Freight rates up 11% in 2 weeks over Christmas, New Year rush

Global volatility has impacted container trading rates for Indian ports

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With an increased festival rush over New Year, freight rates across the world's eight major trade routes by sea spiked nearly 11 per cent in the two weeks to 2025, shows the data from maritime research firm Drewry.

The World Container Index rose 8 per cent to $3,803 for a 40-foot container on December 19 and then another 3 per cent to $3,905 on January 2, signalling continuation of volatility in the international container trade.

Freight rates have gone in ebb and flow over the past two months after a big spike in the first half of 2024, where container rates quadrupled over the year to $6,000 a container, and then went in free fall till October ($3,095).

"In recent months, factors such as inflation and potential recessions in various economies have compelled companies to make strategic decisions regarding inventory management, sourcing, and logistics, which directly influence demand for container shipping. The ongoing geopolitical tensions and trade wars involving major economies have created uncertainty and volatility in global trade flows," Pushpank Kaushik, chief executive officer (CEO) and head of business development (Subcontinent, Middle East, and South East Asia), Jassper Shipping, told *Business Standard*.

Freight rates from China to the United States (US) West Coast increased 7 per cent or $330 to $4,829 per 40-foot container, the index showed. The firm expects rates in Trans-Pacific trade to rise this week, driven by front-loading ahead of the looming US port strike this month and the anticipated tariff hikes under the incoming Trump Administration.

Global volatility has impacted container trading rates for Indian ports as well, with two of the three large container ports showing rate spikes between December and January.

"The average prices for 40-foot high-cube containers (cargo-worthy) have risen year over year at least by 34 per cent across the three major ports — Mundra, Chennai and Nhava Sheva. Mundra witnessed a 52 per cent spike from January 2024 to January 2025, while Chennai registered a 36 per cent hike and Nhava Sheva registered a 34 per cent spike," Christian Roeloffs, cofounder and CEO of Container xChange, a container-trading platform, told *Business Standard*.

Last year container prices saw significant increases during two key periods. The first surge occurred in June and July, driven by the peak shipping-season rush. The second increase happened in November, influenced by typical seasonal restocking and the impact of the US elections, when President-elect Donald Trump sent the shipping industry into frenzy with new tariff announcements

Moreover, shippers are facing increasing costs due to higher freight rates and supply-chain disruption. Port congestion is also a significant challenge, with delays in vessel turnaround times and cargo handling, said Kaushik.

RAILWAYS UTILISE 76% OF FY25 CAPEX BY DECEMBER

The Ministry of Railways has spent 76 per cent of its allocated budgetary capital expenditure for 2024-25 (FY25) in the first nine months of the financial year, according to estimates from Indian Railways. The ministry has spent ₹1.91 trillion from gross budgetary support, ₹824 crore from external resources, and ₹8,733 crore from extra-budgetary resources (public-private partnership) on infrastructure creation. In total, the ministry has spent ₹2.02 trillion of the budgeted ₹2.65 trillion as of January 5, a government official said. As of December 31, the railways' capex execution was ₹4,975 crore more than the previous year. At the same time in the preceding financial year, the ministry had spent 75 per cent of its budgeted capex. In recent years, the ministry has changed its practices to ensure the front-loading of capex, reversing the earlier trend of being unable to absorb its budgeted infrastructure spending. Of the ₹2.52 trillion allotted to the ministry from central government coffers, ₹81,713 crore has been spent on capacity augmentation, which is 68 per cent of its allocated budget for new lines, doubling, and expansion works.

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