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MPW SUPPLY CHAIN – INDUSTRY UPDATE – 30TH APRIL 2025

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AUSTRALIA & NZ NEWS

SPATE OF AUS DRUG IMPORTATION BUST DEVELOPMENTS

Recent drug busts in Australia have led to significant cocaine and ketamine seizures and arrests. A Gold Coast man was charged with importing 140kg of cocaine hidden in marine engines from California. A father and son from Sydney were sentenced for importing 56kg of cocaine concealed in car wheel rims. The largest ketamine bust in Northern Territory involved over 4kg disguised in sports drink packages. Authorities emphasized their commitment to disrupting drug trafficking and protecting the community. The DCN

AUST 2024 CONTAINER TRADE GREW BY 8.7%

Australasian container trades grew by 8.7% in 2024, reaching 7,114,800 TEU. Imports increased by 353,200 TEU, with notable growth from Far East (12%), Latin America (18.5%), and Middle East/Indian Sub-Continent (11.9%). Exports rose by 229,800 TEU to 2.69 million TEU, with significant gains in Middle East/ISC (33.7%) and North America (11.9%). Rate levels saw mixed changes, with substantial drops for North America and Latin America but increases for Europe and Sub-Saharan Africa. The DCN

INDUSTRY OPINION: DUE DILIGENCE FOR CUSTOMS BROKERS

Customs brokers must implement robust due diligence and risk mitigation processes to avoid penalties and actions against their licenses. They rely on customer-provided documents for declarations to the Australian Border Force (ABF), making strong internal processes, secure technology systems, and well-drafted trading terms essential. Brokers should verify clients, review systems, train staff to recognize red flags, and maintain adequate insurance. Vigilance in inspecting goods and monitoring delivery details is crucial. The DCN

SUPPLY CHAIN NEWS

SHIPPERS WARNED: 'DON'T UNDER-VALUE US EXPORTS TO AVOID TARIFFS'

Forwarders are warning shippers against under-declaring the value of goods exported to the US to avoid tariffs, as Customs and Border Protection (CBP) will catch them. Compliance should be prioritized, and any attempts to bypass tariffs can lead to severe consequences. Despite warnings, there is a rise in under-declaration practices. Experts stress the importance of following the law and maintaining customs compliance to avoid penalties and ensure smooth operations. The Loadstar

RESPONSE TO TARIFFS BY CHINESE IMPORTERS MAY SEE EXTRA COSTS FOR US SHIPPERS

US exporters face potential demurrage, detention, destruction of cargo, or return costs as some Chinese importers stop accepting shipments due to escalating tariffs. Pat Fosberry from John S James Co highlights the impact on US exporters, with many buyers in China canceling orders. Sara Dandan from FourOneOne notes that Chinese importers aim to avoid customs fees and duties, leading to abandoned cargo. Exporters are advised to reconsider sending shipments to mitigate risks. The Loadstar

ROAD FREIGHT DECARBONISATION WILL BE A BATTLE, SAYS LOGISTICS PLAYERS

Logistics players stress the need for decarbonisation despite customer reluctance to pay for it. Trucks and buses contribute 20% of global transport emissions. Operators face challenges due to clients unwilling to absorb extra costs and lack of ready technologies. Government incentives are insufficient, causing financial strain. Decarbonisation is crucial to meet upcoming regulations, requiring significant investment and tailored solutions. The Loadstar

OCEANFREIGHT

OUTLOOK FOR CONTAINER SHIPPING 'MORE UNCERTAIN THAN THE ONSET OF COVID'

Container shipping faces uncertainty due to fluctuating demand. Maritime analyst Drewry predicts a 1% global decline in container handling this year, similar to Covid's impact, with North America seeing a notable 5.5% drop. Trade policies contribute to instability, influencing sourcing shifts from China to other countries like India and Brazil. Shippers are advised to evaluate tariff impacts and plan accordingly, potentially leading to surges in shipments before new tariffs take effect. The Loadstar

MORE PRESSURE ON TRANSPACIFIC RATES AS CARRIERS BET ON CHINESE-US TRADE DEAL

Mainline operators are pushing for higher transpacific rates in May, anticipating a China-US trade deal that could boost Chinese export volumes to the US. Despite downward pressure, rates saw marginal gains last week. The Shanghai Containerised Freight Index showed slight increases in rates. Carriers have secured new transpacific service contracts at higher rates. US retailers are asking Chinese suppliers to resume shipments, bearing extra costs from tariffs. Chinese exports are down, forcing carriers to cut transpacific capacity. The Loadstar

NEW HOUTHI WARNING TO SHIPPING AS REBEL GROUP TARGETS SPECIFIC COMPANIES

The Houthi militia has listed containerships carrying goods for specific companies, including Boeing, as legitimate targets amid the ongoing Red Sea crisis. The Iran-backed group issued sanctions on 15 companies and warned against transiting key maritime routes. Despite the threat, major shipping lines like CMA CGM and Maersk are unlikely to be affected. President Trump called for free passage for American ships through the Panama and Suez canals. Meanwhile, a deadly explosion occurred at Iran's Shahid Rajaei container hub. The Loadstar

USTR FEES WILL LEAD TO 'COMPLETE DESTABILISATION' OF CONTAINER SHIPPING

The USTR fees for China-built shipping threaten to destabilize ocean alliances as carriers exempt from penalties try to insulate themselves. Freight forwarders may prioritize non-Chinese operators, causing supply chain disruption. Chinese Cosco group, part of the Ocean Alliance, faces significant challenges. From October, Chinese-built ships calling at US ports will face increased charges, further complicating the situation for Chinese vessel operators. The Loadstar

AIRFREIGHT

IATA: A RECORD MARCH FOR AIR CARGO DUE TO FRONT LOADING

Air cargo demand grew in March, driven by companies moving goods ahead of expected US tariffs. IATA reported a 4.4% year-on-year increase in demand, with capacity up 4.3% and a flat cargo load factor. The growth is linked to inventory buildup before tariffs. March demand levels were a record, reversing February's decline. Regional performance varied, with Asia Pacific and North America showing strong growth, while Middle Eastern carriers saw a decline. Trade indicators suggest companies imported quickly to avoid tariffs. Air Cargo News

CHINA CARGO CHARTER FLIGHTS CANCELLED AS E-COMMERCE VOLUMES PLUNGE

Cargo charter flights from China have been cancelled due to a sharp decline in e-commerce demand to the US, driven by new tariffs and the end of the de minimis exemption. E-commerce shipment volume dropped by 50% since mid-April. Major Chinese carriers are considering further cancellations, reducing capacity to the US. Demand from Southeast Asia and Taiwan remains stable due to a 90-day tariff exemption. Spot market airfreight rates have declined, and air cargo volumes from China and Hong Kong to the US have fallen. Air Cargo News

US CUSTOMS CHAOS MEANS 'MORE DOWNSIDE RISK THAN UPSIDE POTENTIAL' FOR AIR CARGO

Air cargo growth forecasts have been slashed due to a weaker economic outlook and the impact of tariffs and the de minimis ban. Trade Data Service predicts a loss of one-third of transpacific air cargo volumes, with growth expectations falling from 2.8%-5.5% to 2.2%-3.6%. Rates and volumes have dropped, with significant declines from China and Hong Kong to the US. Analysts warn of chaos as US Customs & Border Protection releases new processes for handling former de minimis shipments. Air Cargo News