Freightos: Ocean container rates falling but still above year-ago levels

Frontloading may be fading after monthslong run

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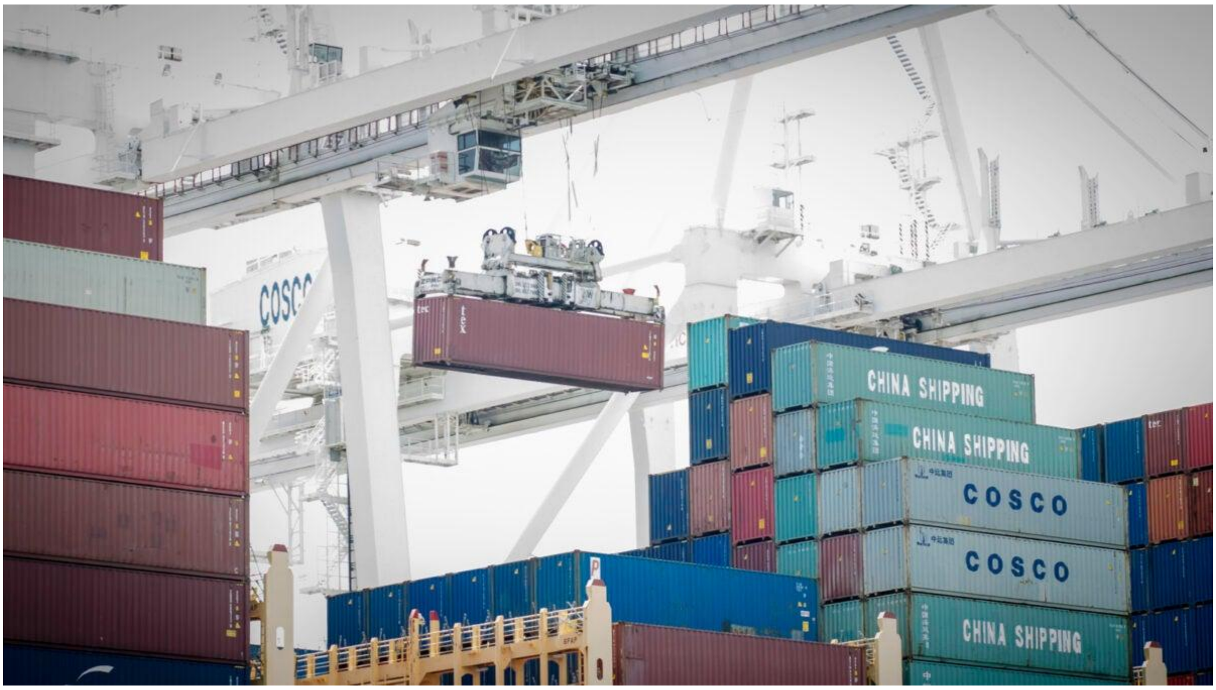

Container handling at the Port of Los Angeles.(Photo: Jim Allen/FreightWaves)

Ocean container rates on trans-Pacific services to the United States are trending lower but remain elevated from year-ago prices.

Analyst Freightos (NASDAQ: CRGO) said Asia-U.S. West Coast rates fell 8% to $4,362 per forty-foot equivalent unit in its Baltic Index for the week ending Feb. 21 from the previous week.

Asia-U.S. East Coast prices were off 11% to $5,698 per FEU.

"The post-Lunar New Years lull has seen rates fall 30% since January which includes reductions in some peak season surcharges that have been in place for more than a year," Freightos Head of Research Judah Levine said in a research note. "Some of the current demand dip may be temporary and due to unavailable supply as factory production is still recovering post-holiday."

Container prices on these lanes are still about $1,000 per FEU higher than a year ago, Levine said, and elevated levels on these lanes in Q4 were largely attributable to shippers frontloading ahead of tariff increases. "But the current rate slide may reflect that the intensity of this pull forward is easing as many shippers have already been building up inventories since November," said Levine.

Asia to North Europe rates declined 7% to $2,954 per FEU, while Asia-Mediterranean prices fell an identical 7% to $4,129 per FEU.

Rate changes are closely watched but more so now that contract negotiations between carriers and shippers have begun in earnest.

Carriers enjoyed billions of dollars in windfall profits in 2024 as disruptions from violence in the Red Sea and labor unrest at U.S. East Coast ports soaked up vessel capacity and pushed up operating costs. But industry sentiment figured on lower contract rates in 2025, as service patterns return to normal and carriers integrate deliveries of new vessels estimated at 8 million twenty-foot equivalent units while fine-tuning reshuffled alliances.

General rate increases implemented by some carriers to shore up falling rates have met with mixed success; blank, or canceled, sailings are being used to balance capacity. Operators may also scrap older tonnage once new vessels enter service.

But expectations of lower rates have lately been tempered by the Trump administration, whose recently imposed or expected tariffs on imports from China, Canada and Mexico are leading logistics planners to reassess supply chains. Equally concerning was the proposal this week by the United States Trade Representative of expensive port fees on Chinese-operated and -built ships calling U.S. ports that is expected to affect the operations of every major ocean carrier.

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