

THE SHIPPING STANDARD

OUR EXPERTISE · YOUR ADVANTAGE

AUGUST 2026

ISSUE 98

A Tried-and-True Formula: High Fuel Costs And Blank Sailings Equal Higher Rates



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A Tried-and-True Formula: High Fuel Costs and Blank Sailings Equal Higher Rates

For many importers, today's freight market can seem contradictory. Economic uncertain-ties remain, tariff concerns remain, and lower consumer spending averages remain. Yet, interestingly, high fuel costs and ocean freight rates remain stubbornly high on many trade lanes.

One of the main reasons for these elevated freight rates is something called structured blank sailings. Structured blank sailings are planned, systematic vessel cancellations that ocean carriers build into their network strategy to control capacity, support freight rates, and maintain vessel utilization. Unlike unexpected or random blank sailings, structured blanks are often scheduled far in advance as part of a carrier's overall service design.

For example, a carrier may offer a weekly Asia-U.S. service but intentionally cancel every fourth sailing during a period of softer demand. Instead of operating half-empty vessels, the carrier removes capacity from the market and consolidates cargo onto the remaining sailings.

This allows carriers to maintain higher vessel utilization by filling ships more completely while supporting higher freight rates through reduced available space.

"These structured blank sailings allow ocean carriers to carefully manage capacity, maintain higher vessel utilization, and support freight rates, even during periods of fluctuating demand," said Steve Myers, Vice President of Operations for OEC Group's North American Region. "The result is a market where carrier discipline has become more prevalent than in the past."

Another reason for higher freight rates is that many shippers have been front-loading cargo in an effort to get ahead of possible tariff increases. This additional cargo volume has caused vessel space to become tighter than expected. When combined with structured blank sailings and other capacity management measures, this surge in demand has further limited available space and placed upward pressure on freight rates.

"As carriers continue to carefully balance supply with demand, shippers should expect freight rates to remain sensitive to schedule changes, capacity reductions, and geopolitical developments," said Frank Costa, Vice President of Sales for OEC Group. "Shippers should now expect that even in an uncertain economic environment, rates will remain elevated because it is no longer just about how much cargo is moving. It is now also about how much space carriers are willing to provide."



INTERVIEW

RELIVING A REMARKABLE CAREER: BETHANN ROONEY REFLECTS ON HOW LESSONS LEARNED FROM THE PAST 30-YEARS WILL HELP HER LEAD THE PORT OF NY AND NJ

[Bethann Rooney](#), Director of the Port of New York and New Jersey, oversees one of the busiest ports in the United States. In this exclusive interview, she reflects on the lessons learned throughout her more than 30-year career and discusses what they could mean not only for the future of the port, but for the logistics industry as a whole. Rooney also shares her perspective on how the industry can successfully navigate today's geopolitical and economic uncertainty while preparing for the challenges and opportunities ahead.



CHASING HISTORY

Jacintoport helps keeps Houston's supply chain moving, handling everything from industrial cargo to bulk liquids across rail, barge, and container networks. With 24/7 operations, deepwater docks, and massive storage capacity, it's a behind-the-scenes hub that helps power the flow of petrochemical and specialty goods worldwide.



[Click here to watch the video.](#)

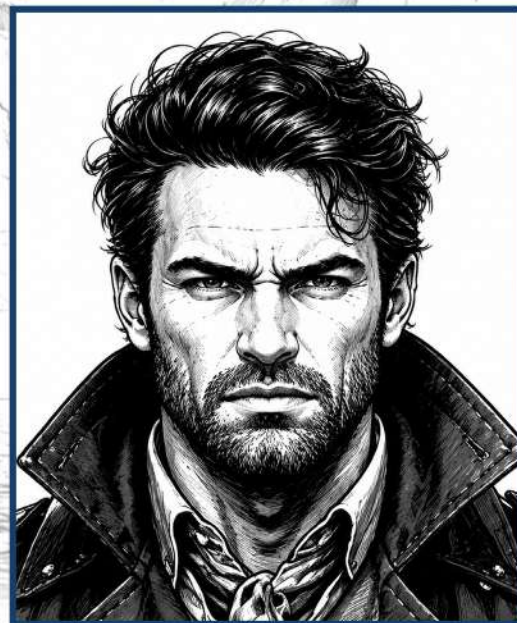


CURRENT EVENTS

As America turned 250, its ports have grown from raw-goods hubs into complex global logistics networks handling tariffs, e-commerce demand, and new sectors like pharma shipping. Continued investment and regulatory oversight will keep ports competitive for the next 250 years.



For the full story please [click here](#).



Dear Ahab:

What was the overall market impact of the Trump Administration's 50% tariff on India?

– India Investor

Dear India Investor:

The Trump Administration's 50% tariff on India had varying effects across different industries. Electronics experienced the steepest decline, with shipment volumes falling by roughly one-third and import values dropping nearly 50%.

In contrast, pharmaceutical and steel imports continued to grow despite the tariff. Pharmaceutical imports remained resilient, while steel imports showed less sensitivity to the higher duties.

Perhaps the most notable result was in the gems and jewelry sector. While shipment volumes remained relatively stable, import values declined by 28%. Overall, the tariff did not produce a uniform reduction in imports from India. Instead, its impact varied significantly by industry, with some sectors experiencing sharp declines while others maintained or expanded import activity.



Dear Ahab:

What kind of holiday rush do you expect the industry to see and what impact, if any, tariffs will have on it?

– Tiny Tariff

Dear Tiny Tariff:

Many importers have already been front-loading cargo to get ahead of potential tariff increases, trade policy changes, and ongoing supply chain uncertainty. As a result, the holiday shipping rush may be less concentrated than in previous years because a significant amount of inventory is already in the country. This could spread demand over a longer period rather than creating the sharp peak-season surge typically seen in late summer and fall.

Based on recent tariff announcements by the Trump administration, tariffs are likely to have a significant influence on shipping patterns. Businesses are expected to continue accelerating imports for as long as possible, which should help keep transportation demand and costs elevated. At the same time, ongoing tariff uncertainty may prompt companies to maintain larger inventories and diversify sourcing strategies, creating additional volume across multiple trade lanes.

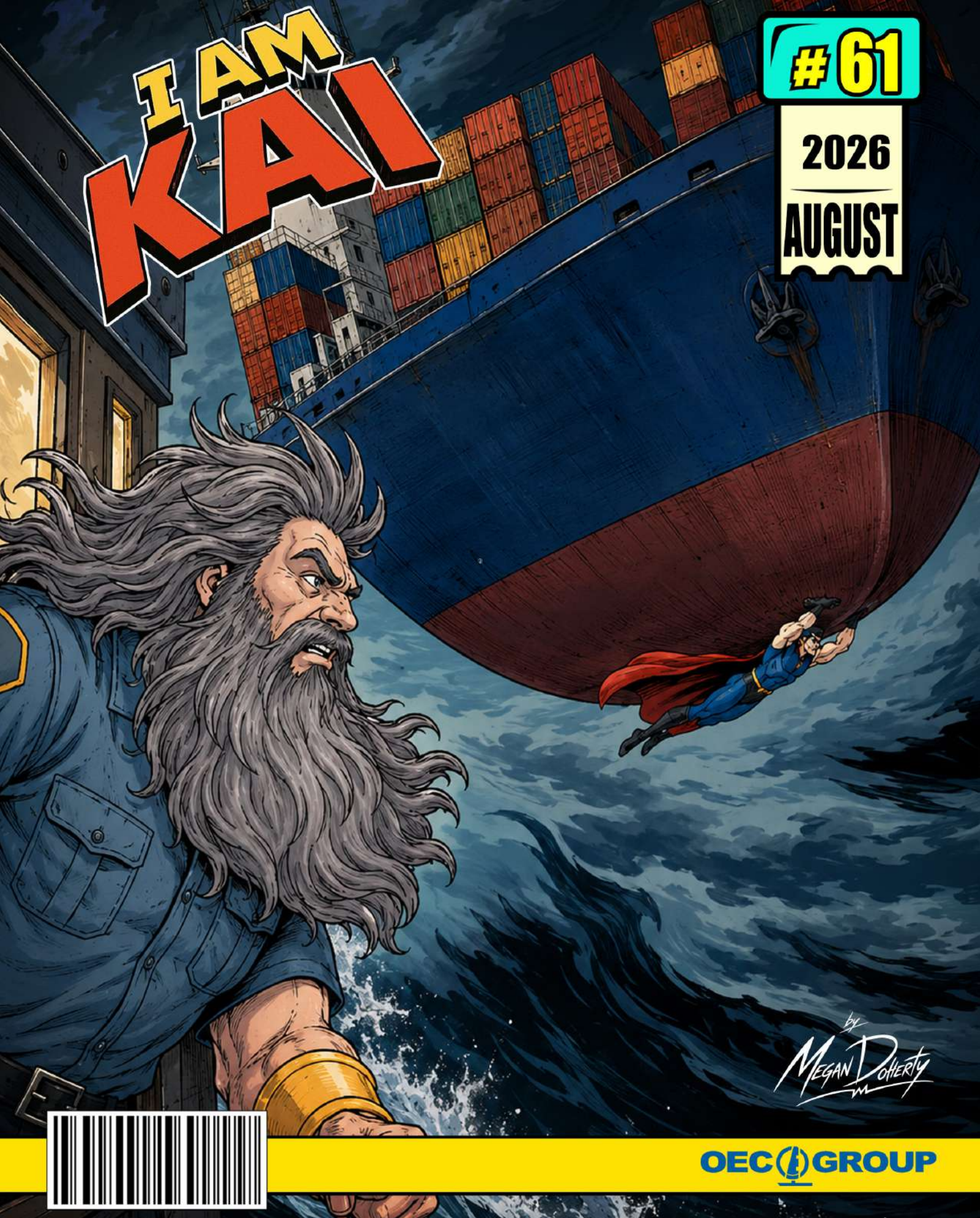
In the end, the prospect of higher tariffs is likely to make shipping space scarcer and freight rates higher in the near term.

I AM KAI

#61

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AUGUST



by
MEGAN DOHERTY



OEC GROUP



Fun Facts About LIZARDS



There are more than
6,000 different lizard species.



Some lizards can run
at speeds of over 12.5 mph.



Some lizards can detach their
tails if predators grab them.



The Basilisk Lizard can run on water.



Lizards have been
on Earth for over 200 million years.



The largest lizard in the world
is the Komodo dragon,
which can grow up to ten feet
long and weigh over 150 pounds.



Lizards can be found
on every continent except Antarctica.



The smallest lizard in the world
is the Threadtail, which is less than
an inch long

WORD WHEEL

Directions:

Insert the missing letter to complete the ten-letter word reading either clockwise or counterclockwise.



OEC GROUP



As an industry pioneer, OEC Group has become one of the world's leading logistics companies. We leverage in-house expertise, carrier partnerships, connections with ports and transportation hubs, and our network of offices in North America, Europe, Asia, India, South America, Australia, and the Middle East, to provide freight transportation, logistics, information, customs and brokerage, insurance, and technical services to over 50,000 customers of various sizes and industries.

We are also highly sought after for the advice we give shippers on how to optimally manage their supply chains. The guidance we provide is based on data analytics, best practices, and decades of industry knowledge.

We believe that relationships matter and treat your cargo as our own. Our experts are always investing in efficient, cost-effective, and cutting-edge services to evolve with the ever-changing market, address the complexities of any client's supply chain, and consistently perform at the highest level for our customers.

Our business is making our logistics expertise, your competitive advantage.

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