

AlixPartners

SUPPLY CHAIN MARKET UPDATE

North America and Europe

October 2026

KEY TRENDS AND CHALLENGES IN GLOBAL SUPPLY CHAIN MANAGEMENT

1 OCEAN COSTS EASE SLIGHTLY FROM PEAK, BUT CONGESTION KEEPS SPACE TIGHT

- Shanghai–Los Angeles spot rates peaked in late September, then fell 3% to $7,624 per forty-foot equivalent unit (FEU) on Oct. 8 as Golden Week slowed demand
- U.S. imports hit a record 2.55 million twenty-foot equivalent units (TEU) in September (+10.3% year over year), extending peak; Asian port congestion keeps capacity tight
- Asia–Europe spot rates fell for 13 straight weeks as more services returned to Suez Canal routings, but remain about 68% above their pre-February level

2 WAREHOUSE LABOR COSTS RISE AS SPACE TIGHTENS AND HEADCOUNT FALLS

- Warehouse employment fell to about 1.83 million in September – a third consecutive monthly decline and roughly 52,000 below the February 2025 peak
- The Logistics Managers' Index (LMI) rose to 70.2, its second-highest reading in four years, while its warehousing capacity gauge fell 14.2 points to 39.3 – the fastest contraction since March 2022
- U.S. industrial vacancy fell to 6.8% in the third quarter, the lowest since Q4 2024, as net absorption outpaced new supply; data center supply chain firms drive about 10% of new leasing

3 TRUCKLOAD COSTS HAVE STABILIZED AT A HIGH LEVEL; CAPACITY STAYS TIGHT

- U.S. diesel hit a record $6.53 per gallon on Sep. 21 before easing to $6.20 on Oct. 5 – still about 67% above last year – keeping fuel surcharges high
- U.S. dry van trucking costs have stabilized, with contract rates firmly above spot but still elevated year over year; the tender rejection rate (share of loads carriers decline) held near 14%, about 3x the 2023–25 range
- In Europe, full truckload (FTL) spot rates rose 16% year over year (22% in Germany), ahead of contract (+9%), as a record-low Rhine River pushed bulk freight onto trucks

Source: Drewry, Reuters, Xeneta, DAT, EIA, Upply, IRU, BLS, Logistics Managers' Index, Cushman & Wakefield, CBRE, AlixPartners analysis

FEATURED ARTICLE

2027 Global Data Center Market Outlook

ACCESS THIS ARTICLE FOR MORE DETAILS HERE



The Data Center industry is being rebuilt in real time.

AI is changing how data centers are built, how they're financed, and which operators come out ahead over the next two years.

Our latest global survey of more than 480 operators, lenders, builders, investors, and neoclouds reveals a market that appears strong - firm pricing, capital still flowing into new construction, and brisk M&A appetite, even as distress builds quietly below the surface.

Most can't see demand past 12 months, yet they're pouring capital into assets that won't earn out for years, betting on a future they can't yet see.

The operators, lenders, and investors who act now on infrastructure readiness, financing structure, and operating maturity will set the terms for the rest of the market. Those who wait will inherit them.

CONTENT SUMMARY

- **Survey:** More than 480 senior executives across the data center value chain say the market looks strong, with firm pricing and capital still flowing into new construction
- **Inference:** 83% of operators expect inference chips to need a different architecture than today's GPUs; 86% expect moderate to major facility upgrades
- **M&A:** 62% see data center M&A as attractive now or soon, led by telco carve-outs and sale-leasebacks
- **Pricing:** 70% report strong or moderate pricing power, yet 60% see a major disruption within 24 months and most cannot see demand beyond 12 months
- **Distress:** 64% expect more distressed situations over the next 18 months as rising CapEx meets thin demand visibility

FREIGHT COSTS

August freight costs climb as ocean rates rebound and record diesel offsets softer truckload spot rates

	OCEAN FREIGHT	AIR FREIGHT	TRUCKING	PARCEL	WAREHOUSING
Recent cost trend	↗	↗	↗	↗	↗
Short-term forecast	↘	→	→	→	↗

WHAT IS MOST IMPORTANT TO KNOW?

- **Ocean: rates peaked in late September and are now easing** – Shanghai–LA fell 3% to $7,624/40ft and Shanghai–NY 2% to $10,220 on Oct. 8; record U.S. imports (2.55M TEU, +10.3% YoY) extended peak season, while Asia–Europe rates fell 13 straight weeks
- **Air freight: flat to slightly lower at a high level** – global spot averaged $3.10/kg in September (–1% MoM, +27% YoY); AI-chip demand on Asia–U.S. lanes and jet fuel up 111% YoY keep rates high, while shippers report no sign of a strong Q4 peak
- **Trucking: spot-contract spread has settled, and diesel set a record** – Dry Van contract and spot rates have remained somewhat stable since August as diesel peaked at $6.53/gal on Sep. 21; tender rejections remain elevated near 14%
- **Parcel: price increases continue into 2027** – DHL Express set a 5.9% average U.S. increase effective Jan. 1, 2027; FedEx Q4 FY26 revenue rose 12.5% to $25.0B while operating margin fell 70 bps to 8.4%; Amazon committed $1.9B in 2027 to raise delivery-partner driver pay
- **Warehousing: capacity is collapsing as vacancy tightens** – LMI warehousing capacity fell 14.2 points to 39.3, the fastest contraction since March 2022; Q3 industrial vacancy dropped to 6.8%, lowest since Q4 2024; employment fell for a third straight month while wages rose 4.5% YoY ($26.83/hr)

WHAT ACTIONS CAN WE TAKE?

Prepare now for the Q1 ocean freight contract season

- Start bid planning now, as major lanes often negotiate in Q1 or Q2: profile volume by lane, benchmark rates to market, and set term, SLA and renegotiation clauses
- Develop and strengthen key internal capabilities along with strategic external carrier/ logistics provider relationships to prepare for the next growth period and future uncertainty

Accelerate tariff impact analysis and freight plan optimization

- Develop comprehensive mitigation strategies for trade policy volatility, including dual-sourcing and nearshoring options
- Use tools like AlixPartners Global Trade Optimizer (GTO) to rapidly assess tariff impacts and optimize sourcing in this dynamic environment

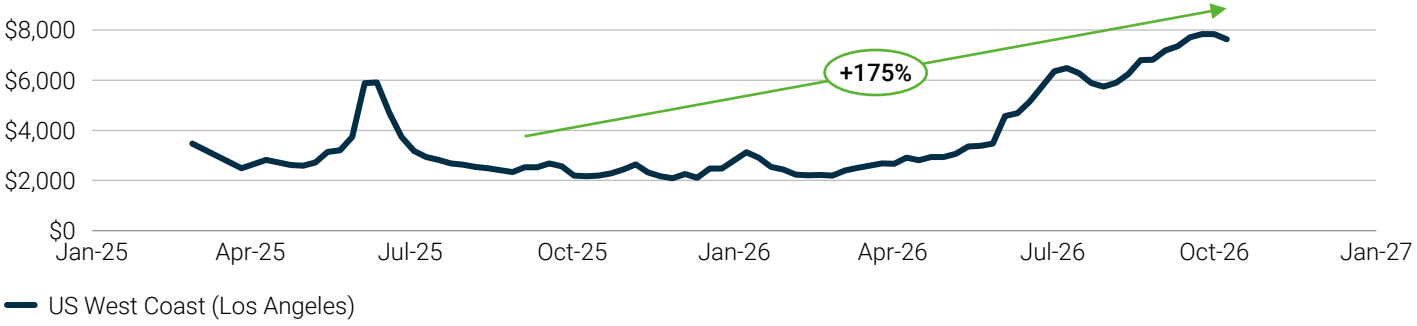
Source: AlixPartners analysis



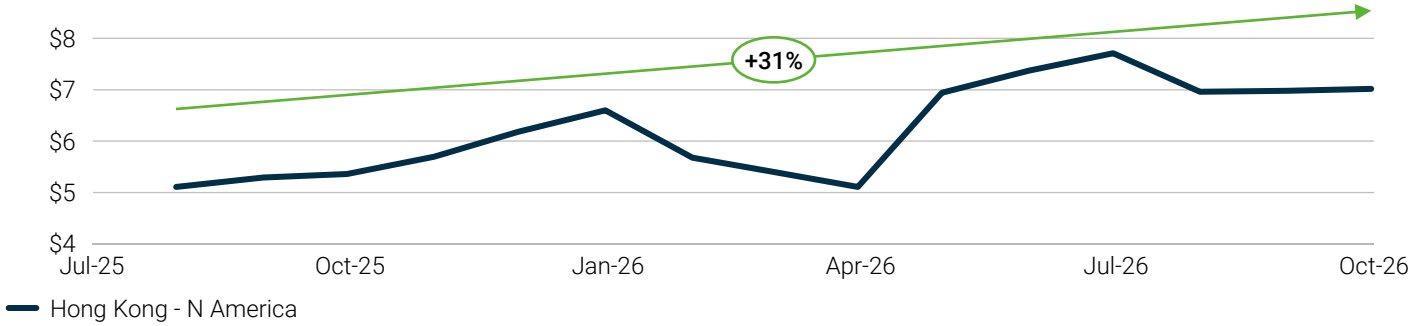
FREIGHT TRENDS

China–U.S. ocean rates are beginning to ease post-Golden Week but remain elevated after an extended peak season

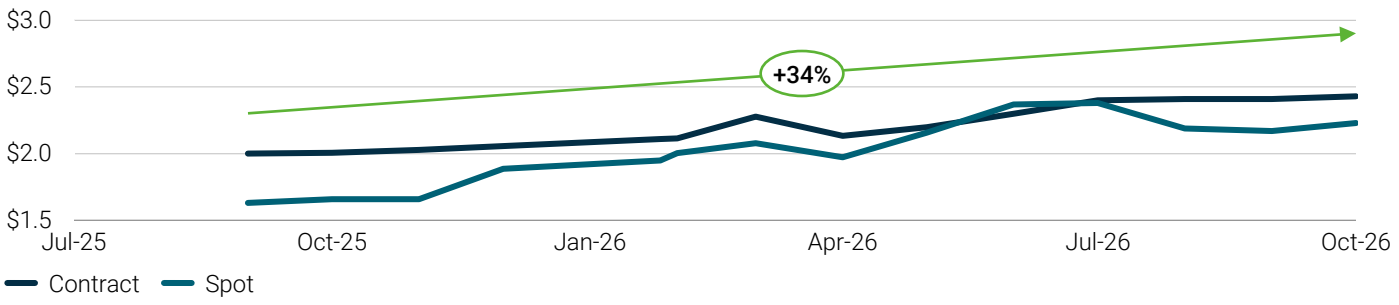
OCEAN FREIGHT – SHANGHAI TO U.S. ($/40FT)



AIR FREIGHT – HONG KONG TO U.S. ($/KG)



TRUCKING – DRY VAN ($/MILE, INCL. FUEL)



KEY TRENDS AND FACTS

Key drivers causing rate changes are:

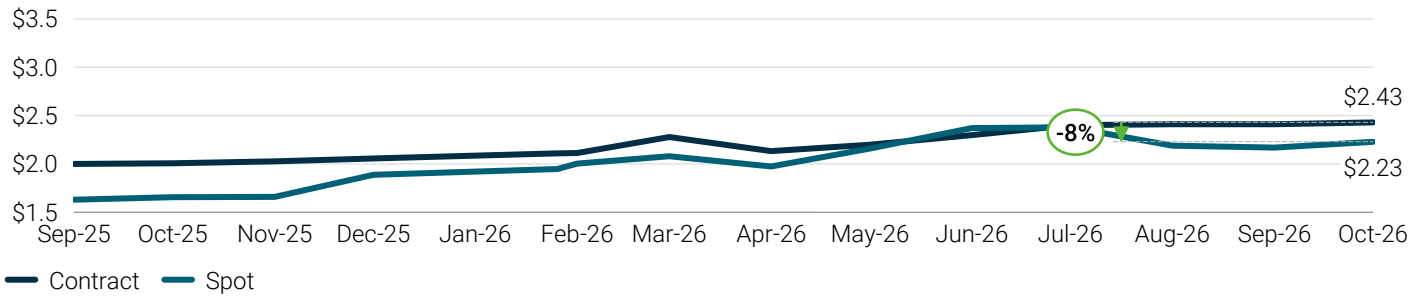
- Shanghai–Los Angeles fell 3% to $7,624/40ft and Shanghai–New York 2% to $10,220 on Oct. 8 as Golden Week slowed demand and Transpacific capacity began to return
- Global air spot rates slipped 1% MoM to $3.10/kg but are up 27% YoY, as AI-chip demand on Asia–U.S. lanes and jet fuel up 111% YoY keep prices high; carriers are adding Asia–U.S. capacity to match demand, but forwarders see no sign of a strong Q4 peak
- US Dry Van trucking spot-contract spread has remained stable, with contract above spot, for both Dry Van and Flatbed equipment types implying the markets have found a new equilibrium

Source: DAT, Drewry, Baltic Exchange Index, AlixPartners analysis

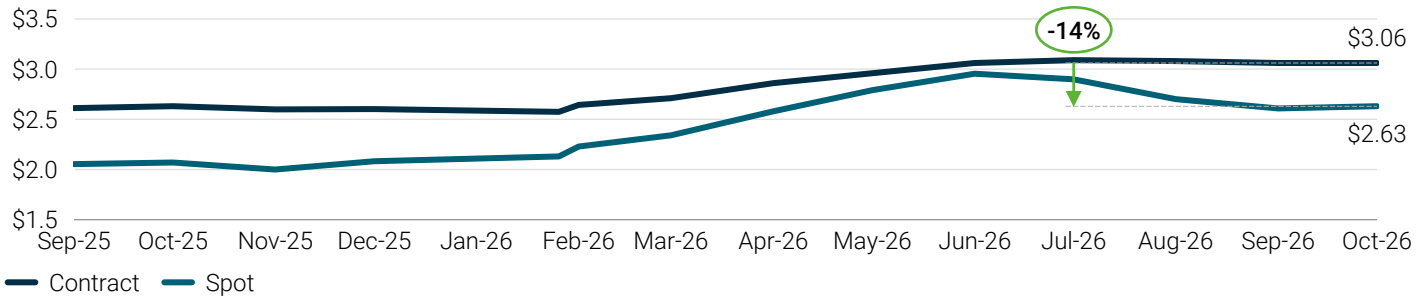
TRUCKING FREIGHT

Contract rates now sit above spot; spot firmed at quarter-end and flatbed remains the tightest segment

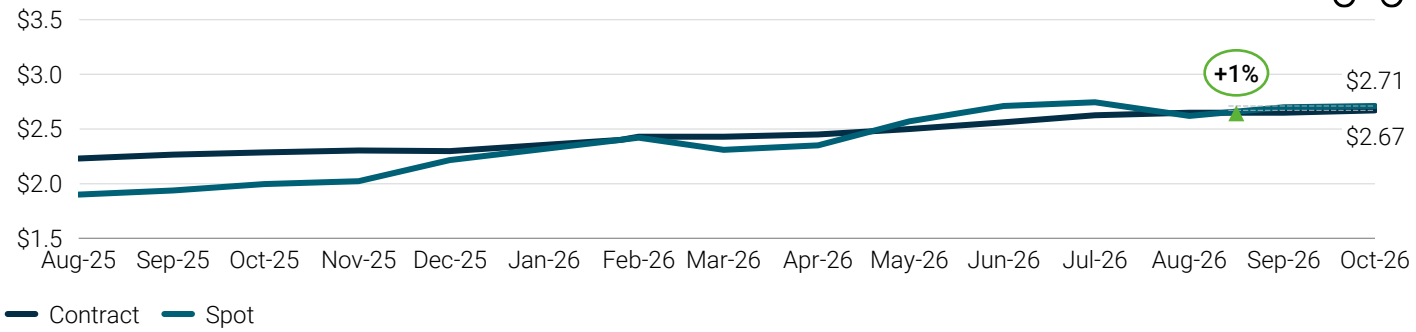
DRY VAN – U.S. DOMESTIC FREIGHT RATES, EXCL. FUEL (UNIT:$ PER MILE)[1]



FLATBED – U.S. DOMESTIC FREIGHT RATES, EXCL. FUEL (UNIT:$ PER MILE)[1]



REEFER – U.S. DOMESTIC FREIGHT RATES, EXCL. FUEL (UNIT:$ PER MILE)[1]



KEY TRENDS AND FACTS

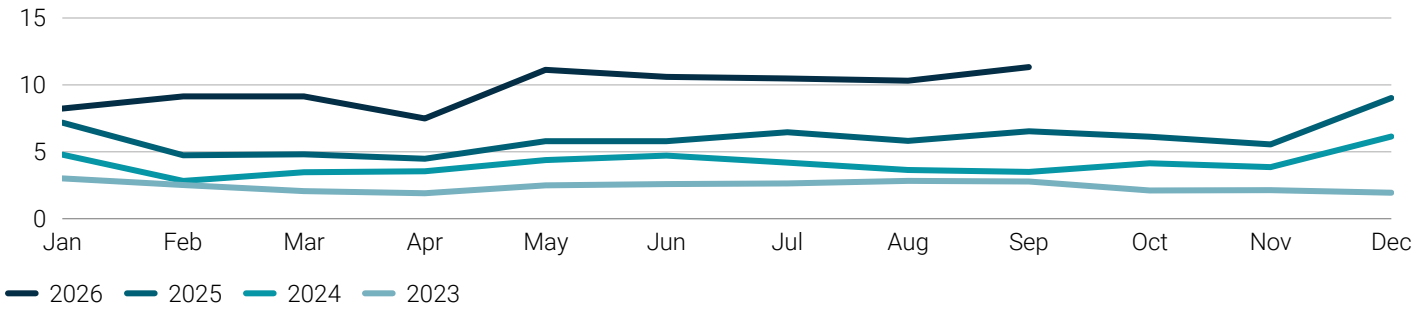
- Contract remains above spot for both Dry Van and Flatbed: spot-contract spread has remained stable, with contract above spot, for both Dry Van and Flatbed equipment types implying the markets have found a new equilibrium
- Reefer rates remain in inverse: spot-contract spread remains inversed, with spot above contract, for Reefer equipment type implying the market is still finding an equilibrium
- Fuel is a growing share of the rate: diesel made up 24% of the van spot rate in August versus 21% in June, and DAT's 35-day forecast keeps late-October linehaul 46–61¢/mile above a year ago across van, reefer and flatbed (U.S. Bank/DAT data, Trucking Dive)

Note: 1. Assumptions: Baseline fuel price of $1.25/gal; Van: 6.0mpg, Reefer: 5.5mpg, Flatbed: 5.0mpg
Sources: DAT, FreightWaves, ACT Research, Transportation Insight, AlixPartners analysis

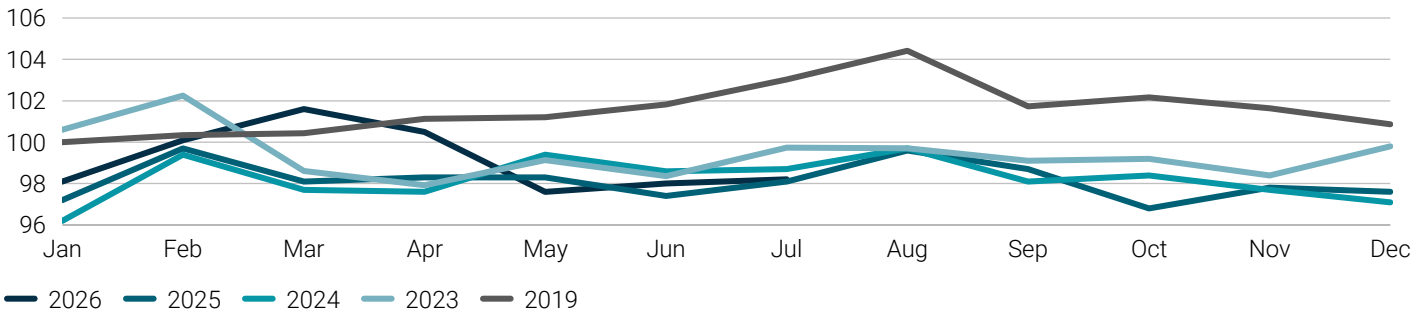
TRUCKING FREIGHT

Record diesel and no new capacity keep the truckload market tight even as freight demand softens

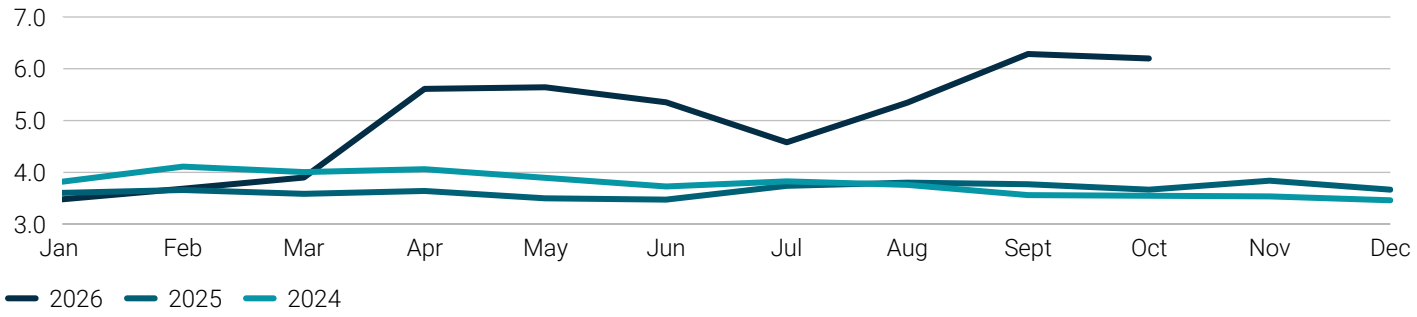
VAN LOAD-TO-TRUCK RATIO – YEAR OVER YEAR



TRUCK DEMAND – TONNAGE, YEAR OVER YEAR, INDEX (100) = JAN 2019



DIESEL – $ PER GALLON



KEY TRENDS AND FACTS

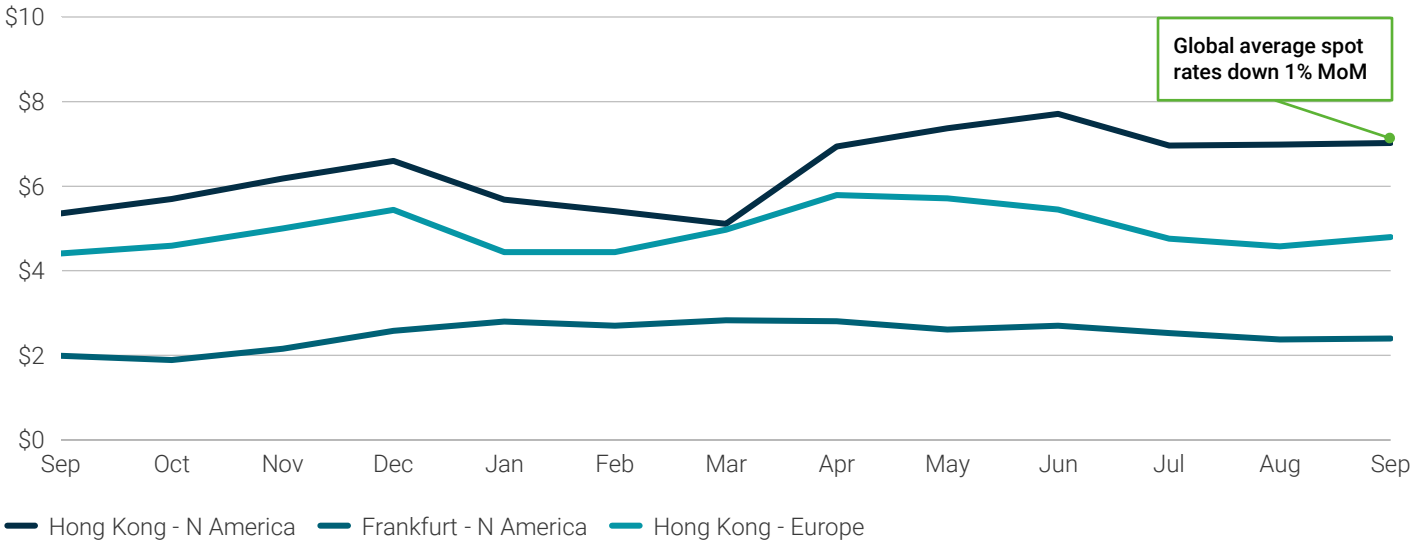
- Demand is soft: ATA tonnage fell 0.5% in August, 1.6% below last year and 4.3% under March's peak; Cass shipments rose 2.1% year-over-year, the first gain since January 2023 (ATA/CCJ, Cass)
- Capacity is not coming back: tractors in new for-hire fleets fell to 19,520 in August and rejections hold near 14%, about 3x the 2023–25 range; September Class 8 orders split (FTR +3%, ACT −9.5% YoY) on EPA 2027 uncertainty (SONAR, FTR, ACT)
- Diesel hit a record $6.53/gallon on Sep 21 before easing to $6.20 on Oct 5, still ~67% above a year ago; EIA expects distillate stocks below 100M barrels in October and Q4 diesel near $5.55 (EIA, Single Point Capital)

Sources: DAT, Freight Waves, FRED, AlixPartners analysis

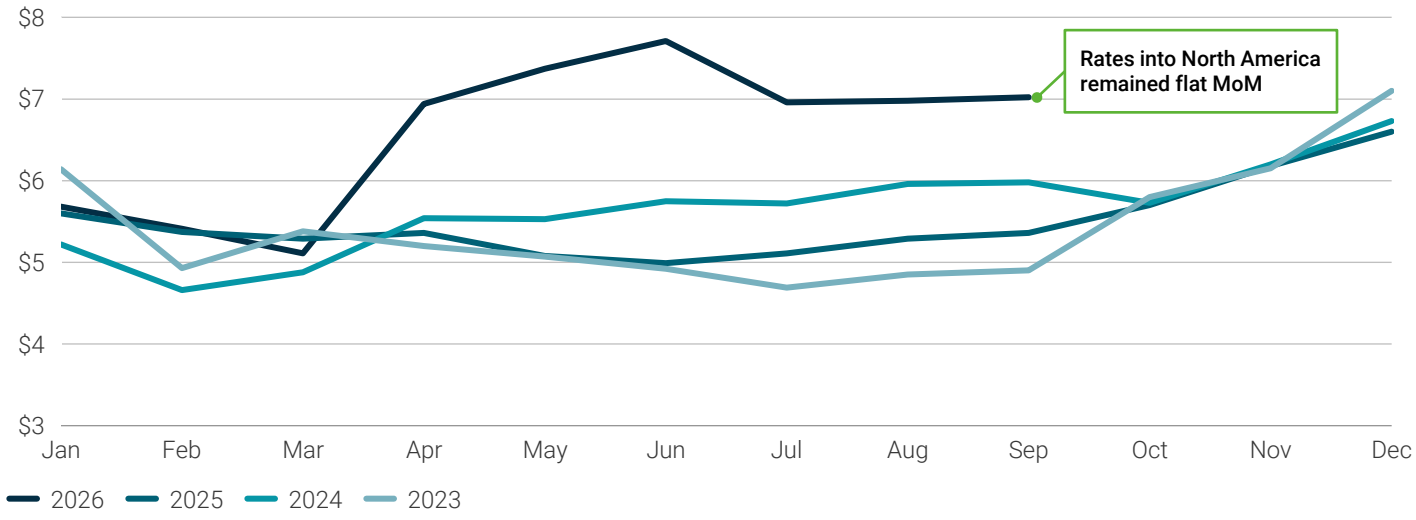
AIR FREIGHT

Global air freight average spot rate decreased to $3.10/kg in September, down 1% MoM, but up 27% year over year

KEY INTERNATIONAL ROUTES (UNIT:$ PER KG)



HONG KONG TO NORTH AMERICA HISTORY (UNIT:$ PER KG)



KEY TRENDS AND FACTS

- AI buildouts are continuing to drive significant demand on Asia to US routes; carriers are adding additional supply to match demand (SupplyChainDive)
- Jet fuel prices climbed 3.1% in September, up 111.2% YoY, continuing to put upward pressure on rates (IATA)

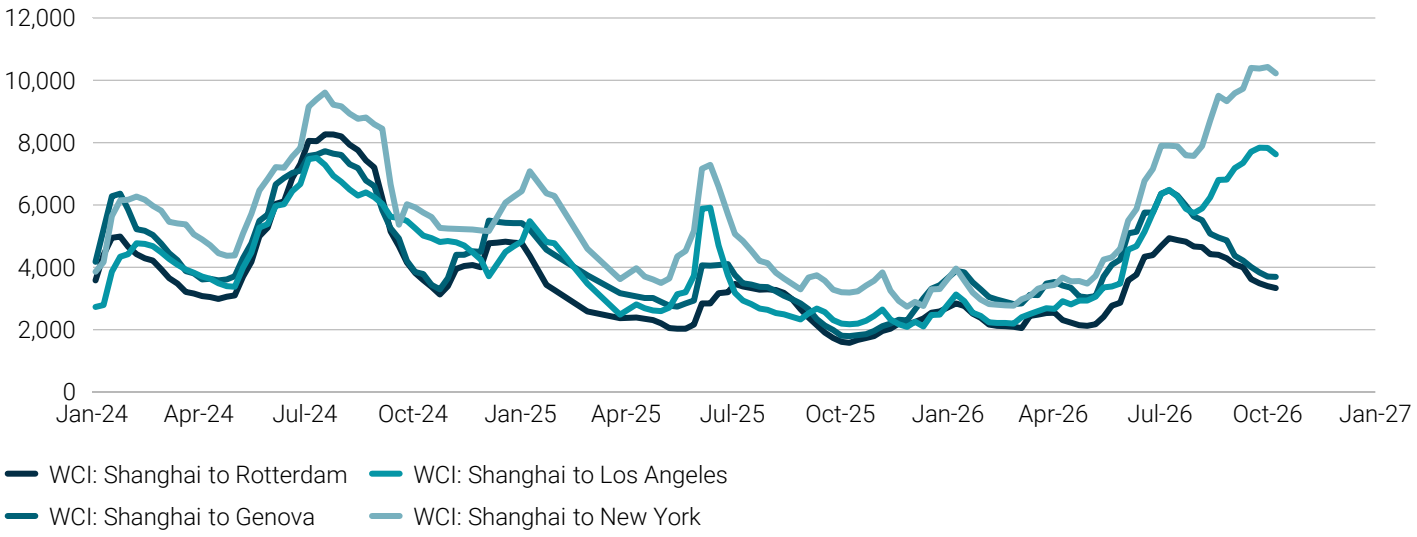
Sources: Baltic Exchange Air Freight Index - TAC database, Air Cargo News, Xeneta, Supply Chain Dive, AlixPartners analysis

OCEAN FREIGHT

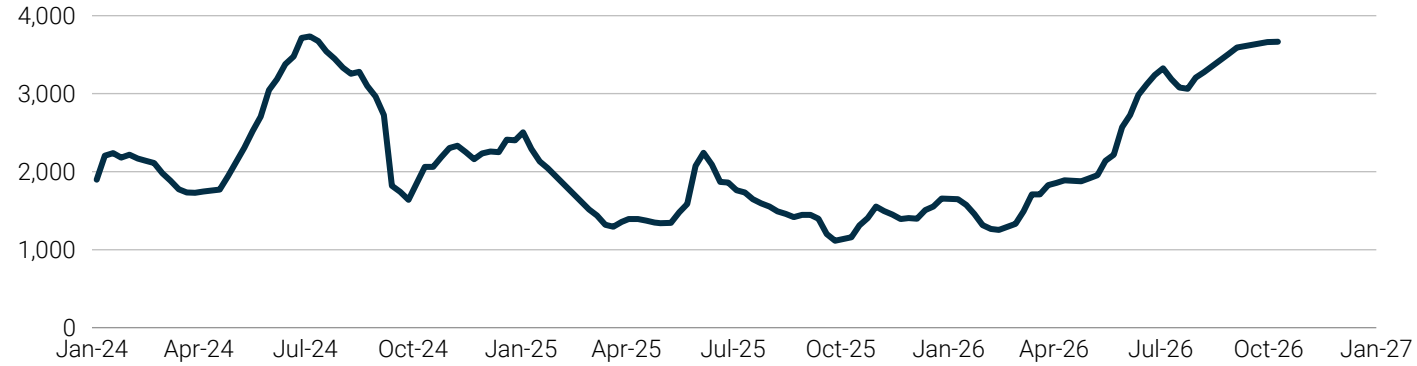
Transpacific rates peaked in late September and are now easing post-Golden Week, but record U.S. imports are keeping the market elevated

TRANSPACIFIC: CENTRAL CHINA (SHANGHAI) TO U.S. MONTHLY SHIPPING RATE FOR 40FT CONTAINER EVOLUTION (UNIT: $)

Drewry: Trade Routes from Shanghai (U.S. $/40ft)



Shanghai Container Freight Index (U.S. $/40ft)



KEY TRENDS AND FACTS

- U.S. import demand remained stronger than expected through September, reaching a record 2.55M TEU, +10.3% YoY, while China-origin imports jumped 21.2% YoY to 924K TEU, extending the peak season well beyond the normal timing (Reuters)
- Golden Week appears to have triggered the first clear post-peak correction, with Shanghai–Los Angeles down 3% and Shanghai–New York down 2% on Oct. 8 as export demand paused and announced blank sailings dropped from 11 to four for the following week (LoadStar)
- The U.S.–Europe divergence remains pronounced, with Asia–Europe rates falling for 13 consecutive weeks as additional Suez routings restore effective capacity, while Transpacific pricing remains well above pre-summer levels (Drewry)

Sources: Drewry Ocean report, Freightos, Xeneta, Reuters, AlixPartners analysis

RAIL FREIGHT

Q3 ’26 was the best intermodal quarter on record; September carloads rose YoY for the ninth straight month, with 17 of 20 groups up (most in five years)

U.S. RAIL VOLUME BY COMMODITY – SEPTEMBER 2026 VS. SEPTEMBER 2025

INTERMODAL	**6.7%**
COAL	**-2.4%**
PRIMARY FOREST PRODUCTS	**8.6%**
MOTOR VEHICLES AND PARTS	**-1.2%**
PRIMARY METAL PRODUCTS	**15.2%**
CHEMICALS	**2.4%**
GRAIN MILL PRODUCTS	**0.3%**
GRAIN	**5.5%**
PETROLEUM AND PRODUCTS	**10.6%**
CRUSHED STONE, SAND AND GRAVEL	**1.9%**

Source: Association of American Railroads

KEY TRENDS AND FACTS

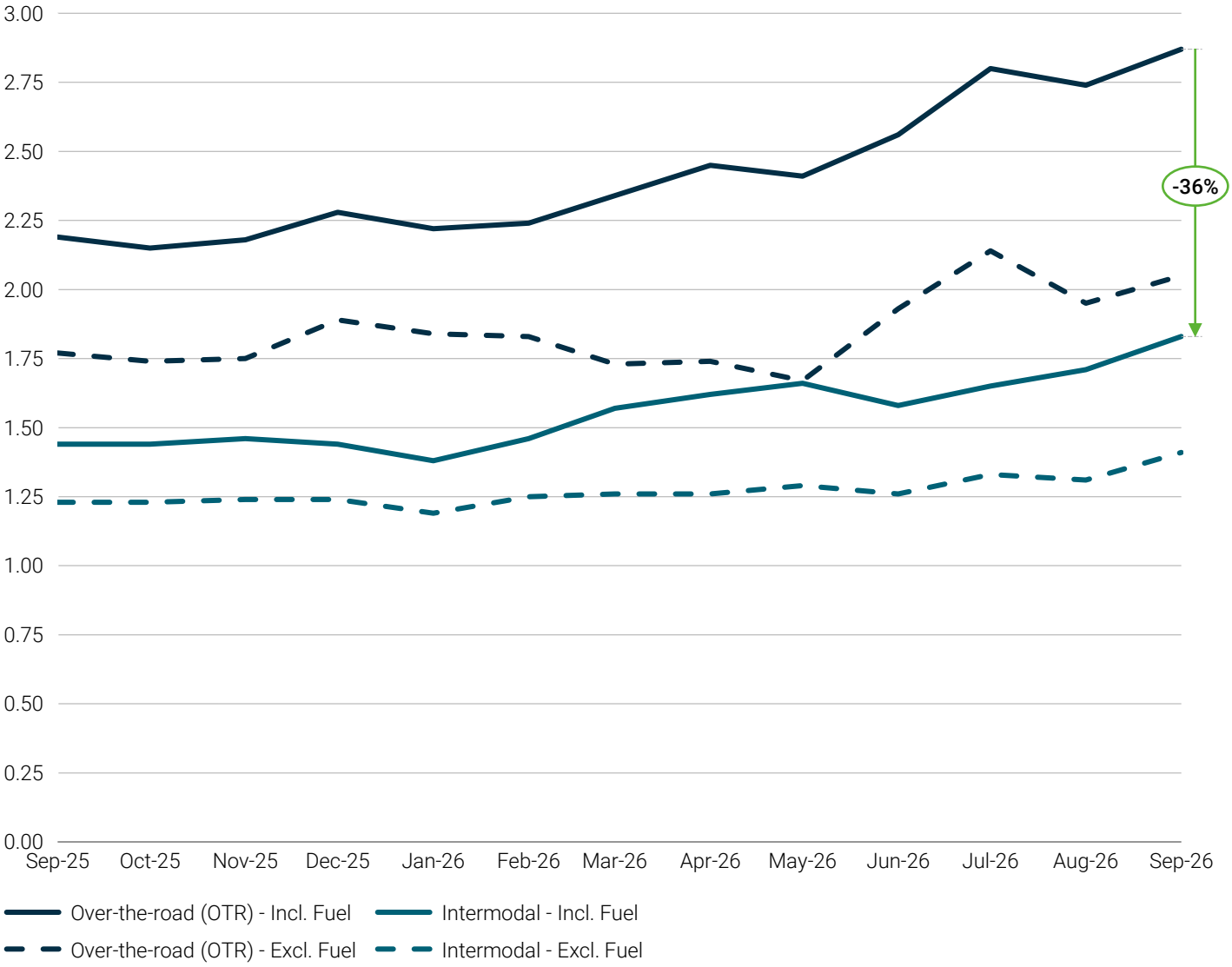
- Momentum is carrying into Q4: U.S. rail traffic rose 7.2% YoY in the week ending October 10, led by intermodal at 302K units (+10.4%); excluding coal, September carloads grew 4.4%, well ahead of GDP
- Rail capacity is tightening as demand rises: stored railcars fell to 17.7% of the North American fleet in September, the lowest share since April 2023, as record diesel prices and truck driver exits push more shippers to intermodal
- UP-NS cleared an early hurdle: on September 18 the STB unanimously denied motions to dismiss the $85B deal, and on October 6 it accepted four late-filed notices of competing responsive applications; UP and NS still target a mid-2027 close

Note: Carloads are traffic classified into 20 major commodity categories. Rail intermodal units are shipping containers and truck trailers moved on railcars
Source: AAR, STB, Progressive Railroading, IANA, ACT News

INTERMODAL

As diesel and over-the-road (OTR) linehaul rates have increased, Intermodal has become significantly more attractive for shippers to help off set OTR increases

DRY VAN LINEHAUL-ONLY RATE – LOS ANGELES TO CHICAGO ($/MILE)



KEY TRENDS AND FACTS

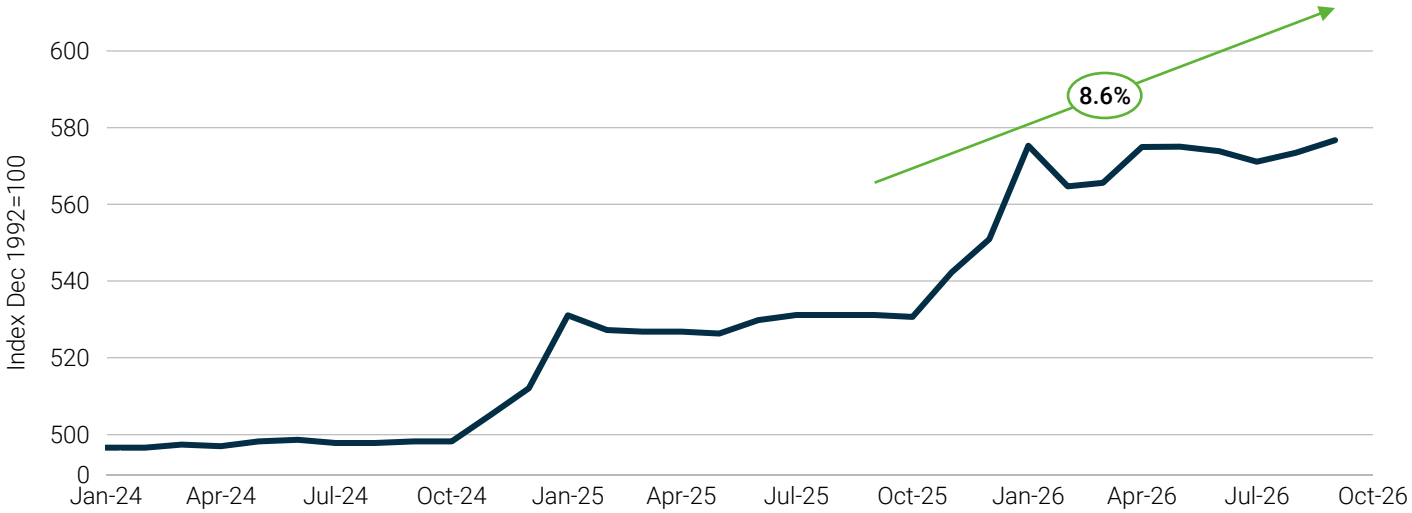
- For the month of September, the LA-Chicago lane intermodal lane is 36% less expensive than over-the-road shipping. Shippers are moving to intermodal ahead of peak partly for its roughly 70% fuel-efficiency advantage over truckload
- Standard intermodal on the LA-Chicago lane adds roughly 2-4 days versus OTR, but faster, truck-competitive service tiers are available (premium within about 1 day of truck) for time-sensitive freight. Peak season (Sep-Dec) can stretch these times as holiday volume builds
- Intermodal volume set a new record in September, up 4.2% year over year, with U.S. railroads averaging nearly 296,000 loads per week, the ninth straight month of YoY gain

Sources: DAT, Trains, NTG Freight, AAR

USA PARCEL

FedEx delivers strong top-line growth despite slight margin compression while divesting FedEx Supply Chain to further streamline operations

PRODUCER PRICE INDEX – STANDARD COURIER SERVICES INDEX[1]



Note: 1. Measures the average change over time in the selling prices received by domestic producers for their output. For e.g.: If a 1 kg package average parcel selling price in U.S. was $5 in Dec 1992, today it is about 5*565/100=$28.25.

FEDEX FINANCIAL RESULTS Q4 FY2026

METRIC	FEDEX Q4 FY26	FEDEX Q4 FY25
Metric	FedEx Q4 FY26	FedEx Q4 FY25
Revenue	$25.0B (+12.5%)	$22.2B
Operating Margin	8.4% (-70 bps)	9.1%
Adjusted EPS	$6.31 (+4.0%)	$6.07
Net Income	$1.60B (-3.0%)	$1.65B

Source: FedEx

KEY TRENDS AND FACTS

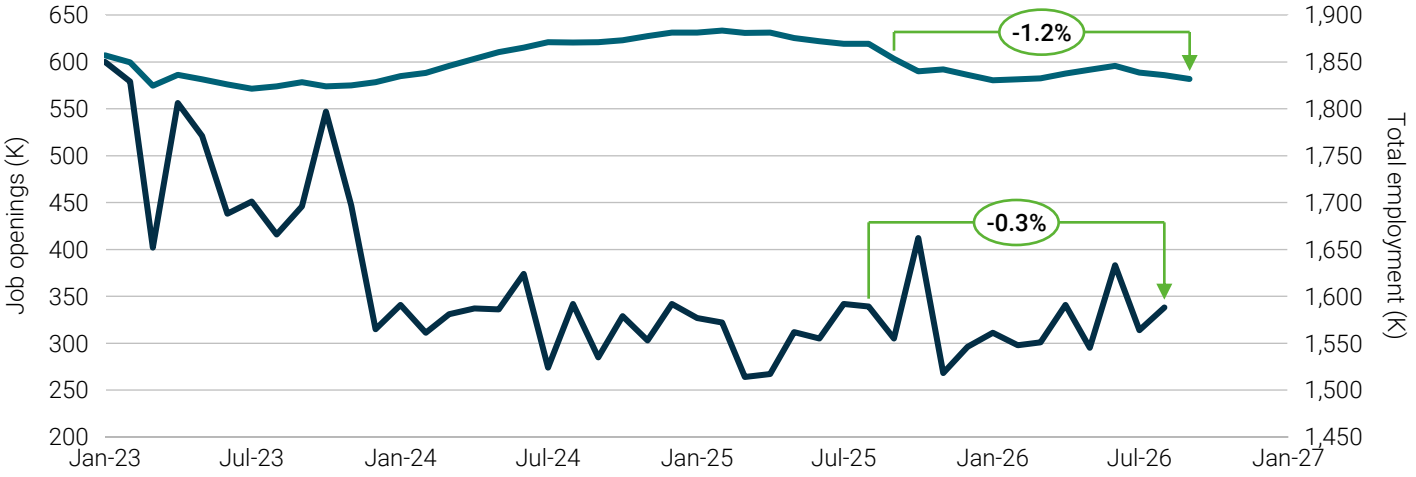
- FedEx completed the $1.4 billion sale of FedEx Supply Chain to CMA CGM Group on October 1st to further simplify its business after the spin-off of FedEx Freight (FedEx)
- FedEx launched Authenticated Delivery across the U.S. and Canada on Sept. 16, replacing physical signatures on high-value shipments with an in-person QR code scan (FedEx)

Sources: Bureau of Labor Statistics; FedEx Results; FedEx Completes Sale; FedEx Authenticated Delivery;

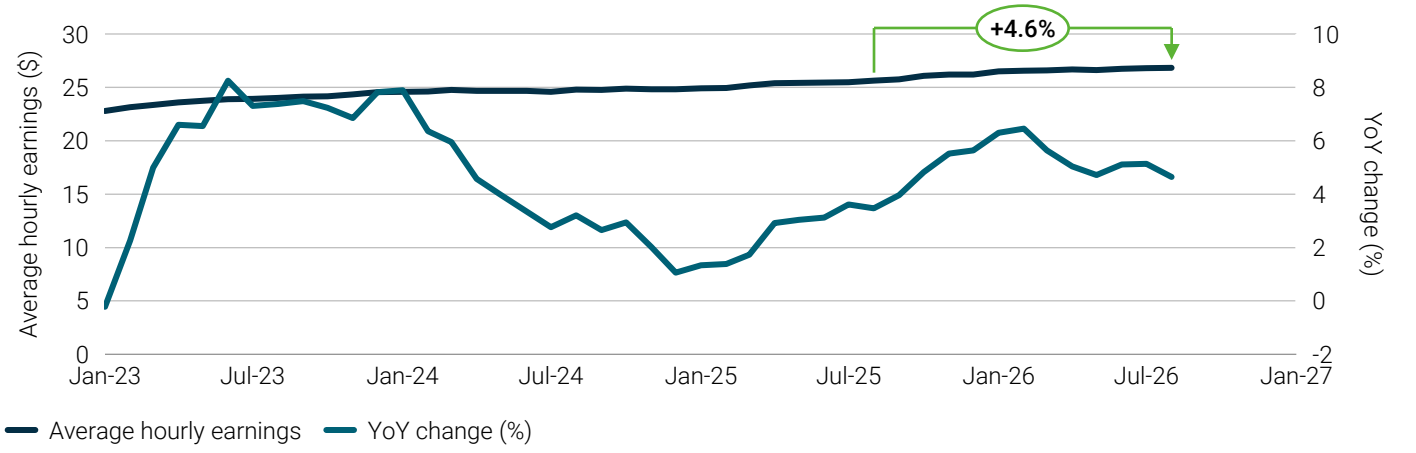
LABOR

Warehousing employment fell to 1,832K in September – down 22K (-1.2%) YoY and now in third consecutive month of MoM contraction

JOB OPENINGS AND TOTAL EMPLOYMENT[1]



AVERAGE HOURLY EARNINGS[1]



Note: 1. Job Openings and Labor Turnover Survey used the Transportation, warehousing, and utilities industry group. Total Employment and Earnings used warehousing and storage industry group from the Current Employment Statistics survey. Data is seasonally adjusted.

KEY TRENDS AND FACTS

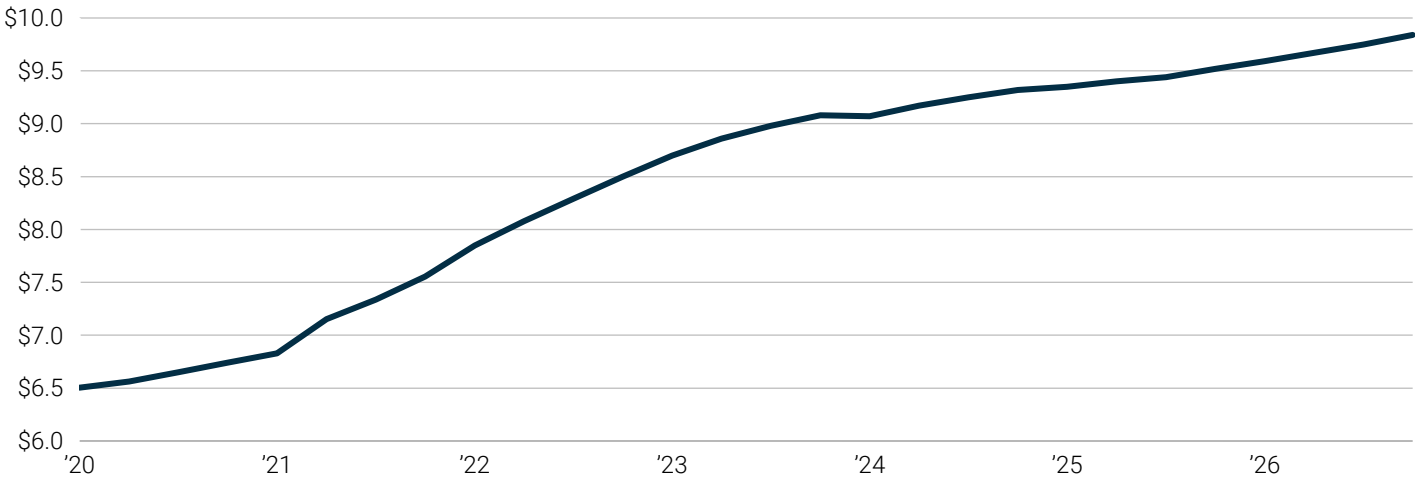
- Warehousing employment fell to 1,832K in September, down 4.1K MoM and 22K (-1.2%) YoY – now 52K below its February 2025 peak; third consecutive month of MoM decline confirms the low-hire, low-fire pattern has firmly tipped into sustained net contraction (BLS)
- Warehousing hourly wages at $26.83 in August (+4.5% YoY, SA) – wage growth continues to moderate from June's +5.1% peak but still outpacing the broader economy as tight labor supply sustains pressure on skilled logistics roles (BLS)
- Job openings in transportation, warehousing & utilities rebounded to 338K in August (+7.6% MoM, essentially flat YoY at -0.3%) – recovering from July's 314K dip as operators continue to post for peak-season demand despite shrinking headcount (BLS)

Sources: U.S. Bureau of Labor Statistics seasonally adjusted data, MMH, Freight Waves

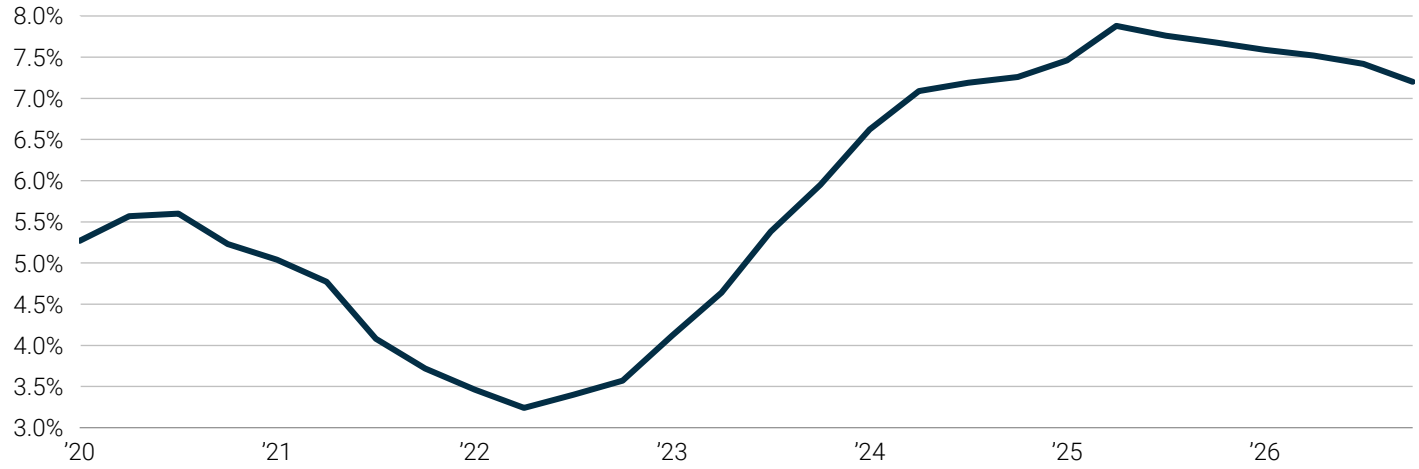
WAREHOUSING TRENDS

Industrial market tightens further in Q3 as vacancy falls to 6.8% – data center supply chain now driving 10% of all new leasing nationwide

NATIONAL AVERAGE MARKET RENT/SQ FT ($)



NATIONAL AVERAGE VACANCY RATE (%)



KEY TRENDS AND FACTS

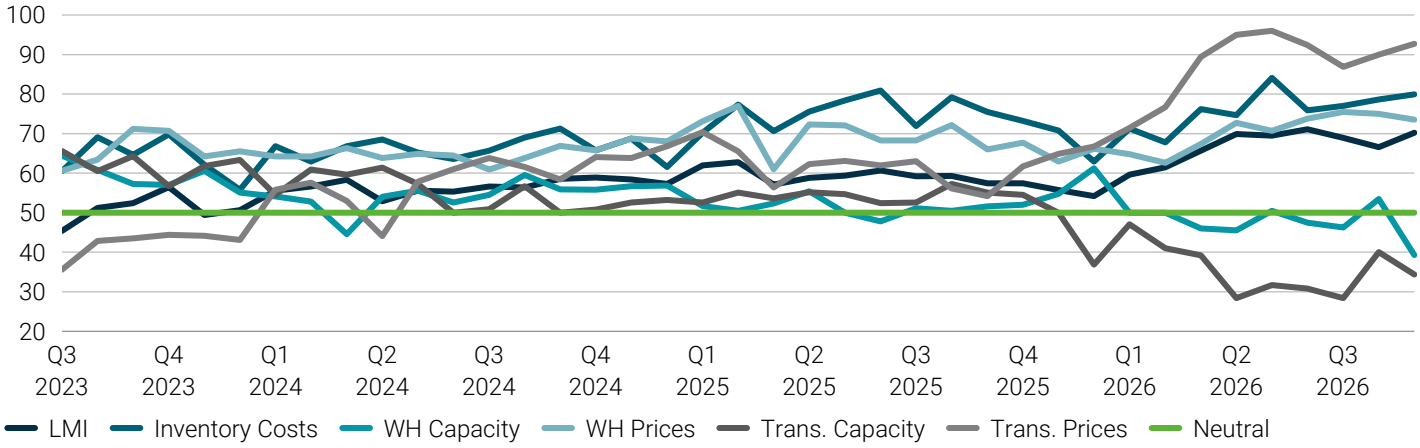
- Industrial vacancy fell to 6.8% in Q3 2026 – lowest since Q4 2024 – as net absorption outpaced supply for the third straight quarter; Dallas-Fort Worth vacancy fell 150 bps YoY to 7.3%, Houston asking rents hit a record $8.16/SF
- Data center supply chain is now a major industrial demand driver – firms supplying, servicing, and transporting data center equipment account for ~10% of new leasing nationwide YTD, joining e-commerce as a structural demand pillar
- Flight to quality intensifying – Class A buildings capturing nearly all positive absorption while Class B loses tenants upgrading to modern space; large-box leading the recovery with sustained tightness in automation-ready facilities

Sources: AlixPartners & Mohr Partners, Cushman & Wakefield Q3 2026 U.S. Industrial MarketBeat; CBRE Q3 2026 Regional Industrial Figures; Logistics Management, AlixPartners analysis

WAREHOUSING TRENDS

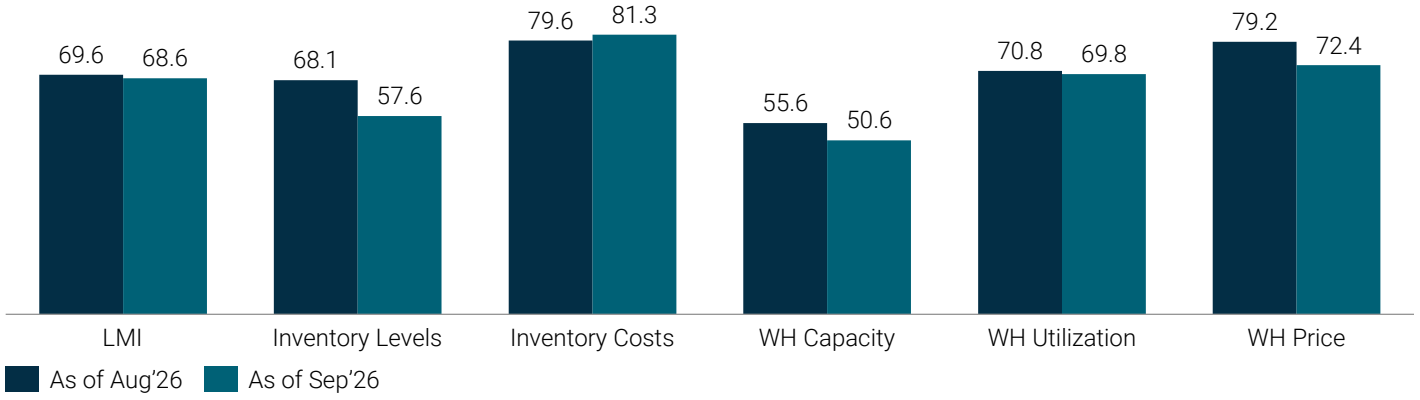
LMI surged to 70.2 in September (+3.6 from August) – second-highest reading in four years as Warehousing Capacity collapses to 39.3, fastest contraction since March 2022

FLUCTUATION OF LMI INDICES



Logistics Manager Index (LMI) Legend: +50 = Increasing -50 = Decreasing

LMI SURVEY – NEXT 12-MONTH PREDICTION[1]



Note: 1. LMI respondents' predictions for movement in LMI metrics 12 months from now

KEY TRENDS AND FACTS

- LMI surged to 70.2 in September (+3.6) – second-highest reading since March 2022 – as Inventory jumped +6.1 to 58.9, driven by Upstream wholesale buildup (61.4) ahead of Q4 retail shift; Port of LA TEU volumes projected up 50-55% YoY in late Sept/early Oct
- Warehousing Capacity collapsed -14.2 to 39.3 – fastest contraction since March 2022's Ukraine disruption – with Upstream at 36.8 and smaller firms at 36.0; sector shed 4,100 warehousing jobs in September, now down 21,600 YoY and 107K off March 2022 peak
- Transportation Prices hit 92.7 (+2.7) – fifth time in six months above 90.0 – as U.S. diesel reached $6.832/gallon in late September, second-highest reading ever; J.B. Hunt warned of 5-10% Q3 earnings headwind as fuel surcharges fail to fully offset locked-in service contracts

Sources: Logistics Managers' Index, September 2026, AlixPartners analysis

WAREHOUSING TRENDS

Warehouse automation moves from capability-building to infrastructure provision as the industry consolidates around integrated platforms

COMPANY DEVELOPMENTS

Amazon

Launches open-source Physical AI Toolchain on AWS; crosses 1M robots deployed across global fulfillment network.

Purpose: Amazon released the Physical AI Toolchain on AWS on October 8 – open-source stack built on NVIDIA's physical AI foundation and shaped by Amazon's internal robotics expertise. In parallel, Amazon crossed 1 million robots deployed globally. The toolchain release signals Amazon's strategic pivot from internal capability to infrastructure provider for the entire industry, mirroring AWS's playbook.

Toyota Automated Logistics

Combines Bastian Solutions, Vanderlande warehousing, and viastore under single warehouse automation umbrella.

Purpose: Toyota formally combined three major warehouse automation businesses – creating one of the largest full-stack integrators globally, with complementary strengths across AGVs, high-density storage, sortation, and software. Intensifies pressure on standalone vendors to merge, specialize, or exit; signals that scale economics now favor integrated platforms over point solutions.

Dexterity/FedEx

Autonomous trailer loading scales across FedEx hubs; Dexterity ranked top physical AI vendor at ProMat'26.

Purpose: Following July's Hagerstown pilot, Dexterity's Mech dual-armed trailer-loading robot is scaling across additional FedEx hubs, with Dexterity emerging as the leading commercially-deployed Physical AI platform. The company's Foresight world model is now powering multi-vendor hardware partnerships positioning Dexterity as the platform layer for Physical AI in parcel logistics.

OTHER DEVELOPMENTS

- Boston Dynamics named former Amazon AI leader Rohit Prasad as CEO (Oct 6); unveiled new Atlas hands with 13 degrees of freedom – leadership shift signals pivot from research to commercialization
- Iron Mountain became first customer for Dexory's new 18-meter autonomous inventory-scanning robots (Sept 30) – extending autonomous scanning to high-bay facilities previously unreachable
- Ultra raised $62M Series A (Oct 15) for its OP1 packing robot on a RaaS model, partnered with Physical Intelligence for AI models – reinforcing integration (not hardware) as the real bottleneck
- AutoStore launched CubeVerse – unified design/simulation/deployment platform with AI analytics – joining Symbotic (ARMS) in the "operational nervous system" architecture race

Sources: Amazon Robotics; AWS Physical AI Toolchain; Toyota Automated Logistics; Dexterity; Boston Dynamics; Dexory; Iron Mountain; Ultra; AutoStore; Robotics 24/7; Automated Warehouse

DEMAND VS. CAPACITY

European freight costs remain elevated YoY: ocean eases but stays sticky, trucking stays tight on diesel and the Rhine, and air holds firm on falling capacity

	OCEAN FREIGHT	AIR FREIGHT	TRUCKING
Year over year trend – Demand	→	→	→
Year over year trend – Capacity	↗	→	→

- **Asia–North Europe spot rates in freefall**: Shanghai–Rotterdam down 13 straight weeks (−1–3% WoW) yet still 68% above pre-February baseline; Red Sea return hit 27% in September, with Premier Alliance following in October, releasing 6–8% of global fleet as demand eases
- **All-in costs stay sticky**: EU ETS surcharges rose again in October; Emergency Fuel Surcharges and high bunker costs persist

- **Europe air freight rates held steady through September**, even as available cargo capacity (ACTK) fell ~6% YoY in August
- **Demand growth (CTK) has outpaced capacity on key European routes**, keeping $-per-kg rates resilient versus the broader global pullback this peak season

- **Spot overtakes contract**: European FTL spot rates are up 16% YoY and contract 9%; Domestic Germany leads at 22% spot and 17% contract, while French spot cooled to 5%, half its 10% contract gain
- **Diesel and the Rhine both bite**: pre-tax EU diesel at €1.33/l, +82% YoY; Kaub hit a record low of minus 6 cm on 1 Oct, pushing bulk onto trucks (~60 per 1,500 t barge); German port strikes were averted on 6 Oct, but Bremerhaven yards remain 90% full

Source: Drewry Ocean report; Logistics Insider; DC Velocity; The Loadstar; Freightos; JOC; Maritime News; Xeneta; eeSea; Logfret; Upply; Ti; IRU; Eurostat; European Commission; EIA; Baltic Exchange Air Freight Index – TAC database; IATA; AJOT; AlixPartners analysis

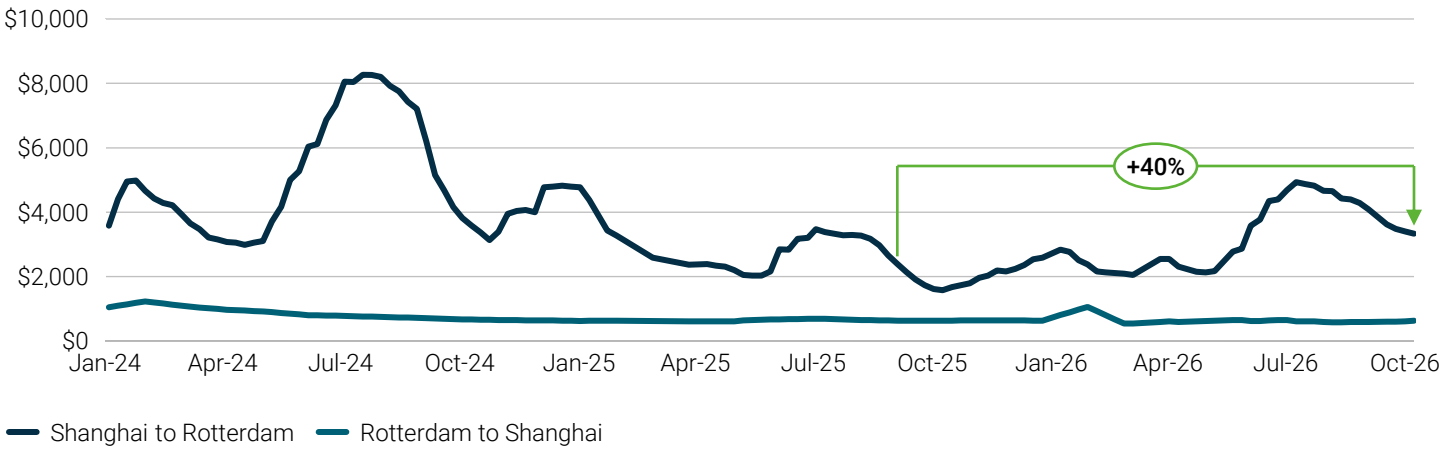


EUROPE OCEAN FREIGHT

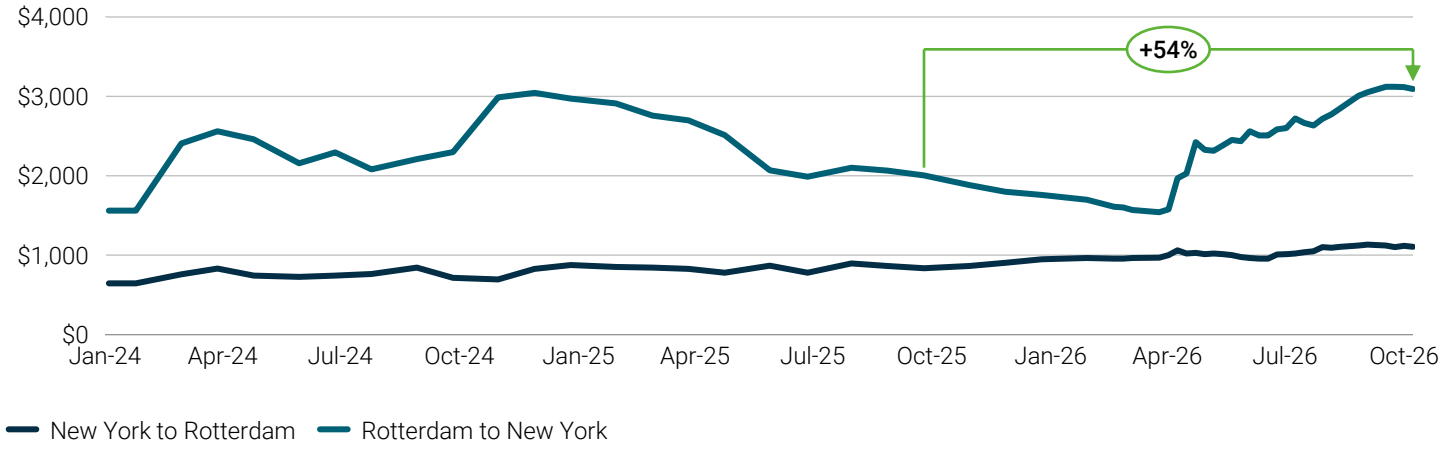
Asia-North Europe rates correcting from summer peaks as Suez capacity return outpaces demand; underlying level remains elevated despite 13-week declining trend

CENTRAL CHINA (SHANGHAI) AND USA (NEW YORK) TO EUROPE MONTHLY SHIPPING RATE FOR 40FT CONTAINER EVOLUTION (UNIT: $)

Shanghai – Rotterdam (U.S. $/40ft)



New York – Rotterdam (U.S. $/40ft)



KEY TRENDS AND FACTS

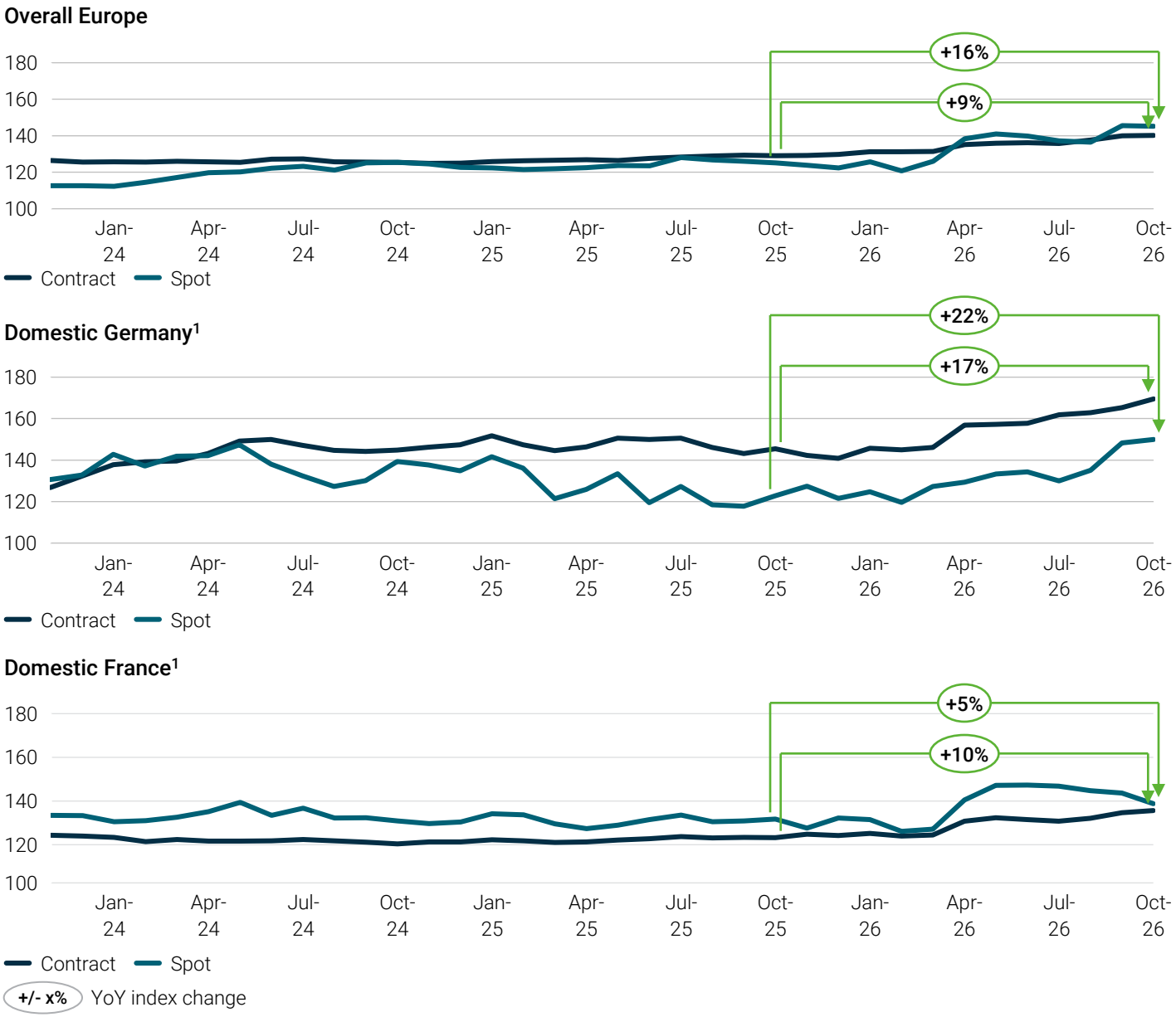
- **Suez capacity overhang**: Red Sea normalisation at 27% (1) with Premier Alliance returning in October (2); combined effect releasing equivalent of 6–8% of global fleet just as Golden Week backlog clears and demand growth eases (3)
- **Rate trend but sticky floor**: Declines accelerating through 13 weeks (4), yet base rates remain 68% above pre-February crisis level (5); EU ETS and bunker surcharges (6) keep all-in costs resilient despite spot softening
- **Carrier pushback emerging**: October FAK targets (Maersk USD 4.5k, Hapag-Lloyd USD 4.2k) signal attempt to stabilise (7), but oversupply risk and poor schedule reliability (4% on-time, 8.5% fleet congestion) (8) weigh heavily against success
- **Tender leverage now**: European shippers in 2027 negotiations with pricing power (9), but urgency to lock surcharge guardrails and transparent bunker mechanisms (10) before Q4 volatility intensifies

Sources: Drewry Ocean report; Logistics Insider; DC Velocity; The Loadstar; Freightos; JOC; AlixPartners analysis, Maritime News, Xeneta eeSea, Logfret

EUROPE ROAD FREIGHT

European FTL spot rates rose 16% and contract rates 9% year over year. France bucks the trend, with spot up only 5%

EUROPE FTL FREIGHT INDEX, INCL. FUEL (JAN-17 AS 100 BASE)



KEY TRENDS AND FACTS

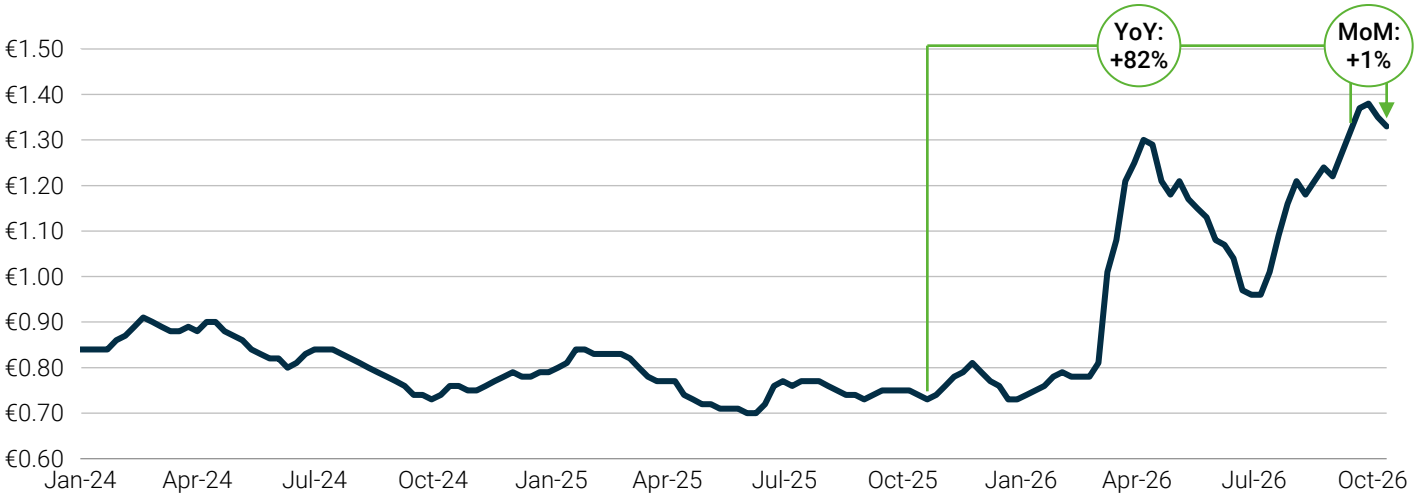
- **Spot rates jumped in recent months and now lead contract rates**: Overall Europe spot rose 16% against 9% on contract and Domestic Germany 22% against 17%, while French spot cooled from its summer peak to 5%, half the contract gain
- **Rhine at a record low**: Kaub fell to -6 cm on 1 Oct, and each 1,500 tonne barge load needs about 60 trucks to replace, tightening German road capacity. German port strikes were averted on 6 Oct, though Bremerhaven and Hamburg are still clearing backlogs
- **Some governments now target hauliers directly**: the Netherlands cut its truck toll by 22% and zeroed vehicle tax on trucks over 12 tonnes until year-end, and Slovenia covers up to 70% of hauliers' extra diesel cost

Note: 1. These corridors were selected as representative examples with high freight volumes. Additional corridors are available
Sources: Upply, Ti, IRU, Eurostat, WSV, AlixPartners analysis. Historic freight index values can still be subject to change

EUROPE DIESEL

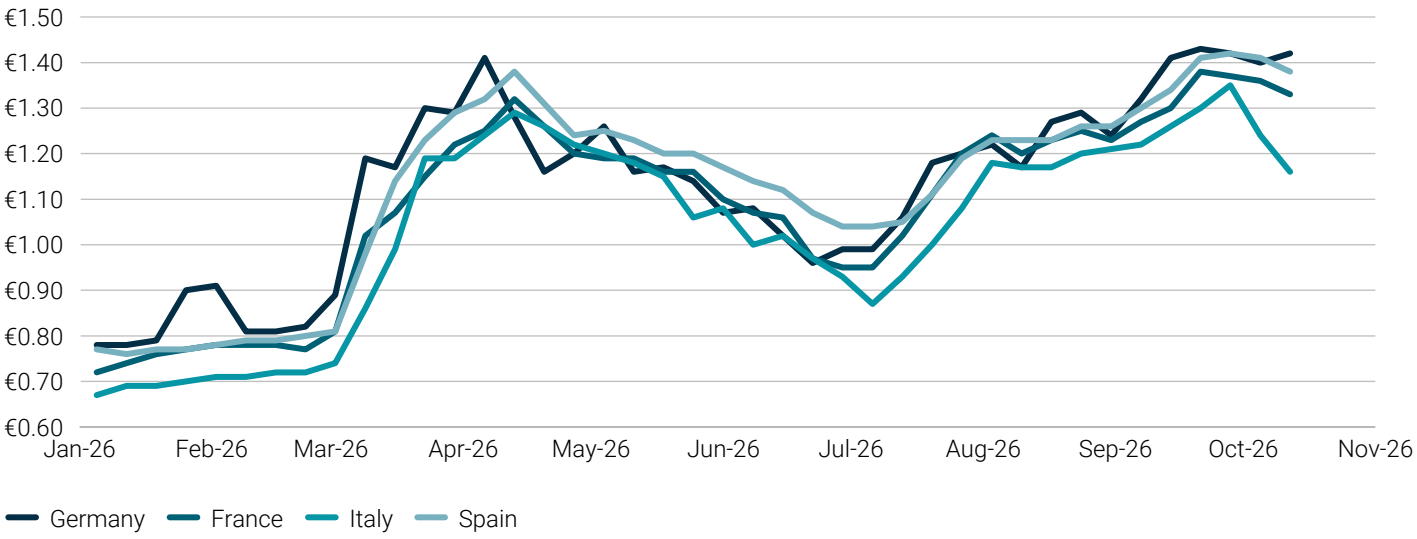
Pre-tax EU diesel held at EUR 1.33 per litre, up 82% year over year. Distillate tightness, not national tax cuts, sets the price

EU AVERAGE PRE-TAX DIESEL PRICE (€)



DEEP-DIVE: 2026

EUROPEAN PRE-TAX DIESEL PRICE PER LITER BY COUNTRY (€)



KEY TRENDS AND FACTS

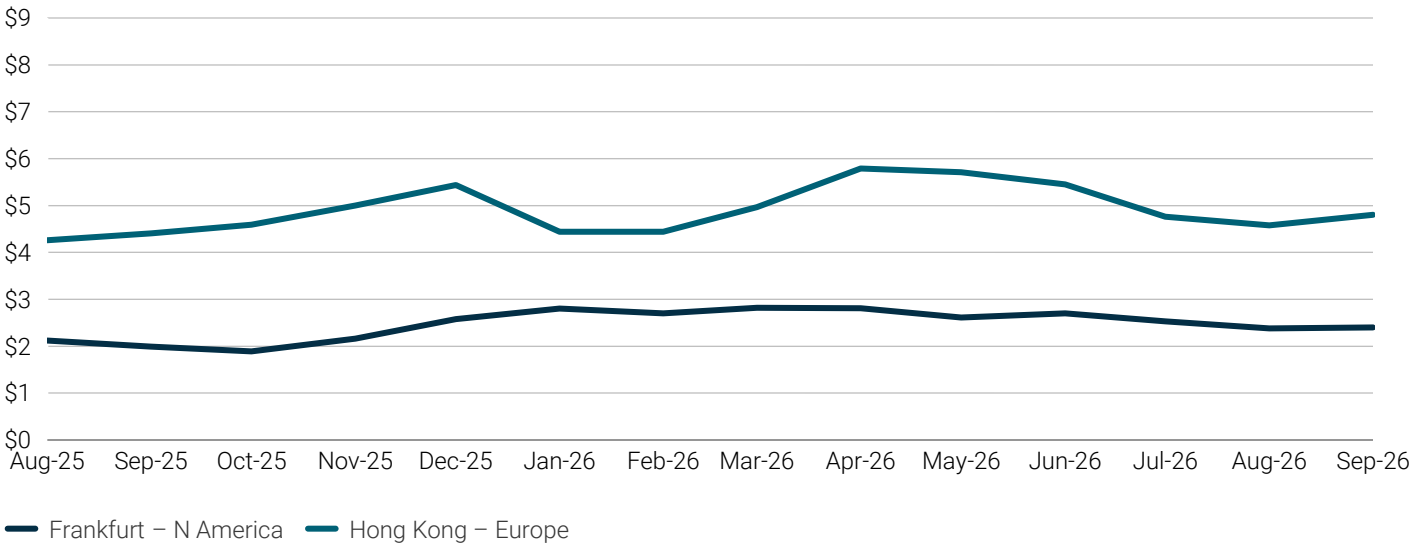
- **Plateau below the peak**: Pre-tax EU diesel stood at EUR 1.33 per litre on 12 October, up 82% year over year and 1% in the month, 4% below the 28 September peak and 39% above the July trough
- **Tax relief sits outside this basis**: Germany's 14 cent duty cut from 1 October and Spain's 20 cent cut do not move this (pre-tax) series. Germany is dearest at EUR 1.42; Italy fell to 1.16 as retailer price caps absorbed its restored duty
- **Tight into 2027**: EIA's October outlook sees extreme diesel tightness and Brent at $105/b in Q4, easing to $84/b in 2027. Pump-indexed surcharges will jump in January when German and Spanish relief ends

Source: European Commission; EIA; TI/Upply/IRU; Reuters; AlixPartners Analysis

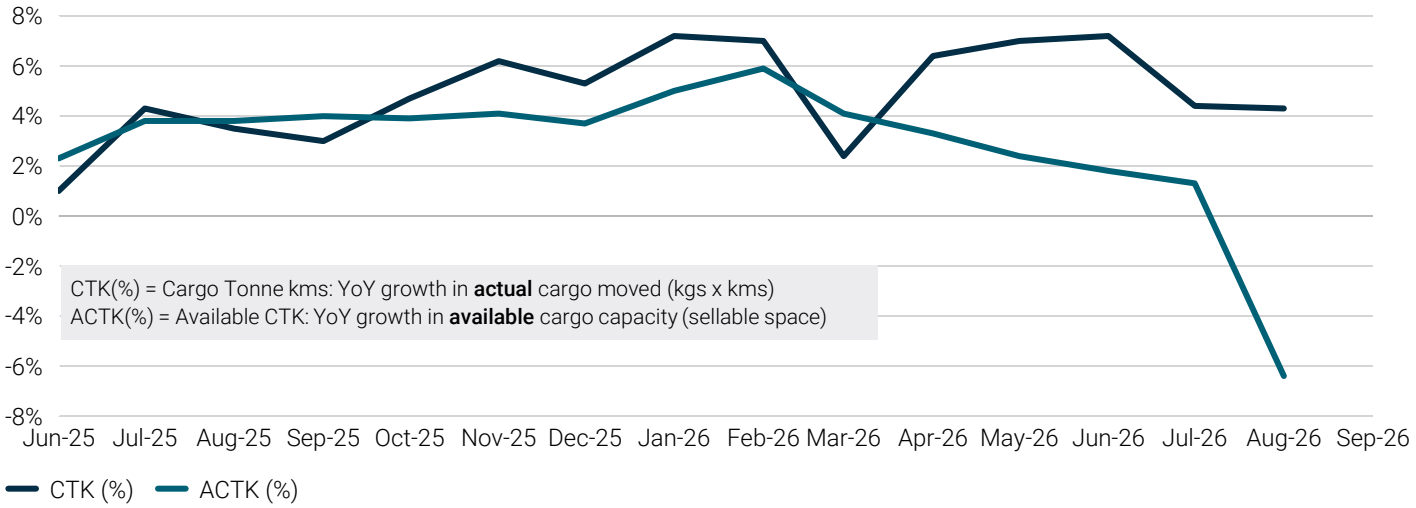
EUROPE AIR FREIGHT

Europe air freight rates held steady through September even as available cargo capacity fell ~6% YoY in August

KEY EUROPEAN ROUTES (UNIT:$ PER KG)



EUROPE: CTK% VS. ACTK%



KEY TRENDS AND FACTS

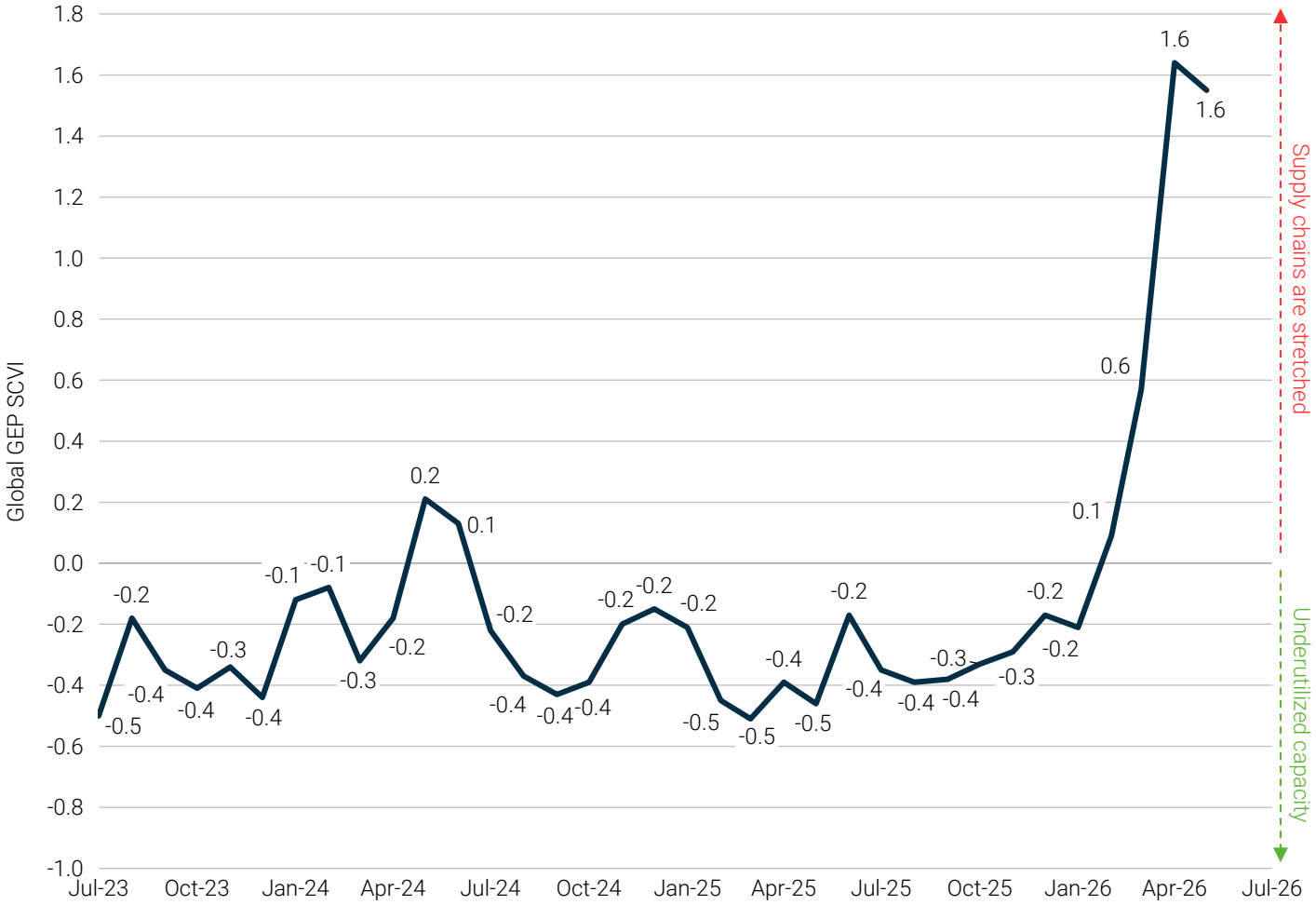
- Global air cargo spot rates increased to $3.10/kg in September, +27% YoY, signaling that Middle East-driven rate premiums are unwinding even with continued increases in jet fuel prices (Xeneta)
- China's e-commerce exports to Europe fell 40% YoY in August, worse than July's -25%, after the EU's €3-per-item duty took effect on 1 July (Xeneta)

Sources: Baltic Exchange Air Freight Index - TAC database, IATA, Xeneta, AJOT, AlixPartners analysis

GLOBAL SUPPLY CHAIN VOLATILITY INDEX

Global Supply Chain Volatility index[1] at 1.55 in May 2026; Supply chains are stretched in recent months due to safety stockpiling to protect against inflation and shortages

SUPPLY CHAIN VOLATILITY INDEX (GEP)



Note: 1. Global Supply Chain Volatility index May 2026
Note on definition: The GEP Global Supply Chain Volatility Index is produced by S&P Global and GEP. The GEP Global Supply Cha in Volatility Index is derived from S&P Global's PMI™ surveys, sent to companies in over 40 countries, totalling around 27,000 companies. The headline figure is the GEP Global Sup ply Chain Volatility Index. This a weighted sum of six sub-indices derived from PMI data, PMI Comments Trackers and PMI Commodity Price & Supply Indicators complied by S&P Global.

KEY TRENDS AND FACTS

- Index at 1,55 – with very differing utilization levels by region:
  - Asia: Highly stretched supply chain with Index of 2.96 (May 2026)
  - North America: Stretched supply chain with Index of 1.69 (May 2026)
  - Europe: Stretched supply chain with Index of 1.43 (May 2026)

IMPORT TRENDS

China had been a go-to hub for U.S. manufacturers, but U.S./China relations and tariffs have been pushing trade towards other countries (Vietnam, India, Mexico, Canada gained most)

				COUNTRY WISE CHANGES (2018 VS. LTM JUL 2026)				
	TOTAL U.S. IMPORTS			CHINA	VIETNAM	INDIA	MEXICO	CANADA
CATEGORIES	2018 ($B)	LTM JUL 2026 ($B)	CHANGE (%)	CHG. %	CHG. %	CHG. %	CHG. %	CHG. %
Apparel & Textiles	$116	$103	(11%) ▼	(61%) ▼	40% ▲	6% ▲	(7%) ▼	(27%) ▼
Automotive & Transportation Parts	$340	$361	6% ▲	(40%) ▼	304% ▲	(14%) ▼	29% ▲	(12%) ▼
Chemicals & Allied Industries	$233	$301	29% ▲	(2%) ▼	270% ▲	66% ▲	49% ▲	7% ▲
Computer & Electronics	$363	$550	52% ▲	(59%) ▼	573% ▲	1975% ▲	55% ▲	51% ▲
Food & Beverage	$151	$219	45% ▲	(35%) ▼	35% ▲	2% ▲	60% ▲	65% ▲
Footwear, Headgear & Others	$32	$31	(3%) ▼	(57%) ▼	66% ▲	4% ▲	87% ▲	(15%) ▼
Furniture	$67	$57	(14%) ▼	(70%) ▼	157% ▲	24% ▲	13% ▲	1% ▲
Leather Goods	$15	$14	(8%) ▼	(78%) ▼	56% ▲	26% ▲	41% ▲	25% ▲
Mechanical & Electricals	$379	$799	111% ▲	(69%) ▼	2639% ▲	128% ▲	204% ▲	28% ▲
Metals, Parts and Products	$139	$151	8% ▲	(43%) ▼	165% ▲	89% ▲	21% ▲	(1%) ▼
Misc. Goods & Manf. Products	$476	$500	5% ▲	(38%) ▼	515% ▲	(56%) ▼	25% ▲	44% ▲
Plastics & Rubber Products	$86	$101	16% ▲	(37%) ▼	462% ▲	73% ▲	65% ▲	8% ▲
Special Classification Provision	$85	$125	46% ▲	139% ▲	1494% ▲	362% ▲	72% ▲	18% ▲
Temporary Legislation	$18	$36	96% ▲	219% ▲	1171% ▲	122% ▲	7% ▲	9% ▲
Wood & Pulp Products	$47	$47	(1%) ▼	(54%) ▼	362% ▲	133% ▲	66% ▲	(10%) ▼
Total	$2548	$3393	33%	(52%)	374%	74%	69%	21%
		LTM Jul 2026 U.S. imports ($B)		£259	$242	$96	$581	$385

Key nearshoring trends:

- Over the past seven years (2018 to Last Twelve Months ending July 2026), overall imports into the US increased by 33%. However, imports from China decreased by 52% from $543B to $259B
- **Vietnam, India, Mexico and Canada** have been the biggest gainers
  - Vietnam has seen 374% increase to reach $242B; All categories have grown in imports from Vietnam
  - Imports from Mexico increased by 69% to $581B (which is now more than China); 'Mechanical & Electricals' have seen biggest increase in Mexico
  - Imports from India have seen a consistent growth across all industries except 'Automotive & Transportation Parts' and Misc. Goods & Manf. Products', overall increase of 74% in imports into US to $96B
  - Imports from Canada have seen a steady growth across industries except for 'Apparel & Textile', 'Automotive & Transportation Parts', 'Footwear, Headgear & Others', 'Metals, Parts and Products' and 'Wood and Pulp Products'. Overall increase of 21% in imports into US to $385B



Mexico is now the biggest vendor base for US based corporation;
Vietnam and India have seen the fastest growth since 2018

ALIXPARTNERS SUPPLY CHAIN EXPERTS – REACH OUT TO LEARN MORE



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Vice President

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