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'Bizarre' DAWB change a game-changer for forwarders

IATA's Direct Air Waybill (DAWB) framework came into effect at the start of the month

SME forwarders are facing substantial new legal and insurance risks following changes to IATA's Direct Air Waybill (DAWB) framework that came into effect at the start of the month and effectively bypassed an agreed upon review process.

Intended to change the shape of contractual relationships between airlines, shippers, and forwarders, the revised DAWB framework appears to make forwarders responsible for obligations traditionally borne by the shipper.

Forwarders told Voice of the Independent (VOTI) the changes were "a disgrace", while FIATA questioned why forwarders appeared liable for claims over cargo they neither own, pack, nor control, such as misdeclared dangerous goods or damaged shipments.

One told VOTI, the implications had been, "very much understated, and probably not recognised for relevance and potential impact. It is a game-changer for the industry beyond comprehension. Nothing like it has occurred for the past century".

> "Nothing like it has occurred for the past century"

Another said the biggest issues for SMEs were the insurance implications and the potential inability to get cover, "as the liability is open-ended" and therefore cost-prohibitive if full liability and potential consequences are underwritten and covered fully.

With IATA said to be failing to consider the implications of regulatory changes for SMES, that handle the bulk of all cargo, they said that while large multinationals might have the financial resources to absorb such exposure, smaller operators would struggle.

"This really is lunacy of the top tier in its format, its logic, and the implementation overnight. It needs to be deferred," they urged, a point shared by all of the forwarders VOTI spoke with.

Issuing a strongly worded complaint, FIATA argued amendments adopted by the IATA Cargo Agency Conference under an expedited procedure had been allowed to take effect before the formal review process could be completed.

It added this was despite its repeated requests for an urgent IATA-FIATA Consultative Council (IFCC) meeting to examine the legal, operational, and insurance implications of the changes.

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Calls for revisions to be deferred until October

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Calling for the revisions to be deferred until October, FIATA said the "review mechanism established under the Cargo Agency Conference Resolutions has been deprived of its intended effect".

Without a completed review, the association called on airlines to clearly state whether or not they would continue accepting DAWB shipments under the existing framework, or else to explain how the revised arrangements would operate in practice.

The association's director general, Stéphane Graber (right), noted that "forwarders cannot reasonably be expected to assume significant new contractual obligations or liabilities outside their function without legal certainty or a proper opportunity to assess the resulting operational and insurance implications."

"If freight is damaged in the control of a carrier how can the booking agent be liable?"

In a statement to VOTI, IATA rejected assertions the review had not been completed: "The consultation process has been followed, and the agreed revised resolution is being implemented in accordance with IATA Traffic Conference governance".

"The revised resolutions and recommended practices provide an appropriate rebalancing of benefits and responsibilities between forwarders and airlines," it explained.

Furthermore, it said that change to the DAWB process "is particularly timely given the growth in ecommerce shipments of dangerous goods, such as those including lithium batteries".

Adding to the uncertainty, within hours of the changes taking effect, FIATA indicated it had already received information that "implementation may differ between airlines", with some carriers reportedly not intending to implement the revisions immediately.

A forwarder said that under the changes a "worst case scenario" would be "a hazardous shipment of acid leaks and causes a major incident with an airline and it can be proved that this is down to a specific shipment.

"The booking agent has full liability for the aircraft and the outcome of a major disaster and the ensuing turmoil of claims that follow, not the airline," going to call the situation "bizarre", given the level of factors outside the control of the agent shown on the DAWB.

They went on: "If freight is damaged in the control of a carrier how can the booking agent be liable? If freight is not security screened correctly how can the booking agent, in most circumstances, be held liable?"

Before adding that the changes could be compared to a property transaction where "the estate agent holds all the liability and is responsible for anything that goes wrong before, during or after the house purchase".

In general, the tone of forwarders was one of disbelief, one telling VOTI that the "DAWB change is astonishing…I've only just heard it's due to be enforced"; another being more candid, said they "didn't think the idiots would actually follow through and do it".

Executive director of the Airforwarders Association (AfA Brandon Fried said: "The core problem is that a forwarder can end up treated as the contractual shipper, even when the real shipper is named right there on the waybill.

"Once that happens, you're potentially on the hook for things you never controlled and often can't even see – how the cargo was packed, what's actually inside the box, concealed dangerous goods, a misdeclaration by the shipper."

Noting that "liability is supposed to follow whoever creates and controls the risk. This blurs that line", Fried questioned the implications on existing insurance policies, and whether they would respond.

He continued: "Forwarder liability cover is written around what forwarders actually do, not around shipper obligations. If you suddenly pick up shipper-level exposure, there's a real question of whether your policy responds at all.

"That means coverage gaps and higher premiums, and the firms least able to absorb it are the small and mid-size forwarders who make up most of this market," while the lack of completed review left the industry without clear guidance on implementation.

Further to which, he said, there was a "worrying" notion of inconsistent application across airlines, pointing to FIATA's claim

about some airlines having said that they do not plan to implement immediately, while others do.

Fried went on: "IATA's own guidance tells forwarders to talk to each airline directly and settle contractual terms before tendering cargo. That's close to an admission that there's no single rulebook on day one."

Consequently, he said, the best advice for forwarders was to obtain written confirmation from each airline on which framework was being applied and to check with insurers whether existing policies would respond if they were treated as the contractual shipper.

WCAworld appeal to help Venezuela recover from quakes

WCAworld has launched an emergency appeal through the WCAworld Foundation to support communities affected by two devastating earthquakes that hit Venezuela almost simultaneously, leaving thousands dead and tens of thousands more injured.

The country declared a state of emergency after the 7.2 and 7.5 magnitude earthquakes struck close to Caracas on 24 June, with the second the strongest to hit the country in more than a century, placing extreme pressure on the country's hospitals.

Working alongside WCAworld members based in the affected regions, the WCAworld Foundation has already begun coordinating relief efforts to ensure emergency assistance reaches those most in need as quickly and efficiently as possible.

WCAworld CEO Dan March said: "Our members in Venezuela are already working tirelessly to support their local communities, and because of the unique structure of the WCAworld Foundation, we have been able to begin mobilising assistance immediately.

"Every donation received through this appeal will go directly towards helping those affected by this disaster. By working with trusted members on the ground, we can ensure support reaches exactly where it is needed most."

Calling on its global community, WCAworld said that every donation received during this campaign will be allocated directly to ongoing relief operations in Venezuela.

Poland, the growing fulfilment hotspot

A massive upswing in investment in warehouse and logistics infrastructure is behind Poland's rapid emergence as one of Europe's largest logistics hubs, and has cemented its position as a key international freight gateway.

Cargo director at LOT Polish Airlines Michał Grochowski (below) told Voice of Independent (VOTI) the levels of investment into the country's logistics sector had made it possible for it to attract global ecommerce players from multiple markets.

Grochowski said: "Poland is very, very important on the European map today. It's not only because of the consumption. Poland's strength lies in its logistics ecosystem. We have extremely good education for logistics, but it's very specified logistics.

"Poland is probably the biggest warehouse facility in Europe today. Anyone who does business locally, and ecommerce is one of them, can find big support, with infrastructure for distribution and all these things around."

An upshot being that the country is making itself an attractive location for fulfilment operations, with Grochowski claiming Poland "is much more welcome for them than, for example, Germany".

Contrary to the common perception that cross-border ecommerce is driven almost exclusively by Chinese marketplaces, Grochowski claimed other regions had proved stronger growth-generators for carriers, citing Canada, Korea and „surprisingly", the US.

He added that while low-value Chinese goods continued to generate substantial volumes across Europe, many international shipments carried by LOT consisted of higher-value consumer products, "textiles, shoes, things like this".

Focus ON

Green transition not only about cl – but flexibility is key

IT has been a difficult few years for the green transition. And nowhere has this been felt more acutely than in global supply chains. If the start of the decade was encapsulated by a push to get everyone into electric vehicles and using solar, tidal, wind, or any of the other forms of clean energy, the second half has been one of considering whether this is indeed the right path. For small and medium-sized forwarders, the impact of the shifting geopolitical terrain on this front has been onerous and outsized, when compared with the impact felt by their multinational competitors.

Spediporto's general manager, Giampaolo Botta, tells Voice of the Independent (VOTI): "The environmental commitment of companies in the logistics and transport sector has been seriously tested by the current international geopolitical context. This is particularly true for small and medium-sized enterprises. For them, the priority today is to find logistics solutions that can bypass geopolitical disruptions in transport, without being absorbed or pushed out by large multinational groups."

But, Botta continues, the risk here is of environmental awareness taking a significant step backwards. And he is noting it in the way companies have been asking for more time before they can return to investing in new technologies and less polluting means of transport.

"It is no coincidence Italy's government is asking Europe for an extension of deadlines connected to the entry into force of the ETS regulation," he says. "Unfortunately, global economic fragility, challenged by the energy crisis and by geopolitical instability, is forcing companies to rethink their priorities, including the timing and scale of their investments."

GIAMPAOLO BOTTA
Spediporto

Sales and marketing director at Espace, Kelly Vasey, agrees with Botta's contention that the "conversation has changed over the past year". This, she says, is down to a number of factors outside the control of the SME forwarding community, pointing to rising operating costs, economic uncertainty and geopolitical pressures as the key issues affecting forwarders behaviour.

"These factors have understandably shifted many businesses' priorities back towards resilience, cost control and supply chain continuity," Vasey tells VOTI. "Sustainability is perhaps no longer dominating headlines in quite the same way, but it certainly doesn't mean it has disappeared from boardroom discussions."

> "the priority today is to find logistics solutions that can bypass geopolitical disruptions in transport"

What it does mean is that for SME forwarders, long-term planning has become more complex. At Espace, the general sense is that customers are seeking means to balance their environmental ambitions with commercial realities. But their ability to do this is being negatively affected by changing legislation and mixed political messaging that undermine the sense of confidence and consistency necessary to make investment decisions around alternative fuels, fleet technology and infrastructure.

Green Worldwide Shipping's director of sustainability, Anne Shudy Palmer, concurs with Vasey and Botta on the impact of regulatory instability on investments being made in the decarbonising of transport. But while noting that some efforts are now facing headwinds where they had previously benefited from tailwinds, she believes that it is important to recognise the degree of the recent changes.

"The best-managed companies may have modified public messaging on sustainability efforts but have made internal changes only to become more impactful and strategic in their decarbonisation efforts, which is a positive – we should be rigorous in managing for results and spending our time on projects that reduce emissions quickly and significantly," Shudy Palmer tells VOTI. "Between increasing extreme weather events, geopolitical instability, and regulatory volatility, SME forwarders are coming to terms with uncertainty as the new normal; we are learning to make plans and conduct business in the face of that. SMEs like Green, and the logistics sector as a whole, are leaning on non-governmental organisations like Smart Freight Centre, the Center for Green Market Activation, and the Electrifying Drayage Alliance to coordinate zero-emission transport projects, find sustainability-focused partners and customers, and promote favourable policy and voluntary guidelines."

Director general of Clecat Nicolette van der Jagt says that while political pressure has weakened, from a European perspective, the European Commission remains firmly committed to the Green Deal and its decarbonisation objectives. Bridging this, she argues that what is happening is better understood as less of a rollback of climate policy, and rather a stronger emphasis on making the transition workable, competitive and implementable. It is an approach, van der Jagt tells VOTI, that Clecat welcomes.

"As an example, we support the commission's efforts to simplify sustainability reporting through the Omnibus package and the revision of the European Sustainability Reporting Standards (ESRS)," van der Jagt explains. "Reducing unnecessary reporting requirements while maintaining high-quality sustainability disclosures is especially important for SMEs. So, this simplification can also be seen as an effort for companies to spend less time on administration. This being said, this has also created legal uncertainty for businesses that had already started preparing but these are just the very few very large companies. The majority of freight forwarders are SMEs which were not yet impacted anyway."

Nonetheless, for those active in Europe, different timelines mean that some of the reporting requirements will not go away. Exemplifying this is the need for the logistics sector to ready itself for the implementation of a new regulation on CountEmissionsEU.

Van der Jagt adds: "As noted, freight forwarders depend on accurate information from carriers, subcontractors and customers, which is making harmonised methodologies and interoperable data systems essential. This is the aim of the new framework regulation. The principle is simple, that if you measure your emissions it needs to be in line with the framework. But it remains voluntary unless you fall within the scope of the CSRD regulation."

The impact of shifting political winds plays into the commercial challenges. While many logistics providers already offer lower-carbon transport solutions, they often come at a premium. Resultantly, without the political support – and with it the subsidies that had been forthcoming from governments – an economic climate, characterised by ongoing inflationary pressures and geopolitical uncertainty, has left many shippers highly cost-sensitive. This, van der Jagt says, creates a gap between what is offered and what the market is currently prepared to pay for.

"That is why the transition must be supported not only by regulation, but also by practical enabling measures: investment in infrastructure, harmonised emissions methodologies, digitalisation, and market-based mechanisms such as Book & Claim systems that can accelerate the uptake of sustainable fuels across all transport modes," she continues.

Pointing again at Europe, she believes it is important to recognise the effort made by the commission to present the green transition as not only about climate. It is the case she says that war in the Middle East demonstrated again the vulnerabilities associated with Europe's dependence on fossil fuels.

"We continue to tell policymakers that such a successful transition will depend on the timely deployment of infrastructure, the availability of suitable vehicles and the mobilisation of the necessary investments," she says. "Policies that focus on these enabling conditions will deliver more effective and sustainable results than rigid demand-side mandates."

Buried within this is a recognition that perhaps the framing of the green transition had been holding back efforts. Touting the failure not to go green as an existential threat to the planet certainly got people's attention, but it failed to link the threat with the practicalities of day-to-day life. Günther Jocher, managing director of Group7, tells VOTI sustainability is increasingly being driven by the market.

"International customers are including environmental targets into their procurement processes and end-consumers," Jocher says. "Many customers are looking more closely at how products are transported and whether companies can demonstrate measurable reductions in emissions. This

NICOLETTE VAN DER JAGT
Clecat

has increased demand for reliable carbon reporting and more sustainable transport options. For logistics providers, this means offering practical solutions. At Group7, we support customers with CO_2 calculation tools that provide transparency across shipments and enable more informed decisions. We continue to develop multimodal solutions, including sea-air and rail services, which can significantly reduce emissions while maintaining attractive transit times. Customers increasingly evaluate logistics partners not only on price and reliability, but also on their ability to support their own environmental objectives."

Vasey agrees. Despite the upheaval, she does not believe sustainability has become less important. Instead, she says, it has become more pragmatic. This pragmatism is notable in the way businesses are increasingly looking for measures that deliver both environmental and commercial benefits. Improving load utilisation, reducing empty running, optimising routing, consolidating shipments and improving warehouse efficiencies all help reduce emissions whilst also reducing costs are areas where it is possible to shift

GÜNTHER JOCHER
Group7

Environment

limate

to more sustainable practices.

"Those are initiatives that make commercial sense regardless of the political landscape. As freight forwarders, our role has always been to remain adaptable," Vasey adds. "We don't own large vehicle fleets, which means we are well-placed to work with a broad range of transport partners and continually evaluate the most appropriate solutions for each movement. Flexibility has become one of the industry's greatest strengths."

Botta claims that the area where sustainable policies seem to be improving most is urban last-mile distribution. Many companies, he says, are investing in new vehicle fleets, including electric and hydrogen-powered vehicles. Important investments have also been made in heavy road transport, notably in the container sector, with the introduction of new biodiesel fuels such as HVO, which has become increasingly widespread. "The sector is therefore still investing and still moving forward," he says.

Similarly, Shudy Palmer believes zero-emission technologies can be their own best advocates. With the US-Iran conflict and spiking oil prices and highlighting the ongoing risks of relying on fossil fuels as the cost of diesel trucking sharply increased, the cost of operating electric trucks held steady, and their purchase price continues to drop.

"Early adopters of electric trucks felt pretty savvy in that moment to be relying on stably priced, domestically produced energy," Shudy Palmer says. "Truck drivers greatly prefer the low-noise, low-vibration experience of driving electric trucks, and communities with significant heavy-duty transport activity see improved air quality and human health as transport switches to alternative fuels. All of these improvements to people's lives garner support for local clean-transport policy and regulation."

KELLY VASEY
Espace

WCA members have also been upping their own green efforts, not only in their offerings to customers but in the way they run their own businesses. Botta notes that over the last 12 months, Spediporto has intensified its efforts and investments in two main directions. The first of these is practical and operational.

"We have developed web services and web applications for the transport sector, including Truck It Easy and Impact Meter," Botta says. "Through these tools, we are bringing advanced digital solutions to the transport market, helping companies optimise cargo flows, shipments and deliveries, while certifying CO_2 emissions and the legality of the supply chain. We are very proud of these products."

> **"The sector is therefore still investing and still moving forward"**

The second direction, however, is more complex because it involves Italian public administrations. It concerns the project to create a 'Green Logistic Valley' in the inland port area of Genoa. This project focuses on a specific area where, until a few years ago, heavy and polluting industry was located. Botta says that the vision is to reconvert these areas by using the simplification measures provided by Italian law for Special Logistics Zones.

"Our project aims to create green factories, where technology and environmental responsibility will be constant elements," he continues. "But this is not only about the environment. One of the founding pillars of the project is also social inclusion, with dedicated training programmes for more vulnerable groups, who will be given the opportunity to enter the workforce through the companies hosted within the Special Logistics Zone."

Over at Group7, completion of a new Munich headquarters, has allowed the company to incorporate a wide range of future-oriented technologies based around making the business more sustainable. Among the key features are a photovoltaic installation capable of generating renewable energy on a scale comparable to the annual consumption of around 1,000 households, an innovative heating system that is compatible with electricity, gas and future hydrogen applications, and more than 100 charging stations for electric cars, e-bikes and electric trucks. The site also includes landscaped green areas with wildflower meadows, approximately 200 trees and more than 300 shrubs to enhance biodiversity.

"Beyond our infrastructure investments, Group7 continues to strengthen sustainability management through ISO certifications, carbon footprint calculation tools for customers, resource-saving packaging solutions, and expanded multimodal transport concepts," says Jocher. "We are also actively involved in the Bavarian Hydrogen Alliance, allowing us to participate in the development of future hydrogen-based logistics solutions. Over the coming years, we expect to further expand digital emissions reporting, alternative fuel solutions and energy-efficient operations. These investments not only reduce our own environmental footprint but also enable our customers to reach their sustainability targets without affecting supply chain performance."

Last October also saw Green Worldwide re-launch its weekly Hamburg-to-Savannah ocean consolidation as the first of its GreenBox Consolidations. For each GreenBox Consolidation, Green applies third-party certified zero-emission fuel certificates to reduce shippers' Scope 3 maritime transport emissions by more than 90 percent at no additional cost to the shipper. Shudy Palmer says the programme overcomes the issue of limited zero-emission fuel availability and high prices through demand aggregation and the book and claim accounting system of the Zero Emission

Maritime Buyers Alliance.

"GreenBoxes educate shippers about the opportunities and details of taking action on their Scope 3 transport emissions through environmental attribute certificates, an approach that is formally recognised in the newly released Corporate Net-Zero Standard Version 2.0 from the Science Based Targets Initiative," Shudy Palmers adds. "The model is immediately scalable and replicable. In its first six months, Green matched 231,479 teu-nautical miles of GreenBox Consolidations shipping activity with an equal number of Sustainable Maritime Fuel certificates, reducing more than 26 tonnes of CO2e while teaching cargo owners about book and claim and leveraging the power of supply chain collaboration to accelerate the decarbonisation of maritime shipping."

Van der Jagt highlights Scope 3 emissions reporting as "one of the biggest practical challenges for global freight forwarders". Efforts to ease this are to be welcomed because, as she points out, unlike a manufacturer or a carrier that controls its own assets, a freight forwarder orchestrates transport across thousands of carriers, subcontractors and logistics partners operating in different countries and across different transport modes.

"To provide accurate emissions data to customers, forwarders depend on information from many different actors throughout the supply chain" van der Jagt adds. "The quality and consistency of that data can vary considerably, and not all transport providers use the same methodologies or digital systems. This makes collecting, verifying and consolidating emissions data a significant challenge, particularly for SMEs operating in global markets but also for larger one."

All the forwarders VOTI spoke to note that being part of the WCA network is valuable to SMEs, precisely because sustainability challenges are global. Offering a means through which international collaboration can take place enables partners to exchange best practices, develop common standards and identify solutions that can be implemented across international supply chains.

ANNE SHUDY PALMER
Green Worldwide Shipping

Botta notes: "WCA is a world-class organisation in terms of vision and networking capacity. It is one of the first international organisations to make the adoption of green policies among its partners a real priority. Over the years, WCA has inspired thousands of companies. For us, it is a benchmark and a constant source of inspiration."

If the WCA can inspire, Jocher says that all forwarders really want from governments is, "above all, long-term consistency".

He adds: "Businesses are prepared to invest, but these investments require reliable regulations, infrastructure development for alternative fuels and charging networks, and more. Predictable policies will encourage innovation far more effectively than changing regulations from one political cycle to the next."

Political will... consumer won't?

ONE area often touted as compensating for a lack of political will is the readiness of consumer behaviour to "do the right thing". Without rejecting claims that consumers are doing more to push the green revolution, the general feeling among forwarders is that the consumer is simply ill-equipped to compensate for government failure.

Van der Jagt is more blunt than most on this point.

"No consumer behaviour is not compensating for weaker political pressure," she says. "In fact, consumption patterns particularly the rapid growth of e-commerce, continue to drive transport demand. Consumers may express a preference for sustainable products and delivery options, but purchasing decisions are still largely driven by price, convenience and speed."

Botta agrees, noting that part of the issue facing consumers is the impact of inflationary pressures on spending power. He says that consumer attention is heavily influenced by price. And with inflation affecting the middle class with the same strength with which it affects lower-income groups, the willingness to take on the burden of greener transport has diminished.

"First choice is saving money," Botta adds. "The bill comes before the environment. It is painful to admit, but this is the reality at the moment."

Perhaps most supportive of this claim is Vasey. Although, she argues that the influence of consumers on greener logistics is not being felt in the way that "perhaps people expect".

"Rather than simply demanding the fastest possible delivery, there is growing acceptance that reliability, transparency and responsible fulfilment have value," Vasey adds. "Customers are becoming more aware of unnecessary packaging, avoidable deliveries and the wider environmental impact of supply chains."

EU ends de minimis, but Chinese ecommerce is ready

EU-destined parcels valued at less than €150 will be subject to a per category duty of €3 following the bloc's removal of its de minimis exemption, but sources have warned that loopholes are already emerging.

The decision to terminate de minimis was provoked by the huge influx of cheap Chinese goods from the likes of Shein and Temu at the expense of local business, but sources told Voice of the Independent (VOTI) they remained unconvinced about its effectiveness.

"The problem is that if the policy is intended to send EU shoppers back to the high street, it is unlikely to work, because even with the €3 and then the €2 charges, the cost will still work out cheaper than buying from the high street," said one source.

Nico Le Roux, business development director for Glasgow Prestwick, said that in Europe he expected to see online retail platforms move away from the B2C model to a B2B model, with a shift towards "bigger airports with fulfilment centres to deal with this".

But in the short term he anticipated platforms would shift promotions from Europe to the UK, which is still consulting on its own plans to end its de minimis exemption and had yet to confirm if it was happening and what it would look like.

Director general of Bifa Steve Parker told VOTI that as far as the forwarding community was concerned, "we don't know who is ready for de minimis", with forwarders saying the situation was very much in a moment of "wait and see".

Parker added: "I suspect the industry is ready, but the issue is whether the systems are ready, and with the EU there are questions as to which countries are ready – this is the same every time, as there are 27 countries that need to be ready to go at once."

Although he would not be drawn into naming which countries might be ready or not for the switch-off but did point out that if there were any countries not ready, there would be a "loophole" for goods coming from China.

Several sources also added that they felt confident the platforms, like Shein and Temu, were "ahead of the game on this," and were likely to have devised a way to avoid being overly impacted by the changes.

Some forwarders have already gained vital experience on the impact of a de minimis revocation following the US's decision last year to scrap its own exemption on goods valued at less than $800.

That move initially led to plummeting ecommerce sales with forwarders and shippers reorienting to the new trading landscape, but volumes rapidly began creeping back up and seem to have stabilised at around 75 percent of the volume they had been at.

Those who spoke with VOTI felt confident that Europe could expect a similar impact from the change – "you'll definitely see a big immediate drop-off, but after that I expect volumes to climb back up to about 75 percent of what they had been".

NICO LE ROUX
Glasgow Prestwick Airport

Based around a per category model, a package containing multiple t-shirts, as an example, would be subject to a €3 fee, but those containing a mix of t-shirts, socks, and gloves would be subject to a €9 fee.

Both the €3 and €2 – if it takes effect – will remain in place for a two-year period while the bloc negotiates a new unified customs regime to more effectively contend with the rise of platform consumerism brought on by a Covid-induced spike in ecommerce sales.

Indian exporters scramble for space to LatAm

MAJOR supply chain disruption is generating headaches for Indian exporters and forwarders moving freight to Latin America, with carrier recalibrations of tonnage prompting declining levels of capacity for what has proved to be something of a booming trade.

Sources told Voice of the Independent (VOTI) that in recent weeks they had witnessed a drastic reduction in space, because carriers had gone all-in on hoovering-up business generated by the earlier-than-usual Asia peak season.

Forwarders told VOTI shippers' inability to secure space from carriers operating on the India-LatAm tradelane had provoked a backlog, one noting "container lines have been holding back freight already cleared for export at the loading ports for the past few weeks".

Not only is the shift in carrier focus prompting delays, but a surge in freight rates ex-India to major LatAm ports, with space from Nhava Sheva being quoted as high as $9,000 per 40 foot to Santos and $8,500 to Paranagua, in Brazil.

As if to make matters worse, a demand pickup for Indian exports into LatAm, with Brazil, Mexico, and Colombia the major buying markets, has only put further strain on operations and rates as more shippers seek space.

And it seems that this LatAm demand for Indian goods is unlikely to slow down any time soon, with its export trade with the region having gathered pace in the past few years, propelled in large part by automobile exports.

"The continued strong demand from both traditional and emerging markets reflects increasing global confidence in Indian products and services," said president of the Federation of Indian Export Organisations SC Ralhan.

He added that, "the growing presence of Indian exporters in diverse geographies is helping strengthen India's position in global trade and reducing dependence on a limited number of markets".

In the case of LatAm, exports of Indian merchandise by value were up eight percent year on year in 2025, despite the shock of tariffs, with provisional government data indicating that after a sluggish start to 2026 exports for the year to date were up 16 percent.

Nonetheless, sources said strong upward export momentum risked a growing imbalance in supply and demand for capacity; "this is a serious shipping crisis," one source said.

Spotlight ON

Lesley Cripps

For Oman Air Cargo, forwarding is a relationship-driven industry


regional sales manager Europe
Oman Air Cargo

ULTIMATELY, it all boils down to a shared philosophy: this is how Lesley Cripps, regional sales manager of Europe for Oman Air Cargo, encapsulates the carrier's relationship with its SME forwarding partners. Speaking to Voice of the Independent (VOTI), she sees an underlying similarity in the business trajectory of SME forwarders and the carrier she represents. Like SMEs, Cripps tells VOTI, Oman Air Cargo's success has been built on the way it developed relationships with customers.

"SME freight forwarders pride themselves on offering a broad range of services while maintaining a personal touch that delivers added value to their customers," Cripps says. "Their size often enables them to make quick decisions and adapt rapidly to changing market conditions, making it essential for them to work with partners that share the same values. Oman Air Cargo follows a similar philosophy. We are a customer-focused organisation that listens closely to clients' needs, responds quickly, and consistently delivers a premium service experience."

> "SME freight forwarders pride themselves on offering a broad range of services while maintaining a personal touch"

Central to the carrier's success is its operation in Muscat. This is anchored around its cargo handling facility, which is both GDP and CEIV certified, and boasts a dedicated temperature-controlled storage areas for pharmaceuticals, specialised facilities for perishables, and a separate facility for live animal shipments. Supporting this is an experienced team, which Cripps says are equipped to handle a wide range of cargo products, including among others dangerous goods and perishables.

"The compact nature of Muscat Airport and the close proximity of our operational facilities enable us to offer QRT [quick ramp transfer] connections, making Muscat an efficient transit hub for traffic moving between Europe, Asia, the Middle East and the Indian Subcontinent," Cripps adds. "We are constantly listening to our customers and evaluating opportunities to enhance the services we provide. We recognise customers increasingly expect faster responses, greater transparency, and enhanced service levels. Advances in technology and artificial intelligence will play an important role in helping us meet those expectations by improving efficiency and responsiveness across our operations."

At the same time, Cripps says Oman Air Cargo firmly believes technology should complement, not replace the personal relationships fundamental to its business. She stresses, firstly, that this personal touch, combined with strong customer partnerships and a commitment to service excellence, will remain at the heart of Oman Air Cargo's approach as it continues to grow and evolve. But secondly that the personal touch has ensured service and reliability remain fundamental to its business, particularly during periods of uncertainty.

"Even throughout the recent Gulf situation, Oman Air Cargo continued operating normally, adding services to support repatriation efforts and the movement of essential commodities across the region," Cripps says. "Our teams worked tirelessly to ensure uninterrupted support for both our longstanding customers and new clients who were experiencing the premium service that Oman Air Cargo provides for the first time. Despite capacity being at a premium during this period, supporting existing customers remained a priority."

Perhaps nowhere more so than in the development of a road feeder service (RFS) as part of the "Gulf landbridge", that has allowed trade flows to reach destinations otherwise cut off by the closure of the Strait of Hormuz, has this been more visible. With Bahrain, Kuwait, Qatar, Saudi Arabia, and the UAE all essentially shut by the conflict, Oman benefited. The country, which had largely been seen as a niche logistics hub based around quick transfers and specialised cargo, was able to offer support in a moment when others were unable to. Cripps notes that even so, capacity during that period proved "very challenging". But opportunities also presented themselves.

"In response to evolving customer requirements, we identified a growing demand for road feeder services into neighbouring markets," says Cripps. "As a result, we launched our first RFS to Dubai, which now operates daily and complements our wide-body network by providing customers with greater flexibility and connectivity. As we continue to assess customer demand and network requirements, we will explore additional RFS opportunities where they complement our network and deliver greater value to our clients."

Proving one of the Gulf carriers best placed to contend with the challenges brought on by the war in the Persian Gulf brought in more volumes for Oman Air Cargo, but with this came additional pressures. To deal with this, Cripps says, the carrier focused on ways to maximise the efficiency of every flight. And since then, this focus on maximisation has become continuous.

Asked in practice what this looks like, Cripps says: "Effective communication across the operation is essential, particularly between our cargo teams and passenger load control, to ensure that available capacity is utilised as efficiently as possible. We also place significant emphasis on optimising our cargo mix. By carefully balancing different shipment types and matching products to available capacity, we can improve load factors while maintaining the service levels our customers expect."

Alongside this, Oman Air Cargo continually assesses the balance between its general cargo volumes and higher-yield products to maximise both aircraft utilisation and overall revenue performance. This approach enables it to make the most effective use of the capacity available across the network while delivering value to its customers. And that customer base has been growing.

"Some of our recent new customers initially came to us because of network availability," says Cripps. "However, we have been able to retain many of them through the quality of our service, operational reliability, and commitment to customer support."

Of course, at some point growing volumes necessitate growing capacity. And this is something Cripps says the airline is looking at. Pressed on the types of aircraft under consideration, she remains coy, noting: "While we are not in a position to disclose specific details at this time, there are exciting developments under consideration. We look forward to sharing more when the time is right. Watch this space."

Ultimately, however, Cripps is keen to stress that what matters most is the commitment of the carrier, not only to its customers, but its partners. She tells VOTI that "strong partnerships are built on loyalty" and, consequently, Oman Air Cargo remains committed to providing its regular clients with the service and support they need throughout these challenging circumstances. This she adds, leaves the airline reflective of the SME forwarding sector.

"Freight forwarding is a relationship-driven industry," Cripps says. "While digital platforms and online tools have made information more accessible than ever, reputation and word-of-mouth recommendations continue to play an important role when customers are looking for reliable capacity and dependable service partners. Consistently delivering on our promises has helped strengthen our reputation in the market, generating interest from both new and existing customers."

Early peak season at its height, but rates still rising

CONTAINER freight spot rates resumed their steep upward trajectory on the main east-west trades at the start of the month, following a series of carrier price hikes introduced on 1 July.

While the rate rises come with shipping's peak season well under way, the increases have proved more moderate than the double-digit bounces that followed the last round of price announcements.

Drewry's World Container Index (WCI) Shanghai-Rotterdam leg increased seven percent week on week, to finish at $4,682 per 40 foot, while the Shanghai-Genoa route was up 10 percent on the previous week, to $6,360 per 40 foot.

Asia-Europe shippers and their forwarding partners were very much caught offguard by the emergence of the early peak season, but there are several indications that the apex of this season's peak pricing may be nearing.

Notwithstanding that it began over a month earlier than usual, this year's peak season has settled into a traditional pattern: a double-digit spot rate rise in week 1; followed by a flat or low single-digit rise in week 2; and return and repeat for weeks 3 and 4.

While this pattern appears to be still at work, the strength of the initial spot rate rises seem to be diminishing; added to which, planned FAK (freight all kinds) increases also look set to be lower than those previously announced.

Shanghai's Containerised Freight Index (SCFI) – which records the forthcoming week's quoted rates and, as such, can indicate the behaviour of the following week's WCI – shows spots to the Mediterranean up by one percent, and flat to North Europe.

On top of this, signs that the peak may have hit its zenith, can be seen in a steady rather than a soaring demand, with one forwarder telling Voice of the Independent (VOTI) that some carriers were beginning to discount on future bookings.

"The first half of July is looking like it might be the peak – we're already seeing reductions come in for 6 July; bookings are steady and at the moment we're not seeing much in the way of problems with bookings and space for July," they said.

> "The first half of July is looking like it might be the peak"

Even so, they noted it would still take a few weeks for carriers to work through the pools of containers rolled in June.

"We know there's still plenty of cargo to move, so we're not expecting rates to fall off a cliff just yet, but we expect rates to soften through August."

Another said: "I think we are reaching the peak level. Another clue here is the validity a few of the lines are now offering, no longer weekly, and now to the end of July, which indicates no further increases. I suspect, we may see some slight decreases."

"The carriers are still managing allocation agreements closely. However, not as many rollings, which does suggest a sign of the chaos starting to ease going into August," the forwarder added.

Supporting the notion that the market has hit its peak, is that looming mid-July FAK levels being announced by carriers are substantially lower than those introduced in June.

Having published an FAK rate of $6,000 per 40 foot for the North Europe trade on 15 June, MSC then announced a dramatic FAK rate of $7,500 per 40 foot on 1 July, but its latest, due 15 July, is up just $200, to $7,700 per.

That may be the story for North Europe, but it is a different picture on transpacific trades, with the peak seeing a short wave of US importers front-loading to avoid some hefty mid-July peak season surcharges.

South Korean carrier HMM announced a transpacific PSS of $3,000 per 40 foot for 15 July, with one forwarder claiming that "carriers are testing the market's upper limits by introducing an additional $1,500 general rate increase for the first half of July".

They added: "This triggered a massive, last-minute rush at the end of June as shippers scrambled to push containers out of China to avoid the premium. Importers have fundamentally compressed the typical multi-month peak season.

"Fearing prolonged volatility, businesses pulled-forward orders they didn't immediately need, clogging current vessel capacity with goods destined for sales cycles months down the line."

And certainly, the WCI's Shanghai-Los Angeles leg found itself up 10 percent week on week for the final week of June, ending at $6,349 per 40 foot, while the WCI Shanghai-New York route rose 11 percent, to $7,902 per 40 foot.

Added to which, the SCFI indicates that further increases of a similar magnitude can be expected, having recorded a nine percent bounce in rates for its Shanghai-US west coast route and a 12 percent upturn for cargo headed to the US east coast.

Xeneta's chief analyst, Peter Sand, said: "Ocean container shipping is running hot on the transpacific, with offered capacity from Far East to US west coast hitting an all-time high [in the final week of June] and spot rates showing another double-digit increase."

Sand noted that rates on the trade were now 253 percent above where they had been before the Strait of Hormuz crisis kicked off at the end of February, is to shut off yet another vital waterway for global trade.

"The combination of record capacity deployment and further rate increases on the transpacific tells us demand is strong and that carriers are scrambling to satisfy it," Sand added.

Per Xeneta data, "carriers are adding capacity fast", with MSC reinstating its transpacific Pearl service on 13 June, with MSC LYSE V the first vessel to call at Long Beach on 30 June, while Yang Ming and ONE are running extra-loaders.

"More capacity is welcome and will help shippers to move goods more reliably, but it is not enough to reverse the upward [pricing] trend," Sand added.

Santos terminal auction row heats up

BRAZIL'S national waterway transportation authority, Antaq, is continuing to press for a two-stage bidding process for the Tecon10 container terminal project in Santos.

This comes despite government opposition, which is keen to remove the Antaq bidding restrictions barring existing terminal operators in the port from entering the first round of bids, including CMA CGM and MSC, due to anti-competition concerns.

Supporting Antaq, Brazil's Federal Court of Accounts ruled that shipping lines should also be barred from the first round, on the basis that 'vertically integrating' carrier and terminal operations would be similarly anti-competitive.

This has subsequently been challenged by the body responsible for Brazil's public-private investment projects, the Investment Partners Programme (IPP).

In a technical note, the IPP argued the court had failed to provide adequate reasons for excluding shipping lines and while also recommending existing terminal operators be allowed to bid in the first round.

The government plans to open the bidding process by the end of the year, meaning the issue will need to be resolved and the tender documents published by September.

Voice of the Independent

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