

Red Sea crisis spiralling ocean freight rates from Far East to USA

22 February 2024 | News

The latest data released by Xeneta indicates a peak may have been reached after spot rates from the Far East into the US declined slightly since the last round of General Rate Increases (GRIs) were implemented at the start of February



The latest data released by Xeneta indicates a peak may have been reached after spot rates from the Far East into the US declined slightly since the last round of General Rate Increases (GRIs) were implemented at the start of February

The Red Sea crisis sent ocean freight rates from the Far East to the US spiralling by more than 150 per cent, but shippers appear to have some relief on the horizon.

The latest data released by Xeneta indicates a peak may have been reached after spot rates from the Far East into the US declined slightly since the last round of General Rate Increases (GRIs) were implemented at the start of February.

Into the US East Coast, rates have fallen slightly from \$6 260 per FEU (40ft container) on 1 February to \$6 100 on 15 February. Rates on the West Coast have declined from \$4730 per FEU to \$4680 in the same period.

Xeneta – the leading provider of ocean and air freight rate benchmarking and intelligence – calls upon more than 400 million crowdsourced data points and early indications suggest a further softening of the market in the next 10 days.

While US importers will welcome a weakening market, the impact of the crisis is far from over with spot rates remaining at 145 per cent up into the US East Coast compared to 14 December and 185 per cent into the US West Coast.

Emily StausbÃll, Xeneta Market Analyst, said: “Unlike during Covid-19 when disruption continued to wreak havoc, shippers and carriers now know what they are dealing with regarding ships being diverted around Africa to avoid the Suez Canal.

“Rates are still elevated so the impact of this crisis is far from over - and the situation can still change at any moment - but perhaps some semblance of order has been restored.”