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MPW SUPPLY CHAIN – INDUSTRY UPDATE – 2ND APRIL 2025

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AUSTRALIA & NZ NEWS

ALBANESE WON'T BUDGE ON KEY US GRIEVANCES

The United States trade office has raised concerns about Australia's pharmaceutical sector, biosecurity protections, and the News Media Bargaining Code. Prime Minister Anthony Albanese has vowed not to compromise on these issues, despite the looming threat of new tariffs from the Trump administration. Australia's strict biosecurity laws protect native wildlife from foreign diseases, while the News Media Bargaining Code requires social media giants to support news organizations. Negotiations continue, but Australia is unwilling to make major concessions to secure tariff exemptions. ABC

FIVE ELECTRIC FERRIES TO PLY THE SWAN RIVER

Tenders have been called for the design and construction of five new electric ferries for the Swan River in Perth. The state government aims to expand the ferry service, adding stops at Applecross and The University of Western Australia. The new ferries will be fully accessible, with passenger toilet facilities and bike storage. Other potential stops include Point Fraser, Burswood Park, Optus Stadium, and Claisebrook Cove. The tender closes on 21 May 2025. The DCN

NEW EU CUSTOMS, MED ECA REGS KICK IN

New EU customs regulations and Mediterranean Emission Control Area (ECA) rules are now in effect. From April 1, stricter customs regulations require full compliance with Entry Summary Declarations (ENS). Shipments without a valid Movement Reference Number (MRN) cannot enter the EU. Starting May 1, the Mediterranean Sea will be designated as an ECA, enforcing stricter controls to limit sulphur emissions. The DCN

SUPPLY CHAIN NEWS

LOOMING TRUMP TARIFFS WILL CREATE 'A BUREAUCRATIC MONSTER' FOR CUSTOMS

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TIGHTER EU IMPORT REQUIREMENTS PROVING 'A CHALLENGE' FOR FORWARDERS

The EU's Import Control System 2 (ICS2) is now mandatory for all non-EU imports, requiring full compliance with Entry Summary Declarations (ENS). Freight forwarders face significant challenges, including technical complexities and insufficient support from national authorities. Carriers like Hapag-Lloyd and Maersk have introduced strict "no MRN–no load" policies, causing delays and operational disruptions. Accurate data submission is crucial to avoid shipment delays or cancellations. The Loadstar

DE MINIMIS CHANGE 'NO BAD THING' FOR LOGISTICS OPERATORS

Logistics suppliers are adapting to constant changes, including the looming crackdown on de minimis exemptions in the US and Europe. Maersk and DHL executives emphasize flexibility and the ability to follow market developments. Shein is shifting manufacturing to Turkey and relocating its international operations headquarters to Singapore. The Loadstar

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OCEANFREIGHT

MAERSK NOT CONCERNED BY TRUMP HOSTILITY TO GREEN FUELS FOR SHIPS

Maersk's environmental agenda is driven by customer demands rather than government policies, particularly amid uncertainties from the US Trump administration. At the launch of Maersk's dual-fuel vessel, Adrian Maersk, Chief Commercial Officer Karsten Kildahl emphasized the importance of customer concerns. Despite political challenges, Maersk remains committed to green fuels, with customers like Nike in the US supporting this transition. The company is confident in its ability to bunker green fuels globally. The Loadstar

WOLRD CONTAINER INDEX DECREASES AGAIN

Drewry's World Container Index decreased by 4% to $2,168 per 40ft container for the week of 27 March, marking a 79% drop from the pandemic peak of $10,377 in September 20211. This is the lowest since January 2024 but still 53% higher than the pre-pandemic average of $1,420 in 20192. Freight rates from various routes, including Rotterdam to New York and Shanghai to Los Angeles, have also seen significant decreases. The DCN

NEW PRICE HIKES MAY SLOW OCEAN SPOT RATES SLIDE - BUT FOR HOW LONG?

Container spot freight rate indices showed some divergence this week, indicating that recent falls in ocean rates on the main east-west trades could be reversed next week, if only temporarily. Drewry's World Container Index (WCI) continued its downward trend on almost all of its routes, while the Shanghai Containerised Freight Index (SCFI) showed some upward movement. The spread between WCI and SCFI on the transpacific trades was even greater, although the WCI declines were less steep. The Loadstar

WHITE HOUSE CONFIRMS AUTOMOTIVE TARIFFS - 'A DISASTER FOR THE INDUSTRY'

The US has confirmed a 25% tariff on imported vehicles, impacting eight million cars and raising prices by $7,600 per car. This move, effective April 2, excludes heavy-duty trucks but includes a second round of tariffs on auto parts starting May 3. Mexico, South Korea, Japan, Canada, and Germany are the top exporters to the US. The tariffs aim to localize supply chains within the US, but could lead to higher costs and lower-quality models. The Loadstar

AIRFREIGHT

CMA-CGM SET TO TAKEOVER AIR BELGIUM FOLLOWING COURT APPROVAL

CMA CGM aims to take over Air Belgium after a court deemed its bid admissible. The offer targets the carrier's cargo operations, name, brand, and four aircraft. The court blocked a rival bid from Air One and Peso Aviation. CMA CGM's bid aims to ensure the continuity of Air Belgium's air freight operations. The Dutch bidders are appealing the decision, but it's unclear if it will affect CMA's approved bid. The Loadstar

SHIPPERS SNAP UP AIRFREIGHT CAPACITY TO US AHEAD OF TARIFF DEADLINE

Shippers are rushing goods into the US ahead of expected tariff increases by the Trump administration. This has led to a surge in air charter capacity, with companies like Apple and pharmaceutical shippers booking multiple charters. The increased demand is also seen in conventional imports on scheduled aircraft, especially from Vietnam. The rush is driven by the impending tariffs, which could add significant costs to imported goods. The market is nervous, anticipating the impact of these changes. The Loadstar

AIR CARGO RATES RISE AHEAD OF NEXT ROUND OF US TARIFFS

Airfreight rates continued to rise last week as firms looked to move goods before the US announces what are expected to be its most far-reaching range of tariffs yet. The Baltic Air Freight Index figures show that overall prices increased 2.4% in the week to 31 March and are up by 5.1% compared with a year ago. Rates on services from Hong Kong, Shanghai, Frankfurt, and London increased, while US rates came under pressure with prices out of Chicago falling 12.5%. Air Cargo News

IATA: AIR CARGO DEMAND REGISTERS SLIGHT DECLINE IN FEBRUARY

Air cargo registered its first year-on-year decline in February since March 2023 due to extraordinary growth a year ago. IATA's latest statistics show a 0.1% decrease in cargo tonne km (CTK) terms, but the cargo load factor improved by 0.1 percentage points to 45% due to a 0.4% decline in capacity supply. Regional performance varied, with Asia Pacific airlines seeing a 5.1% increase in demand, while North American carriers experienced a 0.4% decrease. Air Cargo News