

# ERAI

Eurasian Rail Alliance Index

## EURASIAN LOGISTICS MARKET UPDATE

### MAIN INSIGHTS FOR THE SECOND HALF OF MARCH

Container  
volume



Freight  
rates



Ocean  
freight



Rail  
freight



Other logistics  
trends



Issue 6: March 27, 2025



Issue 7: April 10, 2025

# CHINA-EUROPE LOGISTICS MARKET

## Demand outlook

Mixed

- In March 2025, the eurozone manufacturing sector showed moderate recovery, with the PMI rising to **48,7**, the highest level since January 2023 [[S&P Global](#)]. However, the trend in business activity remains uncertain due to continued weak demand for European products, including from Asia. Companies remain cautious in purchasing and continue to reduce inventories. Nonetheless, [S&P Global](#) notes early signs of a potential turnaround.
- **China's economy is stabilizing, driven by domestic consumption stimulus and growing exports, which are expected to support freight volumes to Europe.** However, rail freight is facing growing competition from the expanding Ro-Ro fleet, with Chinese automakers such as BYD, Chery, and SAIC actively investing in logistics aiming to take control of their export logistics [[SCMP](#)]. Despite deflation risks and trade barriers, economic forecasts for China are improving [[Reuters](#)].
- According to [WorldACD](#), air cargo demand from Asia to Europe has grown at a steady pace over the past five weeks, increasing by an average of **5% per week**. Volumes are now approaching mid-December levels, which may indicate a recovery in external demand for Asian goods, particularly in time-sensitive segments (electronics; auto components; clothing, footwear, and accessories).
- **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.** The port of Aktau continues to face disruptions — as of March 23, the berths have been closed indefinitely due to weather. Transshipment times at Aktau remain between 15–30 days, with delays also reported in Baku.
- In the ocean freight market, demand is gradually recovering, but excess capacity persists [[Flexport](#)]. Despite recent blank sailings due to congestion in European ports, available capacity remains more than sufficient.

## Freight rate trends

Mixed

- The average rail freight rate on the China–Europe route (SOC) fell by approximately **3% MoM**. Rates currently range between **\$5 250 (Chengdu) and \$6 100/FEU (Shenzhen)**. Container leasing rates have remained stable.
- **Intensifying competition for cargo from Asia is reflected in the latest index readings. WCI Shanghai–Rotterdam continued its steady decline last week, reaching \$2 370/FEU (-8% MoM, -25% YoY) [[Drewry](#)]. In the short term, conditions are not favorable for sustained rate increases, prompting carriers to once again delay GRI implementations.** While some short-term GRIs may take effect, the broader outlook points to heightened competition among carriers and a continued downward trend in rates. J.P. Morgan analysts forecast a 30% YoY drop in freight rates in 2025 [[JOC](#)]. The futures curve points to a gradual rate increase, reaching ~\$2 900/FEU by late summer.

## Other trends

- Vietnam has approved a \$8.4 billion project to construct a standard-gauge railway from the port of Haiphong to the Chinese border (Lao Cai), enabling direct integration into China's rail network [[Caixin Global](#)]. Another project, the Thailand–China rail (via Laos) will connect Bangkok to Kunming. Despite delays, it remains a strategic priority, offering ASEAN countries a land connection to China and further into Europe.



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

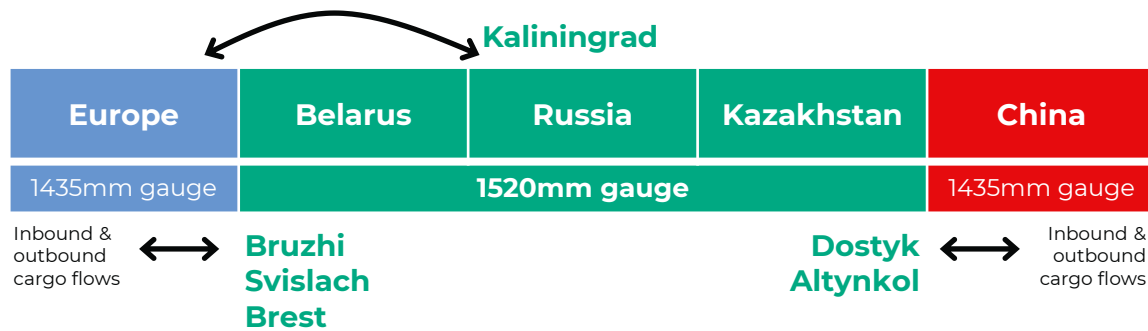
## China-Europe-China, 2025

**50,8** thousand TEUs **↓ 11%** YoY

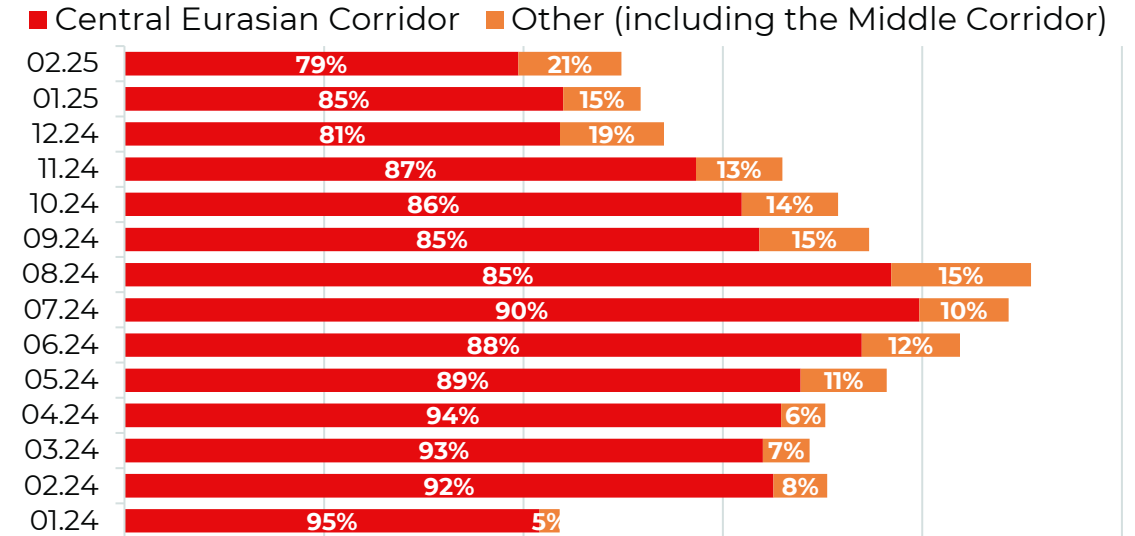
**82%** share of the Central Eurasian Corridor

**18%** share of other routes

## Central Eurasian Corridor illustrated



## Container volume trends, 2024-2025

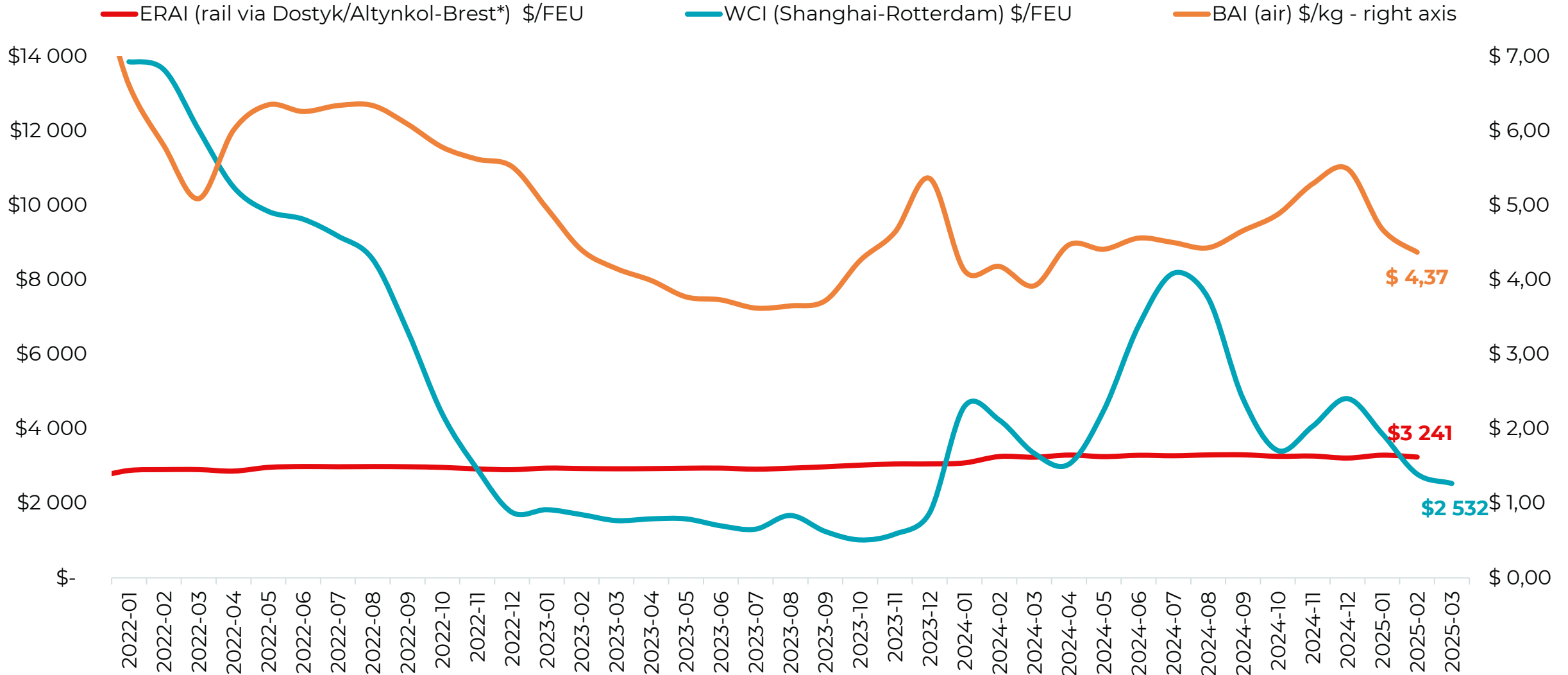


## Freight flow by direction





# COMPARISON OF FREIGHT INDICES: RAIL, OCEAN AND AIR



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



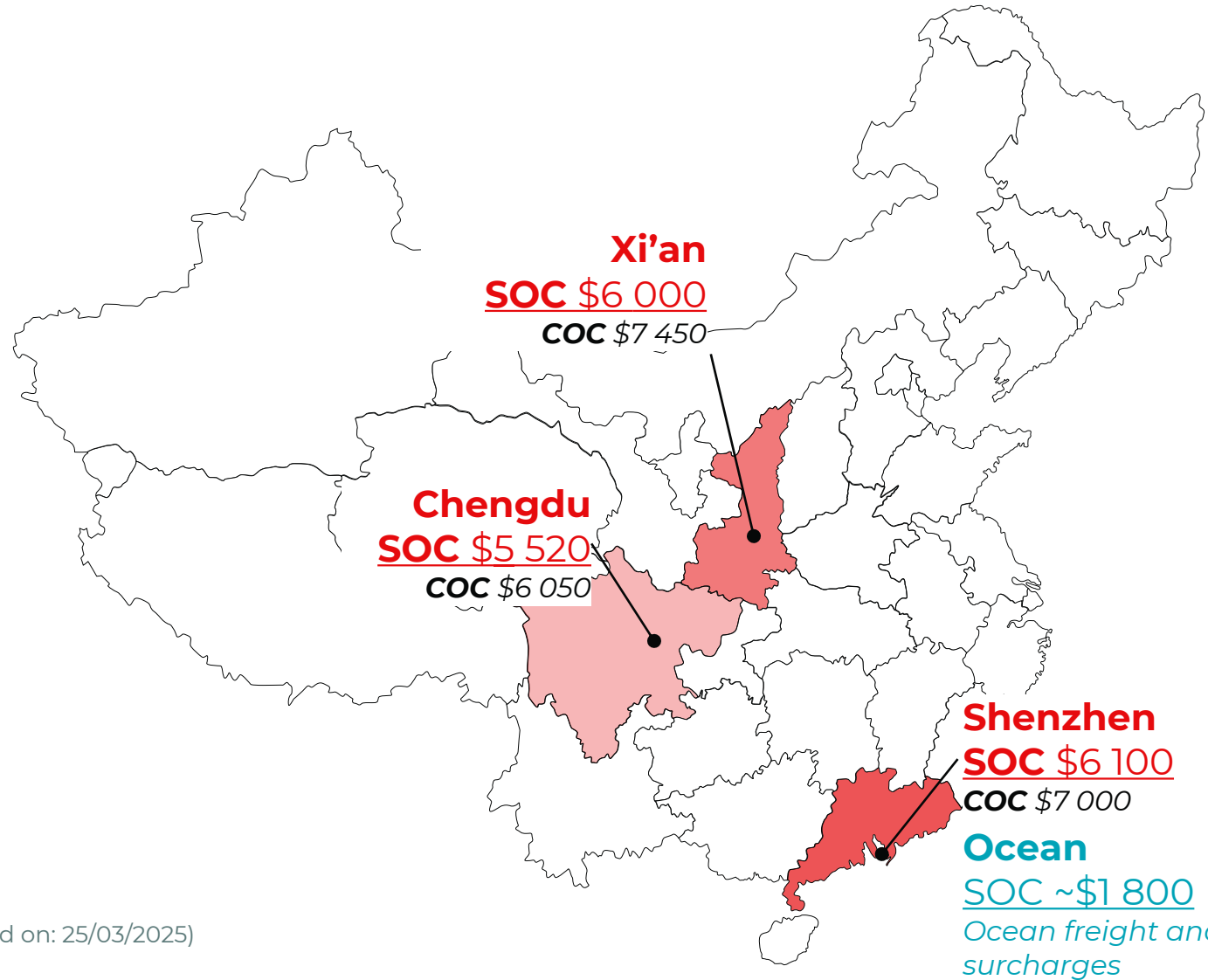
# CURRENT SNAPSHOT OF CHINA-EUROPE RAIL FREIGHT RATES: SLIGHT DECLINE OVER THE PAST MONTH

Data collection period: 21/03/2025-25/03/2025, as reported by freight forwarders

Average total cost of rail transport for shippers (COC):  
~ **\$6 700/FEU**

- Container lease rate  
~ **\$1 000**
- Rail China-Europe rate (SOC)  
~ **\$5 700/FEU** (+\$1 000 via the Middle Corridor)

Ocean freight Shenzhen-Hamburg/Rotterdam (SOC)\*  
~ **\$1 800/FEU**



\* Maersk and HMM rates – lowest on the market, according to [GeekYum](https://www.geekyum.com) (accessed on: 25/03/2025)



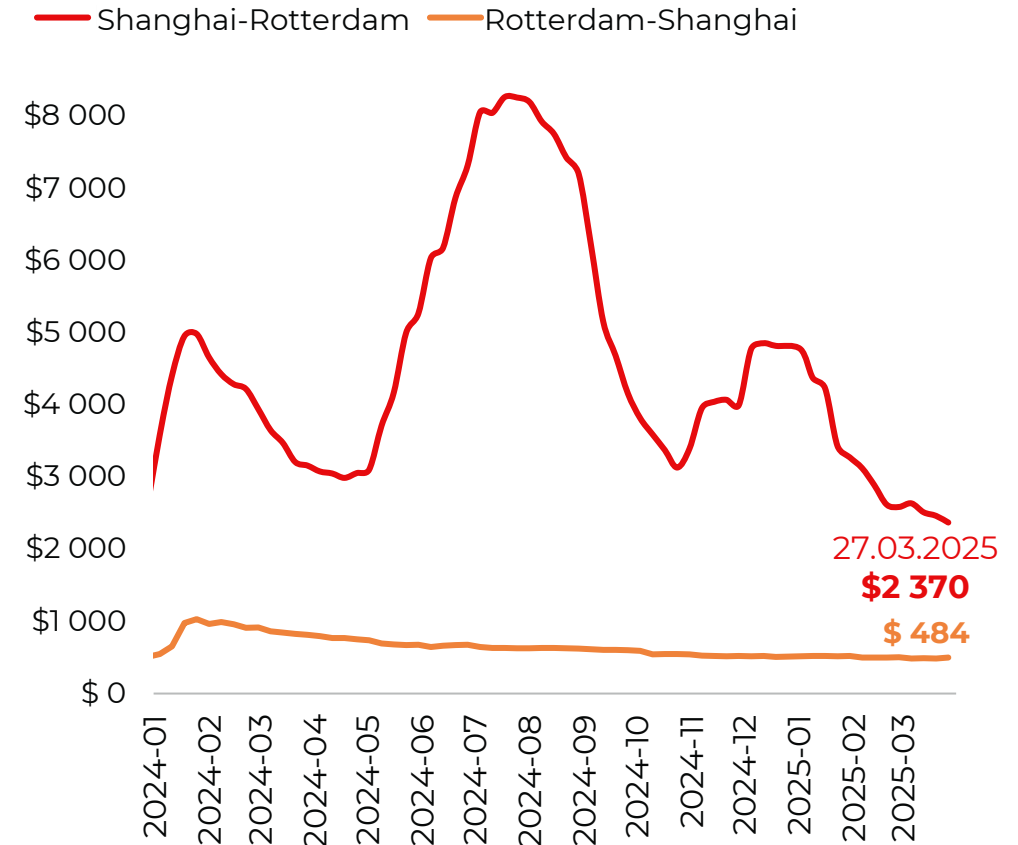
# OCEAN FREIGHT: COMPETITION FOR CARGO FROM ASIA CONTINUES

■ **Current situation and near-term outlook:** In the short term, there are no conditions for sustained rate growth. The market is experiencing a structural imbalance — weak demand combined with excess capacity and poor pricing discipline among carriers. Another wave of price competition may be ahead.

- Asia–Europe demand is gradually recovering, but overcapacity remains [Flexport]. Despite recent blank sailings due to congestion at European ports (especially Rotterdam, Hamburg, Antwerp), overall supply remains more than sufficient.
  - Carriers have once again pushed back plans for general rate increases (GRIs). The current market imbalance favors shippers. For instance, MSC, despite announcing a GRI effective April 1, is already offering rates as low as \$2 090/FEU through April 6 [Linerlytica].
  - **Intensifying competition for cargo from Asia continues to pressure rate indices. The Shanghai–Rotterdam WCI extended its decline last week, falling to \$2 370/FEU (-8% MoM, -25% YoY) [Drewry]. Latest rate offers on the Asia-North Europe market [GeekYum]:**
    - **Approximately \$2 000/FEU – average through mid-April;**
    - **Approximately \$3 100/FEU\* – average for late April.**
  - Container leasing rates and prices in China remain comparatively low, according to the latest report from Container xChange.
- ▼ **Medium- and long-term outlook:** the market is heading into a new downcycle for freight rates. While short-term GRIs may go into effect, the broader trend points to intensified competition and rate cuts.
- Carriers remain profitable at current rate levels [Linerlytica], which creates room for an extended price war through the end of 2025—barring a major demand surge or external disruption.
  - J.P. Morgan analysts now forecast a 30% YoY decline in freight rates for 2025, doubling their previous estimate of -15% [JOC]. They project that carriers will slip into negative EBIT this year, with profitability unlikely to return before 2028.

## Asia-Northern Europe WCI readings

2024 – 2025, \$/FEU

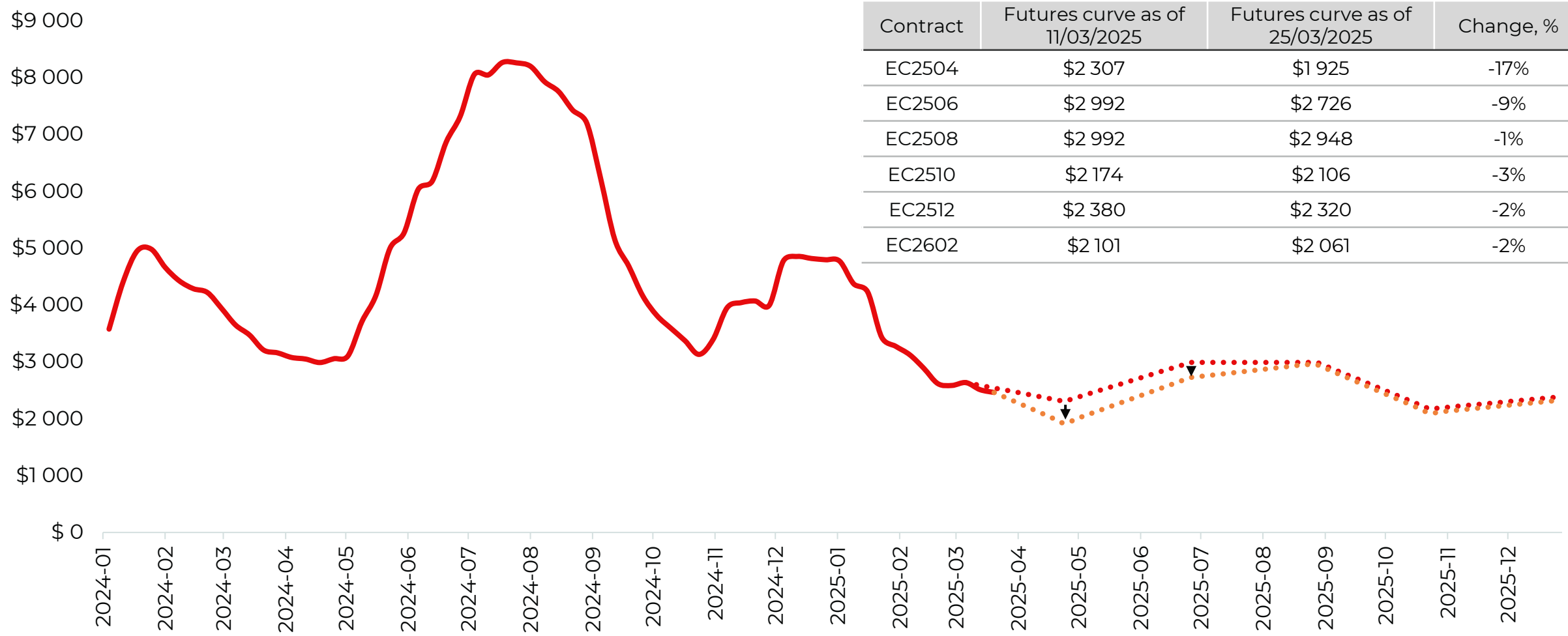


\* Based on reviewed offers from CMA CGM, COSCO, Hapag-Lloyd, EVERGREEN, ONE, OOCL



# OCEAN FREIGHT: OVER THE PAST TWO WEEKS, FREIGHT RATE EXPECTATIONS HAVE WORSENEDED, PARTICULARLY FOR APRIL AND JUNE CONTRACTS

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



# CHINA-EAEU LOGISTICS MARKET

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## Import and export trends

Mixed

- **On March 21, 2025, the [Bank of Russia](#) decided to keep the key rate at 21% per annum, inflationary pressure remains high despite some recent drop.** According to the forecast of the Bank of Russia, given the ongoing monetary policy, annual inflation will decline to 7,0-8,0% in 2025, will return to 4,0% in 2026 and will be on target thereafter. It is noted that the emerging trends in the dynamics of economic activity create prerequisites for a smooth return of the economy to balanced growth.
- **The index of the population's propensity to make large purchases in the first quarter of 2025 fell by 3 p.p. to negative 22%**, while the favorability of conditions for savings fell by 1 p.p. to 22%, continuing to decline from its peak at the end of 2024 [[Kommersant](#)].
- **The ruble continues to strengthen its positions. As of March 25, the official rate against the U.S. dollar is 83,87 rubles [[Bank of Russia](#)].** Amid the ruble's recent strengthening, players in the car sales market report that lower consumer demand and efforts by sellers to clear out older inventory have already led to some price reductions. If the ruble continues to gain value, prices may come under further downward pressure—especially with the anticipated hike in the vehicle scrappage fee, which will primarily affect imported cars [[IZ](#)]. **The early sale of vehicles from storage is also expected to drive demand for new deliveries.** [According to Kommersant](#), sales of new passenger cars in Russia are projected to exceed 80 thousand units in March 2025, up 2,6% MoM.
- Ongoing geopolitical shifts, which began in February, have prompted households to spend more cautiously—many anticipating the return of foreign brands to the Russian market. Meanwhile, the ruble continues to strengthen, which could weigh on exports. Although the stronger currency would typically support import volumes, they are likely to remain subdued in the short term due to other factors, including relatively weaker demand, a high key interest rate, and persistent challenges concerning international transactions.
- **Freight rates for imports from China to Moscow have started to level off after a rapid decline earlier.** The cost of transportation by direct train is ~\$5 000/FEU, which is ~\$200 lower than two weeks ago. **Rates for shipments via Far East Russian ports decreased by ~\$150 to ~\$5 000/FEU, while the rail component decreased by ~\$50 to ~\$4 000.**

## Other trends

- According to [LogiStan](#), KTZ plans to begin freight train operations on the second track of the Dostyk–Beskol section (part of the Dostyk–Moyinty railway line) by the end of March 2025. The full construction of the second track along the 836-kilometer Dostyk–Moyinty line is scheduled for completion between June and July 2025. Once finished, the route's throughput capacity is expected to increase **fivefold**.



## ←→ OTHER LOGISTICS TRENDS

- ▼ **Russian imports** In the last few months, there has been a decline in import container traffic to Russia from China. Market participants believe that the reasons for the reduction are as follows: falling demand for finished Chinese cars, high key rate in Russia, challenges concerning international transactions [[PortNews](#)].
  - The decline is noted by most of the major players in the market, however, freight forwarders are optimistic about the future, hoping that the situation with import container volumes will improve as the year progresses, expecting a slight growth in 2025 on the back of an improvement in the overall economic situation.
- **China-Russia rail** According to Russian Railway's (RZD) expectations, the growth of freight transportation on the RZD network in traffic with China may reach at least **8%** by the end of 2025. As of January–February 2025, growth reached 9%, and the carrier expects to maintain this momentum throughout the year [[TASS](#)].
- **Hub status** Major container terminals in Russia (week 13, 2025):
  - **Vorsino, Shushary, Elektrougli, Selyatino, Bely Rast** stations operate without delays.
- **Border crossings with China** Key border crossings with China (week 13, 2025):
  - **Altynkol** – ~1500 containers awaiting transshipment, 4-6 day delays.
  - **Dostyk** – ~1000 containers awaiting transshipment, 3-5 day delays.
  - **Zabaykalsk** – ~2000 containers awaiting transshipment, 7-10 day delays.
  - **Zamyn-Uud** – ~1000 containers awaiting transshipment, 5-10 day delays.
- ▲ **Infrastructure** Under the programme of modernisation of state border crossing points, **the Russian government** plans to reconstruct 87 of the most popular points and increase their capacity more than **twofold** by 2030. It is also planned to complete the equipping of checkpoints with modern equipment by this date.
- ▲ **China exports** China Customs presented data on fertilizer imports for January-February 2025. The top 3 supplying countries were **Russia, Canada and Belarus** with imports of \$227 million (-21% YoY), \$142.9 million (-41%) and \$138 million (-3%) respectively [[Myfin](#)].

# 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

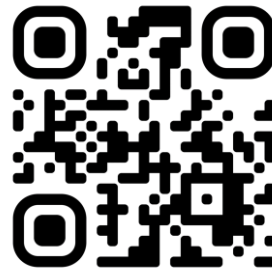
## Update frequency

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.



## Contact information

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