Voice of the Independent

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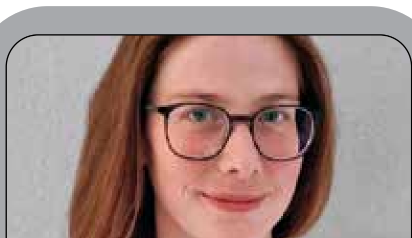

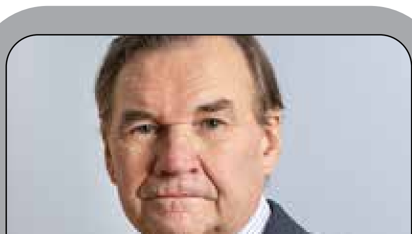

US-China trade truce could put the brake on declining rates

Significant spot rate gains on Asia-Europe routes contrast with more modest upturns elsewhere

CONFUSION abounds among the ocean rate indices, with the Shanghai Containerised Freight Index (SCFI) recording significant spot rate gains on its Asia-Europe routes in contrast with the more modest upturns cited by Drewry, Freightos, and Xeneta.

Gaining 12 per cent week on week for the final seven days of October, SCFI's Shanghai-Mediterranean reading hit $3,966 per 40 foot, with its Shanghai-North Europe leg growing eight per cent week on week to reach $2,698 per foot.

Those prices contrasted with rates coming in from Drewry's World Container Index (WCI), which recorded a three per cent gain on its Shanghai-Rotterdam leg to end the week at $1,795 per 40 foot, while its Shanghai-Genoa route gained five per cent for $1,955 per 40 foot.

Not only worth noting is the spread between the indices, but the spread within them: the difference between the two WCI trades was just $200, conversely, there was a gap of almost $1,300 between the SCFI Shanghai-Mediterranean and Shanghai-North Europe lanes.

annual contract negotiations have entered into their early phases

One commentator pointed out that a possible explanation for the SCFI divergence was the way it compiled its rates, using quotes for the week ahead, meaning it may also have been accounting for new freight all kinds (FAK) rates carriers were set to introduce.

As testament to this, they pointed to the new FAK rate that MSC had published for its Far East to North Europe trade, $2,700 per 40 foot, with the commentator describing this as "bang in line" with the SCFI spot rate on that trade.

This would make sense, given that Xeneta's XSI Far East-North Europe rate was more in line with that at the WCI, at $1,964 per 40 foot, while its Far East-Mediterranean lane stood at $2,326 per 40 foot.

Against this backdrop, annual contract negotiations have entered into their early phases, with chief analyst at Xeneta stating that spot rates would likely prove to be the crucial benchmark for shippers' long-term rates in 2026.

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'Shippers must stay on top of market developments'

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Speaking ahead of the 1 November FAK introduction, Sand said that "another uptick in spot rates from Far East to North Europe is expected on 1 November, bringing it on par with the average long term rate on this trade".

"We saw spikes on this trade on 1 November 2024 and 2023, following periods of decline. It could be a coincidence that we're seeing it again, but it is more likely carriers are using smart capacity management and pushing hard to keep rates up at a critical time of year," he added.

Shippers have indicated to Voice of the Independent (VOTI) that there is a nervousness around carriers, one noting they "definitely weren't bullish when I was in Asia recently", which makes sense when comparing where are now with the start of 2024.

Despite rates appearing somewhat resilient in October, Xeneta noted that on the Asia-North Europe trade, rates were down 61 per cent on the level they sat at the beginning of last year – the largest decline on any of the main east-west trades.

Sand added: "Shippers must stay on top of these market developments day-in, day-out, because the recent uptick in short-term rates does not necessarily mean long-term rates entering validity in 2026 must also rise."

And a straw poll conducted by supply chain news outlet, The Loadstar, indicated that annual pricing for 2026 on the Asia-North Europe trades is expectedly to be slightly softer than what was recorded in 2025, with poll putting rates at $1,400 to $1,500 per 40 foot.

> "The 12-month trade truce between the US and China could prompt shippers into action"

Looking at the transpacific trades and the story was a fairly similar one; WCI's Shanghai-Los Angeles leg found itself six per cent up, week on week, for the final week of October at $2,438 per 40 foot, with Shanghai-New York up four per cent to $3,568 per 40 foot.

Commenting, the index noted: "Drewry expects a slight rate increase next week, driven by the implementation of GRIs [general rate increases]. However, this momentum is likely to be short-lived, with rates expected to decline soon after."

While carriers introduced GRIs ranging from $1,000 to $3,000 per 40 foot, more attention was being paid to the impact on transpacific demand of the tariff truce between presidents Trump and Xi, announced following their meeting in South Korea at the end of October.

"The 12-month trade truce between the US and China could prompt shippers into action but is unlikely to spark a surge in imports. Many shippers did their work, front-loading, and now inventories are high they'll be in no rush to take advantage of lower tariffs," Sand said.

"Market sentiment is a powerful force, so while the US-China truce may not spark a rush of cargo and further uptick in rates, it could apply some upward pressure to stop rates falling quite so hard in the remainder of 2025."

Liner giants swell newbuild orderbook despite overcapacity threat

MAERSK and MSC appear just as determined as ever to swell their capacity, despite the pending overcapacity-fuelled pricing war. The Italian carrier has just passed the seven million teu mark, breaking a record in the process.

"The magnitude of the overcapacity will be the same as seen in 2016, which is a year best remembered for the apex of a strong price war between the carriers," warned Sea-Intelligence analysts.

But now responsible for 21 per cent of global box ship capacity, MSC leapt from six million to seven million teu in a little over a year, during which time it took delivery of 68 vessels, including the recent deliveries of the MSC Salerno and the MSC Grace, both 16,000 teu.

MSC's new benchmark means it has well and truly surpassed former liner leader, Maersk, which finds itself some 2.4 million teu short of what MSC has to offer, although it appears the Danish carrier is intendant on chipping away at the divide.

Maersk announced shortly after MSC's news that it was lining up its own slew of orders, with deals in place for eight 18,000 teu LNG dual-fuel containerships from China's New Times Shipyard, with four more on the cards should it wish to exercise that option.

According to brokerage sources, Alphaliner claimed that the Danish carrier would be required to spend somewhere in the region of $193 million to $195 million per vessel, with deliveries due to occur between 2028 and 2029.

Even before this, Maersk was set to take delivery of 26 LNG-dual fuelled newbuilds – some owned, others chartered, over the next four years, with sources raising concern that capacity will far and away outstrip demand in the near to medium term.

Insurance is key to carriers returning to the Suez Canal

FORWARDERS hoping for a return of Red Sea boxship transits will be left waiting for a while longer, according to sources Voice of the Independent (VOTI) spoke to, with suggestions that carriers will continue taking the Cape of Good Hope diversion until at least 2027.

Predictions of another 12 months away from the waterway came alongside news that CMA CGM was adding further capacity to the route, listing listed two vessels on its FAL1 rotation, CMA CGM Benjamin Franklin and CMA CGM Zheng He, to pass through Suez.

The ships will move through the canal, partially controlled by the Iran-backed and Yemeni-based Houthi militia on their way back to China in an effort to offset delays that have been reported in Europe as a consequence of substantial congestion.

Sources stressed that they were seeing the additions from CMA CGM as little more than a one-off, with Zest Shipping Media's Dennis Zhou stating, "we will observe as it unfolds to see whether more ships will resume service via the canal".

Vespucci Maritime chief executive Lars Jensen told VOTI that he did not envision this being indicative of a full-scale return being on the cards. "Not if you judge it by the development in those numbers, I do not see other carriers itching to go through there."

Of all the main lines CMA CGM has been the least risk-averse when it comes to transiting the Red Sea amid the Houthi siege on the waterway, giving it a slight advantage against competitors that have more cautiously stuck to sailing around Africa's Cape of Good Hope.

The willingness of CMA CGM to sail through has likely linked to the support France's navy has provided commercial shipping, offering to escort vessels through the Red Sea, leading the CMA CGM Jules Verne to become something of a Suez mainstay.

Echoing Jensen, Xeneta chief analyst Peter Sand told VOTI that, "put into the greater scheme of things", CMA CGM's extra sailings sat in opposition to the broader trend of the past year, with transits having dropped month on month, from 180 in January to 131 in October.

"For Bab el-Mandeb transits, it has been steadier January through to August, but there has been a clear falling tendency in September and more so in October, with 223 in January, 174 for September and 107 transits for 1-26 October," Sand added.

Nonetheless, he said, Xeneta did not foresee a return to normality in 2026, instead expecting carriers to continue sailing around Africa for the year, "in fact, it may just be a part of the successful push for higher spot rates into Europe, but also beyond, in the past month".

In fact, he said the Red Sea's box ship future would not be determined by the carriers, but was rather in the hands of insurance companies and their risk assessments, claiming "they hold the keys more than any other stakeholder to the return of the industry to the Red Sea".

"The lack of insurance coverage for crew, ship and cargo is an essential factor," he added.

Focus ON

Diversification the key to surviving the many industry changes in 2025

THIS year has proved itself the one in which global ecommerce flows were upended, agrees Mantoria's director of sales, Florent Bojarski, noting that the past 12 months have been a "rollercoaster" for cross-border e-commerce particularly.

Together with the tariff regime coming out of the US, the sector has had to contend with the not so minor removal of the de-minimis exemption for low-value goods into the US, which had been one of the key drivers of early ecommerce growth.

Prior to its revocation in late August, de minimis was very much opening the faucet for US ecommerce imports; its huge volumes leading to ever greater demand for airfreight capacity. Data from US Customs and Border Patrol (CBP) indicated that some 1.36 billion packages entered the country under the exemption, goods valued in excess of $64.6 billion. That the exemption has gone does not mean it has entirely dissuaded shippers – nor their forwarders – that ecommerce can continue to thrive. Nonetheless, it has necessitated a change in approach.

President of US operator Global Logistics Connections (GLC), Sophia Huluta, notes that the end of the de minimis exemption resulted in many low-value, high-volume parcel shipments becoming subject to duties and taxes.

Consequently, Huluta tells Voice of the Independent (VOTI): "Volumes changed considerably and many [players] even stopped offering service. The sharp decline in cross-border parcel volumes was really felt in the industry by those who were primarily concentrated in that space and not diversified enough. Diversification has increased, given so many of the industry changes we have experienced in 2025."

SOPHIA HULUTA
Global Logistics Connections (GLC)

For those who made their fortunes in ecommerce, Bojarski says that the contraction in ecommerce flows into the US has pushed a large number of sellers into either holding inventory inside America or making use of bonded warehousing facilities to "avoid surprise duties at delivery".

"That created demand for US fulfilment capacity and for 'first-mile' consolidation services in Canada and Mexico," Bojarski tells VOTI. "These changes generated some opportunities for some value-added 3PL services: customs-compliance, tariff classification (HTS) advisory and audit services; and bonded inventory programmes. There are new shippers coming from Asia and Europe that want a North American base but don't necessarily want to jump straight into the US market due to the ongoing uncertainty with tariffs. Canada gives them quick access to their US customers without having to pay US duty up front, helping their cash flow."

Despite this, Huluta notes an increasing cautiousness, at least regionally, prompted by what she describes as "too much uncertainty" in the marketplace presently, which is in turn generating a sense of hesitancy among sellers. They simply do not want to take the risk on new products, Huluta adds, without some semblance of certainty on how the economic factors will affect their planning. This, she notes, means many are "ultimately hedging and playing it safe, focused on the bottom line". Asked to summarise the impact of all this change, Huluta says that volumes have declined, and prices have gone up.

"It feels that simple," she says. "The reciprocal tariffs placed on goods increased the duty rate from most if not all major countries which has absolutely caused buyers to pull back purchase orders from overseas suppliers and, in most cases, talk to their clients in an effort to raise prices. There has been more scrutiny by US Customs on imported goods to ensure enforcement and compliance, which we can expect to continue. Long-term impact is hard to see at this moment, but the hope is that it will balance out trade and increase demand for US products globally. Many people are sceptical if that will actually happen in the long run knowing that the US still lacks the workforce and overall skilled labour and manufacturing facilities to produce at increased levels."

> "There has been more scrutiny by US Customs on imported goods to ensure enforcement and compliance"

Bojarski concurs, noting that the policy changes have "definitely shaken things up". With de minimis, otherwise known as section 321, gone and US tariffs ramping up, Bojarski points to the noticeable reduction in flows into the US. That includes from Canadian sellers, "some" having scaled back their US DTC shipping, while others have moved to storing products on both sides of the border.

If there is one winner from all this, you could point to customs brokerages, which have seen demand for service provision surge, even with overall ecommerce volumes diminishing. Bojarski, however, points out that some have found themselves under increased pressure as a consequence of the additional volumes requiring clearance. But in general, Bojarski says the immediate impact of the changes is coming from brands and clients seeking help navigating new tariff codes and figuring out whether to keep fulfilling from Canada or reposition stock closer to buyers.

"Longer-term, these policy shifts will likely make North American supply chains more regional," Bojarski continues. "Sellers will plan inventory with duties and transit times in mind. For us, as a Canadian 3PL, that means more opportunity to act as the bridge – managing cross-border inventory, helping with tariff mitigation programmes, and providing brands a way to stay competitive."

The US may have been first in closing a loophole that allowed its market to be flooded with cheap goods from, largely Asian, online retailers. But it is by no means alone. The EU has announced plans to close its own de minimis rule, with indications that rather than allowing goods valued below €150 to enter the single market duty-free, they will become subject to a €2 flat fee. And European plans to close the loophole have been in the works for some time, with a European Commission spokesperson stating in 2024 that by May the previous year the commission had already "put on the table customs reforms for a simple, smarter and safer customs union. What we have proposed now is there is no exemption any more for packages valued at below €150".

Like the US, flows into the EU were significant. According to some reports, as many as 12 million low-value packages were entering the bloc every day. If the Trump administration has acted with rapidity to end the de minimis exemption, the EU seems more than happy to work things a little more slowly, with the latest indication that customs duties will take effect in 2028. One source tells VOTI that while they do not appreciate the way the Trump administration goes about its politics, "at least he acts on his decisions".

If against the backdrop of de minimis being revoked, the immediate situation for those seeking to sell cheap goods into the US is a reduction in volumes, the chief executive officer of The Net, Mourad Aoun, tells VOTI that the situation in Lebanon is looking a bit better.

"The Levant's ecommerce sector continues to show strong resilience despite ongoing economic and operational challenges," Aoun says. "In Lebanon, even with currency fluctuations, inflation, and regulatory gaps, the market keeps expanding and is expected to reach $1.47 billion by the end of 2025, and surpass $2 billion by 2029, growing at a 7.98 per cent compound annual growth rate (CAGR)."

Part of this growth, Aoun says, is being driven by a wider uptake in the use of digital tools, alongside an increased accessibility to online products and growing consumer preference for convenience, especially when it comes to online services and increasing online grocery and food delivery.

"These changes bring both opportunities and challenges for SME forwarders adapting to Lebanon and the Levant's evolving logistics landscape," Aoun adds. "User penetration, currently at 22.1 per cent, is forecasted to reach 26.6 per cent by 2029, with an average revenue per user of around $1,400."

Aoun notes that this steady digital shift has not been limited to Lebanon, but also includes the wider Levant region, particularly Iraq and Jordan. He says the digital shift has, unsurprisingly, come against a backdrop of a continuing slowdown in traditional retail. By the end of the year, the total e-services market, which includes online platforms and digital service providers, is expected to generate $414.7 million in Lebanon, growing to $658 million by 2029 at a 12.24 per cent CAGR. Similarly, online food delivery, boosted by mobile usage and changing lifestyles, is forecasted to reach $374.1 million in 2025 and nearly $677 million by 2030, growing at 12.59 per cent CAGR.

FLORENT BOJARSKI
Mantoria

"At the same time, new tradelanes have emerged between Lebanon, Turkey, the UAE, and Europe, reflecting changing sourcing patterns and consumer preferences," Aoun continues. "The expansion of GCC based ecommerce marketplaces has also led to increased cross-border flows into Lebanon and the Levant. Meanwhile, a growing number of local entrepreneurs and SMEs are launching niche e-commerce businesses, from handmade goods to tech accessories, creating new demand for affordable last-mile delivery, returns management, and customs clearance solutions."

Aoun believes there is opportunity for small and medium-sized forwarders, especially amid suggestions of a need to evolve from both traditional freight handling practices and customers – see this month's Spotlight interview with Walter Kemmsies, and his suggestion that SME forwarders need to look to emergent tradelanes to find growth in a volatile market.

"For SME forwarders, this shift represents an opportunity to evolve from traditional freight handling into value-added logistics partners, offering services such as direct-to-consumer fulfilment, cashless delivery, and duty-paid (DDP/DDU) shipping options that help smaller sellers access regional markets efficiently," he adds, albeit noting that the recent adjustments in government policies and customs procedures have presented both challenges and long-term opportunities.

eCommerce

"The introduction of higher customs duties and tighter enforcement procedures have increased import costs and added administrative complexity, temporarily affecting e-commerce shipping volumes," Aoun continues. "As a result, some consumers have faced higher total prices or have even abandoned deliveries due to unexpected duties. In the short term, logistics companies are facing longer clearance times, greater paperwork, and more price-sensitive customers.

However, in the long run, these policy adjustments could bring positive structural changes to the market. They are pushing the industry toward greater transparency, formalisation, and accountability, which could ultimately benefit organised and compliant logistics providers. But those forwarders that invest in digital pre-clearance tools, transparent pricing, and regulatory expertise will be better equipped to navigate these shifts and position themselves as reliable partners for both local and international e-commerce businesses."

Asked about 2026, Huluta tells VOTI that the expectation for the year ahead remains one of continued uncertainty. She says that with more trade deals set to be finalised, this should "hopefully" bring more consistency to the most uncertain market in her 25 years in the business has been.

"However, we have also seen the US administration very willing to use trade and international commerce as a weapon to negotiate whenever they feel slighted by another government," she adds. "Our planning has been to watch cost and continue to be hesitant to invest too much unless it is related to AI or automation both of which are increasing at alarming rates. The need to charge for our time continues to plague this industry as with all the uncertainty it is simply taking more time to do all the standard processes and costs have increased so pushing the envelope for hourly pricing model vs flat rate pricing is a crusade we plan to continue to focus on moving forward."

MOURAD AOUN
The Net

> "we need to remain very flexible and keep working closely with our clients to find the best solutions"

Unsurprisingly, for Bojarski and the Canadian ecommerce scene, a lot depends on the outcome of tariff negotiations. As this issue was going to press, Trump had threatened an additional 10 per cent levy on the US's northern neighbour following the publication of a video featuring the voice of Ronald Reagan criticising the use of tariffs under the perception that they have a deleterious effect on the US economy and US jobs, at least in the long run. Ontario premier Doug Ford was responsible for the production and publication of the video, but sources suggested to VOTI that work done by Canadian prime minister Mark Carney in apologising may have been sufficient to dissuade the US following through with the threat.

"Looking ahead, the outlook with ecommerce volumes within Canada and cross-border depends significantly on the outcome of the tariff negotiations," Bojarski says. "Volumes are not likely to bounce back to the old cross-border highs any time soon, but we are seeing stronger demand for fulfilment flexibility – clients want to partner with 3PLs that provide options to store, ship, or re-route depending on tariffs or duty changes."

Even so, Bojarski says that there remain US and international sellers still interested in using Canada as a launch point. This, he continues, is because while duty will still be incurred when shipping into the US, there are brands that like the idea of delaying duty payments by shipping inventory to Canada instead of the US to defer their duty payments.

"On the policy side, we are keeping a close eye on tariffs and new customs requirements," Bojarski adds. "The main takeaway from the last year is that with the ongoing volatility, we need to remain very flexible and keep working closely with our clients to find the best solutions for them in this ever-changing environment."

Over in Lebanon, Aoun is forecasting that the next 12 months will bring moderate but steady growth in the country's ecommerce volumes. This, he says, will mainly be driven by cross-border trade linked to the Gulf Cooperation Countries and to markets in Turkey. As for domestic growth, he remains more circumspect, suggesting that this will be dependent upon what happens with consumer, noting that attention will focus on the evolution of consumer purchasing power and businesses' ability to overcome payment and infrastructure challenges over the course of 2026.

"The past 12 months, marked by customs changes, inflation, and economic pressure, have shown the importance of resilience, cost and operational efficiency, and diversification in logistics planning," Aoun continues. "These economic pressures, customs adjustments, and fluctuating import costs have encouraged forwarders to rethink their models, shifting from cost-based operations to value-based, tech-enabled, and customer-centric approaches.

"Looking ahead, logistics providers in Lebanon are expected to prioritise automation, data visibility, and last-mile innovation to keep up with evolving ecommerce demands. While uncertainty remains, the country's digital economy continues to move forward, projected to double in ecommerce volume by 2029. Those who adapt early with compliant, efficient, and solution-driven services will be best positioned to capture this growth."

Carriers wrongfooted by suspension of port call fees

EXEMPLIFYING the transitory nature of international policy positions at present, China and the US have moved to suspend the port call fees that they had imposed on one another's vessels in the same month they came into effect.

The decision was made following what President Trump touted as an "excellent" meeting with China's President Xi in South Korea in late October, leading China's Ministry of Commerce to confirm the pausing of the US Section 301 fees and China's retaliatory measures.

Noting suspension of measures by the US Trade Representative (USTR) will take effect on 10 November, the White House said it would use the time to "negotiate with China" as it continued "historic cooperation" with Korea and Japan to "revitalise American shipbuilding".

While a welcome reprieve to some, the back and forth over port fees, twinned with this new year-long deadline, highlights the uncertain environment forwarders and the wider supply chain are contending with when it comes to making operational decisions.

Forwarders have told Voice of the Independent (VOTI) that far from providing some respite the changes in not only USTR fees but tariff policy are leaving them feeling like they are "in limbo", while carriers have been wrongfooted, having adjusted services in anticipation of the port fees.

And there have been casualties on the other side too, with Cosco having skipped calls into China on one of its intra-Asia services because the vessel operating it exceeded the 25 per cent limit China had imposed on US shareholding in ships.

Speaking to Lloyds List, a source reportedly close to the carrier said that penalising Cosco – a Chinese state-owned carrier may have been Beijing's "way of demonstrating strict and impartial enforcement – even state-owned companies are not exempt".

> "even state-owned companies are not exempt"

Atlantic Container Line (ACL) is among those hit by USTR fees, facing a $34 million bill, with the Trump administration determining that five 3,807 teu Chinese-built con-ro ships were in fact ro-ro 'vehicle-carriers'.

Responding to the fees, ACL chief executive officer Andy Abbott said that if the company had to continue to pay the tariffs it could be forced to relocate operations outside the US. Now, of course, this is a move ACL can avoid.

In the final week of October, Xeneta's product marketing manager, Destine Ozuygur, told VOTI that the bulk of the then visible blanked sailings not linked to Golden Week were on US-bound Chinese-operated services.

Vespucci Maritime chief executive Lars Jensen said: "Given this is a time-limited suspension, it would likely see shipping lines maintain a deployment stance whereby they, to some degree, still abide by the restrictions, and certainly keep a plan for vessel-reshuffling handy."

As this issue was going to press, it was still indeterminate whether any of the port-fee related blanked sailings will be re-instated once fees are removed, with many carriers having made quite ranging shifts to schedules and fleets to reduce their exposure.

Upply's senior liner shipping expert, Jérôme de Ricqlès, told VOTI that when it came to past blanked sailings, they could historically be categorised as either "defensive" or "offensive" decisions from the carriers.

"With the fees, retaliation and first impacts, I see creation of a third type of blanking that I call 'over-blanking'. This is a hybrid of defensive blankings and external factors outside a carrier's polices that'll push it to blank more than it initially would like to," he said.

DESTINE OZUYGUR
Xeneta

Box ship orderbook back to pre-2008 high

OCEAN vessel orderbooks have hit levels not seen since financial crisis, with the delay to the International Maritime Organisation's (IMO) Net-Zero Framework having done little to deter carriers putting in their orders for new tonnage.

Pledging up to three quarters of a billion dollars, Yang Ming stuck in an order for six 8,000 teu methanol dual-fuelled ships at Imabari Shipbuilding and its subsidiary Nihon Shipyard, with a carrier set to get its hands on the ships, priced at $117 million to $131 million in 2028.

Together with other orders, noted below, it suggests the market is ahead of the regulators, with the IMO failing to gain a required two-thirds majority for its Net-Zero Framework after US president Donald Trump threatened to impose sanctions and visa restrictions on countries voting for it.

Instead, the body moved to delay a decision on the matter with Trump not alone in opposing the environmental measure, with a number of Asian countries opposing adoption carbon pricing on shipping alongside China, Russia and other major oil exporting nations.

In fact, Singapore was the lone Asian country to vote against the motion to adjourn a decision on the adoption of the framework for a later date, while Japan and South Korea opted to hedge their bets by abstaining.

Nor was the Imabari deal all for the Taiwanese liner, with Yang Ming having hit an $84 million deal for 35,700 new containers from the China International Marine Containers, for $84m, with this all coming as part of its fleet renewal plan.

That plan sees the latest ship order added to one it placed with Hanwha Ocean for seven 15,000 teu units, with Yang Ming noting that upon delivery, the new vessels will gradually replace its 5,500 teu containerships that have been in service for over 20 years.

People appeared to have noticed the limited impact of the delay in the Net-Zero Framework becoming mandatory, with Linerlytica noting it would "not affect the appetite for new containerships".

It added that there were "fresh orders still emerging in the last two weeks and even more still to come in the coming weeks as carriers push ahead with their newbuilding plans, with the orderbook ratio surpassing 33 per cent for the first time since 2009".

Indeed, October witnessed a slew of orders, with Greek shipowner Petros Pappas returning to the container segment, hitting up Zhoushan Changhong for a pair of 3,100 teu box ships at a price of $47 million and due to be delivered between 2027 and 2028.

It is an order marking Petros Pappas's return to the container shipping market after his Oceanbulk Container Carriers venture, which the Greek magnate co-owned with Oaktree Capital Management, the US investment giant.

The idea had been to focus on vessels of 10,000 to 11,000 teu – at one point having a fleet of 15 – but poor returns on investment forced the company into selling some of the older ships, with some of the newer ones converted to cater to the bulk market.

Somewhat similarly, Monaco-based tonnage provider Transocean Maritime Agencies, which primarily services dry bulk and tanker, has opted to get in on the container game with a series of new orders.

Adding to two 1,900 teu box ships that it had ordered earlier this year at CSSC Huangpu Wenchong, Transocean announced that it had placed orders at New Dayang Shipbuilding for some 3,100 teu vessels to be built in 2028 at a cost of $45 million each.

Rounding out the orders in what proved a busy end of October, German tonnage provider Peter Doehle commissioned four 2,900 teu ships at CSSC Huangpu Wenchong, meaning it now has 13 containerships on order.

Those latest orders, costing around $47 million apiece, will be delivered in 2028 if all goes to plan, with it waiting on four 14,170 teu ships from Hudong-Zhonghua and five 8,400 teu vessels from Guangzhou.

Spotlight ON

Dr Walter Kemmsies

Time to switch focus from the US to the 'pockets of opportunity' in West Africa

FORWARDERS are going to need to get used to a slowdown in growth alongside increased volatility in the coming years, at least on their traditional trade lanes, shipping advisor for The Kemmsies Group, Dr Walter Kemmsies, tells Voice of the Independent (VOTI).

Amidst the Trump-induced shake-up in global trade, Kemmsies says that all the chatter has been of an end to globalisation. And while he believes that to some extent there is truth in this, he disagrees with the notion that globalisation is coming to an end, noting that understanding what is happening on this front is pivotal for forwarders seeking growth opportunities.

“You’ll pick up an article out of Wall Street on the demise of globalisation, but I am not entirely sure these commentators have a firm grasp on what globalisation is,” Kemmsies tells VOTI. “I think they are talking about global trade, not globalisation. And this is an important distinction because when you begin to factor in everything that encompasses globalisation – communications, email and telephone, and entertainment – all of this is beginning to grow.”

What is the relevance of this for forwarders? Kemmsies says understanding the spread of globalisation – rather than its purported decline – brings to the fore the global middle class’s position in international trade. Before getting to this, though, he believes it is important to understand not only the how, why, and when of manufacturing decline in the United States and some of the former European manufacturing hubs, but the form this took.

“Go back to the global financial crisis and look at the state of US manufacturing,” he says. “Before the crash, for decades, US industrial production and US consumer goods production in general, increased side by side, in parallel with one another. We hit the great recession in 2009, and you see manufacturing in the US drop significantly; and then, coming out of the recession, industrial production got back to its previous level, but stayed flat. And consumer goods manufacturing, which had fallen just as much, stayed where it had fallen. It didn’t recover. And so a lot of this shift away from the US has been consumer goods and not industrial goods.”

Kemmsies says that the big change within that time was the rapid growth of the global middle class, “a large multiple of the American and European middle classes,” and the associated growth of this new consumer base. Across Asia alone, the middle classes number somewhere around 2.5 billion people.

“The only problem is that their income levels are not the same as in the US or Europe,” says Kemmsies. “You have middle class workers in Asia on $5 per hour and in the US those same workers would be on $25 an hour. You cannot make the math work; you are not going to sell large volumes of goods made by someone on $25 an hour to those on $5 an hour. You have to move your manufacturing bases to spots where you can export to the $5 worker at an affordable level. This is the economic issue on the table.”

Does this mean he does not see manufacturing coming back to the US? Not at all, he says, what forwarders must pay attention to is the commodity type, and so too should the administration. Pointing out that tariffs will simply lead to increased costs for consumers, he nonetheless wholeheartedly endorses the Trump administration’s effort to bring manufacturing back to the country.

“But maybe they should be a little more strategic,” he says. “Placing tariffs on everything will reduce the value of the trade deficit for sure, but not the volume, because there are some things that simply cannot be made – or are not cost-effective to make – in the US. Instead of worrying about these, I think it would be more effective to be looking at what goods need to be made in the US and then place tariffs on these.

"No country is an island. You cannot make anything entirely in one country. While this re-industrialisation push plays out trade growth will be slower and forwarders will have to contend with that slowdown alongside increased volatility, but trade will still happen.”

If paying attention to commodity type is his advice for operating in the US market, Kemmsies notes that there is a lot of world outside of the United States, and it is worth considering the opportunities being presented. For one thing, he points out, China is witnessing growth in both value and volumes, and if he was advising forwarders, he would be telling them to shift their attention from the traditional markets and towards the rest of the world.

“One area that no one is really talking about is West Africa,” Kemmsies continues. “No one seems to have noticed that MSC has been deploying 24,000 teu ships between West Africa and Asia. This is important. I am telling those I advise to base their trade forecast on what is happening in West Africa, because all the markers indicate growth is coming. Take Nigeria, incomes are not only growing but are being better distributed among the population. Angola, Kenya, Morocco, Nigeria, Senegal are all seeing growth.

"Some people I speak to view Africa still very much through the prism of the 1960s. They say those big shops are only going in to collect raw materials. No, that is not the case, the manufacturing base across the continent is on the up. Education has improved. Infrastructure has improved. Everything is improving.”

With those improvements comes that same growth in the middle class, the new consumer base, and thus the need to position manufacturing in a region that makes it affordable to sell to these developing markets. Hence his belief that West Africa is the one to watch, both now – “there are increasing volumes there” – and in the future. And if anyone needed further convincing, Kemmsies suggests paying attention to what some of the larger players are doing, given their access to data and the broader picture of a region that they benefit from. Exemplifying this, he pointed to several events, including shipping lines buying up forwarding companies active in areas of growth – “they don’t take these decisions lightly, that suggests they have recognised not only the potential, but the reality, and the need to have a presence in the region”.

“This is all coming from a low base, but what is interesting is not just the volume growth, it is the commodity mix that is being seen in these pockets of opportunity,” Kemmsies continues. “This is what makes people feel positive. And the actions being taken by the US are not detrimental to this, they are helping to reinforce it.

"Do you know what the fastest-growing trade lane for the US is right now? It is Colombia. I was at a Florida supply chain conference recently, acting as a moderator for the port panel. And I asked the Florida ports, the likes of Tampa, Miami, Lauderdale and Jacksonville, what were the major changes they were seeing, and they said there was positive movement when it came to improving not only trade links but the commodity mixes with these new emergent trading partners. This is where forwarders want to be spending their time, developing connections and opportunities with these emergent markets, paying attention to development in countries they may previously had ignored. Globalisation is not in retrenchment. The world the US created is blossoming.”

And that blossoming is happening beyond US borders.

Last-minute boost for airfreight rates, but it's no peak season

GLOBAL airfreight rates may find themselves being pushed up by rising demand for aluminium and AI servers, but the consensus from the freight forwarding industry is that it is all too little, too late to engender the typical end-of-year peak.

On the back of launching daily air freight spot indices including for new routes from Hong Kong, India, and Korea, TAC Index stated its Air Freight Index jumped 3.3 per cent week on week for the closing days of October, but was nonetheless three per cent down year on year.

"This second successive strong weekly gain is starting to look like the beginnings of a typical peak season rise, which usually gathers pace into the US ahead of Thanksgiving and into Europe in the run-up to Christmas," it noted.

"This second successive strong weekly gain is starting to look like the beginnings of a typical peak season rise"

"That said, some sources cautioned other factors may also be at play, including less capacity on certain lanes – notably the transpacific – plus front-loading of goods ahead of potential changes to tariffs and trade rules, however less likely big changes now seem."

As far as forwarders are concerned, the belief is that what is being experienced is a mild upturn, with those who spoke to Voice of the Independent (VOTI) pointing to the lack of peak season surcharges that, in a normal year, airlines would have begun implementing by now.

Noting that "rates have been going up slightly", one Europe-based forwarder told VOTI that it's "always a question of how much BSAs do you hold, and what is the market in general doing? It has been going up a little bit from Asia to

Europe and US, but it's not crazy".

They said that while there had been the typical post-Golden Week movements there had been no trend towards a peak season, citing only a slight increase on the rates front, "but it is not that crazy".

"We don't believe rates will go to the HK$50 mark (US$6.44). But hey, there's still a lot of uncertainties and people don't have a clue. But there are no peak season surcharges in the market at all," the forwarder added, noting any rises may be "non-organic".

"Some people are trying to push up rates because they didn't make money throughout the entire year – but it's not necessarily the customer who feels it, because there's still enough capacity in the market."

A somewhat surprising driver of demand – given the 50 per cent US tariff rate – has been aluminium, according to several forwarders VOTI spoke with, which they said had been prompted by a fire at a New York mill in September, a key supplier of US aluminium.

Responsible for supplying 40 per cent of US sheet aluminium demand, the mill is expected to be out of action into next year, one forwarder noting that in its absence "there's a big project in Europe to the US with aluminium coils".

The impact of the fire on airfreight rates was also cited by an MNC that said there had been a "sharp rebound in transpacific air demand" leading to a "year-end surge driven by aluminium and hi-tech exports; front-loading continues despite mild tariff relief".

Despite FAX rates recording a 17 per cent uptick to $1.98 on Europe to North America in the second half of October, Freightos Terminal noted that the return journey had stayed broadly flat at $1.04.

The start of last month witnessed a peak of $5.70 on Southeast Asia to North America but rates on the lane dropped soon after, although one commentator noted that they had been "bumpily rising again", closing out October at $5.14.

Southeast Asia to Europe is also on an upward trajectory, having hit $3.78 as this issue was going to press, while Greater China to Europe had taken the reverse trajectory, peaking on 3 October at $4.51, it was now down to $4.11.

Greater China to North America may have leapt from a year-low of $4.05 at the start of the month to $5.95, an increase of 47 per cent, but the lane has been characterised by its peaks and troughs, with rates on the reverse down from $1.53 to $1.38 in the final week of October.

"There is no option to do a peak season surcharge this time around; there's not lots of volumes coming in. I really can't judge the market nowadays. Especially not for quarter four," the European forwarder concluded.

ONE puts on a brave face despite hit to profits

FIRST-half revenue declining $1.4 billion, year on year, has left Japanese carrier ONE to forecast a $70 million EBIT loss over the second half of its financial year.

With its financial calendar running July to June, ONE recorded first-half revenues of $8.5 billion, against the $10 billion it netted 12 months ago.

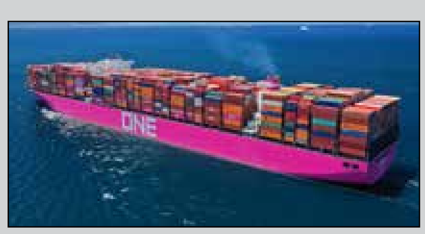
The decline came despite an uptick, albeit marginal, of one per cent in volumes, from 6.43 million teu to 6.48 million teu.

Having recorded EBIT of $2.5 billion during H1 2024/2025, profitability was reduced 87 per cent year on year to just $320 million this time out.

Notwithstanding the downturn, ONE chief executive Jeremy Nixon noted that in the face of poor external trading conditions, the results were indicative of a solid performance.

"Despite the market fluctuations driven by geopolitical uncertainties, we delivered positive results and secured profitability for the first half of the fiscal year," he said.

Transpacific volumes – ONE's largest trade – seemed to take only a marginal hit from the tariffs, down slightly from 1.4 million teu last year to 1.38 million teu over this first half.



"Lifting of the Asia–North America eastbound trade continued to increase in FY25 Q2, following the trend in Q1," the carrier noted.

It added that this was "driven by a cargo surge in July due to US tariff front-loading. However, utilisation declined, due to capacity increase".

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