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EDITORIAL

September's supply chain picture is a contest between constraint and abundance. Some of the world's most important shipping corridors are tightening or drawing carriers back on a trial basis in ways that change how long cargo takes to arrive, while the fleet that carries it keeps growing faster than it sheds vessels.

The forces involved pull in different directions. Drought and geopolitics are reshaping which routes move cargo and how reliably. Trade out of China is running at record pace, though the reasons may owe as much to tariff nerves as to healthy demand. Manufacturers, meanwhile, are looking ahead to their strongest growth expectations in years while bracing for higher input and transport costs.

For anyone who depends on imported materials, timing, cost and route choice are all moving at once, and the signals do not point the same way. The detail behind each development matters for planning, which is why these stories reward a close read.

EXECUTIVE TAKEAWAYS

Four themes run through this issue, covering canal and route reliability, trade policy timing, cost pressure and vessel capacity.

01 Route reliability is being reset in both directions

Panama could tighten further under drought while some carriers test a faster Suez routing from India, so transit-time assumptions on both lanes may be worth revisiting (Articles 1 and 2).

02 Record China volumes may be driven partly by tariff anxiety

The busiest week on record at Chinese ports arrived just before a leaders' summit and a truce extension to January 10, so the surge could reflect exporters rushing ahead of tariff decisions as well as demand (Article 3).

03 Cost pressure reaches beyond the ocean leg

Manufacturers project a 5.0% rise in input costs and most cite freight and fuel as challenges, so inland transport and raw material exposure deserve attention alongside ocean rates (Article 4).

04 Vessel capacity keeps building while the fleet ages

Record fleet growth, minimal recycling and a large order book mean capacity conditions are worth tracking as a background factor in freight planning. BIMCO's scenario has the fleet possibly reaching 44 million TEU within five years depending on how much scrapping happens, and it cautions that retiring every ship already 20 or older by the end of 2030 would still leave supply growth high, particularly if Suez routings normalise (Article 5).

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Panama Drought Could Trim Canal Transits Again as Rerouted Cargo Leans on the Waterway

WHY IT MATTERS

The canal is already running under tighter limits, and the article says further cuts are possible if water levels keep falling. Traffic through it has grown because shippers want a substitute for the Strait of Hormuz, which the article reports Iran has closed off, so any additional restriction lands on a route carrying more load than usual. Packaging buyers relying on Pacific-to-Atlantic flows face potential cost and delivery-time effects, though the source frames these as possibilities.

32 to 29

Possible daily transit limit if water levels keep falling

36 to 32

Reduction in the daily maximum already made

38 to 22

Daily transits in the 2023 El Nino episode

HIGHLIGHTS

- The canal could cut transits again, from 32 a day to 29, as a severe El Nino drought keeps pulling water levels down. The daily maximum has already fallen from 36 to 32.
- Even with tighter limits, more shippers are turning to the canal as a stand-in for the Strait of Hormuz, a passage the article describes as blocked by Iran.
- Longer-lasting crossing restrictions carry a risk of pricier freight and slower deliveries, according to experts the article cites.

→ Transit and Draft Limits

- The article, dated September 8, 2026, places the canal's announcement on the preceding Monday, when it raised the possibility of trimming daily slots again, from the current 32 to 29, as the water

keeps dropping.

- The daily cap has already come down to 32 from 36. The article links 36 to last month and 32 to mid-September, although it is dated September 8, so the exact timing is unclear.
- Draft limits have tightened too. Canal authorities set the maximum at 14.6 metres, down from 15.2 metres (48 feet versus 50 feet). The article explains draft as the depth of a hull below its waterline, which sets the minimum depth of water a ship must have beneath it to avoid touching bottom.
- Roughly 200 million litres flow out with every vessel that crosses, all of it ending up in the ocean.

38 to 22

In 2023, falling reservoirs under El Nino pushed the daily cap from 38 down to 22, a much steeper cut than the 32 to 29 trim now on the table.

→ Drought, El Nino and the Outlook

- Panama's government has placed the whole country under an emergency declaration because of El Nino, which the article describes as a Pacific-born pattern that disrupts weather across the globe and drives temperatures up worldwide.
- Among El Nino events tracked over the past four decades, this year's is expected to be the strongest.
- Rainfall between April and August ran 35.8% below the historical average, a figure the article attributes to the canal's own water management.
- An early start to the 2027 dry season is forecast, and the January to April window it normally covers is expected to run on into May.

→ Why Traffic Keeps Rising

- The article says Iran has blocked the Strait of Hormuz as retaliation for the war the United States and Israel started, and shippers looking for an alternative have leaned on the canal.
- Built by the United States, the canal carries 5% of the world's seaborne trade and offers the quickest sea passage from the Pacific to the Atlantic, which is why the United States and China are its biggest users.
- Those same unnamed experts caution that drawn-out limits on crossings could add to the strain the Hormuz crisis has already put on shipping.

LESSONS & ACTIONABLES

Importers whose cargo crosses Panama may want to review how much schedule and cost variability their plans can absorb, and follow canal notices closely given that the source describes further cuts as possible rather than confirmed.

Suez Return Trials Are Cutting Days From India-to-Savannah Ocean Legs, but Only Some Carriers Are Testing It

WHY IT MATTERS

A handful of carriers shifting back from the long route around southern Africa is shortening transit for India-origin cargo bound for the US east coast. The Georgia Ports Authority describes the change as a testing phase, so the gains are early and limited to some lines. Still, faster ocean legs can change inventory timing for importers of Indian goods.

10 to 14 days

Faster arrival of Indian cargo at Savannah

28 days

Time in transit from India to Savannah on the rerouted Maersk service

5 days

Transit reduction planned on CMA CGM INDAMEX

HIGHLIGHTS

- The Georgia Ports Authority reports that Indian shipments are landing at Savannah 10 to 14 days ahead of where they have been since the Red Sea detours started, with the gain tied to certain lines trialling the Suez passage again over recent weeks.
- Maersk has moved its MECL service back to Suez, bringing Nhava Sheva to Savannah down to 28 days, and CMA CGM is in the process of doing the same on INDAMEX.
- The port authority says speedier arrivals let cargo owners fill orders sooner and spend less on holding stock.

→ Carrier Moves

- Maersk has reinstated the Suez Canal on its MECL service, ending the detour around the Cape of Good Hope for that route.
- The Maersk Denver, which sailed in August as the line's opening westbound Suez voyage under the new routing, reached Savannah on August 9.
- CMA CGM is partway through moving INDAMEX back to Suez. Once complete, the switch is set to trim five days off the Nhava Sheva to Savannah run and let the loop hold a weekly schedule with two ships fewer.

10 to 14 days

Savannah is seeing Indian cargo arrive noticeably earlier than at any point since the detours started, an early sign of what a wider Suez return could mean for lead times.

→ Why the Detour Existed

- Red Sea missile threats pushed ships onto the long way round Africa from late 2023, after local rebels began hitting passing vessels amid violence that widened across the region once Israel and Hamas went to war.

- Insurers priced in the missile danger with higher premiums, and carriers recovered that extra cost by billing shippers.

→ Beyond Transit Time

- Keeping stock near end customers and reacting fast and flexibly when demand moves are, in the port authority's view, what shippers of Indian and other overseas goods increasingly want from a logistics provider.
- The article adds that a quicker ocean leg does not by itself settle the wider logistics picture.

LESSONS & ACTIONABLES

Importers with India-origin cargo may want to ask carriers which services have shifted back to Suez and what that does to their lead times, while remembering that the return is described as a trial by only some lines.

Record China Port Traffic May Signal Exporters Racing Tariff Uncertainty Ahead of a Leaders' Summit

WHY IT MATTERS

Chinese ports handled more containers in a single week than ever recorded just before a meeting between the US and Chinese presidents. Tariff uncertainty may be part of the story, since the article reads the surge as possibly reflecting exporters hurrying cargo abroad, so the volumes may not reflect demand alone. For US importers, the policy calendar around the summit is as relevant as the volume data.

7.3 million

Record weekly container throughput at Chinese terminals ending September 20

+9%

Increase from a year earlier

17% and 22%

Economists' 2026 forecast growth in exports and imports

HIGHLIGHTS

- Chinese terminals processed 7.3 million containers in the week to September 20, setting a new weekly record. China's Ministry of Transport figures put that total 9% above a year earlier.
- Uncertainty over tariffs may have pushed exporters to get goods out early, a reading the article offers as possible rather than proven.
- Reports on September 24 put the truce's new end date at January 10, a two-month extension agreed by the world's two largest economies while they keep working toward a possible wider deal.

→ Volume Signals

- Over the first fortnight of September, volumes rose roughly 6%, which the article treats as more evidence that exports and imports are once more gaining quickly this month.
- A Goldman Sachs Group research note says outbound freight from 20 major Chinese ports has stayed above its 2025 levels.
- Bloomberg's poll of economists this month lifted the 2026 outlook, which now calls for exports to grow 17% and imports 22%.

**7.3 million
containers**

A single week set an all-time record for Chinese terminals, which frames how much cargo may be moving ahead of policy decisions.

→ Policy Backdrop

- Ahead of the Chinese president's first state visit to Washington since 2015, Chinese ports posted that record week. Any new US tariffs on China or other partners are expected to wait until the summit is over.
- According to Bloomberg News, an administration report on claimed overcapacity had been planned for release ahead of the summit, and it would recommend a 7.5% tariff on goods from China.
- The overall tariff level on China, as it stood after the trade truce struck late last year, has since been lowered by a US Supreme Court ruling that threw out part of the administration's levies. In recent months that ruling has been followed by a sharp rise in Chinese exports to the US.

→ Growth Drivers and Wider Reaction

- Export growth has been in double digits for most of 2026 and is well above last year's record levels, helped by an AI investment boom that has driven chip prices sharply higher.
- Container counts are surging along with trade values, so the gains are strong in physical volume and are not only a product of dearer chips and similar goods.
- Worldwide spending on AI infrastructure is carrying trade across Asia along with it, and China's rising goods flow is brightening prospects for the largest manufacturing economy on the planet while helping make up for soft demand at home.
- Officials in the European Union are considering protectionist steps to shield their industries, alarmed by China's dominance in exports. The article says the imbalance is worsening.
- The EU Chamber of Commerce in China puts China's slice of worldwide container exports at nearly 40% across the year's first seven months.
- Container flows point the same way in figures from the EU Chamber of Commerce in China. Half a decade ago, China sent Europe 2.5 containers for every one coming back, and that multiple has since climbed to six.

LESSONS & ACTIONABLES

Buyers exposed to China-origin goods may want to watch how the truce extension to January 10 and any post-summit tariff decisions develop, and to treat the record volumes as one input rather than a settled demand signal.

Manufacturers Expect Input Costs to Rise 5.0% Even as Growth Expectations Reach Multi-Year Highs

WHY IT MATTERS

The NAM survey shows optimism and cost pressure running side by side, with raw materials the top challenge for a second straight quarter. Freight, fuel and Middle East conditions add to the squeeze, and nearly all respondents depend on trucks. For packaging buyers, this describes the cost environment their manufacturing customers and suppliers are operating in.

5.0%

Projected rise in raw material and other input costs over the next year

77.3%

Manufacturers citing freight rates as a challenge

98.6%

Respondents relying on trucks to move goods

HIGHLIGHTS

- Manufacturers responding to NAM's Q3 Manufacturers' Outlook Survey expect input costs, including raw materials, to climb 5.0% over the next year. The association points to the Middle East conflict and continuing trade uncertainty as pressures on supply chains.
- For the second quarter running, pricier raw materials led the list of business challenges, and healthcare cost increases and trade uncertainty filled the other two top-three slots.
- Over the coming 12 months, respondents anticipate the quickest expansion in over four years across sales, production, capital investment and exports.

→ Cost and Transport Pressure

Survey finding	Share of manufacturers
Cite freight rates as a challenge	77.3%
Cite fuel costs as a challenge	74.1%
Rely on trucks to move goods	98.6%

98.6% rely on trucks

Trucks move goods for nearly every manufacturer surveyed, and 77.3% and 74.1% of respondents flag freight rates and fuel costs respectively as challenges.

→ Middle East Conflict Effects

- Asked about the Middle East conflict, 60.6% of respondents said conditions had not improved from the prior quarter.
- A further 33.2% said the challenges had worsened.

→ Optimism and Growth Indexes

- Hopes for firmer sales are lifting manufacturers' mood a little further.
- The anticipated sales growth index stands at 4.3% and the production growth index at 3.8%, the highest readings for both since Q2 2022.
- Fieldwork for the Q3 2026 edition ran August 11 to 27, and NAM makes each quarter's findings public.

LESSONS & ACTIONABLES

Packaging buyers may want to consider how a projected 5.0% input cost rise, alongside freight and fuel strain, could show up in pricing conversations with manufacturing customers and suppliers.

Container Fleet Growth Is Outrunning Scrapping and Heading for a Record 34 Million TEU

WHY IT MATTERS

BIMCO figures show capacity arriving at a record rate while very few ships leave the fleet. The growth is concentrated in the largest vessels and in liner operator hands, and an ageing cohort of ships is approaching typical scrapping age. Together this shapes the capacity backdrop that freight decisions sit within, although the source does not forecast rates.

34 million TEU

Fleet capacity milestone, 8,000 TEU away at the start of September

10 million TEU

Added in five and a half years, a 42% increase

Under 300,000 TEU

Recycled over the same period

HIGHLIGHTS

- Slow scrapping and a heavy flow of newbuild deliveries have put the world's container fleet within reach of a record 34 million TEU, according to recent BIMCO figures.
- Five and a half years was enough to add 10 million TEU, which is a record pace. When capacity rose from 14 million TEU to 24 million TEU previously, the same 10 million TEU took slightly over ten and a half years, BIMCO data indicate.
- BIMCO counts more than 14 million TEU already on order for delivery by the end of 2030.

→ The Milestone

- At the start of September, capacity was only 8,000 TEU short of 34 million TEU.
- Only a small share of September's 46 scheduled deliveries, together worth 286,000 TEU, has to start sailing before capacity crosses that line.
- Over five and a half years, fleet capacity will have grown 42%, or 10 million TEU, as record-level deliveries combined with strikingly little recycling.

Five and a half years

The time the latest 10 million TEU took to add, against slightly more than ten and a half years for the previous 10 million, a contrast that underlines how quickly capacity has built.

→ Bigger Ships and Liner Ownership

- Since early 2021 the fleet has added 10 million TEU, and two-thirds of that came from ships above 12,000 TEU.
- The largest ships now make up 40% of fleet capacity, up from 30%, and the average container ship is 14% larger.
- Liner operators hold 65% of fleet capacity today, against 57% in early 2021, and 85% of the newly added capacity belongs to them.

→ Ageing Fleet and Recycling Potential

- Scrapping has been so rare that nearly 2,000 ships, carrying more than 5 million TEU between them, have now reached 20 years or older, and the ageing share of the fleet has risen considerably as a result.
- That older group forms the obvious pool for future scrapping, because within five years each of those ships will be 25 or more, the age at which vessels have on average been recycled in the past.
- Looking five years out, BIMCO's scenario is that the fleet could grow by another 10 million TEU to 44 million TEU, with the extent depending on recycling activity.
- Scrapping every ship that is already 20 or older, all by the end of 2030, would still leave supply growth high, BIMCO cautions, particularly if regular Suez Canal routings return and free up capacity that Cape of Good Hope diversions currently tie up.
- BIMCO notes that recycling over a comparable stretch was last this weak from early 2004 to mid-2009, a period when the fleet stood at only a third of today's size.

LESSONS & ACTIONABLES

Shippers may want to keep the fleet growth and ageing profile in view as background when reviewing carrier capacity and contract planning, without reading it as a rate forecast the source does not make.



For inquiries & market intelligence

- 11490 Westheimer Rd Suite 970, Houston TX 77077, United States
- +1 832-341-1222
- info@webpackagingsolutions.com
- www.webpackagingsolutions.com

Sources Maritime Gateway, DC Velocity, Bloomberg, Supply Chain Brain