gradually resume canal transits as conditions improve, but a broad, industry-wide return remains unlikely in the near term. Full resumption depends not only on regional stability but also on insurers reinstating coverage for Red Sea passages—a process that could extend several months. For now, the Cape of Good Hope remains the primary routing option.

With global networks still dependent on Cape of Good Hope transits, effective industry capacity is reduced by an estimated 10%. Longer voyage times (40–45 days vs. 28–32 days via Suez) limit the number of annual round trips per vessel, while the additional 3,500 nautical miles adds increased fuel and operating costs per round trip, supporting higher rate levels and continued PSS.

High U.S. tariffs of up to 50% continue to suppress Indian export demand, with October shipments down 8.6% y/y. The rate of decline is slowing, however, and a pending U.S.–India trade deal could reduce tariffs to 15–16%. Such a shift would significantly improve price competitiveness and likely trigger a demand rebound.

Carriers have extended current rates through December 14, 2025, and deferred GRIs and PSS to December 15, 2025. With multiple void sailings scheduled in December, the market could tighten quickly if tariff reductions spur a volume surge. Reduced capacity combined with a sudden increase in demand would likely create immediate space constraints and upward pressure on rates.

Regional highlights

SAMA to North America

Forecast: Space remains open across all major lanes, with equipment—both containers and chassis—readily available at primary ports and inland container depots. This marks a notable improvement from early 2025, when India lanes faced frequent shortages. However, multiple void sailings scheduled through December could tighten space quickly if volumes rebound following potential tariff relief. Carriers have already pulled 15–20% of deployed capacity due to soft demand, leaving the market exposed to sudden shifts in volume.

Market dynamics: The current 50% tariff structure has sharply reduced trade flows, pushing vessel utilization on India–U.S.

lanes down to 60–70% from typical levels of 85–90%. This surplus capacity gives shippers strong leverage on rates and space commitments. Export demand from India is expected to stay soft in the near term due to U.S. tariffs of up to 50%, following an 8.6% y/y decline in October. Although exports from India to the United States remain down y/y, the pace of decline is stabilizing as buyers adjust sourcing strategies and Indian exporters recalibrate pricing.

The anticipated tariff reduction to the 15-16% range is expected to unlock pent-up demand. Many U.S. importers have delayed orders or shifted sourcing while awaiting tariff clarity; once the reduction is implemented, these deferred orders could convert rapidly into new bookings. Carriers have extended existing rates through mid-December and deferred GRIs and PSS until December 15.

Planned void sailings continue to remove weekly capacity from schedules. If demand returns faster than expected, these canceled sailings could create instant space constraints, as carriers typically need four to six weeks to restore capacity—repositioning vessels, assigning crews, and securing terminal windows. This could temporarily tighten the market and push spot rates higher until capacity is reinstated.

SAMA to Europe

Forecast: Demand from the Indian Subcontinent (ISC) to northern Europe and the Mediterranean is expected to remain steady through December, keeping volume levels stable. Space should stay accessible across most services, with carriers not signaling any near-term schedule disruptions or capacity cuts.

Market dynamics: Rate levels remain subdued across India–Europe trade lanes, reflecting steady but restrained demand and ample vessel space. Spot rates are currently 30–40% below peak 2024 levels, creating favorable conditions for shippers. To maintain network efficiency in this softer market, carriers are making targeted, sailing-specific adjustments—deploying smaller vessels or consolidating loads across services—rather than turning to broad blank sailing programs.

As the industry enters the typical contracting window for 2026, carriers are prioritizing forward volume visibility through annual contract negotiations. Securing committed volumes provides them with revenue stability and supports more accurate capacity planning. For shippers, this environment presents an advantageous moment to secure favorable long-term agreements. With rates stable and capacity open, early 2026 is shaping up to be relatively predictable, with limited risk of sudden rate spikes or space constraints.

Key takeaways

- Monitor Suez Canal routing updates, as a broad return to Suez could cut transit times by 10–14 days.
- Track India–U.S. tariff negotiations closely; be ready to shift booking strategies within two to three weeks if tariff relief is announced.
- Prepare for potential mid-December rate increases on SAMA–North America lanes.

South America

Global trends

The fruit export season from Chile and Peru is tightening vessel space on South America West Coast (SAWC) lanes, with

harvest volumes peaking December–January. Holiday-driven demand for avocados, cherries, and grapes is pushing booking windows from the usual one to two weeks to three to four weeks. Because fresh produce is time-sensitive, exporters compete simultaneously for limited refrigerated capacity, creating concentrated demand spikes during harvest windows.

On the East Coast, U.S. tariffs on select Brazilian products have reshaped trade flows. Brazilian coffee exports to the United States were down approximately 52% through September and sugar down more than 80%. These declines reflect U.S. buyers switching to alternative origins to avoid tariff costs—not any reduction in Brazilian supply—representing a major change in long-established trade patterns.

Regional transshipment hubs in Cartagena, Panama, and other ports have improved berth productivity and processing times, boosting reliability on indirect routings. These gains have narrowed the transit penalty of transshipment services from roughly 10–14 days to about 5–7 days, making indirect options more competitive for cargo that can tolerate a slightly longer transit time in exchange for better pricing.

Regional highlights

South America to Asia

Forecast: Carriers are actively seeking cargo across all commodity types to fill vessels on this traditionally low-density trade lane, prioritizing 40-foot units to maximize vessel utilization. Grain volumes continue to rise as Chinese buyers diversify away from U.S. suppliers. This diversion is creating new South America–Asia trade flows that may become long-term patterns, even if geopolitical conditions later stabilize.

Market dynamics: Paper, wood, and cotton shipments remain subdued, reflecting weaker demand from key Asian import markets. Slower construction and manufacturing have dampened paper and wood volumes, while Chinese cotton mills are drawing down existing inventories rather than purchasing new supplies, creating a temporary ceiling on cotton exports.

In contrast, grain exports—particularly soybeans and sesame—are rising sharply as Chinese buyers seek alternatives to U.S. suppliers due to tariff measures. Soybeans remain a structural requirement for China's pork industry, generating consistent demand that Brazil and Argentina are now supplying. South American grain exports to China have increased 35–40% y/y, representing roughly 15–20 million tons of cargo and creating sustained demand for vessel capacity.

To manage utilization, carriers are actively promoting available space with competitive rates. Forty-foot containers are in highest demand, as grains and other voluminous agricultural products reach cubic capacity before weight limits, optimizing vessel slot usage and reducing per-unit handling costs. Shippers should account for the longer transit time of 35–40 days to Asia versus 18–25 days to Europe or North America while taking advantage of favorable rates and capacity availability.

South America to North America

Forecast: The 50% U.S. tariff on select Brazilian products has changed trade flows, with some shippers delaying movements. As a result, Brazilian coffee and sugar exports to the United States have dropped sharply, prompting exporters to redirect volumes toward Asia, Europe, and the Middle East—markets not impacted by the tariff and currently offering more stable demand conditions.

Market dynamics: Brazilian coffee shipments to the United States have dropped sharply enough to push the United States from its long-standing role as Brazil's top buyer to third place, behind Germany and Italy. Sugar exports to the United States have seen a similarly steep decline, with most of that volume now flowing to Asian markets where demand remains strong. These changes have required Brazilian exporters to establish new buyer relationships, adjust logistics networks, and in

some cases modify product specifications to meet different market requirements. While this causes short-term disruption, it also broadens Brazil's long-term market diversification.

Colombia and Mexico are becoming increasingly important destinations for Brazilian coffee thanks to their geographic proximity and established trade channels. At the same time, U.S. importers are backfilling reduced Brazilian supply by shifting to tariff-free origins in these same markets. Carriers—including MSC, CMA CGM, and One Network Express (ONE)—are adjusting by sourcing cargo through Colombia, Mexico, Peru, and Canada to maintain vessel utilization, though these alternative routings typically add three to seven days compared to direct Brazil-U.S. services.

Operational improvements at major transshipment hubs have shortened delays from five to seven days earlier in 2025 to two to three days, making indirect routings more viable for cost-sensitive cargo as the transit penalty narrows.

South America to Europe

Forecast: Space availability now requires four weeks of advance booking, with vessels running at 95–100% utilization, a sharp shift from the typical 70–80% during non-peak periods. Demand for special cargo, including oversized, project, and high-value shipments, is expected to rise through the end of the year as infrastructure projects accelerate spending before year-end and manufacturers move high-value inventory ahead of holiday closures. Coffee volumes are also increasing, as U.S. tariffs on Brazilian coffee continue to push more shipments toward Europe, with Germany now absorbing much of the volume previously destined for the United States.

Market dynamics: Carriers including MSC, CMA CGM, and ONE are shifting calls away from London gateway due to ongoing congestion and extended dwell times of 7–10 days. Southampton and Felixstowe, with average dwell times of three to five days, have become preferred alternatives. Although rerouting adds 12–24 hours of sailing time, faster inland operations result in quicker overall delivery for time-sensitive cargo.

Coffee exports from Brazil continue to flow heavily toward Europe, with Germany now the primary destination. European roasters and distributors are increasing long-term commitments with Brazilian suppliers, supporting strong and steady demand on Brazil-Europe lanes through 2026 independent of U.S. tariff changes.

During the sugar season (April–November, with export peaks from August–December), carriers are prioritizing 40-foot dry containers for light, high-volume cargo like coffee and sugar to maintain vessel balance. This makes advance planning essential. Shippers of light commodities and special cargo should secure equipment four to six weeks ahead, as specialized equipment and optimal container types tighten quickly during peak periods.

Key takeaways

- Book early for Chile and Peru fruit exports, reserving refrigerated container capacity and vessel space at least three to four weeks in advance during peak harvest periods.
- Plan Europe-bound shipments carefully, booking at least four weeks in advance.
- [Monitor U.S.–Brazil tariff developments.](#)
- Leverage South America–Asia lane opportunities, taking advantage of rates 20–30% below peak 2024 levels. Carriers are actively seeking cargo to maintain vessel utilization, but longer 35–40-day transit times should be factored into inventory planning.

Oceania

Global trends

Export capacity from Australia and New Zealand remains tight, with most services requiring three- to four-week advance bookings to secure confirmed space. Limited carrier options and vessel availability on Oceania lanes contribute to this extended booking window. Demand on USEC lanes remains strong, driven by consumer goods imports and agricultural exports, keeping space constrained and rates elevated. Flows into Southeast Asia have eased as regional economic growth moderates, creating ample space and competitive rates.

Equipment availability is improving as carriers reposition containers to meet export demand, though transshipment delays at Singapore persist. Congestion at this key hub can add two to three weeks to transit times if cargo misses connecting vessels.

Schedule reliability is stabilizing as carriers recover from earlier port omissions and mechanical disruptions, while reduced congestion at European ports lowers delay risks for Oceania-Europe services. Overall, rates are broadly steady as the quarter ends, finding equilibrium after volatility earlier in 2025.

Key takeaways

- Plan export shipments three to four weeks in advance to secure space on preferred sailing dates and vessel services, especially for USEC-bound cargo, to avoid rollovers that can add 7–10 days to delivery timelines.
- Expect continued pressure on USEC lanes due to sustained demand.
- Monitor potential port schedule changes and rotations, as carriers may skip ports with low cargo volumes, which could require last-minute adjustments to inland transportation plans.

AIR FREIGHT

Peak demand and tariff shifts define December air cargo



Asia

Global trends

Following the late-October trade agreement between the United States and China, Trans-Pacific trade has resumed normal peak season patterns. Elevated volumes are expected to continue through mid-December before easing in the second half of the month across most commodities. Cryptocurrency and artificial intelligence (AI)-related cargo will remain strong drivers into the United States, though volumes are expected to moderate slightly from November's highs as warehouses reach capacity.

Early January 2026 is expected to bring a brief post-holiday softening before demand accelerates again in late January and early February as shippers move cargo ahead of Lunar New Year factory closures in mid-February. This creates a compressed window for shippers that need to move inventory before manufacturing shutdowns, historically resulting in capacity constraints and rate premiums.

Regional highlights

Asia to North America

Forecast: Demand is expected to remain elevated through mid-December, led by cryptocurrency and AI-related sectors. Volumes should soften in the second half of the month. Carriers are expected to gradually adjust network capacity in response to these shifts, which will affect space availability and booking windows.

Market dynamics: Stabilized U.S.–China trade conditions helped with network planning heading into year-end, allowing carriers to align capacity more precisely with anticipated demand. Despite strong contributions from cryptocurrency and AI shipments—which require prioritized handling due to their time-sensitivity and value—broader demand is tapering. Retailers have completed inventory positioning, and cargo volumes are usually reduced as consumer purchasing slows

after the holidays and businesses wind down year-end operations.

Carriers are adjusting schedules and reallocating aircraft to optimize efficiency across their global operations, which reduces available buffer capacity on individual lanes. For shippers, this translates to less booking flexibility. A normal 24–48 hour booking window now requires four to five days of advance planning.

Asia to Europe

Forecast: Peak season conditions will hold through mid-December. Early January should bring brief stability before activity intensifies again heading into February.

Market dynamics: Capacity across major Asian export hubs remains tight as year-end demand holds, extending booking windows to four to five days for larger shipments. Ecommerce and general cargo compete for limited space, and shippers that delay bookings risk being rolled to later flights or facing premium rates. Rates are expected to stay at peak levels through the second week of December due to sustained demand and constrained capacity.

Carriers are balancing aircraft rotations and schedules across regions to manage this peak intensity. Early January typically sees a lull as consumer demand eases and inventory cycles reset, providing a brief window of relief. Late January and early February see a surge ahead of Lunar New Year as factories front-load production, tightening the shipping window and driving up rates.

Key takeaways

- Book four to five days in advance through mid-December to avoid flight rollovers that could delay deliveries.
- Leverage early January's softer market to clear lower-priority shipments before Lunar New Year demand tightens capacity.

North America

Global trends

The U.S. air export market remains largely balanced heading into year-end, with supply and demand in relative alignment. The November grounding of MD-11 freighter aircraft temporarily removed some capacity from the market, creating short-term disruptions on specific routes where these aircraft operated. While impacted carriers are sourcing additional aircraft to backfill the capacity, overall international cargo volumes have remained stable, with displaced shipments absorbed by alternative carriers and routes.

Operations are expected to remain stable through mid-December, though the final one to two weeks of the month may see minor flight reductions as seasonal demand softens. This is a normal seasonal pattern as businesses wind down operations for the holidays. The flight reductions help carriers maintain efficient load factors—the percentage of available capacity that is utilized—rather than operating partially empty aircraft. For shippers, this means late December capacity, while reduced, should still be adequate for typical end-of-year volumes.

Key takeaways

- Secure space now for late-December shipments, particularly oversized or high-volume freight requiring dedicated aircraft space.

Europe

Global trends

Winter passenger schedules are limiting belly capacity across European networks, tightening available space for Trans-Atlantic shipments. Passenger airlines reduce flight frequencies during the winter months due to lower travel demand, eliminating significant cargo capacity since passenger aircraft typically carry freight in their lower deck compartments. This forces more cargo onto dedicated freighters, which must absorb the displaced volume.

Mixed economic signals heading into December will continue to create uncertainty in lane-specific demand. Some sectors, particularly ecommerce, electronics, and pharmaceuticals, are expected to maintain strong shipping activity through the month, while other industries will likely experience softer volumes due to economic headwinds. This variability makes it challenging for carriers to forecast demand accurately, which may result in either overbooked flights on high-demand lanes or underutilized capacity on softer routes during the holiday period.

Compounding these dynamics, operational constraints and aircraft redeployments may further restrict allocations during December's peak holiday period. Carriers are shifting freighters to serve multiple regions during their respective seasonal peaks and beginning to position aircraft ahead of Asia's pre-Lunar New Year surge in late January and February. This may reduce available lift on European lanes during late December and early January as this transition occurs.

Regional highlights

Europe to North America

Forecast: Mid-December is expected to mark the seasonal peak, with limited space available from European hubs. Early January should bring brief stabilization before capacity tightens through mid-January as carriers reposition aircraft ahead of the pre-Lunar New Year surge.

Market dynamics: Demand is concentrated in ecommerce, electronics, and pharmaceuticals, which are highly sensitive to schedule reliability due to their time-critical nature. Reduced belly capacity on winter passenger flights is shifting more cargo onto dedicated freighters, but available aircraft are limited and operational costs for extra flights are high. This creates competition for freighter space, resulting in longer booking lead times and potential rate premiums for last-minute shipments.

Mid-December is expected to be the busiest period, as retailers push final holiday inventory to stock shelves before Christmas, tightening space on key Trans-Atlantic lanes. Early January brings brief relief as holiday volumes subside and passenger flight networks normalize, but stabilization is short-lived. Returns (products being shipped back from retailers to distribution centers) and pre-Lunar New Year positioning (manufacturers beginning to stage components ahead of the Asian manufacturing surge) generate a secondary demand spike in mid-January. This will compress available capacity and increase competition for available space.

Key takeaways

- Book critical December shipments now to secure mid-month allocations, particularly for time-sensitive cargo.
- Plan for continued elevated pricing through early January before conditions normalize.

South Asia, Middle East, Africa (SAMA)

Global trends

The Indian air cargo market is undergoing significant disruption following steep U.S. tariff increases. India's exports to the U.S.—its largest destination—fell 37.5% from May to September, with major declines across key sectors: smartphone exports dropped 58%, engineering goods fell 16.7% year over year (y/y) in October, and textiles and apparel also experienced substantial reductions. Even previously tariff-free categories—nearly one-third of India's exports to the United States—fell 47% in the same period, demonstrating the broad impact beyond directly tariffed goods.

Despite these headwinds, underlying air cargo demand remains resilient. Projections call for 6–9% annual growth through 2029, driven by a structural shift toward air for high-value, time-sensitive goods. Pharmaceuticals, smartphones, and other advanced technology products increasingly rely on air to navigate tariff uncertainty, global trade tensions, and disruptions such as the Red Sea crisis that have eroded the reliability of ocean transport.

Infrastructure investments are also reshaping market potential. India now operates over 160 airports, supported by major policy programs including the National Logistics Policy, PM GatiShakti, and Make in India. However, cargo handling is still heavily concentrated at six major hubs, creating bottlenecks during peak periods. New freighter operators like Pradhaan Air Express are adding alternative capacity and supporting network diversification.

Globally, November brought general rate increases (GRIs) heading into peak season, and the industry continues to accelerate digitalization to improve speed and compliance. India's air cargo throughput is forecast to reach 5.8 million tonnes by 2029—nearly double current levels—highlighting the ongoing pivot toward high-value, high-velocity trade.

Regional highlights

SAMA to Asia

Forecast: Intra-Asia air freight from India is expected to grow steadily through December, supported by regional manufacturing supply chains, pharmaceutical movements, and expanding trade with Southeast and East Asia. Capacity is expected to remain sufficient, with multiple carriers maintaining regular daily frequencies to major Asian hubs.

Market dynamics: India's role in Asian manufacturing supply chains continues to expand as companies diversify production beyond China. This is driving steady air freight demand for components, sub-assemblies, and finished goods that require just-in-time delivery across the region. Pharmaceutical exports are also rising, with India supplying generic medications, vaccines, and active ingredients to healthcare systems throughout Asia.

Ecommerce growth across Southeast and East Asia adds an additional layer of demand. Sellers in India are increasingly using air freight to meet fast-delivery expectations in markets such as Malaysia, Singapore, and Thailand, supported by government-backed digital commerce programs that help smaller exporters participate in regional online marketplaces.

SAMA to North America

Forecast: India–U.S. air freight volumes will remain soft through December under the 50% tariff environment, with high-value sectors such as pharmaceuticals and electronics continuing to rely on air despite cost pressures. Rates are expected to firm up during the November–December peak as capacity tightens from seasonal demand and cargo shifting away from ocean routes amid Red Sea disruptions.

Market dynamics: The 50% U.S. tariff has reshaped India–U.S. trade, pushing many product categories out of price competitiveness. Despite this, vaccines, injectables, and other critical medications continue to flow. And pharmaceutical exports continue moving by air because cold-chain integrity, regulatory timelines, and medical demand make transit time non-negotiable.

Electronics manufacturers are also maintaining air volumes for select high-value components and finished goods where speed-to-market outweighs both the air premium and tariffs, especially in just-in-time production models that cannot absorb 30–40-day ocean transits.

SAMA to Europe

Forecast: India–Europe air freight flows are expected to remain stable through December, supported by steady demand for pharmaceuticals, textiles, and engineering goods and the absence of punitive tariffs. Capacity is expected to remain sufficient, with carriers maintaining regular service frequencies.

Market dynamics: Europe remains India's second-largest export market and is growing in importance as U.S. tariffs shift trade toward alternative destinations. Pharmaceutical exports to Europe continue to expand, supported by long-standing regulatory approvals and Europe's reliance on Indian generics, vaccines, and injectables.

Textile and apparel shipments also remain steady, with manufacturers in India supplying both fast-fashion and traditional retailers across the region. Favorable European tariff structures are helping exporters maintain price competitiveness—unlike in the U.S. market, where tariffs have sharply reduced demand.

Key takeaways

- Consider markets in Asia and Europe, where the trade environment remains favorable and demand is stable or growing.
- Plan for airport congestion at India's six major cargo hubs. Because processing may extend to 48–72 hours, add buffer time to delivery commitments.

South America

Global trends

Demand from South America remains strong as Q4 peak season boosts volumes across major export lanes, particularly for perishables from Brazil, Chile, and Peru. Air freight demand is mixed: Colombia up 8% y/y and Argentina up 1%, while Brazil, Chile, and Peru reported declines. Yet seasonal fruit and agricultural exports are still driving concentrated demand and compressing booking windows to more than two weeks for time-sensitive cargo.

Spot rates are rising as peak-season demand tightens capacity, especially for cold-chain shipments that rely on limited temperature-controlled equipment. Cold-chain freight now represents roughly 70% of South America's outbound air volumes. Freight capacity is increasing to support the seasonal peaks, with LATAM Cargo expanding South America–Europe service to 15 weekly flights starting October 2025—a 25% increase via Boeing 767s through hubs in Quito and Lima.

Some cargo traditionally bound for the United States is shifting to Europe as shippers diversify markets and respond to tariff considerations. Because many Europe-bound lanes were not designed for this redirected flow, short-term capacity is tightening and longer booking windows are emerging.

Operationally, major airports remain stable, though São Paulo-Guarulhos (GRU) continues to face congestion in ground handling and customs, adding one to two days to processing. Shippers are increasingly using Viracopos (VCP) and Recife (REC) for faster throughput and more reliable handling.

External pressures—particularly disruptions to maritime routes in the Red Sea—are pushing additional cargo from ocean to air. Industries that typically rely on ocean freight are now competing for limited air capacity, adding further upward pressure on rates. While carriers are adjusting networks, significant new capacity is unlikely in the near term given aircraft and crew repositioning constraints.

Looking into Q1 2026, modest volume growth is expected, supported by stable freighter utilization and expanding belly capacity. Ecommerce investment across the region—including MercadoLibre's \$9.2 billion commitments in Brazil and Mexico—continues to drive underlying demand growth of 10–12% y/y. The floral season ahead of Valentine's Day will add another temperature-controlled demand surge in January and February 2026.

Regional highlights

South America to North America

Forecast: Demand remains strong through December, with booking windows averaging five to eight days. Spot rates are trending upward, though shipments under 500 kilograms remain easier to secure on general cargo terms due to their loading flexibility.

Market dynamics: The suspension of U.S. tariffs on select agricultural products is driving higher export volumes from Brazil. With these commodities now more price-competitive, buyers are increasing orders, creating immediate pressure on available cargo space.

Seasonal holiday demand is adding to already elevated shipment levels, increasing competition for space on key lanes. Traditional holiday goods—such as gifts, decorations, and specialty foods—are overlapping with the surge in agricultural exports, creating peak-season pressure. Carriers have kept overall service stable through strategic scheduling, but time-sensitive and high-density cargo may still face tighter availability due to the specific aircraft positions and handling these shipments require.

South America to Europe

Forecast: General cargo volumes continue to rise, and carriers are adding incremental year-end frequencies to capture peak season demand. Lufthansa has confirmed medium-sized aircraft for round trips between Munich (MUC) and Rio de Janeiro (GIG), providing additional dedicated freighter capacity on this key lane. Perishable exports remain strong, with some volume shifting from the United States toward Europe as shippers diversify market destinations.

Market dynamics: LATAM Cargo's expansion to 15 weekly Boeing 767 flights and Lufthansa's deployment of medium-sized aircraft between MUC and GIG are helping stabilize capacity during peak season, supporting both perishables and general cargo. LATAM's increased European reach via hubs in Quito and Lima is improving southbound and northbound connectivity for exporters across the region.

Perishable exports remain the primary driver of outbound volume, with berry season in Argentina and Chile adding concentrated demand for cold-chain lift during Q4. More exporters are shifting cargo to Europe as they diversify away from U.S. destinations, which is tightening cold-chain capacity on Europe-bound lanes. Avianca Cargo continues to lead in fresh-flower volume, building on a 15% y/y increase during the 2025 Mother's Day season.

Viracopos (VCP) remains a preferred origin for high-density and time-sensitive freight due to faster ground handling and predictable processing—typically 24–36 hours—compared with congestion at GRU. The Recife–Porto route offers Northeast exporters direct European connectivity, eliminating domestic trucking to GRU and reducing total transit time by three to five days.

As seasonal perishable exports ramp up, cold-chain infrastructure—refrigerated trucking, storage, and specialized aircraft positions—remains tight, driving firmer rates and requiring earlier booking. Cold chain freight continues to represent roughly 70% of South America's outbound air volumes, underscoring its central role in regional export flows.

South America to SAMA

Forecast: Peak season demand remains strong, with time-sensitive and high-tech cargo now requiring lead times of more than two weeks. Spot rates are elevated as Red Sea maritime disruptions continue pushing ocean cargo to air, adding unplanned demand that competes directly with traditional seasonal volumes.

Market dynamics: Carriers have increased rates on Brazil's fruit exports as peak season demand strains cold chain capacity. These shipments require strict temperature control, careful handling to prevent damage, and expedited customs clearance. When multiple exporters compete for limited refrigerated space during harvest peaks, rates rise to prioritize the most time-sensitive cargo.

Key connections through Madrid (MAD), Frankfurt (FRA), and Luxembourg (LUX) are also experiencing delays as volume exceed the ground handling capacity at these major European hubs. Typical four-to-six-hour connections may extend to 12–24 hours, increasing the risk of missed onward flights and delivery delays.

Red Sea disruptions continue to divert ocean cargo to air, adding unplanned demand and intensifying pressure on available capacity, particularly for perishables and other time-sensitive shipments. Cargo that would normally move by sea is entering the air market to avoid extended Cape of Good Hope transit times.

Key takeaways

- Book perishables well in advance with carriers that support cold chain logistics, as specialized temperature controlled capacity is more limited than standard cargo space.
- Consider VCP or REC when logistics allow to minimize risk of shipment disruptions at GRU.
- Secure booking slots early—at least two weeks in advance—for time-sensitive cargo to Asia and the Middle East.
- Plan ahead for Q1 2026 Valentine's Day floral peak (January–February), which will create another seasonal surge in

temperature controlled capacity demand.

Oceania

Global trends

Demand remains aligned with broader Asia-Pacific cargo tonne-kilometer (CTK) trends, with December reaching its typical seasonal peak driven by pharmaceutical and medical shipments, mining spare parts, and fresh produce. These sectors naturally see concentrated year-end activity due to production cycles, operational shutdowns, and peak harvest periods, all of which contribute to elevated uplift during this time.

Capacity growth has outpaced demand on several key lanes, keeping rates generally stable through year-end. This favorable supply-demand balance provides shippers with more flexibility in booking and better opportunities for spot shipments.

Inbound demand varies by region, with some lanes experiencing elevated rates due to limited dedicated freighter capacity and seasonal ecommerce demand.

Regional highlights

Oceania to Asia

Forecast: Rates are expected to hold firm through December, supported by seasonal uplift in volumes and generally balanced supply-demand conditions across key lanes.

Market dynamics: Seasonal volumes—especially pharmaceuticals, mining spare parts, and fresh produce—support demand on Australia to Asia trade. These industries are inherently seasonal: pharmaceutical year-end production targets, mining spare parts needed before holiday shutdowns, and Australia's summer harvest all create concentrated shipping surges that fill available capacity.

Recent capacity additions have eased prior constraints, stabilizing operations and supporting consistent rates into year-end. When capacity and demand grow in proportion, rates tend to stabilize, giving shippers predictable pricing for budgeting and planning.

Oceania to North America

Forecast: Rates are expected to remain mixed through December, driven by scheduling constraints within the U.S. domestic widebody network. Some fluctuations in space and pricing are likely as carriers adjust to operational challenges at gateway airports.

Market dynamics: Although total Australia-U.S. capacity has increased on the international leg, bottlenecks within the U.S. domestic widebody network—limited aircraft availability, schedule disruptions, and constrained connections—are creating ripple effects for international cargo. When cargo arrives at U.S. gateways such as Los Angeles or San Francisco, but domestic flights are unavailable, freight may remain at the airport awaiting the next flight.

To avoid accumulating cargo at gateways, carriers adjust how much international freight they accept, leading to inconsistent space availability and fluctuating rates by lane, day, and carrier. For shippers, this creates planning uncertainty and may

require building additional buffer time into delivery schedules to account for potential domestic connection delays.

Oceania to Europe

Forecast: Rates are expected to remain soft through December, supported by ample available capacity and a lack of any significant seasonal demand surge.

Market dynamics: A significant capacity surplus continues to characterize Australia–Europe trade, keeping rates softer than typical peak season levels. Carriers added capacity in anticipation of demand that has not materialized or in response to softer market conditions, resulting in wide availability for uplift and more competitive rates.

In a soft market, carriers often discount rates to maintain aircraft utilization and cover fixed operating costs, providing opportunities for shippers to secure favorable terms. These conditions are expected to persist through year-end, with no major demand drivers on the horizon to absorb the excess capacity.

Oceania to Oceania (Australia–New Zealand)

Forecast: Market conditions remain soft through December, with rates steady to slightly lower amid continued excess capacity.

Market dynamics: Capacity on Australia–New Zealand routes continue to exceed seasonal demand, keeping rates subdued. This trans-Tasman trade lane often experiences periodic imbalances as carriers adjust to economic fluctuations in both countries. With more lift available than current bookings require, anticipate broad access to space and flexibility in timing. While December would typically bring tighter capacity and higher rates, the current surplus prevents these seasonal dynamics, reflecting relatively weak underlying demand.

Key takeaways

- Take advantage of soft conditions on Australia–Europe and Australia–New Zealand lanes, where capacity remains ample.
- Early booking from Australia to Asia is recommended to maintain stable rates amid seasonal surges in pharmaceuticals, mining spare parts, and fresh produce—waiting until closer to shipment date may result in space constraints or premium pricing as peak volumes materialize.

INTERMODAL

Intermodal peak season expected to end early



Market overview

Intermodal rail shipments fell 3% year over year (y/y) in October as reported by the Association of American Railroads, and that decline continued through November. Much of the softness reflects an early-year import surge tied to tariff concerns, which pulled forward demand that would normally appear later in the year. With roughly half of intermodal volume connected to global trade, holiday consumer spending and early-2026 restocking trends will be key drivers into 2026.

Peak season ends

Peak season 2025 is winding down earlier than normal. Southern California led an early surge that pushed carriers to implement peak season surcharges, including:

- **J.B. Hunt:** Surcharges as high as \$1,500 per load, later reduced to \$800.
- **Union Pacific:** \$300 surcharges for contracted customers and up to \$500 for spot shipments.

Union Pacific expects peak season to end during the week of December 22, earlier than historical norms. The early conclusion reflects both trade uncertainty and front-loaded demand.

West Coast as a strategic hub

The Port of Los Angeles remains the country's most important intermodal gateway. While tariffs contributed to volatility this year, a newly announced U.S.–China trade framework that extends agreements through 2026 and rolls back retaliatory measures signals improved stability. Unless major disruptions emerge, shippers should see a more predictable planning environment in 2026.

Cost optimization opportunities

Shippers can uncover savings this season with careful planning:

- **Annual rail contracts:** Weekly allocations only count when containers in-gate, and allocations reset each Sunday. Moving Friday freight to Monday can help prevent overages and reduce costs.
- **Seasonal and project freight:** Delaying shipments until after Christmas is likely to generate savings as capacity loosens and surcharges fall away.

Spot market dynamics

Railroads are keeping spot rates closely aligned with truckload pricing until the truckload market strengthens. The approach helps balance networks while capturing additional volume. Outside California, spot pricing should remain stable through early 2026, although tariff uncertainty could temper broader North American intermodal growth.

Intermodal pricing outlook

Committed pricing trends vary by region:

- **West Coast outbound:** Rates are stabilizing, with most new contracts effective January 1, 2026, or later.
- **Other regions:** Experiencing modest increases of 2–5% y/y, generally aligned with inflation.

In RFPs, shippers should prioritize providers with diverse rail relationships to maximize cost efficiency and flexibility.

Service performance

Intermodal service remains in line with five-year averages despite seasonal pressure. Higher Southern California volumes have not caused lasting container or chassis shortages. The network still holds meaningful excess capacity, though strategic equipment positioning remains important as railroads adapt to shifting demand.

PORTS & DRAYAGE

Driver regulations and winter ops reshape December drayage



North America

Global trends

Regulatory changes could affect driver availability for drayage carriers over the next one to three years. Federal Motor Carrier Safety Administration (FMCSA) estimates indicate that up to 5% of all commercial driver's license (CDL) holders may be removed from the workforce due to new immigration-related policies, with concentrated impacts in states such as California, Arizona, and Texas where losses could reach 15–25%. These localized reductions may create drayage shortages for shippers operating in high-impact regions, even while national capacity appears sufficient.

English-language proficiency enforcement has intensified, but inconsistent application across states adds operational uncertainty. Drivers may pass inspections in one state but fail in another due to subjective interpretations, prompting some carriers to avoid high-enforcement states. This behavior effectively removes capacity from these markets and creates routing inefficiencies, underscoring the need for shippers to maintain flexible routing options and diverse carrier relationships.

Rising operational costs are adding pressure across the sector. Wages have increased 15–20%, insurance costs 25–35%, and equipment costs 15–25%, particularly affecting smaller carriers that historically provided flexible, specialized services. Exits by small carriers may reduce competition and service options, giving larger carriers greater pricing power and limiting flexibility in regions where specialized capacity is critical.

Drayage capacity is already tightening at select ports, with peak-period booking windows extending from same-day or next-day pickup to two to three days in advance. Any sudden surge in freight demand, such as accelerated inventory restocking, could expose localized capacity gaps within weeks. Shippers should plan proactively, monitor regulatory and enforcement developments, and engage multiple carriers to maintain operational flexibility and avoid disruption.

Regional highlights

U.S. Central

Forecast: If approved by regulators, Union Pacific's (UP) acquisition of Norfolk Southern Railway (NS) could enable direct routing from U.S. West Coast (USWC) ports to Cincinnati, Cleveland, Columbus, Detroit, and Louisville. This would bypass the Chicago rail hub, reducing congestion, improving inland transit reliability, and potentially saving 12–24 hours per shipment.

Market dynamics: Containers from Los Angeles–Long Beach to Midwest markets currently transit through Chicago, requiring either long-haul trucking or crosstown rail terminal transfers, which add both time and operational complexity. Chicago handles roughly 4 million intermodal containers annually, making it North America's largest rail hub. Those high volumes create chronic congestion, with two to four day dwell times.

Direct West Coast–Midwest routing would eliminate these transfers, reduce congestion, and streamline drayage operations. Shippers moving large volumes could also see meaningful supply chain savings. Regulatory approval is uncertain, with a potential timeline extending to at least 2027, so shippers should monitor progress rather than make immediate operational changes.

U.S. East Coast

Forecast: Savannah is expected to see steady but moderate cargo flow through early 2026, with congestion holding at roughly four days and chassis shortages continuing to constrain inland movement. Georgia Port Authority anticipates volume recovery beginning in 2026 as new infrastructure—most notably the Blue Ridge Connector—comes online.

Market dynamics: The Port of Savannah has handled 4.8 million 20-foot equivalent units (TEU)s year-to-date through October, a 4% increase versus last year despite an 8.4% year over year (y/y) dip in October alone. Current congestion remains moderate at approximately four days, driven in part by persistent chassis shortages at high-volume terminals such as Garden City. Limited chassis availability is extending container dwell times and increasing detention and demurrage exposure for shippers.

Looking ahead, Georgia Port Authority expects volume recovery and more fluid inland connectivity beginning in early 2026. The Blue Ridge Connector inland rail facility, scheduled to open in Spring 2026, is designed to ease terminal pressure by expanding inland rail capacity and improving cargo evacuation from the port. Until then, chassis constraints and moderate congestion will remain key operational risks for shippers using Savannah.

U.S. Gulf

Forecast: Houston export demand, especially for resins and petrochemical products, remains strong due to competitive U.S. production costs. Ongoing dredging through early December is contributing to berthing delays, with some vessels experiencing 12–24 hours of additional wait time for berth assignment.

Market dynamics: The Port of Houston remains export-dominant, with outbound volumes exceeding imports by 15–20%. Resin demand is particularly strong as manufacturers build inventory ahead of potential year-end disruptions and position material for Q1 2026 production. This concentrated demand creates competition for trucking capacity and terminal appointments, occasionally extending drayage booking windows from same day to two to three days during peak periods.

Ongoing dredging through early December is temporarily reducing available berth positions, creating 12–24 hour vessel delays and the potential for cargo rollovers if berthing windows cannot accommodate arrivals. The dredging is essential to maintain draft depth for larger vessels and ensure the port can continue handling fully loaded containers and bulk carriers.

Shippers should plan Houston-origin shipments with a 12–24 hour buffer during this period. Once dredging operations are complete, berth wait times are expected to return to normal levels of six to eight hours.

U.S. West

Forecast: Stricter enforcement of English language requirements is expected to reduce the Southern California drayage driver pool by 20–25% over the next one to three years. Losing up to a quarter of drivers in the region could put significant pressure on local drayage capacity, particularly during peak shipping seasons when demand can surge 30–40%.

Market dynamics: Southern California and Arizona are experiencing the most intensive enforcement, with California alone accounting for roughly 40% of national citations despite representing only 25% of truck operations. The region's high concentration of drivers who are immigrants makes it particularly vulnerable. Many of these drivers have operated for years but may lack the required English proficiency documentation.

Small carriers are exiting the market due to compliance costs, low freight rates, and rising operational expenses. Insurance, fuel, maintenance, and equipment costs have increased significantly, compressing margins for carriers with fewer than 10 trucks, forcing some to shut down operations entirely.

Driver availability at key ports including Los Angeles, Long Beach, and Oakland is tightening. Peak-period booking windows have extended from same-day or next-day pickup to two to three days, and some appointments are being declined when all available drivers are committed. While current demand remains manageable, any sudden volume surge—such as holiday imports or accelerated inventory builds—could create delays of three to seven days in cargo pickup and delivery.

Canada

Forecast: Canadian National and Canadian Pacific Kansas City are implementing winter operating plans, including shorter trains (120–140 railcars vs. typical 150–180) and reduced speeds (35–45 mph vs. 50–60 mph) during extreme cold. These measures are expected to extend inland transit times by 12–24 hours, especially during peak periods or severe weather.

Container dwell times vary by port, with British Columbia experiencing the longest delays at 8–10 days due to high import volumes and limited rail capacity, while Eastern ports such as Halifax maintain shorter one to two-day dwell times.

Market dynamics: Congestion at Canadian ports remains elevated due to sustained import volumes (up 8–12% y/y at Vancouver and Prince Rupert) and railcar shortages that limit efficient cargo evacuation. Containers waiting for rail transport accumulate in port yards, reducing terminal capacity and slowing vessel operations, creating cascading schedule delays that can persist for weeks.

Winter operating plans, including shorter train lengths (reducing containers moved per trip by 15–25%) and speed restrictions, are designed to maintain safety amid sub-zero temperatures, snow, and ice, but they further extend inland transit times and reduce rail capacity just as holiday import volumes peak. Rail prioritization favors time-sensitive or contracted shipments, meaning spot-market cargo may face three to five-day delays during peak winter periods.

Low water levels at the Port of Montreal are limiting vessel draft to 90–95% of normal capacity, reducing weekly container throughput and increasing competition for space. Container dwell times vary by location: British Columbia (8–10 days), Montreal (5–6 days), Saint John (5–6 days), Toronto (1–2 days), and Halifax (0.6–3.8 days), reflecting differences in port congestion, rail connectivity, and terminal efficiency.

Empty return service (ERS) remains restricted at some West Coast terminals due to high dwell times, forcing shippers to return empties to original locations. This adds time and costs to container repositioning and reduces operational flexibility.

Key takeaways

- For Houston shipments, build a one-to-two-day buffer into delivery commitments through early December due to dredging-related berthing delays.
- Plan for longer inland transit times from Canadian ports from December through February. Add 12–24 hours for winter rail operations and account for extended dwell times, particularly in British Columbia (8–10 days) and Montreal (5–6 days).
- Track port-specific operational conditions, including water levels at Montreal and capacity changes at West Coast Canadian ports.

Europe

Global trends

European port and inland operations continue to face challenges driven by equipment shortages and limited trucking capacity. Container and chassis availability remains tight in inland markets—especially in Belgium, Germany, and the Netherlands—where congestion and driver constraints are extending inland transit times by two to four days, even when vessels arrive on schedule.

Port congestion also remains elevated across Northern Europe. The Port of Rotterdam is reporting extensive dwell times—approximately 14 days at RWG Terminal and four days at Europe Container Terminals (ECT). In Antwerp, congestion intensified following Belgium's late-November national strike, with more than 20 vessels delayed outside the port. In France, rail sector strikes on December 2 caused added strain to inland connectivity, though the full maritime impact remains limited.

While earlier labor disruptions in Belgium and the Netherlands have not resulted in lasting structural impacts, intermittent actions remain a risk as the region moves into early 2026—creating continued schedule variability and the potential for cargo delays.

Key takeaways

- Plan for two to four days additional inland transit time in Belgium, Germany, and the Netherlands, due to equipment shortages and limited trucking availability.
- Monitor labor action developments that may disrupt inland cargo movements to and from French ports.
- Account for extended container dwell times at Rotterdam when planning cargo pickup and delivery schedules.

South America

Global trends

Operational efficiency in South America remains uneven. Pacific Coast ports like Buenaventura are experiencing significant congestion due to ongoing infrastructure upgrades. Meanwhile, Atlantic Coast ports such as Cartagena are improving reliability through automation and productivity enhancements. As a result, cargo is being diverted toward more efficient gateways, where shippers can benefit from shorter transit times and more predictable schedules.

Brazilian ports continue to experience capacity constraints from a combination of high yard utilization, weather disruptions, and channel limitations, creating variability in cargo flow and delivery predictability. Montevideo operations are gradually normalizing following strike action and system updates, though schedule reliability remains lower than pre-disruption levels. Overall, cargo routing decisions in South America are increasingly influenced by operational performance, port capacity, and reliability rather than proximity alone.

Regional highlights

South America East Coast

Forecast: Brazilian ports will continue to face operational pressure through December due to high yard utilization, seasonal weather disruptions, and existing vessel backlogs. Santos is expected to remain congested with minimal buffer for volume surges, while Rio Grande will continue operating under restricted berthing windows because of shallow channel depth, with no meaningful recovery anticipated before Q2 2026.

Montevideo has resumed operations after November's strike action, but productivity is likely to remain limited through late December or early January as terminal operators adjust to a new operating system. Berth waits of two to three days are expected until the vessel queue clears.

Market dynamics: Santos remains highly congested, with terminal utilization at 85–90%, compounded by heavy summer rains, flooding, and cascading vessel delays from previous weeks. Rio Grande continues to face throughput constraints tied to its shallow 11-meter channel and limited berthing windows. Itajaí sees restricted calls due to draft and yard limitations, while Navegantes, Itapoá, and Paranaguá operate near 78–80% utilization and experience weather-related crane downtime several days each month.

Montevideo has resumed operations following a 10-day strike but is still operating at roughly half of normal productivity as terminal staff adapt to a new operating system. The port is temporarily using a first-in, first-out approach for vessel assignment, resulting in two to three days of berth waiting time.

Shippers seeking more predictable performance may consider Imbituba, which offers underutilized capacity (38%) with carrier incentives, as well as Salvador, Suape, and Pecém, which maintain moderate utilization and stable operations. Fortaleza's fruit export season is creating temporary refrigerated demand that may affect equipment availability for other cargo types. The suspension of the Manaus low water surcharge provides cost clarity through the end of 2026.

South America West Coast

Forecast: Buenaventura is expected to face operational challenges through at least Q1 2026 as civil works continue, with completion not anticipated until March or April. Cartagena offers a more reliable alternative, with carriers increasingly promoting the port to shippers seeking to avoid Buenaventura congestion.

Market dynamics: Buenaventura's operations remain constrained by ongoing civil works, including berth reconstruction, crane rail repairs, and access road improvements. These projects have extended average container dwell times from 4–5 days to 8–12 days, increasing storage costs and creating uncertainty in delivery timing.

By contrast, Cartagena has improved efficiency through automation, upgraded terminal systems, and labor training, reducing container processing times by 30–40% over the past year. Several carriers have launched new services to North America, including weekly U.S. East Coast and bi-weekly Gulf services, making Cartagena a more reliable alternative for cargo bound for the United States, Brazil, and Europe.

For exporters in western Colombia, trucking to Cartagena adds two to three days and 300–400 miles inland, but the three to five days saved by avoiding Buenaventura congestion typically outweighs the extra transit. For shippers with routing flexibility, Cartagena is generally the preferred option unless specific ocean service requirements dictate otherwise.

Key takeaways

- Use Cartagena over Buenaventura when possible—while trucking adds two to three days, it is typically outweighed by the three to five days saved by avoiding Buenaventura congestion.
- Leverage alternative Brazilian ports—Rio de Janeiro, Imbituba, Salvador, Suape, Pecém, or Fortaleza—to bypass congestion at Santos, Rio Grande, Itajaí, Itapoá, and Paranaguá. Although services are less frequent, lower congestion often leads to faster end-to-end transit.
- Plan for two to three days berthing delay at Montevideo as operations recover from strike-related disruption and system changes.

CANADA, MEXICO & CROSS-BORDER

Mexico blockades and Canada carrier crackdown impact trucking

U.S.–Mexico

Disruptions

Road blockades across 17 states, organized by transport and agricultural groups in late November and stretching into early December, highlight operational risks in the region. The Confederation of National Chambers of Commerce, Services, and Tourism (Concanaco) estimates the disruptions caused losses between 3–6 billion pesos.

Although some blockades were lifted through government negotiations, underlying issues of cargo security and high carrier operating costs persist. For shippers, these events are recurring risks that must be accounted for in supply chain planning and transit time calculations across Mexico highways.

Trade trends

The U.S.–Mexico cross-border freight market presents a complex picture. On one hand, overall Mexico exports reached another record high in October, driven by historic growth in non-automotive manufacturing as companies continue to leverage nearshoring. On the other hand, the automotive sector, particularly heavy-duty truck manufacturing, is severely contracting. Weakening demand in the United States, combined with new tariff pressures, has created two sharply different realities within the same trade corridor.

The latest available data underscores these contrasts:

- Total automotive exports fell 14% year-over-year (y/y) in October, including decreases of 14% to the United States and 14.1% to other markets. According to ANPACT, heavy vehicle production fell 59.3% and exports dropped 58.3% y/y in September 2025. INEGI data shows exports continued to fall in October, declining 55.3%.
- Non-automotive manufacturing exports surged 34.8% in October.
- Overall exports to the United States grew 17.1% and to other global markets grew 12.3%. In electrical and electronic products, growth has been strong enough for Mexico to surpass China as the top supplier to the United States as of July 2025.

These divergent trends suggest trucking rates will likely remain stable for now, as robust demand from non-automotive sectors balances softening demand and newly available capacity from the contracting automotive industry. But operational risks remain high.

Looking ahead, the market is defined by a mix of risks and opportunities:

- Key risks include the impact of U.S. tariffs, uncertainty surrounding the review of the U.S.-Mexico-Canada Free Trade Agreement (USMCA) in 2026, and the potential for renewed road blockades disrupting key corridors.
- Conversely, opportunities remain strong, driven by continued growth in non-automotive sectors such as electronics and machinery. These industries benefit directly from ongoing U.S.–China trade tensions, reinforcing Mexico's role as a critical nearshoring partner for North American supply chains.

Foreign investment

Headline figures show Mexico attracted a record \$40.9 billion in foreign direct investment in the first nine months of 2025, supporting the nearshoring narrative. Yet Banxico data reveals that only 16% represents new investments, with the majority coming from reinvested profits by established companies. While this indicates confidence from current players, it also suggests fresh capital is entering at a slower pace, likely due to caution around the USMCA review and domestic policy uncertainty.

Policy updates

The required adoption of Mexico's Electronic Manifestación de Valor (MV) for imports, which was slated to start December 9, 2025, has been deferred for several months. Until March 31, 2026, importers retain the option of using either the legacy

physical declaration form or the new electronic procedure to submit the value of their imported goods.

Canada–Mexico

Canada is quietly deepening its reliance on Mexico for auto parts. Statistics Canada data shows Mexico now supplies more auto parts to Canada than the United States, reflecting the deepening integration of the North American supply chain under USMCA. Mexico's role extends beyond being a U.S. partner, positioning it as a central hub for the region and underscoring its strategic importance for both Canadian and American industries.

U.S.–Canada

Driver Inc. crackdown

The Government of Canada has launched an inspection blitz in the greater Toronto and Hamilton area of Ontario to crack down on misclassification of truck drivers as independent contractors. Called "Driver Inc.," some carriers force drivers to incorporate, which is a violation of the Canada Labour Code and denies drivers rights they'd have as employees, such as minimum wage, paid leave, and safety protections. The blitz includes full investigations, penalties, and information-sharing with the Canada Revenue Agency for coordinated enforcement.

Carriers may temporarily reduce load commitments to avoid risk, which may slow freight movement, tighten available capacity, and lead to higher rates. We're monitoring the situation closely to see how it develops.

Winter weather impacts to capacity

As the winter season continues, shippers should be aware of the impact of snow and icy road conditions on Canadian roads. Carriers may prioritize lighter loads and decline heavier freight to reduce risk, meaning it will not be business as usual for those looking to maximize trailer weight. Planning and flexibility will be key to maintaining on-time shipments.

TRADE POLICY & CUSTOMS

Trade policy stability brings time for better import planning



U.S. trade actions have shifted from escalation to stabilization in recent months. Tariff relief and exemptions announced since mid-October signal a pause in pressure, likely creating a six-to-12-month window for businesses to do better import planning and execution. Shippers may have fewer surprises and more time to optimize sourcing strategies.

One exception to relative trade stability is India. As both China and the United States vie for India's loyalties, a trade deal has remained elusive and U.S. tariffs on many goods from India remain at 50%. More volatility is expected regarding India trade policy than with other countries.

The U.S.-China trade war has entered what appears to be a truce. While both economies have taken hits, both sides have paused tariff hikes and offered concessions: the United States on tariff rates and maritime fines, and China on rare earth exports. This détente is scheduled to hold for a year, giving businesses breathing room to solidify tariff mitigation strategies and sourcing diversification.

C.H. Robinson customers are moving steadily along the [sourcing hierarchy](#): first diversifying from China to nearby markets like Vietnam, then friendshoring, then nearshoring into North America, and possibly reshoring. In this environment, advanced customs brokerage and compliance services have emerged as critical supply chain advantages. Increased scrutiny on country of origin and valuation and potential elimination of foreign importer of record is expected in 2026.

The White House's focus is now shifting to the U.S.-Mexico-Canada Free Trade Agreement (USMCA). With the scheduled 2026 review already well under way, the public negotiating style of the U.S. administration may create some temporary shocks. Once settled, some potentially important adjustments could be made in certain sectors such as automotive, energy, or agriculture.

U.S. Supreme Court tariff case

The Supreme Court is expected to decide in December or January whether the president's broad tariff actions under the International Emergency Economic Powers Act (IEEPA) will stand or face limits. If the court narrows executive authority, it is anticipated that the administration will lean more on established authority to impose commodity-specific and country-

specific tariffs. While importers hope for relief through IEEPA refunds, U.S. Customs and industry associations have tried to temper expectations of any timely or robust refund process.

Trade deal reduces U.S. tariffs on imports from South Korea

Following a [deal announced in November](#), a December 3 [notice provided guidance on reduced duties for goods of South Korean origin](#). Reciprocal tariffs, 232 tariffs on automobiles and auto parts, and 232 tariffs on wood products will be capped at 15% for goods with a Column 1-General or Column 1-Special rate less than 15%. Where these rates are greater than 15%, those reciprocal and 232 tariffs will have a duty rate of 0%. Also, qualifying civil aircraft, their engines, parts, and components will be exempt from any reciprocal or 232 tariffs.

The revised rates will be retroactive for goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. Eastern time November 14, 2025.

Expanded U.S. tariff exemptions on imports from Brazil

An [executive order in November modified the scope of tariffs](#) imposed on Brazilian goods [in a July executive order](#). Changes to the [annexes added hundreds of agricultural products](#) including coffee, fruits, and spices as well as energy products and aircraft parts that are exempted from the 40% reciprocal tariff. The exemptions are retroactive for goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. Eastern time November 13, 2025.

Exclusions to 301 China tariffs extended

The [178 exclusions to the Section 301 China tariffs have been extended](#). These retaliatory tariffs are connected to China's technology transfer and intellectual property practices. Exclusions for certain products of China origin [had been set to expire on November 29, 2025](#), and will now continue until November 10, 2026.

CPSC mandatory filing still on track for mid-year 2026

Reminder that the Consumer Product Safety Commission (CPSC) will have mandatory reporting on imports effective July 8, 2026. The government agency will flag approximately 2,500 Harmonized Tariff Schedule (HTS) codes that will require a certificate data filing or disclaim message with the customs entry filing of each flagged product. CPSC has created a [Product Registry where importers can store and manage their product certificate data](#).

[Visit our Trade & Tariff Insights page](#) for the latest news, insights, perspectives, and resources from our customs and trade policy experts.

GOVERNMENT & REGULATIONS

U.S. government scrutinizes truck driving schools



A recent federal review found nearly 44% of U.S. truck-driving schools may not meet government training standards, with thousands at risk of losing certification. This scrutiny and investigation into programs issuing commercial driver's license (CDL) credentials concerns proper classroom and behind-the-wheel training and record-keeping.

Because thousands of educational opportunities for truck drivers remain, it's not clear that this will have a direct impact on trucking capacity.

At the same time, the Federal Motor Carrier Safety Administration is enforcing other stricter rules on drivers, such as those governing certain visas and the renewal of CDLs for drivers who don't live in the country or the state that issued them.

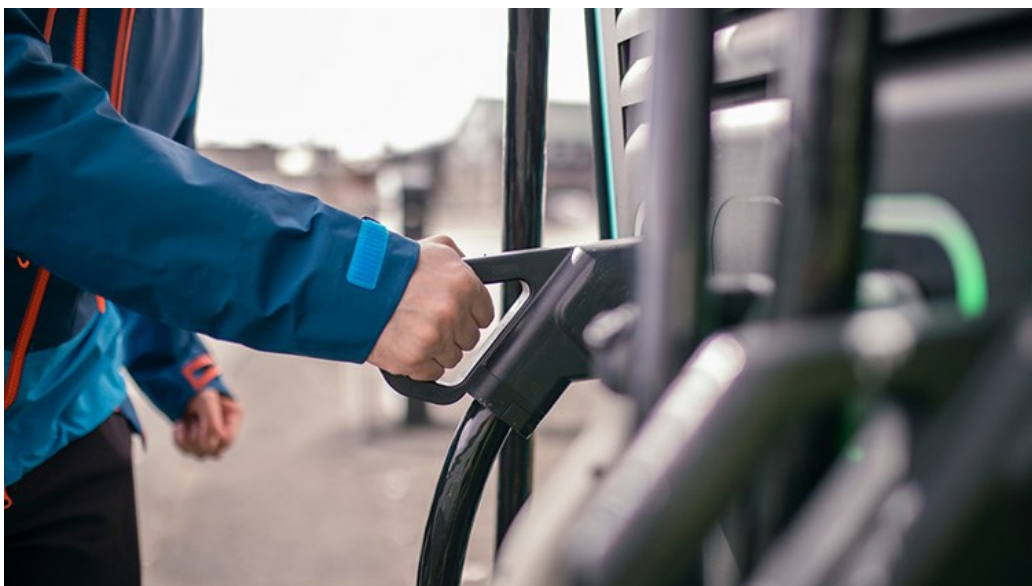
Taken together, these could increase recruiting costs and slow driver onboarding, particularly for carriers relying on newer or non-traditional drivers, and in turn contribute to a continued tightening of trucking capacity in 2026.

[See the C.H. Robinson carrier forecast in the Truckload section](#) of this report.

[For insights on U.S. tariffs, go to the Trade Policy & Customs section](#) of this report.

DIESEL FUEL

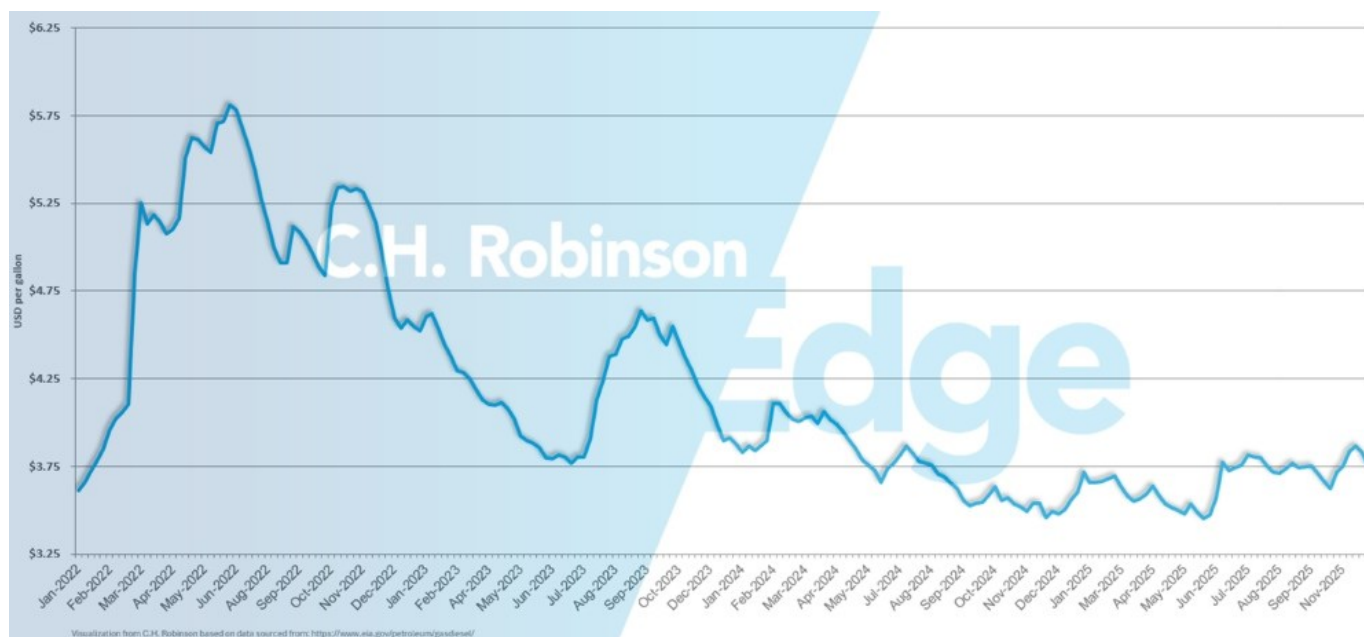
Diesel prices for U.S., Mexico, and Canada



U.S. average diesel price

The national U.S. average diesel price per gallon of \$3.82 in November was up from \$3.68 in October. In addition to the increase in price month-over-month, the average price is also higher than the November 2024 price per gallon of \$3.52. This is the fourth consecutive year-over-year (y/y) increase after the 29-month streak of y/y decreases.

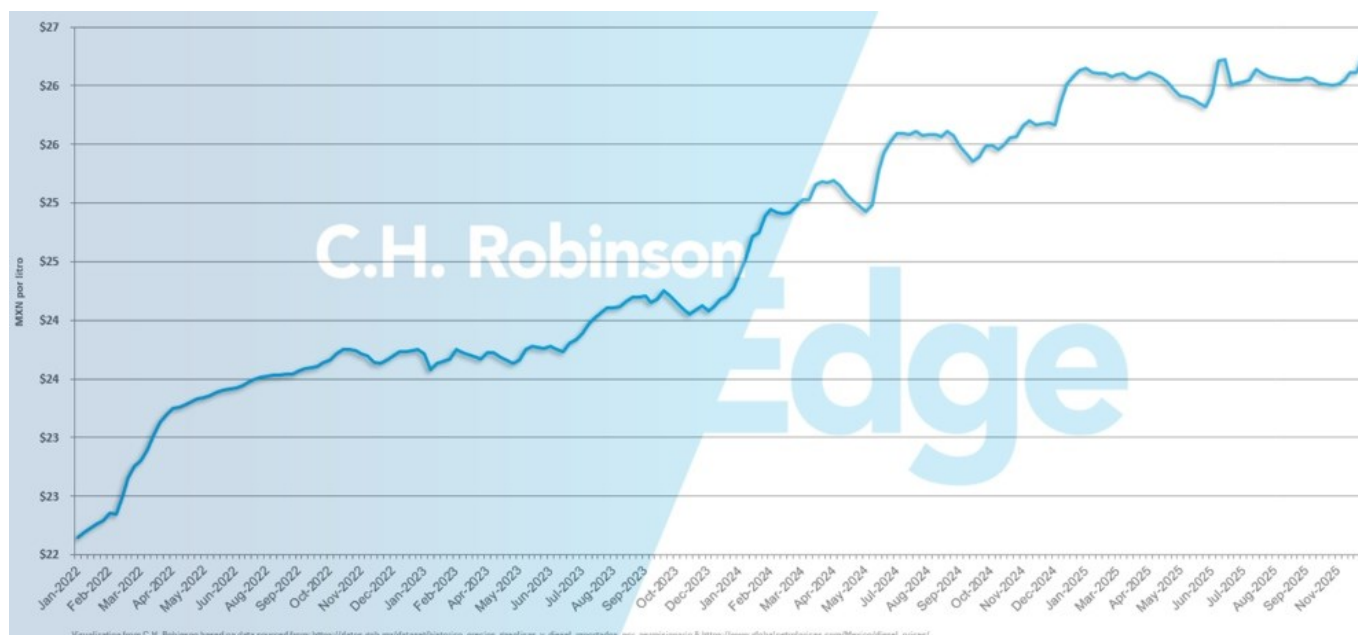
National U.S. average diesel price per gallon



Mexico average diesel price

The Mexico national average diesel price per liter of fuel has been stable, hovering near 26 pesos/liter for the majority of 2025.

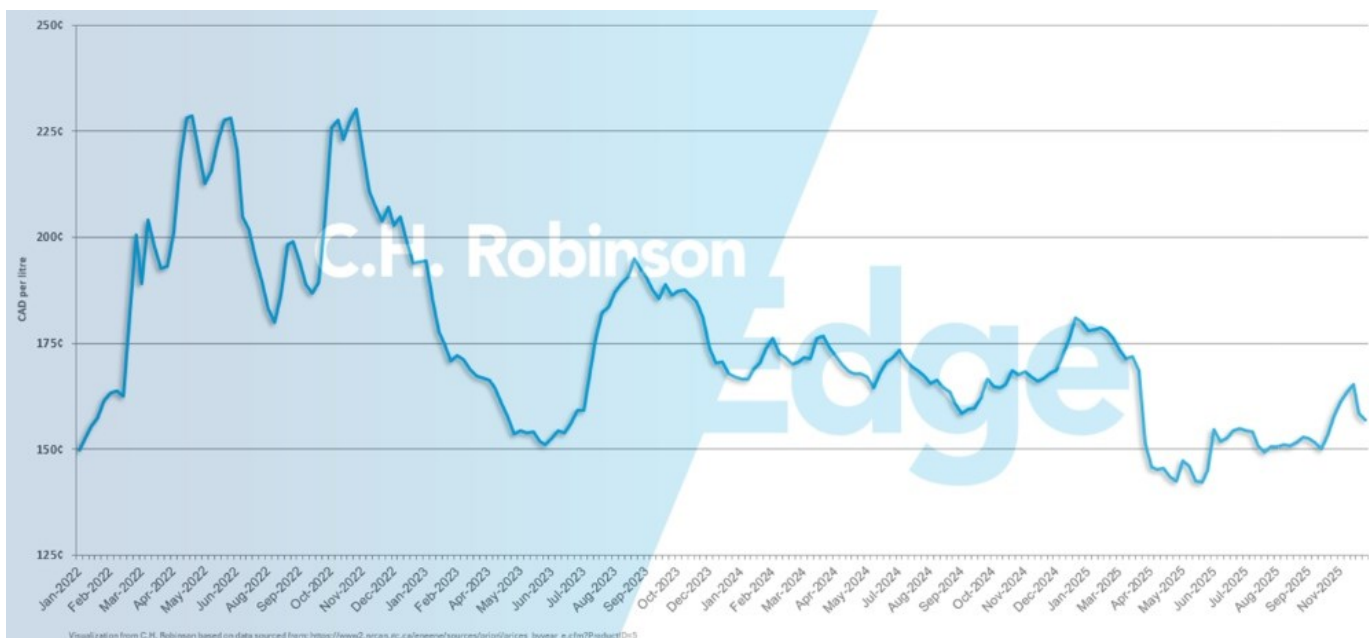
National Mexico average diesel price per gallon



Canada average diesel price

After spiking in mid-November to the highest rate since March, the national average diesel price in Canada, shown here in Canadian cents per liter, has decreased in recent weeks.

National Canada average diesel price per gallon



RETAIL

Trucking capacity for holiday season tightens



Truckload capacity in the wake of Thanksgiving has tightened more than expected, and retailers should expect elevated spot market rates in conjunction. Longer lead times and flexible pickup windows can help mitigate costs.

For more details and the increase in our spot rate forecast, [see the Truckload section of this report](#).

Getting ready to bid your freight

As you're preparing your 2026 requests for proposals (RPFs), here are some of our tips for retail shippers:

1. **Clearly outline your requirements:** Know your operational excellence goals, cost targets, and desired service levels.
2. **Segment your freight:** Work with your logistics providers to determine which of your shipping lanes should be put out to bid, which should be awarded to a carrier directly, and which are better suited for the spot market.
3. **Review your ratio of live load to drop trailer:** Bidding them together gives you opportunities to optimize both, to examine the aggregate cost of your operations, and flex between live load and [drop trailer](#) when it's advantageous.
4. **Review your carrier scorecard:** Understand who has been performing best for you and who is best positioned to perform for you as trucking capacity tightens in 2026.
5. **Define mid-year review expectations:** Outline specific performance metrics, key deliverables, and areas for improvement.

Inventory management unlocks advantages for retail

In a recent survey, 90% of retailers reported they use AI, but only 11% are ready to expand it. One big disconnect is a general misunderstanding of the difference between automation and true artificial intelligence. Retailers may have automated processes, but not the ability to unify consumer and supplier data across platforms and generate new insights that tangibly improve the retail experience.

One of AI's most effective uses for retailers lies in forecasting—predicting the optimal mix of assortment, quantities, and locations—and executing on that knowledge. AI systems used by retailers today can incorporate consumer preferences, seasonality, promotional impacts, merchandising impacts, and the economic landscape. They detect patterns and can provide smarter inventory recommendations.

But in a volatile trade environment and economic uncertainty, forecasting can fall short. The consequences can be significant: lost sales from stockouts, markdowns due to overstocking, and unnecessary operational costs such as expedited shipping. Customer dissatisfaction can lead to long-term traffic and sales declines.

Even when merchandise is already in warehouses, distribution centers, and stores, there's a lot retailers can do to manage inventory tightly. Centralizing your [purchase-order management](#) across your suppliers and [tracking inventory at the item level](#) can help you redistribute stock and make real-time replenishment decisions so that the right goods end up in the right locations, at the right time.

Alternative fuels lower emissions and increase consumer satisfaction

Despite recent U.S. government policy changes, a new round-up of global consumer data confirms that [most consumers still care about sustainability](#) and it shows in their purchasing decisions. More than 80% say poor environmental practices will alienate them from a brand or business. More than 60% say they often or always seek sustainable products, and 10% even state they would pay more for sustainable products.

Sustainable products account for over 15% market share, according to the report, but make up more than 30% of growth—expanding nearly three times faster than non-sustainable alternatives.

Retailers looking for more ways to reduce their environmental impact can [consider low-carbon alternative fuels](#) in their freight transportation.

A C.H. Robinson survey of approximately 1,000 carriers found that over 20% use environmentally friendly fuel or equipment. Of those surveyed, 59% of carriers reported using biodiesel, 31.5% use renewable diesel, 1.7% use compressed natural gas fuel, and 1.1% use electric vehicles (EVs).

C.H. Robinson's global network, which is audited to avoid double-counting, logged 2.33 million miles in 2024 using alternative fuels and EVs, helping customers reduce carbon emissions across their supply chains.

More stable U.S. trade policy creates optimization window

Since mid-October, U.S. trade actions have shifted from escalation to relative stability, creating a planning window for shippers. The tariff truce between the United States and China gives businesses time to solidify mitigation strategies and diversify sourcing. This can include nearshoring and friendshoring, for instance to other Asian countries or North America.

Meanwhile, the U.S. government has [lowered tariffs on goods from South Korea](#) to 15%.

Key factors in the coming weeks and months:

Tariff authority court case

The U.S. Supreme Court's decision on whether the administration has the right to levy tariffs under the International Emergency Economic Powers Act (IEEPA) is expected in December or January. This could end or reshape certain tariffs and lead to refunds. However, it is an open question how timely or robust these would be. Given the possibility the court may limit refunds to plaintiffs rather than all affected importers, some companies, with Costco as the most notable example, have initiated legal action against the administration.

Section 232 risks

Importers should expect continued investigations and tariffs on materials and products deemed important to national security. Likely targets include critical minerals such as rare earths. Polysilicon, semiconductor materials and equipment, and certain pharmaceutical precursors are also under review.

USMCA review

The scheduled 2026 review process has begun and is expected to result in sector-specific adjustments if the agreement is extended, amended, or replaced next year.

AUTOMOTIVE

Industry braces for billion-dollar impact of engine recalls



In an industry already struggling with tariffs and tepid consumer demand, the decades-long push for fuel-efficient engines has resulted in an unexpected consequence. Because older, larger engines were more tolerant of manufacturing imperfections than today's more advanced ones, more than 5 million engines from five auto manufacturers are under recall or federal investigation as of December 2025. The auto industry is facing a predicted financial hit running into the billions.

Today's engines, designed for low emissions and high fuel economy, run on thin oils, which make them intolerant of manufacturing byproducts such as tiny metal particles, called swarf. Older engines ran on thicker oil, which helps cushion and protect them against friction and contaminants.

Recalls on this scale would pose a significant logistics challenge. Working with an experienced provider that offers a full menu of expedited services allows automotive shippers to confidently manage expanded needs.

Humanoid robots: The new auto plant workers?

Automotive manufacturing has long used industrial robots. These were confined to performing highly specific repetitive tasks. Now, humanoid robots with some dexterity, cognitive learning, and AI decision-making capabilities are entering factory floors.

Industry experts predict AI-powered humanoid robots will soon become an integral part of automotive manufacturing. They can work naturally alongside human workers, help manufacturers address labor shortages, and perform tasks that were previously beyond the abilities of industrial robots—without the need for extensive programming.

Although full-bodied humanoids have mobility advantages, pilot programs reveal that a bipedal robot is not always necessary. The upper body with humanoid arms and hands can be sufficient. At the same time, limitations remain to be solved, including greater dexterity, battery efficiency, and decision-making during unpredictable situations.

The potential rise of humanoids will impact the automotive industry supply chain by adding critical inventory needs. Not only will manufacturers need automotive parts, they will also need to stock replacement parts for their humanoid robots.

The future of USMCA

Leading up to the first formal joint review of the U.S.-Mexico-Canada Free Trade Agreement (USMCA) in 2026, a public hearing took place December 3–5, 2025, in Washington D.C. The hearing focused on the agreement's effectiveness and could lead to negotiations for an extension, amendments, or something new. The USMCA's 16-year term expires on July 1, 2036, unless all three countries agree to extend it.

Changes to USMCA could have a major impact on the automotive industry due to the long-time integration of the supply chain across North America. Cross-border shipments covered by USMCA are exempt from some U.S. tariffs but remain subject to tariffs on steel, aluminum, copper and items made with those materials.

As negotiations play out, automotive shippers can offset tariff costs with newly available [freight consolidation services in Mexico](#).

For more insights, [see the cross-border section of this report](#).

More stable U.S. trade policy creates optimization window

Since mid-October, U.S. trade actions have shifted from escalation to stabilization, creating a planning window for shippers. The tariff truce between the United States and China gives businesses time to solidify mitigation strategies and sourcing diversification. This can include nearshoring and friendshoring, for instance to other Asian countries or USMCA countries.

Meanwhile, the U.S. government has lowered tariffs on goods from South Korea to 15%, including tariffs on finished vehicles and auto parts. [See the White House fact sheet](#) and [implementation details](#) in the federal notice.

Key factors in the coming weeks and months:

Tariff authority court case

The U.S. Supreme Court's decision on whether the administration has the right to levy tariffs under the International Emergency Economic Powers Act (IEEPA) is expected in December or January. This could end or reshape tariffs and lead to refunds. However, it is an open question how timely or robust these would be.

Section 232 risks

Importers should anticipate continued investigations and tariffs on materials and products deemed important to national security. Likely targets include critical minerals such as rare earths and semiconductor materials.

ENERGY

Critical mineral prices and supply are in flux



Critical mineral demand continues to be high while pricing trends vary. The primary driver for demand growth across many critical minerals continues to be their use in electric vehicles (EVs), battery storage, and renewable energy infrastructure.

- A global deficit of refined copper is projected for 2026, due to supply disruptions such as a mud-flow disaster in September at the Grasberg mine in Indonesia, the second largest copper mine in the world. Its output for 2026 is expected to be down 35%.
- Prices for battery minerals such as lithium, cobalt, nickel, and graphite have all declined during the last year as the U.S. EV market is in a lull. Lithium prices have dropped by roughly 80% since their peak in 2023.
- Rare earth mineral prices are in flux due to geopolitical maneuvering. China's export levels rose in October 2025, while the United States worked to decrease China's hold on supply by backing projects in Brazil and exploring options in the Pacific.
- Aluminum and silver prices were up in November, with silver reaching record highs due to stagnant mining output.

The U.S. Geological Survey released an [updated list of critical minerals](#) in November, adding copper, silver, uranium, and potash, among others. The list designates minerals essential for national security, economic stability, and supply chain resilience.

To hedge against these price and supply swings, companies should consider diversifying suppliers, securing long-term contracts for key minerals, and improving visibility into upstream risks like mine disruptions and geopolitical shifts.

Aggressive new U.S. oil and gas drilling plans

The U.S. administration unveiled its most aggressive offshore drilling plan in decades, proposing up to 34 lease auctions between 2026 and 2031, including new sites off California and Alaska. The move sparked fierce opposition from coastal states and environmental groups.

The International Energy Agency projects that oil and gas demand could continue rising until 2050 under current policies, citing slower-than-expected global adoption of EVs and renewed reliance on fossil fuels, especially in the United States. This marks a significant shift from earlier forecasts that expected demand to peak around 2030.

Reducing transportation-related emissions

Transportation is responsible for approximately 8% of global greenhouse gas emissions. For the entire supply chain (freight transport plus related activities), that figure rises to 11%. Against this backdrop, the Amsterdam-based Smart Freight Centre, working with the World Business Council for Sustainable Development, is developing [new guidance to quantify the climate impacts of these emissions](#).

While demands by some countries at this year's U.N. climate conference in Brazil to set up a phase-out of fossil fuels went unheeded, the 2018 Paris Climate Agreement still aims to reduce greenhouse gas emissions to net-zero by 2050. This would require a complete transformation of energy systems, including those powering transportation. Carbon pricing and regulatory demands are expected to rise significantly. Markets for carbon-neutral goods and services are predicted to reach [\\$10.3 trillion globally by 2050](#).

These dynamics are driving significant supply chain changes, especially for companies that operate globally. Shippers pursuing sustainability goals can [assess emissions](#), set science-based targets, invest in low-carbon technologies and [alternative fuels](#), and collaborate with their logistics provider on climate-friendly practices.

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Section 232 risks

Importers should expect continued investigations and tariffs on materials and products deemed important to national security. Likely targets include critical minerals such as rare earths. Solar inputs and semiconductor materials and equipment are also under review.

USMCA review

The scheduled 2026 review of the U.S.-Mexico-Canada Free Trade Agreement has begun and is expected to result in sector-specific adjustments if the agreement is extended, amended, or replaced next year.

HEALTHCARE

New LTL freight codes give healthcare shippers an edge



Using the new LTL freight classification system to your advantage

Last summer's changes to the U.S. less than truckload (LTL) freight classification system gave savvy healthcare shippers an opportunity to improve cost control.

The National Motor Freight Classification (NMFC) classes and codes are intended to provide accurate, detailed freight

information to LTL carriers so they know how your freight will fit on their trucks and how much to charge. Shippers that conform to the new rules can have a cost advantage over competitors, because describing your shipments correctly helps avoid costly delays and extra charges.

- If a carrier discovers your dimensions or freight classification are incorrect, inspection fees run \$25 on average to cover their time for reclassifying it and re invoicing you.
- Additional freight handling can lead to higher incidents of damage or loss.
- Carriers may argue the shipment was misrepresented. In severe cases, misclassification could be considered fraudulent, exposing the shipper to penalties.
- Freight held for inspection or because it doesn't fit on the carrier's truck as planned keeps your products from getting to market.

Accurate shipment data is also key for successful requests for proposals (RFPs). It gives the same freight details to logistics providers whether or not they have an established shipment history with you. It also enables carriers to present accurate cost projections for out-of-cycle increases or larger than expected increases at renewal time.

Important considerations for healthcare shippers:

- Most pharmaceuticals are now density-based items under NMFC item number 58770.
- Most dental, hospital, medical or surgical instruments, machines, or supplies move under item number 56590.
- A small number of healthcare-related items were not included in NMFC item numbers due to significantly higher value or stowability issues.

Investing in a dimensioner to get the right length, width, height, and weight of your freight so you can choose the right classification can pay for itself quickly. Reach out to your C.H. Robinson representative for assistance.

Pilot program announced for faster cargo inspections

Shipping controlled substances, medical devices, and high value medical equipment around the world every day, the healthcare industry is heavily reliant on supply chain security. Under a new program launched by the U.S. Department of Homeland Security, healthcare companies may soon be able to take advantage of benefits such as reduced and priority cargo inspections and expedited release of cargo from ports of entry.

The pilot program, starting in December and set to run for five years, will allow third-party logistics providers to participate in the Customs Trade Partnership Against Terrorism (CTPAT), providing a customs clearance process for eligible entities that voluntarily meet or exceed enhanced security screening requirements. C.H. Robinson is working to be included in the first wave of participants.

Alternative fuels on the rise in healthcare

Many healthcare companies are eager to reduce their carbon footprint, including cutting their transportation-related

emissions. This means optimizing supply chains through efficient route planning and item-level visibility but also using more and more alternative fuels.

A C.H. Robinson survey of approximately 1,000 carriers found that over 20% use environmentally friendly fuel or equipment. Of those surveyed, 59% of carriers reported using biodiesel, 31.5% use renewable diesel, 1.7% use compressed natural gas fuel, and 1.1% use electric vehicles (EVs).

C.H. Robinson's global network, which is audited to avoid double-counting, logged 2.33 million miles in 2024 using alternative fuels and EVs, helping customers reduce carbon emissions across their supply chains.

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Meanwhile, the U.S. government has [lowered tariffs on goods from South Korea](#) to 15%, and an agreement in principle with the UK would [lower tariffs on pharmaceuticals](#) from that country.

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Section 232 risks

Importers should expect continued investigations and tariffs on materials or products deemed important to national security. Certain pharmaceutical precursors are under review. Other likely targets include critical minerals such as rare earths and semiconductor materials and equipment.

USMCA review

The scheduled 2026 review of the U.S.-Mexico-Canada Trade Agreement has begun and is expected to result in sector-specific adjustments if the agreement is extended, amended, or replaced next year.