Voice of the Independent

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All eyes on rates ex-Asia as airfreight 'mini peak' fades

The region retained some strength as far as airfreight rates are concerned

ALL eyes are on Asia as we near the end of 2025, with the region retaining some strength as far as airfreight rates are concerned, but elsewhere the "mini peak" that was being reported seemingly ended as soon as we touched down into the US Thanksgiving holiday season.

Per both Freightos FAX and the TAC Index, over the closing days of November global rates were down week on week, but the dip's severity differed by a wide margin; Freightos recording the steepest decline, 10 per cent, from $2.75 to $2.46 per kg.

TAC's global Baltic Air Freight Index recorded a 1.5 per cent decline in the week to 24 November "as the first phase of peak season in the run-up to Thanksgiving in the US came towards an end", it stated.

Nonetheless, this meant that the index was "still slightly higher, by 0.3 per cent year on year, from where it was 12 months ago", in part helped by the "significantly higher" rates being reported out of Bangkok to Europe, and out of Taiwan and Seoul.

> "still slightly higher, by 0.3 per cent year on year, from where it was 12 months ago"

Elsewhere in Asia, rates out of Vietnam stayed flat as the country, together with Indonesia, Malaysia, and Thailand, struggles to contend with severe flooding that has impacted both road and port services.

As the issue was going to press, the extent of the delays caused by the floods – which have left at least 1,200 dead and a further 800 missing – was unknown, with some forwarders indicating that operations were resuming, while others said they were seeking alternatives.

One European forwarder told Voice of the Independent (VOTI) they were looking at routings including via China, with uncertainty in the region being compounded by the reignited tensions along the Thailand-Cambodia border.

While that forwarder said "it is impacting some cargo moves, and there are some backlogs, I think it will have an impact on volumes and rates", another told VOTI they were seeing an upturn in volumes out of Thailand as alternatives to South-east Asian ocean freight were sought.

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Upturn coincided with the negotiations between the Chinese and the US

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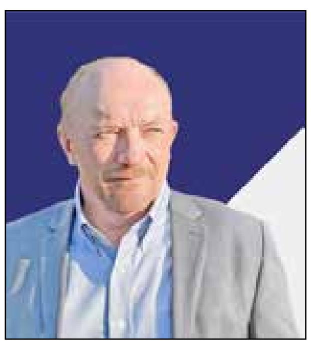
A multinational noted that severe flooding across Malaysia was "disrupting container traffic to Port Klang", adding that they were seeking extended timelines for laden container returns, with another source pointing to congestion and vessel bunching at the port.

All of this has been reflected in data from Freightos Terminal, which shows airfreight rates out of South-east Asia to Europe



STANISLAS BRUN
Etihad Cargo

had jumped more nine per cent week on week, from $3.43 per kilogram to $3.75 per kilogram.

Looking at the situation through a more long-term lens, it is clear that demand between South-east Asia and Europe is being driven by the demonstrable China-plus-one effort that has been undertaking in recent years and has shown little sign of abating.

Head of cargo at Etihad Cargo Stanislas Brun noted Asia was responsible for 50 per cent of total cargo volumes, but with Vietnam experiencing an 84 per cent demand bump over the first seven months of 2025, Brun stressed: "It is not only about China and Hong Kong."

Per the most recent Freightos data, the uptick has not been the same for South-east Asia to North America, with rates having dropped more than five per cent week on week from $5.76 per kilogram to $5.44 per kilogram, upending a trend of steady increase since mid-October.

> "In October, there was a ramp-up of volume trying to beat that deadline"

That trend of steady upturn since mid-October was not reversed, however, on the Greater China to North America route, with Freightos Terminal having recorded a 30 per cent surge, from $5.14 per kilogram to $6.64 per kilogram.

An Asia-based forwarder said this upturn had coincided with the negotiations between the Chinese and the US over the Trump administration's tariff policy as the 1 November deadline for a deal to be struck loomed over everything.

The forwarder told VOTI: "In October, there was a ramp-up of volume trying to beat that deadline. We see the volume of freight, and obviously we're not clear as to whether it's happening because of front-loading or other reasons, like customer demand in general.

"But we saw that ramp-up of freight, so we assumed it was front-loading. But now if I look at November as well, it's still going quite strong for us; we're still seeing something of a mini peak season, even at the tail end of November, those volumes are still there."

'Cartel' claim against South African firms 'finally' advances

FORWARDERS have welcomed the decision of South Africa's Competition Commission to "finally" refer a complaint against eight shipping companies to the country's Competition Tribunal.

CMA CGM Shipping Agencies South Africa, Cosco South Africa, Evergreen Agency South Africa, K Line South Africa, Maersk South Africa, MOL South Africa, MSC, and PIL South Africa are accused of fixing rates through general rate increases (GRIs).

Responding to the news, one forwarder told Voice of the Independent (VOTI) "finally," another said they were "not surprised", noting it was not unique to South Africa.

"The carriers tend to sail close to the wind, and this sort of thing has been going on globally for ages, but some US shippers have managed to have success in bringing the carriers to justice," the second Johannesburg-based forwarder told VOTI.

That reference to shipper success concerned the US Federal Maritime Commission fining Hapag-Lloyd $2 million in 2022 for unfair detention and demurrage practices, with the regulator later forcing Zim in 2025 to pay Samsung $3.7 million for similar behaviour.

Stretching over the 10 years to 2018, the South African Commission has accused the listed carriers of using GRIs to fix rates for the shipment of general cargo en route from South Africa to Asia and back, and from South Africa to West Africa and back.

The commission said it found that the respondents had charged the same GRI for the routes from Shanghai, Ningbo and Shekou to Durban, from Durban to Hong Kong, and from Qingdao to Durban.

Commissioner Doris Tshepe added: "The dismantling of the 'cartel' will reduce the price of goods imported to South Africa for the benefit of consumers and will also reduce the costs of exports out of South Africa, which will, in turn, render the South African exports competitive in the world."

Port congestion in Europe provoking schedule revamps

CONGESTION at Europe's biggest ports appears to be provoking major ocean carrier alliances to revamp the port calls on services from Asia, but sources have warned that they will "need to get their skates on" to give BCOs the clarity to sign contracts.

Pointing to the port of Rotterdam as a chief cause of anxiety among carriers concerned by European congestion, one shipper contact told Voice of the Independent (VOTI) that it had become "a massive issue".

"It was a big point of discussion when I was having contracting talks, especially with the Premier Alliance and the terrible on-time performance [of the member liners]," the shipper continued.

They added that such was the concern that Premier – comprising ONE, HMM, and Yang Ming – was even considering removing the Dutch gateway from "one or two" loops on its direct services from Asia in a bid to mitigate delays.

However, the source said that one way out of the situation would be for the carriers to switch to the hub and spoke model, adopted by the Gemini Cooperation of Maersk and Hapag-Lloyd, with seemingly positive results.

The source continued: "A carrier's head of trade was over from Singapore a few weeks ago and saw the issues first hand. I think it's definitely on their radar to change. When we were in Asia, they said they'd hoped to announce changes before the end of this year."

"They'll really need to get their skates on, as it will be tough to get BCOs to sign contracts to start in the new year if they have no idea of port rotations and transit times," the shipper added.

While port authorities had not responded to requests for comment, it is worth noting that port congestion can result from several causes, including labour shortages, bad weather, demand surges, and equipment constraints.

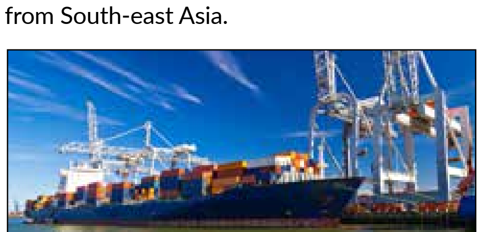
But it may also be at least partly down to changes made by the carriers themselves, with a recent report from data company Kpler having warned that ULCVs (ultra-large container vessels) "compounded the effect" of congestion.

"These ships, of 18,000-plus teu capacity, discharge and load 3,000-5,000 containers per call, requiring extended berth time and straining yard capacity. When multiple mega-vessels arrive simultaneously, even well-managed terminals struggle," it said.

And the shipper also expressed shock that the carriers had not considered this when adopting ULCVs, noting "it's pretty unbelievable they bought these ships without a robust plan to ensure they could be unloaded/loaded on time".

A similar situation has played out at US east coast ports, according to Sea-Intelligence, which noted that MSC's recent introduction of larger vessels of between 13,000 and 15,000 teu on its transatlantic Dragon service had placed new operational stress on the region.

Although no changes have yet been announced to its Asia-Europe rotations, ONE has announced an update to its transpacific east coast service to include a direct call from Cai Mep in Vietnam to improve connectivity from South-east Asia.



Focus ON

Raising the logistics bar as pharma demands higher quality

WHEN it comes to pharma, the sector seems to know no limits – at least as far as customer demands are concerned. Reports suggest that the global sector will hit $1.77 trillion by the end of this year, driven by expanding global access to healthcare – although there are issues here – digital health, and personalised medicines. For airfreight, the growing value of pharmaceuticals is expected to lead to six per cent more flown by air annually, particularly given for the need for not only speed, but reliability and compliance with transport standards, including GDP (Good Distribution Practice).

But while there may be certain areas where everything is on the up, and benefiting a lot of forwarders in the process, Voice of the Independent (VOTI) has spoken to several sources that are worrying about increasing challenges when it comes to turning a profit from the sector.

Speaking to Voice of the Independent (VOTI) chief executive officer of Hegelmann Multimodal Lana Radzina says that, for her company at least, the pharmaceutical sector has shown a solid performance over the course of 2025. This, she notes has been driven by two things: firstly, the demand for cold-chain management keeps on increasing; and secondly, a particular uptick in generics and prescription medicine, alongside hospital and intensive/critical care products in particular.

LANA RADZINA
Hegelmann Multimodal

"Geographically, we are seeing demand in the EU markets remaining strong, while it is growing in the Middle East and North Africa region – although there has been something of a slowdown in demand in some other areas," she continues. "Increasing customer demands, especially for faster delivery and improved cold chain logistics, are driving us to explore new partnerships and strategies. As a result, we are implementing more consolidated transport strategies to optimise costs while maintaining service quality. Customer expectations keep rising especially around sustainability and reliability related to packaging."

"Customer expectations keep rising especially around sustainability and reliability related to packaging"

On the issue of sustainability, forwarding and airfreight sources tell VOTI that when it comes to pharma logistics, sustainability and efficiency are directly correlated. One source notes that tonnes of pharmaceuticals are lost every year due to poor management of products in transit – particularly in developing countries where some are dependent on imports for medication, with some 80 per cent coming from other countries. "Improving handling efficiency would have a marked impact on our sustainability footprint," one source adds.

Indeed, that may in part explain a project launched this year between Pharm. Aero and The International Air Cargo Association (TIACA): The Food and Farm for Health project. Designed to develop a means for using air cargo to both improve access to life-saving medicines and support agricultural exports in developing countries, Pharma.Aero's secretary general, Frank Van Gelder, says the purpose of the project was to bring two verticals – agriculture and pharma – that do not usually speak to one another, together to maximise the use of capacity in both directions: pharma imports; agricultural exports.

"We realised in the very beginning that there is, in low- and middle-income countries, a lot of perishables production, but these countries also need to import a lot of health care," says Van Gelder. "But these are two verticals siloed from one another – the pharmaceutical manufacturers are not talking with the farmers at destination."

Should the project pay off, the hope is that these two verticals will begin collaborating on transport, which would provide a shot in the arm for forwarders active in these regions – identified by Van Gelder as including Africa and Europe. One region where pharma has proved to be a major growth market over recent years is India, and that growth trajectory shows no signs of shifting, with the past 12 months having been notably strong. Forecasts have average annual growth rates in pharmaceutical volumes for the South Asian giant of eight per cent, year on year, until the end of the decade. Chief cargo officer at Etihad Stanislas Brun notes that pharma "remains a very strong product for India".

"Improving handling efficiency would have a marked impact on our sustainability footprint"

Brun continues: "And we are there. And for instance, in Hyderabad, we are operating in wide-bodies. And we are connected with the main laboratory in terms of production. Altogether, India remains at the heart of our expansion."

Some reports have suggested that such has been the surge in demand for India-manufactured pharmaceuticals that the country now accounts for some 20 per cent of global volumes. That uptick had a pronounced impact on another carrier, IAG Cargo, last year, the parent company of British Airways claiming that Indian pharma played a significant role in its 20-plus per cent bump in its cargo volumes of all commodity types handled over the course of 2024.

CSO and partner at Denmark's Quick Cargo Services (QCS) Allan Bach Christensen has also noticed a spike in demand across the board regionally, but less so when it comes to actual volumes, noting that while "bigger becomes bigger", it is not necessarily better, as far as the forwarding community is concerned – small, medium, or otherwise.

"Demands keep increasing, while volume has decreased, challenging the profitability of the logistics," Christensen tells VOTI. "However, staying true to concepts and a superior quality level, keeps the supply chain attractive. While supplementing with transparent transport management systems, integrating with unique loggers and trackers, the accessibility of a unique tailor-made logistics solutions is available to basically all parts of the medical sector."

Christensen's concerns about the cost of engaging in pharma eating into forwarder profitability is supported by WorldACD, which noted that while tonnages for 2025 remain "firmly above" those of the pre-pandemic era, with rates also "well above" where they sat in 2019, pharma rate premiums are declining compared to general cargo.

Per data supplied by WorldACD, January 2023 average general cargo rates were $2.90 compared with pharma's $4.73. By contrast, that gap has tightened over the course of the last year, with average general cargo rates of $2.35 versus the average pharma rate of $3.31. Chief product officer at WorldACD Rogier Blocq notes that it is a case of there having "been more pressure than if you look at the full market".

"So, while demand is there, and growing, you see the rates, compared with the global markets, are going down, from the third quarter of 2023," Blocq continues. "This might have to do with a lot of parties and companies investing in pharma and changes in capacity and facilities. So, clearly on the supply side, there have been some developments that result in the downward pressure."

Indeed, over the two-year period measured, Blocq said that at 30 per cent, pharma had experienced the largest contraction in average rates of any vertical – and by quite some way, with the next biggest drop recorded being for general cargo, which fell 19 per cent, while hi-tech dropped 10 per cent, and average rates for valuables were down just three per cent, compared with 2023.

Nonetheless, there was something of a positive for SME forwarders active in the pharma vertical. Blocq notes that while for general cargo the rate contraction was "much more distributed among all sizes", there was a different picture in pharmaceuticals. Larger forwarders hold some 70 per cent of the market, meaning it is a "much more concentrated". This indicates that they have taken a bigger beating than the SME sector. But importantly, Blocq says, the WorldACD data indicates that there has been a trend of smaller forwarders specialising in pharma gaining market share. Although it should be emphasised that this gain remains slight, with direct sales up from 2.5 per cent in 2024 to 2.8 per cent by September this year.

ALLAN BACH CHRISTENSEN
Quick Cargo Services (QCS)

Hegelmann seems to have been one of those to have benefited, and Christensen certainly sees prospective opportunities for growth, telling VOTI that demand for personalised medication and direct to-patient logistics are increasing globally. These are the areas where he, and the others we have spoken too, are seeing high levels of demand. Operating in this space, he continues, does not involve requirements that are any different from other site-to-site delivery sectors, but there are some challenges specific to the pharma side.

"There may be challenges in the non-urban regions, where capacity is less and where the distances are larger," he continues. "But what it is doing is pushing compliance and certification, making it extra important to have a well-qualified organisation. Audits and comprehensive self-assessment, as well and risk-mitigation for all moves, have become an even larger portion of the daily work."

"When setting the bar high for the service level, it is in everybody's interest to keep the level high"

What then for next year? Christensen says that while GDP requirements are rolled out to all parts of the medical and pharmaceutical sector, requirements for healthcare logistics will keep increasing. As for forwarders, he says that "it is all about being ready for those challenges".

Pharma Logistics

GertJan Roelands
AFKLMP Cargo

"The geopolitical upheavals are challenging certain markets and will lead to change in the supply chain demands, however, demands will remain the same," Christensen continues. "When setting the bar high for the service level, it is in everybody's interest to keep the level high, face the challenges and stick to quality – no matter where in the world. That is exactly where quality partners and strong networks are needed."

Among those looking to raise the bar is Air France KLM Martinair Cargo (AFKLMP), which has announced a major investment in its pharma offering. The carrier's splashing of the cash appears to have come in response to the growing demand for personalised and more specialised healthcare services. Referencing the $1.77 trillion valuation, alongside the $38.5 billion of pharma that the Netherlands exported in 2024, AFKLMP said it intends to bolster its cool chain infrastructure across its hubs. This will come about through a cash injection to fund, among other things, the expansion of its cool-room capacity and the development of its digital monitoring dashboards for operational visibility, but will also the use of sustainable temperature-control solutions, including refrigerant technology at Paris CDG.

"we have trained and expanded our specialised pharma teams"

"Growth in the pharmaceutical and healthcare segment has been a strategic priority over the past five years," says AFKLMP Cargo's senior vice president commercial, GertJan Roelands. "We have invested significantly in our infrastructure at both hubs and key outstations, introduced new digital solutions, and optimised processes to enhance resilience and transport quality. In addition, we have trained and expanded our specialised pharma teams. These efforts are paying off – this year, our results in the pharmaceutical and healthcare segment reached a new record, and our market share has increased."

Looking ahead to 2026, Radzina says she expects the pharmaceutical industry to maintain solid growth, particularly in the areas of generics and hospital critical care products. Should this prove to be the case, it will be of great benefit for Hegelmann, for its customers are mainly engaged in the production and distribution of generic medication – those with exactly the same ingredients as the brand-name drugs.

"We anticipate increasing demand for temperature-sensitive products and a continued focus on supply chain resilience," Radzina continues. "We plan to continue to optimise our logistics network and implement more efficient transport consolidation, strong emphasis on pharmaceutical packaging. While there have been lot of geopolitical upheavals this year, including US tariff policy, there is minimal direct impact for us as we do not operate in the US market. Geopolitical tensions and tariff changes have made supply chains more unpredictable that's why our focus remains on European, Middle Eastern and North African supply chains, ensuring continuity, efficiency and reliability for our partners over the next 12 months."

WCAworld members get full marks for high standards

MEMBER demand spearheaded the launch of WCAworld's Good Distribution Practice (GDP) Accreditation Audit Programme. And WCAworld Academy general manager Leah McKenna has praised both the result and the dedication and determination of the network's membership to consistently raising standards.

"there is just such a desire among them to keep improving services and to keep being the best out there"

"It has been amazing to see the members really push this – there is just such a desire among them to keep improving services and to keep being the best out there, when it comes to raising standards for the entire sector and it is what makes this the best forwarding network out there," McKenna tells Voice of the Independent (VOTI).

Under the programme, members are offered what McKenna calls a "comprehensive" solution that can ensure companies meet global GDP standards, meeting the needs of an ever-increasing number of pharmaceutical manufacturers.

"Part of the reason members asked for this is that they were being asked by prospective customers for an audit," McKenna continues. "They had been through the training we offered, but the pharma manufacturers were asking for some way of verifying that they were maintaining GDP standards. Participation in the programme allows forwarders to not only enhance their processes but to validate their facilities, ensure that they are fully compliant with GDP regulations, and ultimately achieve accreditation."

The accreditation process itself is not short. McKenna says that it can take three to six months, noting that for those with multiple stations and for those storing temperature-sensitive products it will take longer, as each station needs to be audited individually, and it requires checking both the security protocols and temperature-monitoring facilities. The make-up of the programmes is based on five phases, the first of which involves development of a customised assessment plan, constructed in collaboration with the team.

Thereafter, a thorough assessment involving an on- and off-site review, evaluating key areas such as quality management, personnel, operations, and supply chain security, is carried out before a report is produced that detail the gaps, and recommends the improvements necessary to align with GDP guidelines. After which, the audited operation goes through an improvement phase with support from experts. Finally, the concluding assessment confirms that the organisation is ready for GDP accreditation.

"We have several going through the process as we speak," McKenna notes, while in the London-headquartered Embassy Freight, the network had its first member to complete the process and to gain full GDP accreditation audit process. This, McKenna says, was demonstrative of the level of commitment among the membership "to maintaining the highest standards in pharmaceutical and healthcare logistics".

Responding to the news that the company had passed the auditing process, Embassy Freight's managing director, Sean Butler, remarked: "Embassy Freight Services UK is thrilled to have achieved GDP accreditation. This is an important milestone that reinforces our commitment to maintaining the highest standards in the pharmaceutical supply chain. We would like to extend our sincere thanks to Leah McKenna and the WCA Academy for their invaluable assistance throughout this process."

McKenna says that it has been wonderful to be able to offer out the service to the membership, adding that she was "delighted" that they were now able to deliver on a promise. Pointing out to VOTI that the whole purpose of the programme was to make members "a more attractive prospect to clients", she says that Embassy's achievement had already given them the opportunity to quote on new business.

"This highlights the impact of our GDP Accreditation Programme," McKenna continues. "This milestone reflects WCAworld Academy's commitment to raising global compliance standards and equipping members with the knowledge and tools to lead in pharmaceutical logistics."

"we would not be compliant and ready for our growing Pharma business without the WCA Academy"

Once completed, members that have been accredited will receive continuous support from the WCAworld Academy. They undergo a process of renewal every two years, with McKenna noting that the GDP Accreditation Audit Programme ensures that members "don't just achieve compliance once but maintain it as an integral part of their operations".

LEAH MCKENNA
WCAworld Academy

Given the increasing need for it from pharma manufacturers, VOTI asked McKenna if there was any chance that the audit would become a compulsory process. This, she says, was not the case.

"The standards are so high already, we keep building on those," she says. "It will never be compulsory. It is all about landing new business. Some won't work with companies unless they have been audited. We just want to make sure we can offer them that chance."

Butler tells VOTI: "If there is one thing I can say with confidence, it is the fact that we would not be compliant and ready for our growing Pharma business without the WCA Academy."

Hopeful US importers queue up for tariff refunds

A litany of importers have lodged complaints with the US Court of International Trade over the legality of the Trump administration's tariff policy, as they look to get ahead of an imminent US Supreme Court (Scotus) decision and protect their rights to refunds.

The largest of these, Costco, filed its complaint with the lower court on 28 November, stressing that even if Scotus does deem the tariffs unlawful, importers that have already paid tariffs "are not guaranteed a refund".

Per the claim, Costco is seeking "(i) a declaration the IEEPA [International Emergency Economic Powers Act] duties are unlawful; (ii) an injunction preventing defendants from imposing further duties on it under the executive orders challenged in this lawsuit".

Further to which it is seeking a "full refund from [US Customs and Border Protection (CBP)] of all IEEPA duties it has already paid to the US as a result of the executive orders challenged in this lawsuit, as well as those it will continue to pay".

In filing a claim with the Court of International Trade, the world's third-largest retailer is now one of 24 importers to have lodged similar complaints with the US Court against the CBP, which claimed that by September it had collected some $90 billion in duties.

Of those 24, 17 preceded the Costco complaint a further six following suit on the first day of December amid increasing belief that while Scotus may side with importers, it may not provide the necessary decision to protect their right to a refund for duties paid.

Pete Mento, director of global trade advisory services at Baker Tilly, said he was "85 per cent" certain Scotus would side with importers, but said he remained uncertain over what this would mean for those hoping for refunds.

"Will we have to file suit to get the refunds past 180 days? Here is what I am confident in saying though, customs house brokers are in no position to process all these petitions, and if you haven't already started the document process, you'll wish you had," he said.

"First ones in will be the first ones refunded, and that will likely take well over a year to process. I feel like I'm shouting at the captain of the Titanic that 'there's an iceberg ahead', and nobody is listening."

Much of this concern surrounds the issue of liquidation – the process CBP undertakes to finalise the duties, fees, and taxes owed on imported goods based on the declared value and applicable duty rates for each shipment at the time of entry.

While that process typically takes 10 months, it is possible for CBP to reach a decision – a determination all but binding – in a matter of weeks, with several law firms having warned importers to delay the liquidation process should Scotus decide in their favour.

Trade lawyer Sandler, Travis & Rosenberg (STR) said there are actions to be taken, urging importers exposed to tariffs to identify all affected entries and to begin requesting extensions for liquidation, with CBP permitted to grant an extension of up to three years.

Costco's complaint has coincided with concerns CBP has already started the process of liquidation of duties paid earlier this year, with the filing noting at the time of filing that the CBP had already liquidated one importer's filing, preventing it claiming a refund.

Indeed, Costco's own request for CBP to extend the liquidation process for the duties paid was denied and the retailer said it was also intending to "file a motion for a preliminary injunction to suspend liquidation".

Given CBP's refusal to Costco', there are questions over the chances of success for others; STR noting that once liquidation becomes final, "CBP will likely contend that regardless of the ultimate outcome of the litigation, no refund of duties paid is required".

De minimis delay could leave 'Britain in limbo'

CONTRASTING with a general trend, the UK government has opted to delay the removal of the country's de minimis exemption, leading to stakeholder concern that Britain could become an "ecommerce dumping ground".

For SME forwarders operating in the country, this could prove particularly problematic as surges in ecommerce have often caused issues when it comes to obtaining air freight capacity as cheap goods gobble up airline space, but some forwarders see benefits.

The decision to delay the removal, all but confirmed by UK chancellor Rachel Reeves during her budget announcement, means that while the threshold of £135 would be removed eventually, this would likely not be until 2029.

One source told Voice of the Independent (VOTI) that the delay would create a "limbo period", that could see Britain become "the world's dumping ground" for low-value ecommerce goods.

They added: "The US has already abolished its $800 de minimis threshold and the EU is not dawdling on this either. If the UK won't phase out its limit until 2029, it's not hard to realise what market Chinese retailers will identify as ripe for targeting in the interim.

If this happened, the source said that UK manufacturers and retailers would be at a disadvantage, unable to compete with lower-priced imports, arguing that the ideal situation would have been for the US to have never scrapped its own threshold.

> "by having to process every item at customs, we are all in danger of spending a pound to save a few pence"

This they said had "forced" other countries to do the same, precisely to stop the very thing that the UK could now find itself facing up to, the "dumping from Chinese merchants desperate to find new markets".

"The de minimis rule bypassed red tape, saving everyone money, by having to process every item at customs, we are all in danger of spending a pound to save a few pence," the source continued.

"But President Trump's de minimis decision has moved the goalposts. That means the UK has no choice but to call time on our own de minimis limit, with no extra stoppage time. Otherwise, we will be scoring a spectacular own goal."

Although not everyone is as worried by the four-year notice period, including the British International Freight Association (BIFA) which said that the timeline allowed for ample preparation, with the eventual abolition levelling the playing field for UK small business.

"The de minimis relief could bring new business for BIFA members that offer customs processing services, but it could increase duties, imports costs, and border-processing burdens, which may create short-term disruption for some operators" BIFA explained.

"It could also add complexity to small-parcel logistics, so BIFA welcomes that this is being delayed until 2029, which gives the trade association's members and the business community they serve, time to prepare."

Agreeing with BIFA, Vertex's EMEA director of VAT & tax technology Gunjan Tripathi said companies should use the time "to modernise", noting once the exemption goes, "every parcel, regardless of value, will require duty and tax assessment upon importation".

She added: "That means higher processing costs and likely slower delivery times, as additional checks are built into the workflow. For operators moving high volumes of small, low-margin items, these extra steps can create bottlenecks."

All of which, she went on, could raise overall fulfilment costs, advising that those that "invest early" would be best positioned to handle the "increased data and compliance complexity" once the threshold is removed.

Spotlight ON

Matthew Wilmshurst


partner
HFW

Help is available to meet the logistical challenges of geopolitical events

THERE is no getting around the fact, when it comes to 2025 it is a year that has been dominated by the return of Donald Trump to the White House. His “America First” policy agenda has been driving tariffs, upsetting the globalised order and leaving lots of those active in logistics and supply chains unsure how to proceed. On top of which, those same people have been dealing with the ongoing sanctions regime imposed upon Russia following its full-scale invasion of Ukraine almost four years ago now.

For Matthew Wilmshurst, a partner at law firm HFW, which specialises in, among other things, shipping, the present moment is less out of place than many may realise. Yes, Trump’s approach may have proved a little unorthodox, but Wilmshurst tells Voice of the Independent that “a lot of what is happening presently is not new”. Speaking to the issue of sanctions, Wilmshurst notes that it has been a topic HFW has covered for the past 15 years at its annual multimodal seminar.

“Essentially, the position on sanctions is that you need to be aware of your counterparties and cargo, and you need to conduct the necessary checks,” he continues. “As far as the position on this front, nothing has changed, but where we have seen changes is that there has been a marked increase in the number of sanctioned entities, cargoes and the number of jurisdictions to consider.”

For forwarders, the position may have remained the same – and, as Wilmshurst claims, it may be true that SMEs are “on top of these issues” – but it has been the scale of the sanctions that has caused the headaches. Numbers continue to change but the most recent data from the US suggests some 9,000 entities are directly sanctioned, while in Europe and the UK the number is more than 4,300. Not only have forwarders been forced into adapting how they operate and, in some cases, finding new partners, but they have been contending with delays associated by differing transit times.

“While it is relatively easy to stay on top of the sanctions with certain measures – for instance, our team provides sanctions checking services – what the upturn in the number of sanctions means is that you end up with more false hits. You may get hits that are the same as or close to sanctioned entities.”

What this means is that entities with similar names to those under sanction find themselves being identified as sanctioned, thereby leaving forwarders to consider if they are able to work with them. The issue is further complicated by rules relating to ownership and control. Asked how big a burden this is for forwarders, Wilmshurst suggests that forwarders large or small should be able to keep on top of it, but the smaller ones will likely be needing to turn to third parties. “It’s a bit more money spent,” he adds. But he also believes that there could be an upshot from all of this, at least in the long run.

> "those capable of providing the service have forged a little growth industry"

“Because of the demand for support in identifying sanctioned entities, those capable of providing the service have forged a little growth industry,” Wilmshurst says. “And it is an industry that has grown significantly over the last three years. While most users may just buy add-ons covering sanctions-tracking from the likes of Descartes, there are more service providers than there used to be.”

Much as the sanctions imposed on Russia did, the launch of the Trump tariff blitz led to a significant upswing in clients seeking advice from HFW on how to contend with the tariffs. This, unsurprisingly, was not unexpected, with Wilmshurst saying there is always something of an upswing in the volume of request for advice concurrent with “any geopolitical event”. Of particular interest to forwarders, he says, was the impact of the US Trade Representative port call fees on Chinese vessels calling at US ports – since suspended for one year as the two superpowers attempt to reach a trade agreement.

“We were having forwarders get in touch because they were looking to see how these fees can be passed onto others,” Wilmshurst says. “That would either be to the logistics companies or the BCOs. What this led to was a change in terms and conditions that permitted the costs to be passed on. We had seen this before, too, with the attacks in the Red Sea carried out by the Iran-backed Yemeni Houthi militia. T&Cs were changed to see the additional costs these attacks brought about passed on.”

If the big topics – sanctions and tariffs – are fairly straightforward for law firms to deal with, are there complexities when supporting forwarders, and if so, where are they? Wilmshurst says the real complexity tends to arise discreetly – when an error has already been made. As an example, he points to logistics operators taking their businesses into new regions.

“Take, for example, West Africa to South America,” he continues. “There will always be a forwarder that goes into these jurisdictions without considering that things may work differently there. You also always have those that want to know everything. But for those used to working in Europe, the way things are done in South America is different and complex. In Europe you have alignment in key areas, so operating in one European country is largely reflective of operating in another European country. For South America, this is not the case. For example, Brazil treats bills of lading very differently to what you will come across in other parts of the world, and even other countries in the region. Some go there and have no trouble; others find out the hard way.”

This is equally true in Africa – a comment we have heard many times from not only forwarders but also international organisations, such as the IRU. Across the continent’s 54 countries, there are a plethora of different rules surrounding not only bills of lading but also customs formalities – “it drives me nuts”, one forwarder tells VOTI. Wilmshurst notes that while for seven out of 10 everything goes ok, “those that turn to law firms first have a simpler time”.

“There is an assumption that it is very easy in Europe so companies can just replicate the way they do business there across the rest of the world,” he says. “We see the same with Chinese companies coming to the UK thinking that regulations will be the same. For example. Chinese e-commerce companies building out operations in the UK while in growth mode set up a warehouse, but may not think about how they do this, nor do they think about local regulations their obligations to HMRC. The mentality is we go there and do business.”

Instead, Wilmshurst says that companies operating in a jurisdiction for the first time need to consider the legalities, if they are to succeed and not risk all profits being wiped out by regulatory and compliance problems.

Strong finish to the year for carriers, but choppy water ahead

ASIA-Europe trades declined, albeit slightly, in November's closing days, after six weeks of successive spot freight rate increases – although the dip will likely prove short-lived.

Per Drewry's World Container Index (WCI), spot rates on both its Shanghai-Rotterdam and Shanghai-Genoa legs were down one per cent week on week, ending the month at $2,165 per 40 foot and $2,300 per 40 foot, respectively.

That marginal decline in rates was accompanied by a small week-on-week capacity increase, according to Xeneta.

The rate platform noted that offered space on Far East-North Europe was up three per cent, from 273,569 teu last week to 281,990 teu, with Far East-Mediterranean capacity having climbed 1.7 per cent, from 172,073 teu to 174,977 teu.

Despite the rate dip, Xeneta's chief analyst, Peter Sand, suggested that carriers could be pleased with their performance as they inch closer to the new year.

"Whether it is year-end market sentiment heading into tender season, or a semblance of underlying demand, it is a strong finish to the year for carriers and provides much-needed momentum for them heading into what will be an extremely challenging 2026."

"it is a strong finish to the year for carriers and provides much-needed momentum"

Such has been the marginal uptick in capacity, that forwarders have been paying more attention to the cuts earlier in the month and their associated impact on loadings.

One European forwarder told Voice of the Independent (VOTI): "We have experienced issues with allocation being cut due to blank sailings and vessel sizes being reduced on some sailings."

For shippers and forwarders hoping for further rate reprieves, they may wish to pay attention to the Shanghai Containerised Freight Index (SCFI).

Given it records quoted rates, the SCFI often acts as a forward curve for the following week's WCI, and the most recent SCFI suggests that Asia-North Europe trades will return to rate increases.

For Asia-North Europe, the Index was reporting a three per cent week-on-week gain, with Asia-Mediterranean up eight per cent.

Those quotes would have accounted for a series of new Asia-Europe FAK rates, which came into effect on 1 December – MSC added $3,100 per 40 foot to North Europe and $3,950 to west Mediterranean ports – and likely reflected their hoped-for impact.

Peter Sand
Xeneta

However, there are question marks over how successful these new FAKs will prove to be, with some sources suggesting they are unlikely to stick.

While one forwarder told VOTI "Rates for December so far have had small increases from the second half of November levels, but I expect these to drop back a bit," Sand noted "carriers are working hard to manage capacity and are having some success".

As testament of this success, he pointed to average spots being up on all major front-hauls compared with the first half of October.

This he added was achieved "despite considerable decreases on Far East to US trades in November", all of which indicating the fine balance on the trades as carriers and their customers continue their annual contract negotiations.

On the transpacific leg, the story was in marked contrast to a month ago, with a series of sharp week-on-week declines recorded.

Per the WCI, the Shanghai-Los Angeles leg dropped some four per cent, week on week, to end the month at $2,089 per 40 foot, while the Shanghai-New York leg lost six per cent, to end at $2,735 per 40 foot.

Of course, this coincided with the Thanksgiving holiday – a quiet week for US importers – with one forwarder telling VOTI that both trades were approaching "rock bottom".

The forwarder added that several carriers offered price discounts during the early part of this week and "carriers issued back-to-back reductions Monday and Tuesday, marking five-to-six cuts in November alone".

"Some carriers with traditionally lower pricing pushed offers down to $1,350 per 40 foot, accelerating the downward trend," they continued.

"The market anticipated declines in late November, but not to this extreme, and not at month-end heading into December. Current levels are now near floor-pricing, leaving little room for further decline without carriers taking losses."

Gold and silver for Marinair at 2025 Supply Chain & Logistics Awards

MARINAIR Cargo Services bagged a gold and silver at this year's Supply Chain & Logistics Awards, with the WCA member being honoured for its global expansion, operational reliability and the rapid progress it has made in digital modernisation.

Landing gold for Best Freight Forwarder 2025, Marinair was celebrated for its "strong presence in key international markets"; its Athens headquarters supported by offices in China, Hong Kong, India, and the Netherlands, alongside partners in 190 countries.

Responding to the news, chief executive officer of Marinair Pavlos Poutos said: "This award reflects our team's commitment to accuracy, consistency, and dependable execution in every market we serve."

Furthermore, the company noted that the award served as recognition of Marinair's "consistent performance across air, sea, and road freight, underpinned by structured processes and high operational standards".

Together with gaining gold as one of the best forwarders of the year, Marinair also walked away with a silver in the Best Digital Transformation 2025 category, which it said spoke to advances "powered by two core systems".

Those being its MyMCS – which delivers real-time rates, instant comparison of logistics options, and online booking – and its Cloud-based TMS – offering live shipment tracking, automated updates, and immediate access to all shipping documents.

"These recognitions reaffirm Marinair's commitment to delivering modern, data-driven, and customer-centric freight forwarding, combining global reach with transparent and reliable operational performance," the company added.

PAVLOS POUTOS
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