



GLOBAL APERTURE

Container shipping capacity on the Far East–Middle East trade [has dropped significantly](#) since the escalation of the U.S.-Israel-Iran conflict beginning February 28, with carriers withdrawing roughly a quarter of vessels and further network adjustments expected. As of March 31, rerouted ships are contributing to congestion at alternative hubs such as Salalah, Khor Fakkan, and Mundra, while limited vessel movements through the Strait of Hormuz—following temporary restrictions—highlight ongoing operational uncertainty for cargo flows.

According to new data from the International Air Transport Association, global air cargo demand [increased 11.2% year over year](#) in February 2026, outpacing capacity growth of 8.5% and reflecting continued strength in goods trade and manufacturing activity. However, the escalation of conflict in the Middle East at the end of the month is expected to introduce volatility through higher fuel costs and disruptions to key cargo hubs, potentially impacting airfreight operations in the months ahead.

REGIONAL FOCUS – AMERICAS

United States: California port leaders and policymakers are calling for [\\$1 billion in state funding](#) in fiscal year 2027 to support infrastructure upgrades across the state’s 11 deepwater ports. The proposed investment aims to improve efficiency, reliability, and capacity to handle future cargo volumes, helping maintain competitiveness for global trade.

The Port of Oakland reported container volumes [were down 14.5% year over year in February 2026](#), driven by fewer vessel calls and seasonal blank sailings during the Lunar New Year period. Shifts in trade patterns are also redirecting some imports to Mexico and Canada for

inland distribution, while exports—particularly agricultural cargo—continue to play a key role despite overall volume declines.

REGIONAL FOCUS – ASIA-PACIFIC

Airfreight markets across Asia [are facing significant constraints](#) as the Middle East conflict continues, with reduced available space driven by longer routings, fuel cost increases, and operational adjustments. Shippers are facing increased competition for capacity, earlier booking requirements, shorter rate validity, and a higher risk of delays or rolled cargo on key Europe and U.S. trade lanes.

Vessel queues at key Asian hubs [are increasing](#), with the number of ships waiting at anchorage in Singapore rising to 30.3 on a seven-day average as of March 25, up from 20 prior to the start of the Middle East conflict. The disruption is stranding vessels and delaying cargo flows across global networks, contributing to congestion and extended transit times for shipments moving through alternative ports.

China: Detentions of vessels in Chinese ports surged in March, [with 123 cases recorded](#) under the Tokyo Memorandum of Understanding on Port State Control, including a sharp rise in Panama-flagged ships. Of these, 91 Panama-flagged vessels were detained—far exceeding previous months—raising concerns about inspection delays and potential disruptions for cargo moving through Chinese ports.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

Air cargo capacity on the Asia–Europe trade lane has increased in the weeks since the start of the Middle East conflict, as [European airlines adjusted networks](#) to compensate for disrupted routings. While these shifts are helping maintain cargo flows, uneven capacity across regions means shippers should continue to plan for routing changes and space constraints on key lanes.