

ERAI

Eurasian Rail Alliance Index

EURASIAN LOGISTICS MARKET UPDATE

MAIN INSIGHTS FOR THE FIRST HALF OF MARCH

Container
volume



Freight
rates



Ocean
freight



Rail
freight



Other logistics
trends



Issue 5: March 13, 2025



Issue 6: March 27, 2025

CHINA-EUROPE LOGISTICS MARKET

Demand outlook

Mixed

- **Europe's economy remains fragile, putting continued pressure on trade and demand for logistics.** In February, industrial production saw its smallest decline in two years (Manufacturing PMI: 47,6) [[S&P Global](#)], while consumer confidence worsened [[NielsenIQ](#)]. Companies across Europe are grappling with excess inventory, delaying new orders, including from overseas suppliers [[Flexport](#)]. According to [S&P Global](#), key export industries remain in recession. Despite these challenges, business confidence has reached its highest level since 2022.
- **China faces mounting economic difficulties due to weak domestic demand, deflationary pressures, and increasing trade barriers, posing risks to both imports and exports.** While the government has set a 5% GDP growth target for 2025, achieving this goal will be challenging [[Reuters](#)]. However, state stimulus measures and investments in technology could support certain industries and help counteract negative trends [[SCMP](#)]. The government is prioritizing demand stimulation, doubling last year's subsidy program to \$41,7 billion [[CNBC](#)]. While this may offer short-term relief, it is unlikely to change the overall trajectory.
- **China-Europe rail container traffic declined sharply in February, falling 29% YoY and 4% MoM. The increase in alternative corridor volumes was driven by delayed shipments from 2024, held up by adverse weather conditions.** While weather in the Caspian ports has improved, intermittent closures at Aktau are now adding to disruptions.
- **Maritime shipping is stabilizing, but uncertainties remain due to alliance restructuring, persistent delays in Asian and European ports, and a difficult geopolitical and economic landscape (e.g., excess inventory levels in Europe).** As Chinese factories ramp up, shipping volumes are expected to rise by April-May, but competition for cargo flows from Asia will remain intense.

Freight rate trends

Mixed

- **Shanghai-Rotterdam WCI has been fluctuating around \$2 600/FEU for the past three weeks (-16% MoM, -28% YoY) [[Drewry](#)]. According to [Flexport](#), carriers have postponed rate hikes (GRI) to April, but weak demand and surplus capacity may once again derail these plans. [DHL Global Forwarding](#) forecasts a balanced supply-demand environment from March to May, limiting opportunities for sustained rate increases. Futures indicate a gradual rate rise to \$3 000/FEU by summer.**

Other trends

- KTZ Express and CRCT have launched a new rail route to Europe [[KTZ](#)]. A container train departed from Chengdu to Lodz on March 4, passing through Kazakhstan, Turkmenistan, Iran, and Turkey, with an expected transit time of 40 days.
- KTZ and PTC Holding signed a memorandum to jointly develop terminal infrastructure in Georgia [[Rail-news.kz](#)]. Plans include the construction of a multimodal container terminal in Poti with an annual capacity of over 80 thousand TEUs.



CHINA-EUROPE RAIL CONTAINER VOLUME: JANUARY-FEBRUARY 2025

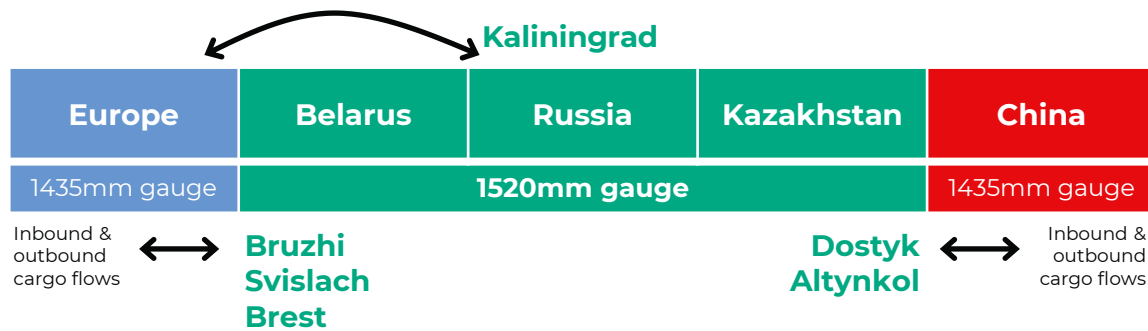
China-Europe-China, 2025

50,7 thousand TEUs **↓ 11%** YoY

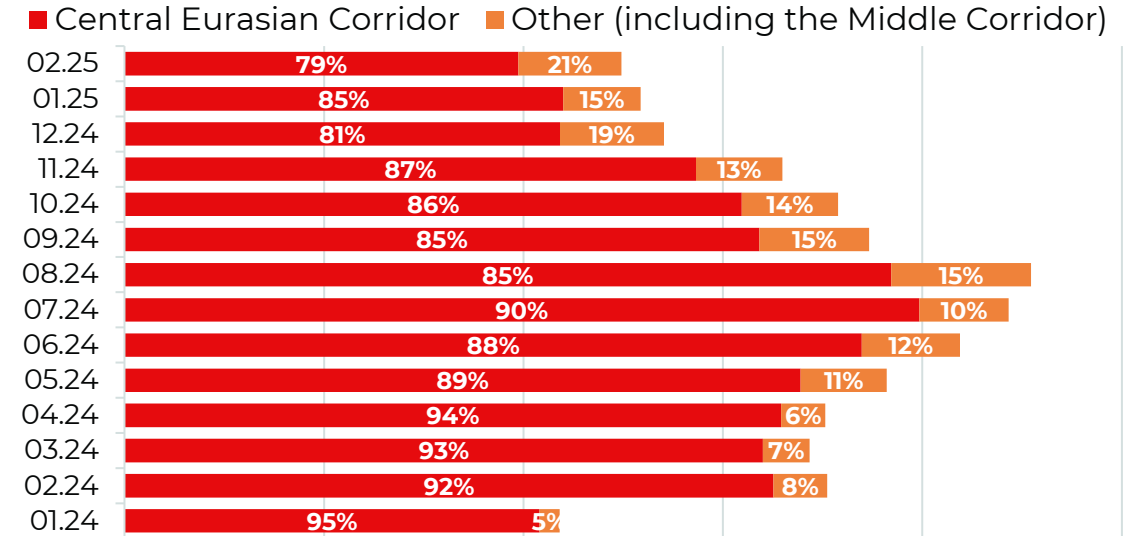
82% share of the Central Eurasian Corridor

18% share of other routes

Central Eurasian Corridor illustrated



Container volume trends, 2024-2025

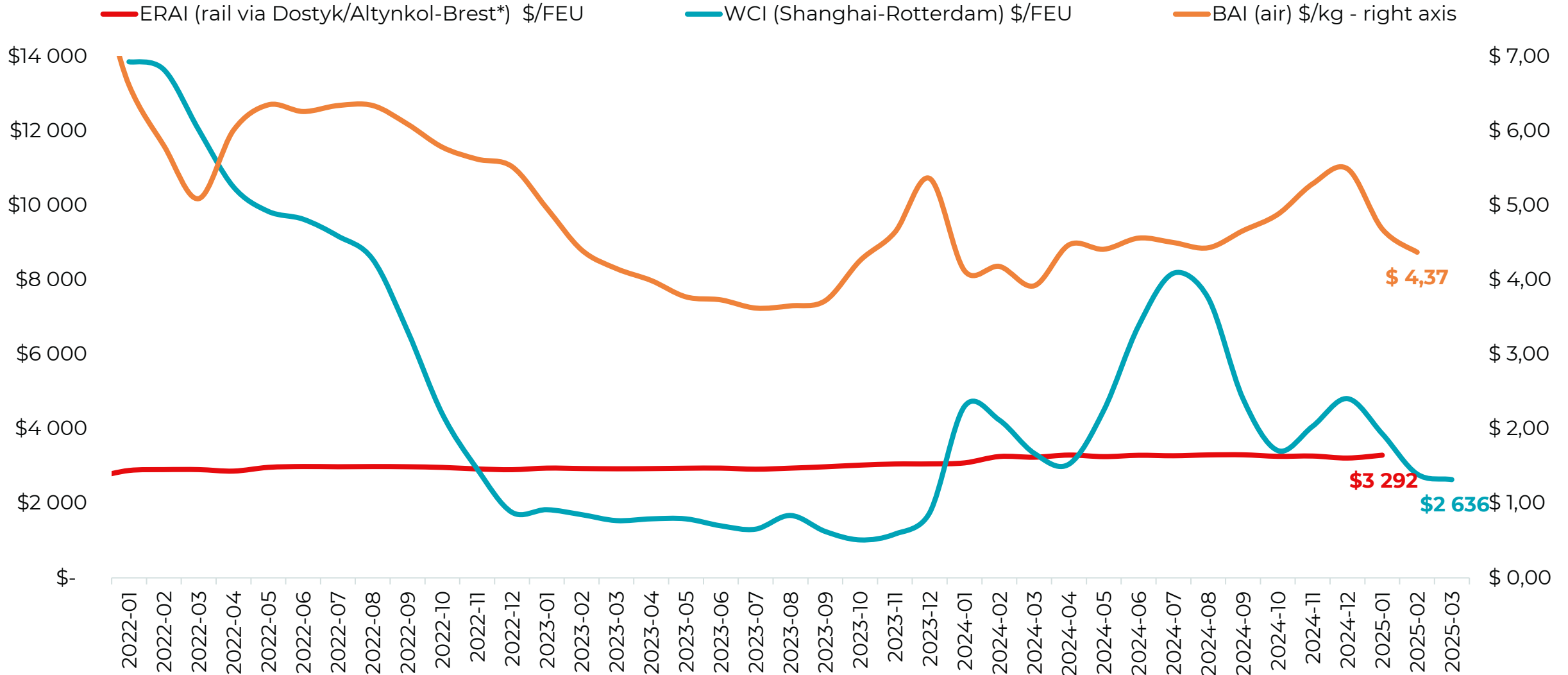


Freight flow by direction





COMPARISON OF FREIGHT INDICES: RAIL, OCEAN AND AIR



*and other routes included in the calculation. For more information check <https://index1520.com/en/index/>

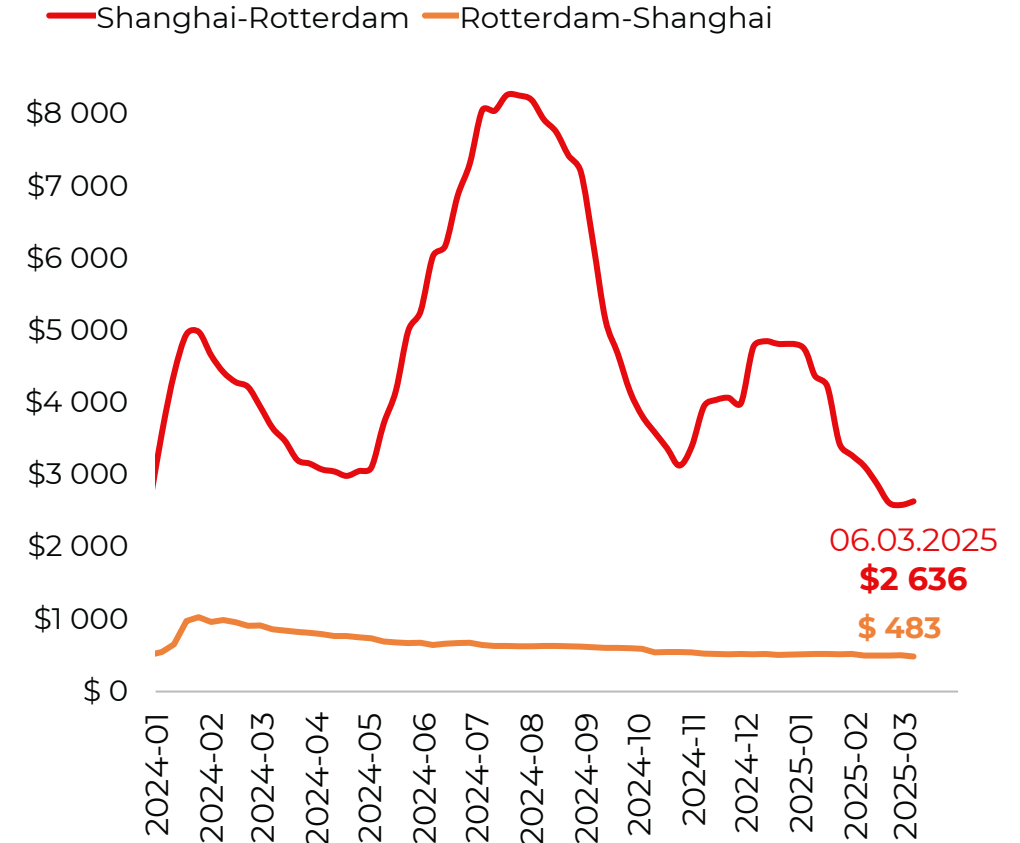


OCEAN FREIGHT: KEY FACTORS SUGGEST MARKET STABILISATION, THOUGH RATE PRESSURES REMAIN

- Current situation and near-term outlook: the market shows signs of stabilization, but risks persist, linked to changes in global trade policy, alliance restructuring, prolonged delays at ports in Asia and Europe, and the overall economic environment (e.g., excess inventories in Europe).**
 - According to [Flexport](#), carriers have postponed their rate increase (GRI) plans to April, but weak demand and excess capacity may once again make implementation difficult. With Chinese factories ramping up, transport volumes are expected to increase by April-May, though competition for cargo flows from Asia will remain intense. [DHL Global Forwarding](#) forecasts a balanced supply-demand environment from March to May, which could limit the potential for sustained rate increases.
 - WCI Shanghai-Rotterdam has fluctuated around 2 600/FEU (-16% MoM, -28% YoY) over the past three weeks [[Drewry](#)]. Latest rate offers on the Asia-North Europe market [[GeekYum](#)]:**
 - **Approximately \$2,500/FEU – average for March;**
 - **Approximately \$4,000/FEU* – average for early April.**
 - Container availability for the Asia-Europe route remains high, putting downward pressure on leasing rates [[Container xChange](#)].
- Medium- and long-term outlook: a key event will be the resumption of transit through the Red Sea. Initially, this will disrupt supply chains, but over time, the situation will normalize, and freight rates are expected to decline due to the growing supply-demand imbalance.**
 - A swift return of carriers to the Suez Canal route is unlikely, given recent Houthi threats to resume attacks [[JOC](#)].
- Hutchison is selling 80% of its port assets to the BlackRock/TiL consortium for \$22,8 billion, making MSC practically the largest port operator [[JOC](#)].** Potential EU antitrust measures could lead to ownership changes at key terminals in Northern Europe, creating uncertainty for shipping lines and their clients.

Asia-Northern Europe WCI readings

2024 – 2025, \$/FEU

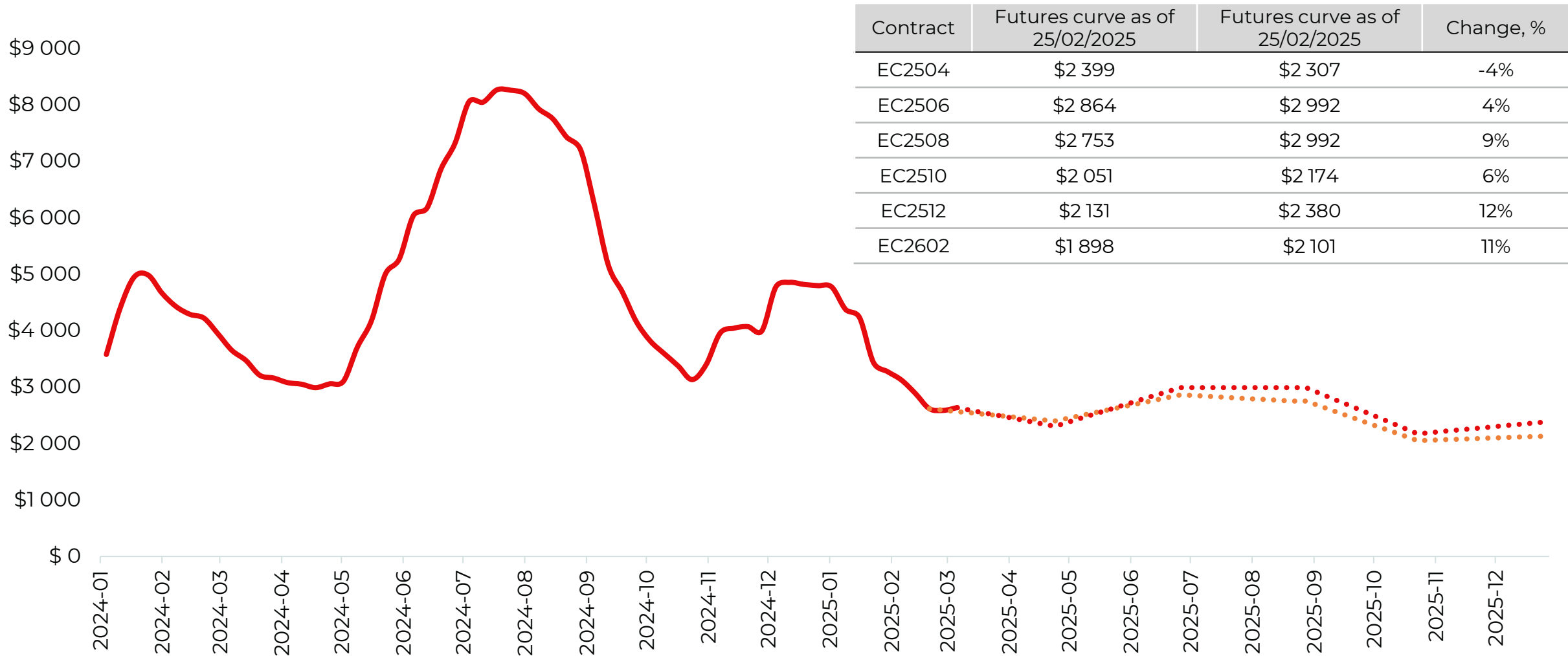


* Based on reviewed offers from CMA CGM, COSCO, EVERGREEN, and Maersk.



OCEAN FREIGHT: OVER THE PAST TWO WEEKS, FREIGHT RATE EXPECTATIONS IN THE FUTURES MARKET HAVE SHOWN A POSITIVE TREND

— WCI Shanghai-Rotterdam, \$/FEU ●●●● Futures curve as of 25/02/2025, \$/FEU ●●●● Futures curve as of 11/03/2025, \$/FEU



CHINA-EAEU LOGISTICS MARKET

Import and export trends

Negative

- **Analysts at T-Investments, in their baseline scenario, expect the Bank of Russia to cut its key interest rate from 21% to 13% by year-end, in line with its 2025 strategy.** The Central Bank of Russia (CBR) forecasts annual inflation peaking in April-May 2025, followed by a decline. For 2025, the CBR expects inflation to be 7-8%, aiming to return to the 4% target by 2026 [[Kommersant](#)].
- **The ruble has been strengthening for nearly a month. As of March 11, the official exchange rate against the US dollar stood at 88,39 RUB/USD [Bank of Russia].** Some analysts predict this trend may stall by late March, but due to high uncertainty, no specific forecasts have been provided [[Business FM](#)]. In the short term, the foreign exchange market will likely remain influenced by geopolitical factors, with the dollar expected to trade within the ₸89–93 range this week [[RBC](#)].
- **New car sales in Russia dropped by nearly 25% YoY in February, totaling 78 040 units, according to Autostat. A further decline of 45-50% YoY is expected in March, with sales projected to reach ~80 thousand units [Autostat].** The decline is attributed to high sales at the end of 2024 ahead of price hikes and speculation about foreign automakers returning to Russia [[Kommersant](#)]. Automobiles remain a key segment in Russian imports from China.
- **Russia-China trade volume for the first two months of 2025 totaled \$34,68 billion (-7,1% YoY),** according to [China Customs](#): exports \$14,95 billion (-10,9%), imports \$19,73 billion (-3,9%).
- The ruble's appreciation is a positive trend for Russian consumers. However, Russian Central Banks's monetary policy may keep consumer spending subdued. Additionally, China's relatively weak export base is limiting import volumes, keeping import freight volumes levels rather low. On the other hand, a stronger ruble could negatively impact Russian exporters.
- **Freight rates for imports from China to Moscow have dropped significantly in direct rail segment, while multimodal transport costs are also trending downward. Direct rail transport now costs ~\$5,200 per FEU, down ~\$2 000 over two weeks.** Rates for shipments via Far East Russian ports fell by ~\$500 to ~\$5 150/FEU, with the rail component decreasing by ~\$400 to ~\$4 000. The decline in rates is driven by market factors rather than the recent currency fluctuations.
- **In January-February 2025, Russian Railways (RZD) transported 1 288 million TEUs, a 3,2% YoY increase [Russian Railways]. However, February's transport volume of 605,7 thousand TEUs (-11,2% MoM) was the lowest since June 2023.**

Other trends

- According to [InfraNews](#), in February 2025, 108,7 thousand cargo trucks crossed Russia's border checkpoints, marking a 18% YoY decline.

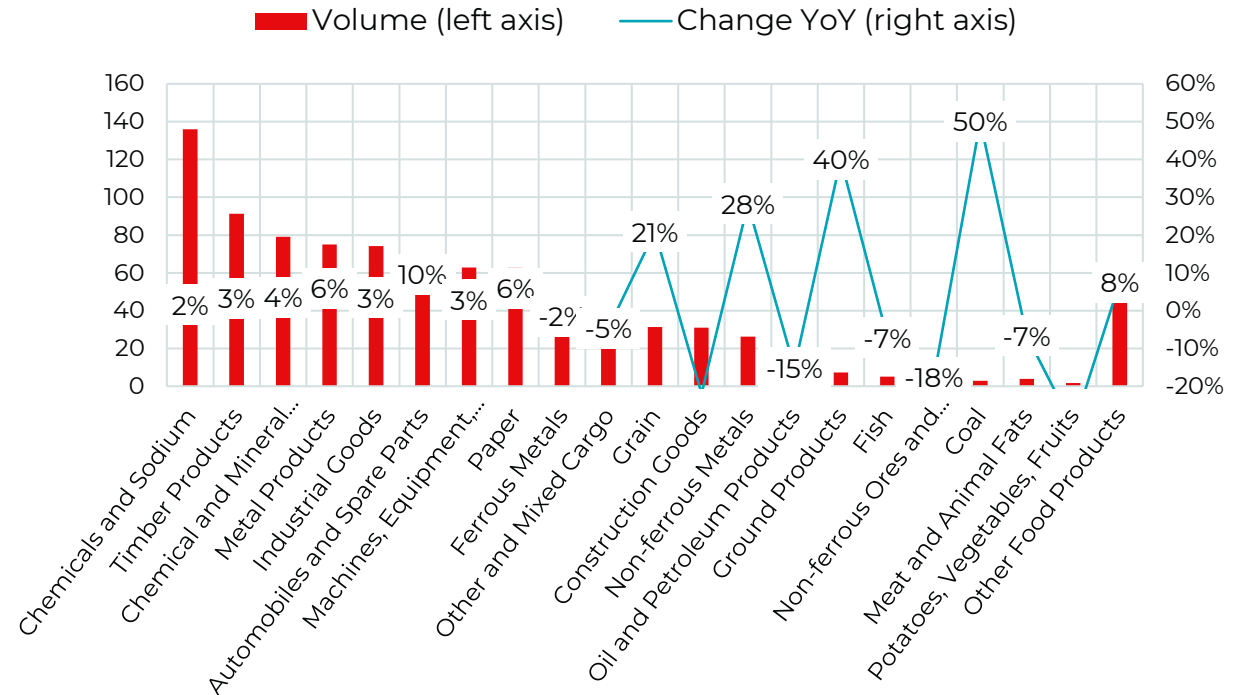
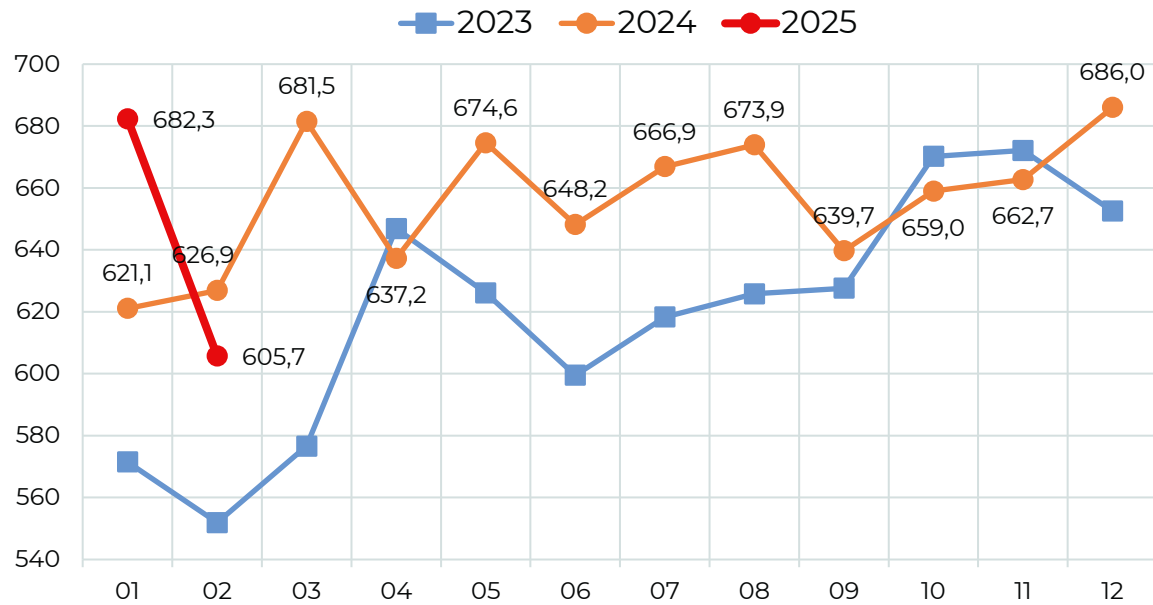


RAIL FREIGHT TRANSPORT: YEARLY GROWTH IN JANUARY-FEBRUARY, BUT FEBRUARY FIGURES HIT THEIR LOWEST SINCE MID-2023

- In January-February 2025, Russian Railways (RZD) transported 1 288 million TEUs (laden and empty containers) across all routes, marking a **3,2%** YoY increase. However, February's volume fell to 605,7 thousand TEUs, the lowest since June 2023, reflecting an **11,2%** MoM decline.
- Domestic shipments totaled 493,8 thousand TEUs (-2% YoY). Laden container shipments across all routes reached 922,6 thousand TEUs (+3,1% YoY).

Container volumes (laden and empty) transported via the Russian Railways (RZD) network

2023 – 2024, thousand TEU



⇄ OTHER LOGISTICS TRENDS

- **Russian Railways** Russian Railways (RZD) reported a net profit of 13,9 billion RUB, down **8,5** times YoY [[Interfax](#)]. Total revenue for 2024 reached 2,834 trillion RUB (**+8,6%** YoY), with EBITDA at 846,7 billion RUB (**+15%** YoY).
 - In February 2025, RZD received a 63,14 billion RUB subsidy to partially compensate for operational expenses incurred before 2025 related to freight transportation.
- **Hub status** Major container terminals in Russia (week 10, 2025):
 - **Vorsino** terminal temporarily halted cargo acceptance from March 1 to 10 due to wagon congestion.
 - **Shushary** terminal temporarily suspended operations from March 1 to 5.
 - Other terminals (**Elektrougli, Selyatino, Belyi Rast**) continue operating without delays.
- **Border crossings with China** Key border crossings with China (week 10, 2025):
 - **Altynkol** – ~1,700 containers awaiting transshipment, 6-8 day delays.
 - **Dostyk** – ~500 containers awaiting transshipment, 5-7 day delays.
 - **Zabaykalsk** – ~1,300 containers awaiting transshipment, 7-10 day delays.
 - **Zamyn-Uud** – ~1,700 containers awaiting transshipment, 7-13 day delays.
- ▼ **Road freight** According to [InfraNews](#), 108,7 thousand cargo trucks crossed Russia's border checkpoints in February 2025, a **18%** YoY decline, with daily traffic down **15%** YoY.
- ▲ **Road freight** Road transport gained a larger share of cargo deliveries to seaports in 2024 (**+2,2** percentage points), while rail transport declined (**-8,7** percentage points) [[Portnews](#)].
- ▲ **Rail freight** In 2024, refrigerated container shipments via Russian Railways rose **7,5%** YoY to 92,3 thousand TEUs. 91% of all refrigerated exports went to China, totaling 11 thousand TEUs, primarily meat (9,2 thousand TEUs) and seafood (1,6 thousand TEUs) [[1520international](#)].

ERAI

Eurasian Rail Alliance Index

ERAI (Eurasian Rail Alliance Index) – is a composite index that tracks the cost of container transit within the Eurasian railway corridor (1520mm/wide gauge), providing indicative rates for the China-Europe and Europe-China rail routes.

Unit of measurement

USD/ FEU

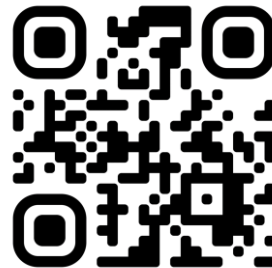
Update frequency

Monthly

Detailed information on the ERAI index and the factors influencing it is available at the ERAI web-portal (<https://index1520.com/>).

The ERAI portal is a unified informational and analytical resource dedicated to Eurasian logistics, offering:

- ERAI quotes
- China-Europe rail statistics
- Analytical reports
- Expert interviews
- Industry news
- CO2 counter, and more.



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