



Eurasian Rail Alliance Index

# EURASIAN LOGISTICS MARKET UPDATE

## MAIN INSIGHTS FOR THE SECOND HALF OF JUNE

Container  
volume



Freight  
rates



Ocean  
freight



Rail  
freight



Other logistics  
trends



Issue 8: July 3, 2025



Issue 9: July 17, 2025

# CHINA-EUROPE LOGISTICS MARKET

## Demand outlook

Mixed

- **China’s exports are showing signs of recovery.** In June, export orders improved, partly due to easing U.S. tariff pressure. A key driver has been the automotive sector: in May, Chinese exports of plug-in hybrids (PHEVs) to the EU surged **600% YoY**, as these models are not subject to higher tariffs [\[SCMP\]](#). Overall PHEV exports in the first five months of 2025 grew **140% YoY**. However, domestic demand in China remains sluggish. Deflation persists, and corporate profits dropped sharply in May (-9.1%). In response, authorities are expanding consumption stimulus measures through subsidies, trade-in incentives, and credit programs. Notably, the People’s Bank of China is activating a previously announced ¥500 billion (\$69.7 billion) refinancing quota [\[SCMP\]](#).
- **The June PMI suggests a weak but steady recovery in eurozone business activity.** For the first time in 3.5 years, Germany recorded growth in export orders, while the overall decline in the region was the smallest since April 2022 [\[S&P Global\]](#). Falling inflation and improving business sentiment are creating conditions for a trade rebound. Against this backdrop, expectations for monetary easing are rising — analysts now forecast another ECB rate cut in September [\[Reuters\]](#), which would also further support external economic activity.
- **Strong demand for Asia–Europe ocean freight persists.** According to BIMCO, the improving macroeconomic environment in the EU—driven by falling inflation and a rebound in consumer spending—is supporting this trend [\[JOC\]](#). [DHL Global Forwarding](#) expects the start of a full-fledged peak season beginning in July.

## Freight rate trends

Mixed

- The average rail freight rate on the China–Europe route (SOC) remained virtually unchanged over the past month, with rates ranging from \$5 000 (Chengdu) to \$6 850/FEU (Shenzhen).
- The Shanghai–Rotterdam WCI rose by **1%** last week, reaching \$3 204/FEU (**+48% MoM**, **-56% YoY**) [\[Drewry\]](#). CMA CGM and ONE are quoting rates around \$3 400/FEU for the first half of July, while offers above \$4 000/FEU were still seen in late June. Higher levels (~\$4 000) are already being quoted for the second half of July [\[GeekYum\]](#). Stable demand is providing short-term support for rates, which could continue to rise and peak in July [\[Flexport\]](#). Equipment shortages, blank sailings, and port congestion are adding further upward pressure on pricing in the near term. On the other hand, the Gemini alliance (HPL and Maersk) is maintaining a zero blank sailing strategy, which could draw the market into another round of rate wars [\[Linerlytica\]](#).
- **However, futures pricing points to moderately bearish expectations and a downward correction starting in July.** According to the [Shanghai Futures Exchange](#), rates on the Asia–Europe route are expected to gradually decline from current levels to around \$1 800/FEU by the end of October.

## Other trends

- Chongqing is positioning itself as a “rail-based Suez Canal” — a key transit hub between Southeast Asia and Europe. The ASEAN Express route, launched in October 2024, highlights China’s growing role as a land-based transit platform, increasingly linking its regional neighbors to overland trade corridors. As of April 2025, cargo volumes on this route reached ¥1.65 billion (~\$229.6 million), with weekly departures now established [\[SCMP\]](#).
- Meanwhile, German rail, industrial, and trade associations are urging the government to increase subsidies for rail infrastructure access by €75 million (to €350 million) in the 2025 budget, and to implement a reform of the rail tariff system [\[RailTarget\]](#). Infrastructure charges rose by **16%** in December 2024, and could increase by another **8–35%** in December 2025. These rising costs are undermining the competitiveness of rail transport and could force operators to exit the market.



# CHINA-EUROPE RAIL CONTAINER VOLUME: JANUARY-MAY 2025

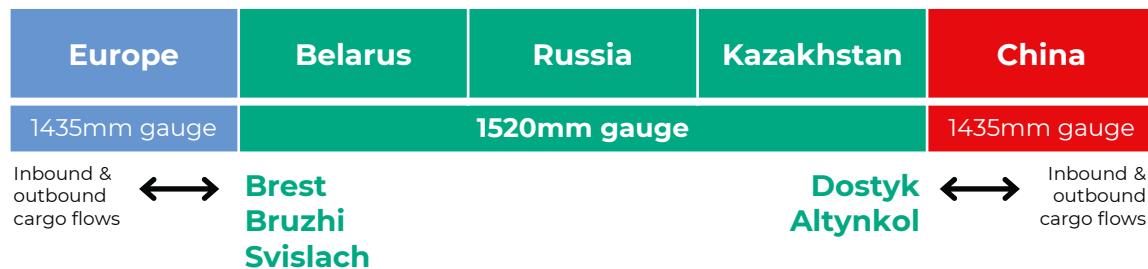
## China-Europe-China, 2025

**133,3** thousand TEUs **↓19%** YoY

**86%** share of the Central Eurasian Corridor

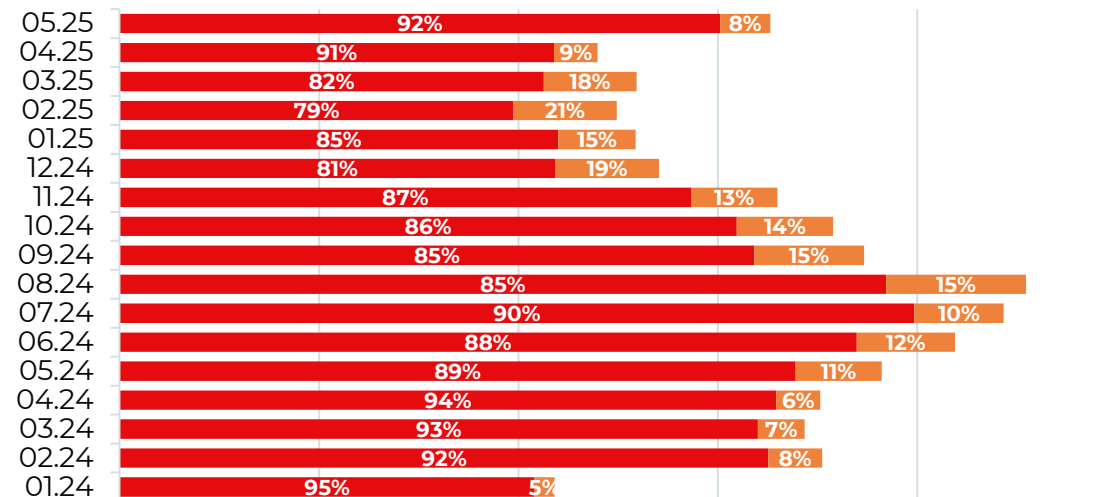
**14%** share of other routes

## Central Eurasian Corridor illustrated



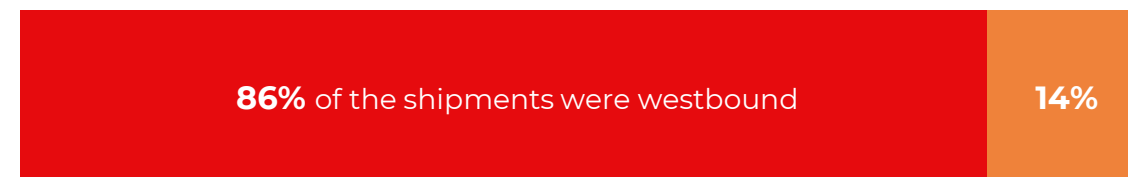
## Container volume trends, 2024-2025

■ Central Eurasian Corridor ■ Other (including the Middle Corridor)



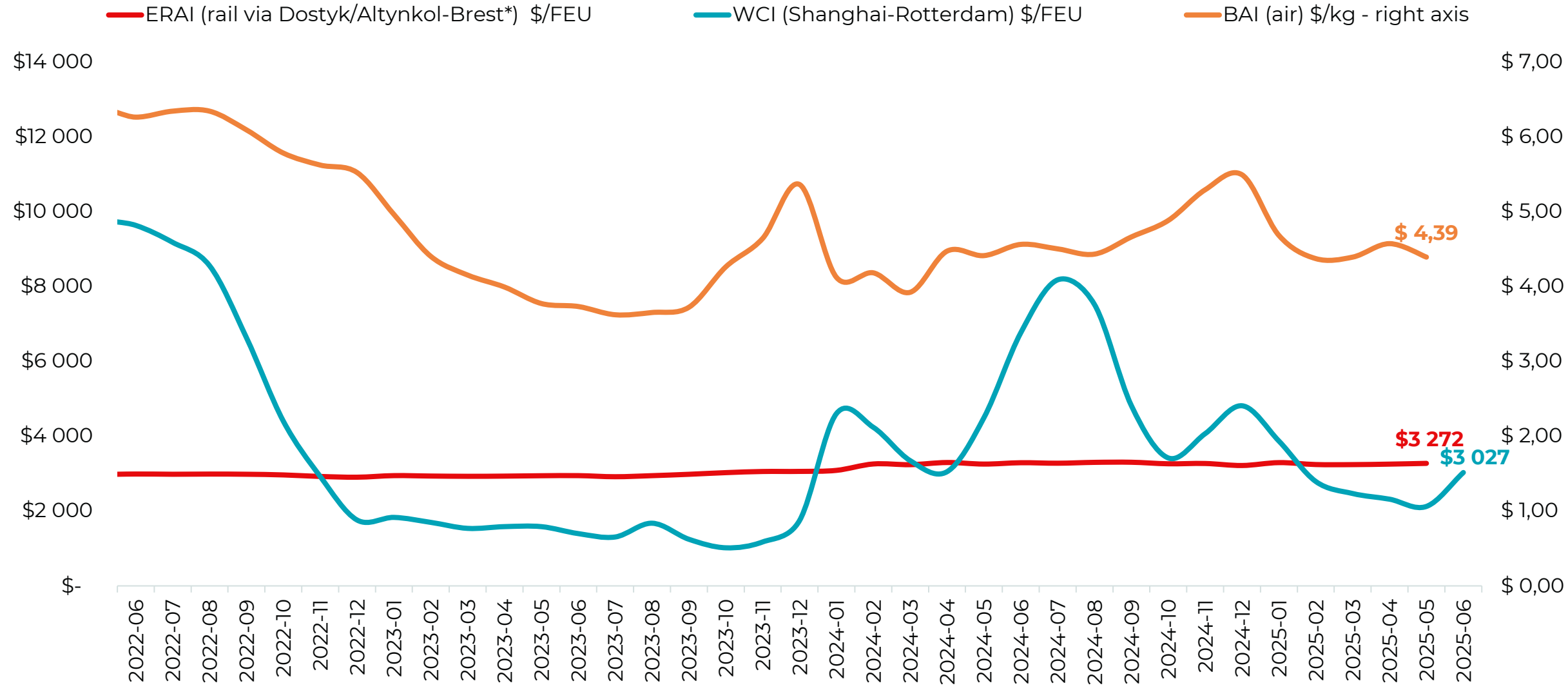
## Freight flow by direction

■ China-Europe ■ Europe-China





# COMPARISON OF FREIGHT INDICES: RAIL, OCEAN AND AIR



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



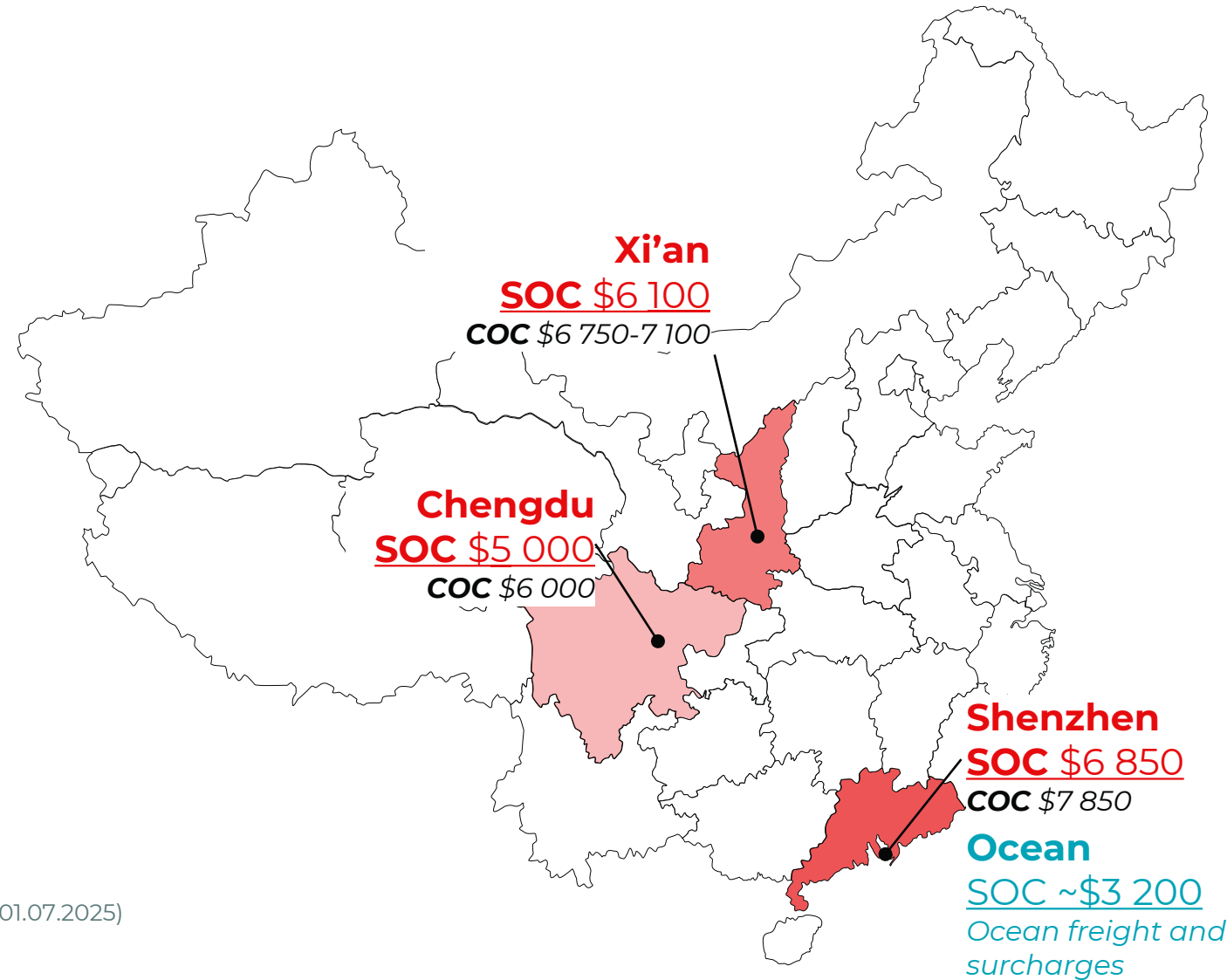
# CURRENT SNAPSHOT OF CHINA-EUROPE RAIL FREIGHT RATES: VIRTUALLY NO CHANGE OVER THE LAST MONTH

Data collection period: 19/06/2025-02/07/2025,  
as reported by freight forwarders

Average total cost of rail transport for shippers (COC):  
~ **\$6 900/FEU**

- Container lease rate  
~ **\$1 000**
- Rail China-Europe rate (SOC)  
~ **\$5 900/FEU**

Ocean freight Shenzhen-Hamburg/Rotterdam (SOC)\*  
~ **\$3 200/FEU**



\* Hapag-Lloyd rate – lowest on the market, according to [GeekYum](#) (accessed on: 01.07.2025)



# OCEAN FREIGHT: THE PEAK SEASON HAS ARRIVED, AND THE BATTLE FOR CARGO IS IN FULL SWING

## ■ Current Situation and Near-Term Outlook: the peak season is gaining momentum, and freight rates remain elevated.

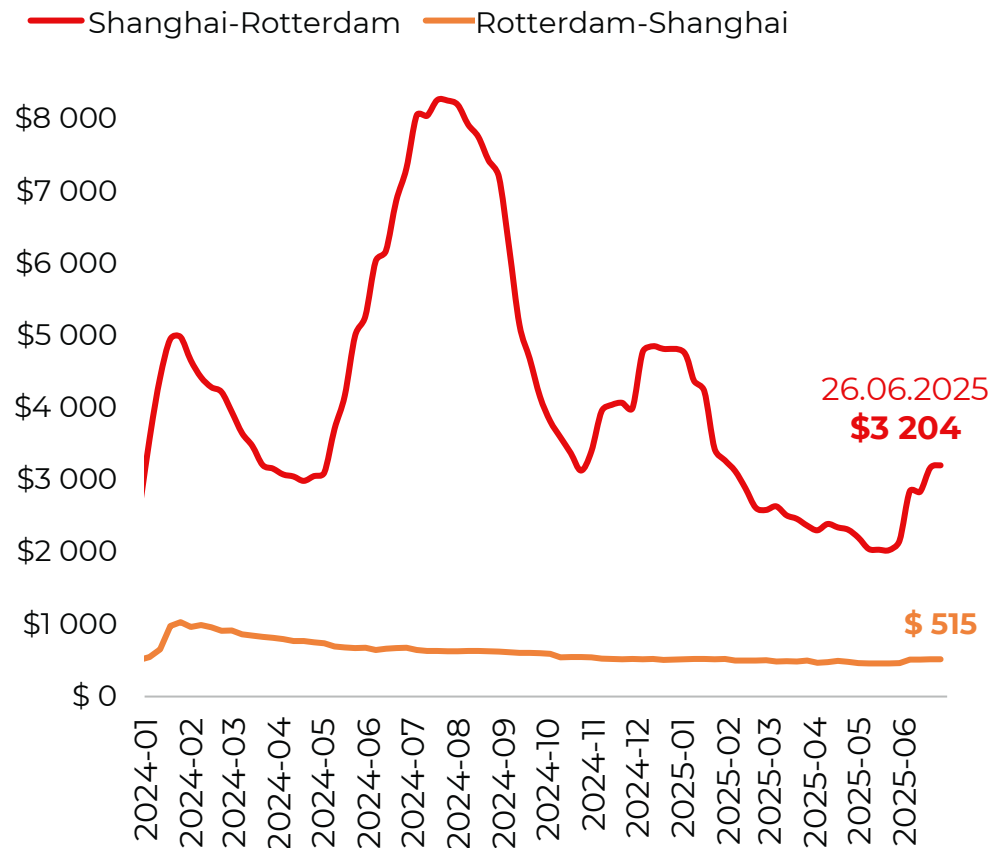
- Strong demand for Asia–Europe ocean freight continues. According to BIMCO, the improving macroeconomic environment in the EU—marked by declining inflation and recovering consumer spending—is having a positive impact [JOC]. [DHL Global Forwarding](#) expects the start of a full-fledged peak season beginning in July.
- **The Shanghai–Rotterdam WCI rose by 1% over the past week, reaching \$3 204/FEU (48% MoM, -56% YoY) [Drewry].**
- CMA CGM and ONE are quoting rates around \$3 400/FEU for the first half of July, while offers above \$4 000/FEU were still seen in late June. Higher levels (~\$4 000) are already being quoted for the second half of July [GeekYum]. Stable demand is offering short-term support for rates, which may continue to rise, peaking in July [Flexport]. Additional upward pressure is coming from equipment shortages, blank sailings (especially from the Premier Alliance), and port congestion. On the other hand, the Gemini Alliance (HPL and Maersk) is sticking to a zero blank sailing policy, which could trigger another round of price wars [Linerlytica].
- Severe congestion continues across major hubs in Asia and Europe. As of June 29, 2025, delays affect: 1.4 million TEUs in Northern Asia (including China) (+67% MoM); 412 thousand TEUs in Northern Europe (+61% MoM) [Linerlytica]. High port congestion may persist through August [Trans.INFO]. This congestion is partially offsetting the impact of ample capacity: for July, carriers have scheduled a record 1.16 million TEUs of capacity for the Asia–North Europe trade (+8% MoM) [JOC]. For August, however, capacity is expected to decline by 90 thousand TEUs (-7% MoM).

## ▼ Mid-and Long-Term Outlook: Despite short-term volatility, the overall trend points to a growing demand-supply imbalance, increased competition among shipping lines, and a decline in transportation cost.

- [Drewry](#) forecasts a return to a downward trend in the second half of 2025, with weakening demand and falling freight rates.

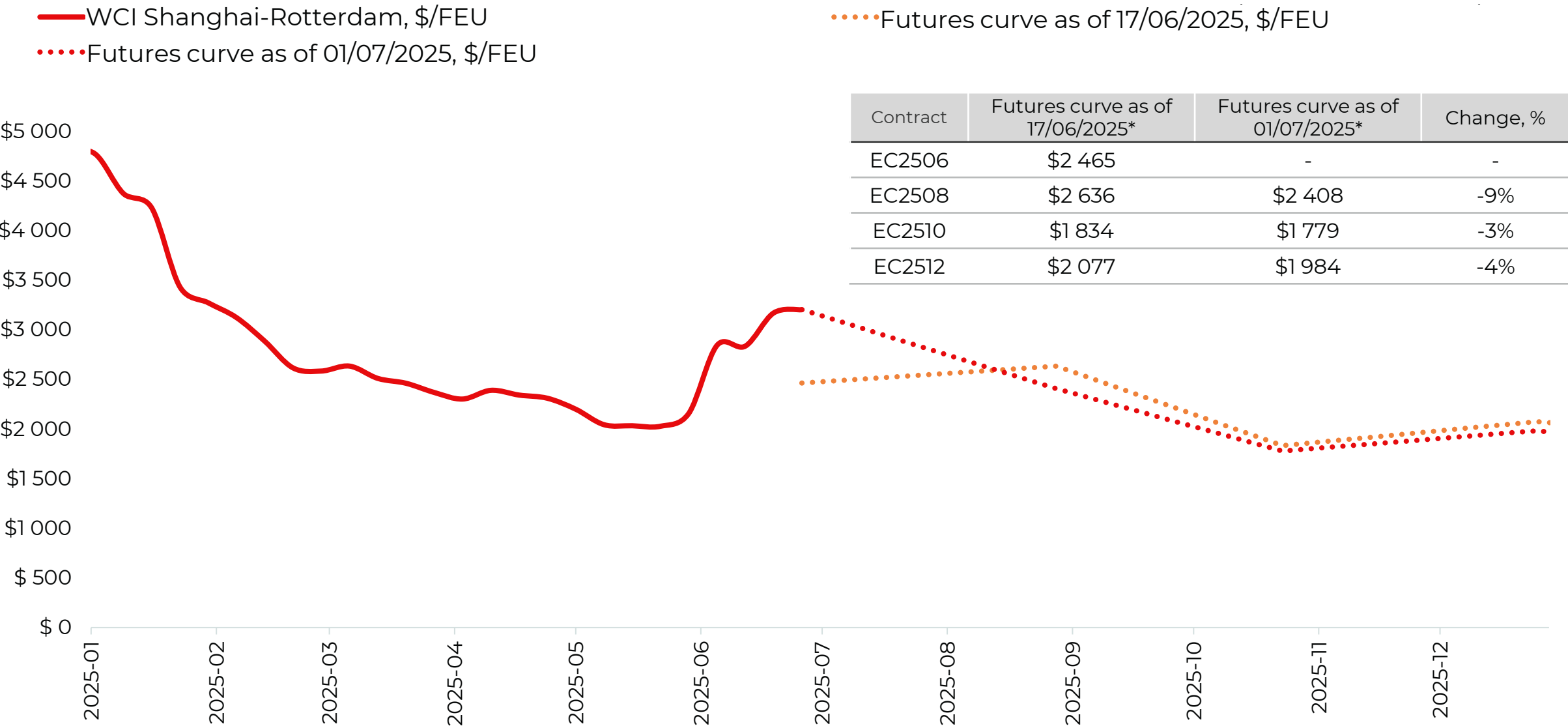
## Asia-Northern Europe WCI readings

2024 – 2025, \$/FEU





# OCEAN FREIGHT: FUTURES PRICING REFLECTS MODERATELY BEARISH EXPECTATIONS



# CHINA-EAEU LOGISTICS MARKET

## Import and export trends

Mixed

- **The St. Petersburg International Economic Forum took place from June 18 to 21, during which key messages about the current state of the Russian economy were shared.** President Vladimir Putin [stated](#) that Russia's GDP grew by **1.5%** YoY over the first four months of the year. He also noted that, thanks to actions by the Bank of Russia and the government, inflation in the country has fallen below 10%. Elvira Nabiullina, current governor of the Bank of Russia, [said](#) that the central bank will begin lowering the key interest rate as inflation slows.
- Deputy Prime Minister Vitaly Savelyev, speaking at the forum, [said](#) that the Ministry of Transport may be transformed into the Ministry of Infrastructure Development and Logistics. According to him, over the next 10–15 years, the sector will evolve from a purely transport-oriented model to a logistics-driven one, with greater emphasis on value-added services and high-value cargo.
- **Alexey Zabotkin, Deputy Chairman of the Bank of Russia, stated that the key rate could be cut by **100 bp** at the July meeting. However, the central bank may choose to pause between cuts. He noted that inflation is expected to move toward the **4% target [Kommersant]**.** Meanwhile, the [Eurasian Development Bank](#) forecasts the key rate to reach 18% by the end of the year. Due to high interest rates and the strengthening ruble, Russia's inflation is expected to slow to 7.5% in 2025, down from 9.5% in 2024. Analysts expect the ruble to weaken in the second half of the year, reaching 95 RUB/USD.
- **High interest rates are causing businesses to delay investment decisions, posing a risk to economic growth potential. However, the anticipated easing of monetary policy could have a positive impact on the Russia's import volumes in Q3. In addition, experts continue to forecast the ruble weakening to 95–100 RUB/USD, which could encourage domestic exporters to increase shipments toward the end of the year.**
- According to FESCO, Russia's container market contracted by **3.1%** over the first five months of 2025. In May alone, the decline was **6.9%** YoY. Imports fell by **5%** YoY. Rail transit volumes overall dropped by **4%**. Domestic container volumes declined by **13%** YoY. Container exports, on the other hand, grew by **8%** YoY. The strongest growth continues to come from export shipments via land border crossings, which rose by **17%** YoY [[Interfax](#)].
- In 2025, RZD's investment in the North–South International Transport Corridor (INSTC) will amount to 9 billion RUB, a **77%** decrease YoY. According to company representatives, work continues, but priority is being given to key segments. Investment in the Northwest region was also reduced to 4 billion RUB [[PortNews](#)].
- **Import rates on the China–Moscow multimodal route: the rate via Far East ports ranges from ~\$3 800 to \$4 400/FEU (COC), excluding the container lease ~\$3 600/FEU (SOC). Direct rail shipment rates have fallen by **\$300** over the past two weeks, averaging now around **\$3 750/FEU**.** The decline is driven by weak demand and lower container leasing rates.





## OTHER LOGISTICS TRENDS

- **Infrastructure** In 2025, Russian Railways (RZD) investment in the North–South International Transport Corridor (ITC) will total **9 billion RUB**, marking a **77% year-on-year decrease** [[PortNews](#)].
  - According to company representatives, construction work is continuing, but the focus has shifted to priority segments. Investments in the Northwest region have also been reduced to 4 billion RUB.
- **China Railway Express** Since the beginning of the year, more than **4 476 freight trains** have passed through the Khorgos rail border crossing en route from China to Europe and Central Asia, up **26.7% YoY** [[Rail-news.kz](#)].
- ▼ **China-Russia trade** As of May, total trade turnover between China and Russia reached **\$17.7 billion**, down **11% YoY** [[InfraNews](#)]. For the first five months of the year, total bilateral trade amounted to **\$88.8 billion**, **8%** or **\$8 billion less** than the same period last year. Exports fell **9.5%** to **\$50 billion** (**–\$5 billion YoY**). Imports dropped **6.6%** to **\$39 billion** (**–\$3 billion YoY**).
  - The sharpest decline in imports was seen in automobiles and components, which had hit record levels in 2024. The total value of imports in this category for the first five months dropped **1.5 times**, from **\$8.8 billion** to **\$4.2 billion**. In May alone, imports continued to fall, reaching **\$750 million**, down **15% MoM** and **68% YoY**.
- ▲ **China-Russia trade** During the same five-month period, Russian metal exports to China grew approximately **1.5 to 2.5 times**, according to [Bloomberg](#).
  - This sharp increase is largely due to restrictions on Russian metal deliveries to the London Metal Exchange (LME) and Chicago Mercantile Exchange (CME) and the EU quota on aluminum imports (no more than 275 thousand tons until February 2026).
- ▲ **Infrastructure** In Kyrgyzstan, construction has begun on the China–Kyrgyzstan–Uzbekistan railway, a project estimated at **\$4.7 billion**. Completion is expected by 2030 [[AA](#)].



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

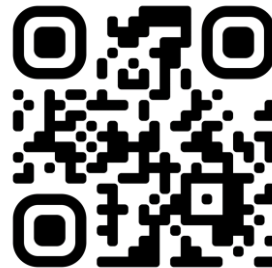
**Update frequency**

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.



**Contact information**

[\*\*info@index1520.com\*\*](mailto:info@index1520.com)

This market update has been prepared by the ERAI team without adhering to the rules and standards typically required for an independent analytical report. The information presented is intended exclusively for analytical and informational purposes and is based on processed data derived from open sources. Despite careful verification, this report may contain minor inaccuracies, including technical errors. It is not an official report, actionable recommendation, nor does it guarantee the accuracy or completeness of the provided information. Furthermore, the data included in this report is not subject to automatic updates.

When using, citing, or distributing the materials from this report, it is mandatory to reference the ERAI portal and include the webpage address (<https://index1520.com>) as the source of information. The ERAI team (copyright holder: JSC "UTLC ERA," OGRN 1187746369590) assumes no responsibility for decisions made based on the information contained in this report or for any damages resulting from its use. Use of the information presented in this market update is entirely at the user's own risk.

This text was originally in Russian and may have been partially translated using AI. While we strive for accuracy, some nuances may differ from the original.