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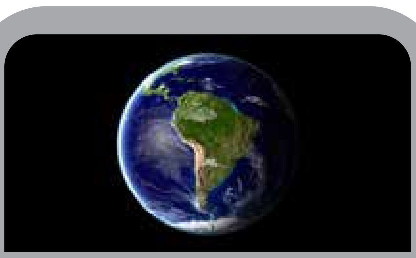
3 **Rate decline? Don't worry**
Airfreight carriers push ahead with expansion plans



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Carriers react to tight capacity with discounts, but eye rate hikes

Softening comes on the back of a prolonged peak

TRANSPACIFIC and Asia-Europe container spot rates ended July with back-to-back week on week declines, as carriers somewhat confusingly greeted relatively tight capacity not with price hikes, but discounting.

Per Drewry's World Container Index (WCI) for the week ending 31 July, the Shanghai-Rotterdam spot rate dropped three per cent, week on week, finishing at $4,677 per 40 foot, with Shanghai-Genoa down six per cent, to $5,630 per 40 foot.

Given that carriers had been offering discounts on spots for shipments out of Asia for at least the start of August, some expect further falls, albeit that any drop would be gentle, rather than a precipitous price crash.

"While there are rate reductions, they are still at a steady pace, with carriers continuing to control allocation agreements – albeit with some flexibility," one forwarder told Voice of the Independent (VOTI).

Responding to the drop, analysts at Linerlytica reported that carriers were "offering rates below $5,000 per 40 foot as support for the 1 August rate hike is quickly waning", even if there are efforts in the pipeline for another attempted hike.

Such softening comes on the back of a prolonged peak, with efforts now under way to understand why this year's lasted longer than most, pointing to the "roll pools" that built up in the China when demand peaked at the start of July.

> "While there are rate reductions, they are still at a steady pace"

Those pools now appear to have been cleared far faster than had initially been feared by many forwarders, although Typhoon Bavi made its mark on loading operations at some Chinese ports.

That being said, the forwarder told VOTI, "there are still a few issues in China main ports which vessels are omitting, although I am hearing carriers' roll pools are reducing and nearly cleared".

The Shanghai Containerised Freight Index (SCFI) – which records rates quoted for the forthcoming week, offering an indication of what to expect – suggested that, given the absence of freight all kinds (FAK) hikes, further gentle declines could be expected.

Pointing to both North Europe and the Mediterranean legs, the SCFI said that it was expecting a four per cent drop, week on week, over the first seven days of August, and having proved prophetic in its recent forecasts, people are listening.

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Airfreight shows its resilience as rate decline continues

DAVID KERR
JTD Advisory

RENEWED conflict in the Middle East does not seem to have stalled the continuing drop in airfreight rates, as the market battles weakening demand on some trades, rising fuel costs, and a slew of carrier network changes.

Freightos' latest Air Index points to a whopping 15 per cent decline from the May peak of $3.35 per kilogram, with rates now hovering at $2.82 per kilogram – although this still leaves them well above where they had been at the outset of 2026.

The drop-off comes with carriers in a moment of expansion, announcing new routes, additional frequencies, some of the multinationals even splashing out on new freighter aircraft – good news for the conversion houses.

Among those to have bumped up their offerings are Qatar Airways Cargo, which added seasonal London freighter services alongside extra capacity to Dallas, Brussels, Tokyo, Dhaka, and Entebbe.

Saudia Cargo signed an interline agreement with Riyadh Cargo and launched a new Melbourne freighter route, and Royal Air Maroc unveiled four new European destinations, adding further bellyhold capacity into its Casablanca hub.

Despite capacity remaining flat in the closing days of July, it seems that those offering freighter space have recognised where the money is, shifting capacity towards a series of stronger performing tradelanes.

Leipzig-Dubai, Hong Kong-Dubai and Muscat-Dubai are among routes that recorded a nice bounce in the last week of July, with Pacific lanes, including Shanghai-Los Angeles and Los Angeles-Incheon, also strengthening.

Given the introduction of the new EU parcel fee, it is perhaps not surprising that several Europe-linked corridors were in a list of the poorer-performers, with the traditional ecommerce corridors weakening as shippers work out what to do with the fee.

Analysis from WorldACD broadly said the same, with Hong Kong-Europe volumes down 24 per cent year on year, and China-Europe traffic down 10 per cent, one forwarder telling Voice of the Independent (VOTI): "There are options to handle the fee, so it may be a blip."

Contrastingly, China-US volumes were surging ahead of their 2025 performance, up as they were 19 per cent year on year, with the growth in Asia Pacific-US spot rates even more pronounced, climbing 36 per cent against the same period last year.

David Kerr, founder of JTD Advisory, said the market was sending conflicting signals, noting that "the rate indices and the physical market are pointing in different directions", highlighting that jet fuel costs were running almost 66 per cent above year-ago levels.

> "the rate indices and the physical market are pointing in different directions"

This, he indicated, did not make sense given that Baltic Air Freight Index had declined for four consecutive weeks, suggesting that the increase in fuel costs had "not yet fed through" to freight rates.

As to why this had occurred, Kerr suggested that it may be partly because of the pricing lags, and partly because weaker Asia-Europe ecommerce demand was masking tighter underlying supply, reflecting a broader structural shift under way in Europe.

APAC and Middle East freighter capacity into Europe has been falling by 14 per cent month on month over July, equivalent to the loss of some 18 widebody freighter flights every day.

On the airport side of things, it is the likes of Budapest, Luxembourg, and Madrid – all gateways that have built themselves up on the back of the ecommerce surge – that have experienced the sharpest reductions.

Kerr said that it was not a case of operators abandoning aircraft, but rather redeploying them towards markets offering stronger economics, also noting that there appear to be early indications that fuel costs may again begin influencing pricing.

This can be seen in the decision of Cathay Cargo – which reviews its Hong Kong export fuel surcharge every fortnight – reversing back-to-back months of reduction, increasing surcharges for the first half of August, following the latest rise in jet fuel prices.

Cathay's decision mirrors that of the several container shipping lines, including CMA CGM, Maersk, MSC, and ONE, which also announced fresh emergency fuel surcharges linked to renewed Middle East hostilities.

Whatever else, the airfreight market remains surprisingly resilient, with rates softening rather than collapsing from their May high, and freighter capacity dropping by just one per cent from June to July, despite Europe seeing weaker inbound ecommerce demand.

Carriers focusing on capacity management

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As "demand continues to ease, carriers are focusing on capacity management through blank sailings to prevent further rate erosion", Drewry noted, that "three blank sailings are scheduled on the Asia–Europe trade next week, compared with four this week".

Supporting this is the expected attempt of a rate hike, with a new FAK level likely to hit in the middle of August, MSC having already announced one of $7,800 per 40 foot for Asia-North Europe shipments, and $6,700 per 40 foot on Asia-Mediterranean for 15 August.

On the transpacific, that effort to up prices is expected sooner after a two per cent drop, to $5,739 per 40 foot on the WCI's Shanghai-Los Angeles leg and a flattening out on the Shanghai-New York leg, with rates at $7,578 per 40 foot.

One US west coast said that the transpacific drop came about after "ocean carriers allowed rates to fall to stimulate market demand and bring pricing back to temporary market equilibrium".

At the start of August, the latest round of general rate increases (GRIs) were applied on transpacific shipments, with the price hikes ranging from $2,000 to $3,000 per 40 foot, depending on carrier.

A general sense of optimism among the carriers (which make up some 50 per cent of the index's respondent set) appears to be reflected in the SCFI, with Shanghai-US East Coast and Shanghai-West Coast rates surging up 12.5 per cent, week on week.

One forwarder said: "Whether increases hold will depend on sustained cargo volumes. If demand remains steady, as importers continue shipping under the now-clearer tariff environment, carriers may be able to maintain current levels, or modestly higher."

> "Whether increases hold will depend on sustained cargo volumes"

However, the forwarder added that "if demand fails to strengthen, the market could quickly settle back toward today's pricing after a brief August spike", with another noting that the market was in something of a "holding pattern".

Drewry added that carriers were hoping to support the GRIs through increased use of blanked sailings, "following softening demand and the slowdown in front-loading activity", with eight blankings lined up for the first week of August.

Further to which, Chinese carrier BAL Container Lines also cancelled its plans to offer a one-off 14,000 teu extra loader to the US west coast, instead chartering the vessel out to Maersk to be deployed on the Asia-Europe trades.

Focus ON

China still 'fundamental for LatAm despite historic EU-Mercosur deal

DEALS do not get much bigger. After more than two decades of negotiations, stretching back into the last century, 2026 opened with the signing of the EU-Mercosur Partnership Agreement.

Covering the South American trading bloc of Argentina, Bolivia, Brazil, Paraguay, and Uruguay as member states, an associate members Chile, Colombia, Ecuador, Guyana, Panama, Peru, and Suriname, the scope of the deal cannot be underplayed. It is, as one forwarder tells Voice of the Independent (VOTI) one of the "biggest deals on the planet," affecting the lives of some 700 million people; it will affect the cost of some $111 billion in trade and will gradually see tariffs trimmed by around 90 per cent over the course of the deal – the "biggest in EU history".

"It sends a clear signal that Latin America is becoming an increasingly strategic partner in global trade"

As pricing and overseas business development manager for VCB Logistics Group Valeria Ravelo tells VOTI: "From our perspective, the significance of the EU-Mercosur agreement extends well beyond tariff reductions". Echoing others VOTI spoke to, Ravelo says that one of the key benefits of the deal is what it says to the world about South America now, and about its future. And since 1 May, the deal is well and truly in effect.

"It sends a clear signal that Latin America is becoming an increasingly strategic partner in global trade," she continues. "Although it is still far too early to measure a structural increase in cargo volumes, we are already seeing greater engagement from European companies exploring long-term opportunities across the region."

VALERIA RAVELO
VCB Logistics Group

Those conversations have shifted in not only tone, but content. Where previously the discussion surrounded simple movements of shipments, now there is a structural quality to them. That, another forwarder notes, "means everyone – from government to shipper, to manufacturer, and carrier – is thinking about the long-term".

Ravelo adds: "The conversation has shifted from simply moving cargo to designing resilient, compliant and efficient supply chains. As an active WCA member representing Venezuela, we see this evolution from a unique perspective. While Venezuela is not currently an active Mercosur member, our commercial relationships with neighbouring economies continue through longstanding bilateral frameworks. As regional integration strengthens, opportunities naturally extend beyond the formal members of the bloc, creating new possibilities for cross-border logistics, regional distribution and specialised freight solutions."

The president of Buenos Aires-headquartered Smart Logistics, Alfredo Garcia Samartino, has been most pleased by the level of enthusiasm that has been thrown up by the deal. That enthusiasm is evident on both sides of the Atlantic, with Germany and Spain considered the biggest cheerleaders of the deal on the European side. Samartino says the level of support is no less on his side of the ocean.

"The EU-Mercosur agreement has been received with great enthusiasm by both the import and export community across the Latin American region," he tells VOTI. "Mercosur is a major exporter of agricultural products, so the agreement is expected to create significant opportunities for exporters. At the same time, Europe is an important supplier of technology, machinery and industrial goods that Latin America needs to support its economic development. Although the agreement is still in the implementation phase, the expected reduction in tariffs and trade barriers should stimulate bilateral trade creating new business opportunities and increasing cargo volumes over time."

His enthusiasm notwithstanding, AGL Cargo's Jackson Campos is keen to tamper expectations for any sort of immediate spike in activity. He tells VOTI that it is still "far too early to measure a permanent increase in freight volumes", but he says that there has already been a visible commercial impact. As testament to this, he points to the level of requests for EU-Mercosur quotations being received by forwarders: "they're on the up". And it is not only quotes coming through.

"Forwarders are receiving more requests relating to customs support, rules-of-origin analysis and long-term supply chain planning," Campos continues. "The main opportunities include food, refrigerated cargo, coffee, fruit, pulp, and leather moving to Europe, while machinery, automotive products, pharmaceuticals, and chemicals are moving in the opposite direction. Growth should be gradual because some tariffs will fall over time and sensitive products remain subject to quotas and regulatory controls."

Volume data from Container Trades Statistics suggests that there has been little to no movement on trade moving EU to South America this year, with volumes having dropped precipitously in January, February, and May, down 10.6 per cent, 5.9 per cent, and 2.4 per cent year on year, respectively. On the reverse front, however, the picture is markedly more impressive with growth of 9.2 per cent, 4.8 per cent, 12.7 per cent, 0.1 per cent and 10.8 per cent for January, February, March, April, and May, respectively. It marks a continuation of the growth momentum recorded over the entirety of 2025. Indeed, every month last year saw that tradelane grow from a volume perspective, to end 2025 up 8.7 per cent year on year, with forwarders pointing to surging European demand for South American perishables.

"These same commodities are proving to be the engines of growth this year too, with the main sales into Europe revolving around coffee, fruit, refrigerated cargo, other foodstuffs and pulp, and leather," one forwarder tells VOTI. "With the deal between the EU and South America we are expecting volumes to keep up the momentum that has been recorded over the past 18 months, but there could be some issues with capacity in the short term."

Another forwarder concurs. Noting that LatAm-EU volumes have been strong – they note that this growth preceded the deal. All that being said, they claim that "we expect the growth to be gradual but consistent, and we are fairly confident once the volumes start flowing, they will be there for the long term", adding that automotive, machinery, and pharmaceuticals, and chemicals seem to be "where the action is".

Of course, if the deal with Europe marks a bright point for South American shippers and the region's forwarding community, look north and a different picture can be seen. This is particularly true for Brazilian exporters.

At the end of July, the somewhat mercurial US president, Donald Trump, hit the $2.6 trillion-dollar Brazilian economy with a 25 per cent tariff rate. It was Trump's latest volley in an unstable relationship between the two countries. And it certainly sent shockwaves through the supply chain sector. For those at the coalface of this, there has been a sense of indifference. Asked why, several forwarders note that the broad exemption list that accompanied the tariff announcement and the fact that the US' mounting anger at Brazil had been so heavily telegraphed – "we were able to ready ourselves," one forwarder says. That telegraphing was a consequence of the US government having to work through a year-long investigation.

"The tariff is broad, but the exemption list is significant, so the impact will vary considerably by commodity," says Campos. "Furniture, machinery, footwear, timber, sugar, and ethanol are among the more exposed flows. Coffee, beef, aircraft, and some energy and industrial products are exempt. We've responded at shipment level," Campos adding that AGL is checking classifications, origin, and exemption status with customs brokers to ensure compliance.

"we expect the growth to be gradual but consistent"

For Ravelo, rather than viewing recent US trade policy solely as a challenge, VCB sees it as an accelerator of an existing trend: diversification.

"Companies are no longer seeking the lowest-cost supply chain at any price; they are seeking resilience," she continues. "That has encouraged businesses to evaluate new sourcing strategies, manufacturing locations and logistics corridors throughout Latin America. The opportunities are real, but so are the challenges. Greater uncertainty, changing trade flows and higher costs require logistics providers to become strategic advisors rather than transport coordinators. At VCB Logistics Group, our response has been to diversify our partnerships across Asia, Europe and the Americas while helping customers evaluate total landed costs, alternative routings and long-term supply-chain resilience. Adaptability has become one of the most valuable services we provide."

ALFREDO GARCIA SAMARTINO
Smart Logistics

Whatever else, the new US tariff policy has introduced yet more uncertainty into global trade. Samartino says that from the US perspective, the objective is to reduce the trade deficit and strengthen domestic industry.

"For Latin American freight forwarders, however, it has meant adapting to changing trade patterns," Samartino continues. "While trade flows with the United States have become more challenging in some sectors, many companies have responded by diversifying their markets and strengthening commercial relationships with other regions. This has encouraged exporters and importers to explore new opportunities, reducing their dependence on a single market. The key to mitigating the impact has been flexibility – helping customers identify alternative sourcing and destination markets while maintaining efficient and reliable logistics solutions."

Even so, forwarders tell

Latin America

trade',

VOTI that rather than being concerned about any sort of immediate physical interruption to the cargo flows. Campos says that it led to some companies bringing shipments forward, while others delayed orders or renegotiated contracts. Brazil, he notes, has been more exposed in manufactured products, with lower volumes on certain US routes and pressure on margins.

"The positive side is that trade diversion creates new routes and demand for customs, compliance and contingency services," he continues. "We've responded by diversifying markets, reviewing product classifications, adding tariff-review clauses to contracts and working more closely with importers. My main concern is the secondary effect on logistics. We may see an initial pause in US-bound bookings, followed by cancellations or changes in cargo mix in the most affected sectors. That could alter container availability and carrier capacity planning, even for exporters whose products are exempt. Overall, I do not expect an immediate system-wide breakdown."

Should the tariffs stay in place – "remember, the occupant of the White House has a tendency to shift course... he's mercurial" – forwarders exposed to them will need to keep ahead on customs compliance, shipment visibility and flexibility as Brazilian exporters and US importers adjust to the new cost base.

"We are also reviewing Incoterms and duty responsibility, while keeping ocean allocations flexible so customers can defer shipments, adjust volumes or redirect cargo to other markets where commercially viable," Campos adds.

Given the parallel relations that South America has with Europe and the US, discussion then shifts to other pockets of opportunity. Not least of which being Africa. This has been a tradelane VOTI has been particularly focused on. It is, after all, a tradelane seen by shippers and forwarders alike representing one of the brightest spots of opportunity for volume growth at the moment. Such are those volumes that even multinationals are paying it some attention – "usually they let us do the heavy lifting in developing routes," one forwarder tells VOTI.

JACKSON CAMPOS
AGL Cargo

An executive at one such multinational forwarder tells VOTI, off the record, that the level of opportunity available for the development of trade between Africa and Latin America "are not being given enough consideration by the bigger players".

"If you go to Angola, wealthy Angolans are paying more and more attention to Brazil, and the same is true on the reverse, more Brazilian businesses are looking at upping their trade with West Africa," the executive says. "There are cultural commonalities, including food and music, that are partly responsible for the increase in trade between the regions. In some respects it is a perfect match and the importance of these cultural commonalities cannot be overlooked. I think it is why are seeing a lot of flows between South America and West Africa, a lot of flows are coming in, but nobody really seems to be talking about."

Campos tells VOTI that for newly formed corridors such as LatAm–Africa, the structural story is one of strategic expansion and increasing interest among the carriers. And while positive about the offerings on the LatAm-Africa route, he says that volumes and service regularity are still in a formative phase, based on competitive network decisions and broader global trade reconfigurations.

"Africa is creating opportunities for meat, sugar, food products, agricultural equipment, and selected manufactured goods," Campos continues. Asia has shown the strongest growth, especially in trade with China, involving commodities, food, machinery, electronics, and industrial inputs. Oceania remains smaller, but offers potential in food, aerospace, mining equipment, and higher-value cargo. Latin American trade is becoming more diversified, although the US and China remain difficult to replace because of their scale."

> "This has created additional opportunities for Latin American countries in both imports and exports"

Ravelo raises the issue of a shift away from China. She considers that the framing of the question of China is misleading.

Rather than moving away from China itself, the movements for multi-shoring must be understood as "a shift away from excessive dependence on any single market". That desire for diversification was thrown up by the realities of the pandemic, with forwarders noting that it exposed the fragility of single-sourcing practices, even if that source is more efficient in stable conditions than the alternatives. And Ravelo is keen to make clear that China remains indispensable.

"China is fundamental for Latin American trade," she says. "But the emergence of deals with India, Vietnam and South-east Asia needs to be seen as a desire for complementary sourcing hubs."

Asked how she perceives the developing relationship between Latin America and Africa, Ravelo says that Africa offers significant long-term potential across agriculture, energy, mining and infrastructure. But there should also be consideration given to the opportunities for trade with Oceania. "Oceania presents attractive opportunities in specialised sectors that demand sophisticated logistics solutions," she adds.

Samartino agrees, noting that while Africa and Oceania are not yet among Mercosur's largest trading partners, although there is growing potential in both regions. Further to which he says that amid the chaos out of Washington, Asia ("and China in particular") has become an increasingly important trading partner for Latin America. This, he says is as much down to the changes in the trading relationship between the US and China having encouraged China to diversify both its export markets and its supplier base.

"This has created additional opportunities for Latin American countries in both imports and exports," Samartino continues. "At the same time, China's long-term investment strategy – including infrastructure projects, industrial investments and joint ventures across Latin America, Africa and Oceania – has further strengthened these commercial relationships and contributed to increased trade flows."

Asked to summarise their feelings on the state of Latin America's supply chains, those forwarders VOTI spoke with seemed to agree that the "overall picture" for the region is one of stability. Even in Brazil, which is obviously contending with the disdain of the US president, the sense is that things will work out. But for real bright spots, Argentina and Uruguay were both highlighted as undergoing something akin to a boom.

One Portuguese forwarder says that Argentina is an area where they are seeing volumes and interest from potential customers increase. This, they add, appears to be down to the country making things easier for businesses to operate, and that is certainly helping us develop links there. Looking ahead, Ravelo says that the winners will not be those who simply move more cargo.

"They will be those able to connect markets, anticipate change and help customers make better decisions in an increasingly complex trading environment," she adds. "That conviction is rooted in where we come from. Operating for more than 17 years in a market that demands constant adaptation has taught us to read shifting scenarios, plan around variables others overlook and sustain continuity where conditions change by the day. We treat that experience not as a constraint but as a form of expertise, the value of our origin, and we bring it to every operation, wherever our customers need to move. That is the role we strive to fulfil every day as VCB Logistics Group and as a proud member of the WCA network representing Venezuela."

Volatile global economy gives Lufthansa Cargo a lift

LUFTHANSA Cargo appears to have been given a bounce by the chaos in the Middle East, with the carrier's logistics division recording a massive 58 per cent boost in ebit over the three months to July.

Second-quarter earnings for the German flag-carrier's logistics division, Lufthansa Cargo being its main component, hit €116 million ($134 million), on the back of a 27 per cent jump in revenue, which surpassed €1 billion.

Group chair and chief executive Carsten Spohr told a conference call attended by Voice of the Independent (VOTI): "The second-quarter operating environment for air cargo was anything but easy.

"With the Middle East conflict affecting global supply chains, which had to be adjusted at short notice, one thing becomes clear – the more unpredictable the global economy becomes, the more a growing cargo business like Lufthansa Cargo shows its worth."

Spohr added that the crisis in the Middle East had triggered a surge in demand on routes to the Far East and for the carrier's new, and "now almost daily", transpacific connection, as well as for its new intra-Asia routes.

He said the conflict had provoked a corresponding reduction in competitors' capacity in the region, which had allowed Lufthansa Cargo to "gain momentum in overall terms" because of the increase in yields.

Regionally, Asia-Pacific showed one of the larger increases in tonnage, with India also proving a growth spot for the carrier, although it noted that higher fuel and charter costs impacted expenses.

But June also marked the opening of what Spohr called the "first, and most important, phase of our new Frankfurt cargo centre into operation", which he said would speed up and improve the carrier's handling operations.

No tolls for Bab el-Mandeb Strait transits, say Houthies

YEMEN'S Houthi rebels have vehemently rejected claims they intend to impose a toll system on vessels transiting the Bab el-Mandeb Strait, following reports in the last week of July.

Reuters quoted "unspecified regional sources" suggesting "the Houthis may start to impose fees on international commercial vessels transiting the Red Sea and Bab el-Mandeb Strait".

But in a memo shared with Voice of the Independent, the Iran-backed group said: "We categorically deny these claims and confirm we have neither taken nor considered decisions to impose fees for transiting the Bab el-Mandeb Strait.

"We emphasise [that] transit through the Bab el-Mandeb Strait is free of charge. Furthermore, the services we provide – including the Safe Transit Service for vessels – are, as is well known, entirely free of charge."

> **"We emphasise [that] transit through the Bab el-Mandeb Strait is free of charge"**

Having launched a campaign in 2023 targeting commercial shipping transiting the Red Sea, purportedly in response to war in Gaza, the Houthis effectively shut the waterway for container shipping, with carriers opting to go around the Cape of Good Hope.

Since then, with the purported ceasefire between Israel and Hamas last year, the level of attacks conducted by the Houthis has dropped precipitously, and more and more carriers have been testing the waters with a return to Suez.

CMA CGM and Maersk have upped their canal transits and Linerlytica reported that the number of containerships detouring around the Cape of Good Hope had dropped to a 2.5-year low, with just 5.2 per cent instead of 16 per cent of the fleet taking the route.

Linerlytica said: "CMA CGM and Maersk continue to drive the early return to the trans-Suez route, directing ships on their EPIC and AE11 westbound voyages through the Bab el-Mandeb. The ships will avoid calling at Saudi ports and head straight for Suez.

As to where things stand on the Houthi front, the current working assumption is that all vessels may be subject to attack, but the Houthis have reduced their core target list to ships of carriers explicitly supporting the Israeli state, particularly Zim.

Some clarity was provided in the statement seen by VOTI, with the group noting that "all vessels outside the scope of the declared ban may transit safely. Additionally, for added assurance, such vessels may submit a safe transit request".

It added: "We categorically confirm that any individual or entity requesting the payment of money in exchange for transiting the Bab el-Mandeb Strait does not represent the Republic of Yemen or HOCC in any capacity whatsoever."

Air cargo volumes 'defy gravity', thanks to AI

A major sell-off in related equipment is not likely to dent the hot project forwarding market created by the AI boom, with market-watchers shrugging off the selling as an event driven by sentiment rather than fundamentals.

Noting the stock market showed a relatively moderate dip of two per cent rather than the precipitous collapse the dot-com bubble bursting triggered, one market participant said the sell-off looked more like "violent recalibrations" of the mid-boom years.

Noting that there remained "years of upside ahead" ,with "demand showing no sign of cracking", airfreight operators will be hoping the evaluation reflects reality, with the AI sector having replaced e-commerce as the engine of growth.

> **"All major OEMS of power production are rapidly expanding operations and building new plants"**

Niall van de Wouw, chief airfreight officer at Xeneta (below), said air cargo volumes were "defying gravity, thanks mostly to soaring AI-related shipments on Asia Pacific to North America corridors", with June figures showing little sign of abatement.

Per Xeneta's market report for the month, AI-related volumes continue to "go gangbusters", commenting that "exceptional demand for semiconductors and AI-related hardware inspired a seven per cent spike in global air demand in June".

One forwarder told Voice of the Independent (VOTI) the surging demand had left the project logistics sector running "absolutely pedal to the metal", noting they had several AI-related projects on the go, with "AI the boom-maker in the industry."

Nor are data centres alone the driver, the power required to run them producing what one forwarder called "unprecedented growth" noting: "All major OEMS of power production are rapidly expanding operations and building new plants."

Indicating the demand level, one need only consider the wait times for new transformer units, which have leaped from 6 -12 months in 2020 to 24 to 48 months, with prices having almost doubled in the same time.

Another forwarder told VOTI a consequence of the high volume of transformers moving to and across the US was that equipment availability was stretched, especially rail cars, and rail capacity "extremely tight".

One possible threat to the boom could be increasing public opposition, as an already under-strain power grid contends with the huge quantities of electricity data centres demand, prompting fears of higher electricity bills.

Even though the White House has suggested that the large AI players should build their own power supplies, the forwarders VOTI spoke to doubt that public opposition to data centres would derail AI.

US 301 tariffs may be here to stay

SECTION 301 tariffs look set to become a mainstay for US importers, alongside stricter customs enforcement, and fewer opportunities to reduce penalties.

Trade consultancy CargoTrans warned that Section 301 had evolved far beyond its original use – against China – becoming the administration's preferred tariff mechanism.

Together with a 25 percent tariff on selected Brazilian goods, China, the EU, India, Mexico, and Vietnam all remain in the firing line.

During a webinar attended by Voice of the Independent (VOTI), CargoTrans said that businesses should no longer think of Section 301 as a single-tariff programme.

"We can't stop 301 because this is not 'China 301', it is a platform they are using to implement additional tariffs for many different reasons," said advisor Rennie Alston.

Alston argued 301's underlying legal authority effectively allowed the administration to impose tariffs across a range of policy objectives.

The administration's increased use of 301 has come despite legal challenges from 25 US states questioning the administration's use of the tariffs.

Co-chief executive of CargoTrans Nunzio DeFilippis is not confident around the chances of success for those challenges, believing they face "a lot bigger hill to climb".

Consequently, he urged those importing goods to the US to recalculate landing costs and get ahead of the situation.

DeFilippis added: "Don't treat Flip 301 as another temporary tariff. Yes, it's being challenged, but this 301s are generally much stickier than others in the past."

Together with the new tariff regime, CargoTrans warned that the Customs and Border Protection (CBP) agency was entering a far more aggressive enforcement phase.

Alston, also a licensed customs broker, said: "The customs position is that enforcement escalation is here to generate revenue."

That means the long-standing practice of reducing customs penalties by as much as 90 per cent is disappearing.

Spotlight ON

Mark Chadwick


President
Global Shippers Association

The right partner should be a forwarder that gets the best deal

SHIPPERS have been telling Voice of the Independent (VOTI) for years that instability in the present political moment has reached a head. Supply chains are buckling under the pressure, and the next shock wave could be terminal. And yet, with each passing moment of chaos, it seems supply chains find their way. When presented with this, one shipper tells VOTI: “You have to understand, in the moment, there is panic and there is exhaustion… a sense of not again.” So, VOTI sat down with the president of the Global Shippers Association, Mark Chadwick, to try and get a sense of the true feeling among shippers and what it is that they expect from their forwarding partners. We began with a look at the hot button issue preceding even the pandemic: China.

“Some of the shippers in our association have had success in diversifying their supply base outside of China, but of course this is greatly dependent on the kind of components needed and their end use,” says Chadwick. “Qualifying a new supplier for the aerospace or health sectors for example can be a very lengthy and costly process, whereas a retail shipper may be able to make a switch in a matter of weeks. Added to this the fact that the speed and apparent randomness with which trade policies seem to change, making a big switch is a high-risk endeavour.”

> "most growth has certainly been skewed towards South-east Asia"

Chadwick suggests considering the deteriorating relationship between the US and its immediate neighbours, noting that “not so long ago it would have been ludicrous to imagine a major trade dispute between the USA and Canada, now it’s just a regular Tuesday”. And this is a theme that has become more pronounced, the idea that you just have to crack on because there will be opportunities and there will be growth.

“When we look at our total volume out of China, it doesn’t seem to have diminished much at all, but most growth has certainly been skewed towards South-east Asia,” Chadwick continues. “The way it looks right now, China will continue to be an essential part of the supply chains for many of our shippers, and China-based enterprises are also customers for many of our businesses. Stable trade policies are in everyone’s interest, very few benefit from the volatility that we are seeing, so hopefully at some point soon the right balance can be found.”

Central to all of this is not the relationship between the shipper and the carrier but rather the shipper and the forwarder. With some exceptions, direct relations between shippers and carriers are few and far between. Instead, forwarders serve as a go-between. Beginning first with Covid and continuing through the upheaval thrown up by war in Ukraine, war in the Middle East, and the various environmental calamities that have struck in recent years, tension points between carriers and forwarders have grown – “they’ve taken the mick”, one forwarder says when asked how carriers have behaved. But it ultimately filters down as a price for shippers. Chadwick recognises that there is an obvious knock-on.

“The Global Shippers’ Association has been very focused on building stronger partnerships with our global forwarders,” he says. “Finding the right fit is key for us as we are buying all modes of transport in almost all regions of the globe. We need partners that have the ability to insulate us from some of the market shocks and keep our products moving even when capacity is tight. But the deterioration in relationships that you allude to in the question does make this harder.”

It is the case, Chadwick continues, that there is only so much “pain” that a forwarder can absorb on our behalf before they must ask for relief. This, he says, is never an easy conversation, especially when pricing is contractually fixed long term. Given that the instability, price gouging, and seeming willingness of carriers to flout their position has become almost standard practice, Chadwick expresses surprise that some forwarders still sell long-term fixed ocean rates, “even when they cannot lock in the same in their carrier contracts”.

“Some of our forwarders are getting the balance right and are only committing to rates and service that they have the right capacity secured for, but we have to be vigilant for the ones who habitually over-commit and under-deliver,” he says, indication a tension in the shipper-forwarder relation.

Acknowledging that small and medium-sized forwarders have less leverage than some of the multinationals on the pricing front, Chadwick says that perhaps the biggest challenge for the SME forwarding community is not the quality of service that they offer but rather their exposure to this. And this has a knock-on impact for shippers.

“Unpredictability of both pricing and access to capacity continue to be the biggest challenges that we are faced with, especially in ocean freight,” Chadwick adds. We all understand that major global events are going to have an impact that we will need to address as partners, but some practices only make sense if they are about maximising profit.”

As an example, he points to the prevalence of emergency bunker surcharges. These, he says, made sense when there was a big disconnect between the cost of fuel and what contracts dictated could be billed. However, in the interim, he notes that contract rates caught up. Despite this levelling out, he points out that some of the carriers have retained their “emergency” surcharging practices.

“On top of that, even if a shipper is prepared to pay, some carriers are still falling short of the committed capacity,” Chadwick says. “Forwarders are caught in the middle. Of course, we have great relationships with some of the major carriers and forwarders, but there are others whose practices do not seem like the partnership we were striving for.”

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Against this backdrop, Chadwick urges shippers to keep lines of communication open and on their need to ensure that they are well informed of the realities of the market in which they are operating. Further to which, he says, that the shipper must hold realistic expectations of what can be achieved. This, he adds, means having the right forwarder partners in place.

“Stating the obvious,” he continues, “the right partner should be a forwarder that gets the best available deal for a solution that meets the shippers’ actual requirements. Too often, unrealistic expectations combined with overcommitment can cause major disruption to complex supply chains.”

Orders for newbuild car-carriers surge alongside demand for China's EVs

RISING demand from across the world for Chinese electric vehicles is spiking charter rates for car-carrier vessels, with some now even achieving rates close to $100,000 a day again.

Per VesselsValue, average charter rates for car-carriers have hit the $67,000 a day mark, but newer vessels seem to be attracting a premium – Atlas EMF chartering the 7,000 ceu Clean Star to an unnamed Chinese operator for two years, at a rate of $80,000 a day.

The chief executive of Atlas, Leon Patitsas (below right), said: "This agreement reflects the exceptional quality of the vessel, the continued confidence of leading operators in our fleet, and the strong fundamentals of the global vehicle carrier market."

Just five months ago, another of Atlas EMF's new car-carriers, the 7,000 ceu Eco Star, was fixed to Wallenius Wilhelmsen for a year at $53,000 a day, with the recent spike highlighting how demand is strengthening for modern vehicle carriers.

SAIC Motor's shipping arm, SAIC Anji Logistics, also recently chartered the newly built 7,060 ceu Lake Rotorua from Eastern Pacific Shipping for $90,000 a day, shortly after being delivered by China Merchants Jinling Shipyard, Nanjing.

While car-carrier charter rates have hit the $100,000 a day mark before, back in August 2022, the rate situation eventually "normalised" two years ago, amid record numbers of newbuildings being delivered.

Given that China's vehicle exports are on a bull run, the demand for ships to carry them is only set to surge further, with China Association of Automobile Manufacturers statistics showing nearly 5.1 million vehicles exported during the first six months.

Exceeding growth rates of 65 per cent year on year, that spike in demand includes more than 2.3 million new energy vehicle exports – itself a doubling of the figures recorded over the course of 2025.

June alone witnessed in excess of one million vehicles being export – the first time that China's monthly automobile exports had exceeded that – representing an uptick of 75 per cent year on year.

Such demand for new car-carriers is having an impact for older models too, with China's export growth prompting an overall tightening of capacity, which has seen two 20-year-old vessels fixed to Cosco at around $40,000 a day for 34 months.

It seems that this is feeding into a revival of newbuilding orders for car-carriers, which after a bumper few years of new deliveries saw just nine vessel builds commissioned last year, but 40 having been ordered so far in 2026.

Of those new orders, MSC's car-carrier arm, Global Car Carriers, has commissioned ten LNG dual-fuelled vessels, comprising six at 8,600 ceu and four of 7,000 ceu, for delivery 2028-2030.

And opportunistic newcomer, China-based Zhongnan Shipping, has decided to take a punt on the market's long-term prospects, placing an order for four 5,700 ceu car-carriers at Jiangsu Runyang Shipbuilding, due to be delivered between 2028 and 2029.

CMA CGM backs away from stake in French rail freight operator

CMA CGM has backed out of plans to acquire a 49 per cent stake in France's biggest rail freight player, Rail Logistics Europe (RLE), formed on the back of EC demands to support the breakup of Fret SNCF.

Contacted by Voice of the Independent (VOTI), CMA CGM confirmed reports circling in France, noting: "CMA CGM has decided not to proceed with the RLE project, as it does not align with the Group's current investment priorities."

While CMA CGM's bid caught the sector somewhat off guard, the decision to back out of the deal was not all that surprising, with the carrier's chief executive, Rodolphe Saadé, making clear the group was only interested in a small proportion of RLE's activities.

That likely concerned the transport of maritime containers, a which position does not correspond with SNCF's strategy to focus on finding a partner ready to take a stake in all RLE's activities.

One source told VOTI: "CMA CGM pulling out doesn't surprise me. First of all, there appears to be a personality clash between SNCF chairman Jean Castex and Rodolphe Saadé. It seems that they have met on three occasions and that each time things went badly. Two strong egos, no doubt.

"I also think SNCF has failed to take into account that even if a multi-hundred-million investment is a relatively minor sum for CMA CGM, it nevertheless entitles it to a say in the governance of RLE – guarantees it didn't get, as Mr Castex isn't one to share power."

Central in Saadé's interest was Naviland Cargo (maritime containers), a segment in which chief rival MSC is quickly building up a presence via its subsidiary, Medway, albeit RLE's expertise in finished vehicle transport across Europe was also understood to be a draw.

Had a deal progressed, it would have built on the carrier's acquisition of UK railfreight operator Freightliner this year, with its 2,000-plus wagons, 10 terminals, and one of the largest fleets of electric locomotives in the UK.

Given CMA CGM's withdrawal, Czech billionaire Daniel Kretinsky, German logistics group Rhenus, and an unidentified private equity fund are now the remaining candidates for the 49 per cent stake in RLE.

A source, who had considered CMA CGM the "ideal buyer", told VOTI the decision by the French group to pull out of the deal had left both SNCF and the French government in something of a quandary.

"I can't really see France relinquishing sovereignty over transport of military equipment (to a foreign company), as RLE handles at least 80 per cent of the French army's military transport operations," the source said in reference to the remaining suitors.

Having been suspected of receiving billions of euros in illegal state aid, the EC had conditioned SNCF's continuing operation on the breakup of Fret SNCF and the sale of the 49 per cent stake in RLE.

Voice of the Independent

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