

## MPW SUPPLY CHAIN - INDUSTRY UPDATE - 14TH MAY 2025

### OCEANFREIGHT | AIRFREIGHT | LOCAL TRANSPORT | WAREHOUSING/3PL | COURIER |

#### AUSTRALIA & NZ NEWS

##### **RED TAPE MAKES SHIPPING TO DROUGHT- STRICKEN FARMERS IMPOSSIBLE**

Red tape adds \$60 per tonne to shipping costs within Australia, making it unviable to help drought-stricken farmers in South Australia and Victoria. John Orr, director of Premium Grain Handlers, highlights the inefficiency and high costs of interstate shipping compared to international shipping. Despite recommendations from the Productivity Commission and ACCC, the government has ignored calls for reform. Orr emphasizes the need for government action to remove unnecessary costs and improve food price stability. [The DCN](#)

##### **QATAR-VIRGIN PARTNERSHIP TO ACCELERATE AUS EXPORTS**

Qatar Airways Cargo partners with Virgin Australia to expand trade connections and increase cargo capacity to and from Australia. Starting in June, Virgin Australia will operate daily Boeing 777 flights between Sydney, Brisbane, Perth, and Doha, with additional flights from Melbourne in December. This partnership will more than double airfreight capacity on key routes, enhancing connectivity for Australian exporters. The ACCC granted interim authorisation for the alliance, aiming to boost cargo capacity and export opportunities for five years. [The DCN](#)

##### **NSW: KEEPING THE WHEELS TURNING**

NSW Ports is having a positive year, with container volumes at Port Botany increasing and fuel and gas volumes up by 5%. Port Kembla has seen a 3.5% growth, with grain exports up 33%. NSW Ports is investing in rail infrastructure and expanding facilities to support diverse trades. The Port Authority of NSW has achieved net zero Scope 2 emissions and is planning further developments to enhance trade and environmental sustainability. Feature Focus - [The DCN](#)

#### SUPPLY CHAIN NEWS

##### **WHITE HOUSE U-TURNS SEE FREIGHTERS FLYING BUT KEEPS LOGISTICS PLAYERS ON THEIR TOES**

The US has reduced tariffs on posted ecommerce goods worth less than \$800 from 120% to 54%, offering relief to small businesses. This change, effective for 90 days starting 14 May, will boost transpacific freighter activity. Goldman Sachs lowered recession forecasts for the US, while the logistics sector remains cautious. Despite the temporary relief, high tariffs continue to challenge small businesses and corporate planning. [The Loadstar](#)

##### **ECOMMERCE LIKELY THE FRONT-RUNNER IN RESURGE OF TRANSPACIFIC TRADE AFTER DEAL**

The US and China have agreed to reduce tariffs to 10% for 90 days, starting 14 May. This includes a 20% fentanyl tariff on US imports. China will remove countermeasures, including export controls on rare metals. The temporary reduction is expected to boost trade flows, especially ecommerce, and may lead to a longer-term resolution. The US National Retail Federation reported elevated imports since last summer, and analysts expect a surge in cargo ready to go. [The Loadstar](#)

##### **ARE FAST FASHION GIANTS TEMU AND SHEIN REALLY UNDER THREAT FROM TRUMPS TARIFFS?**

The end of the de minimis exemption has led to price hikes for Shein and Temu, impacting their business models. The Australian Fashion Council calls for an inquiry into ultra-fast fashion's impact. Sustainability efforts in fashion may suffer due to economic pressures and tariffs, according to experts. Shein and Temu are adapting by working with domestic manufacturers and targeting new markets. [ABC News Australia](#)

### CHINA-US TRADE TARIFF PAUSE COULD DRIVE REBOUND FOR TRANSPACIFIC RATES

The US and China agreed to slash reciprocal tariffs, leading to expectations of an early peak season on the transpacific eastbound trade. Shipping lines announced surcharges of \$1,000-\$3,000 per 40ft container. The 90-day grace period of reduced tariffs is expected to cause an import surge, potentially exceeding Covid-era peaks. Current spot rates are holding at around \$2,400 per 40ft but may surge above \$3,000. [The Loadstar](#)

### CARRIERS IMPOSE 'EMERGENCY OPERATION' SURCHARGES ON PAKISTAN CARGO

Pakistan trade faces emergency surcharges from container lines due to Indian port access restrictions. MSC announced an \$800 per container fee for exports on major westbound routes and a \$300 charge for intra-regional trades, starting 19 May. Hapag-Lloyd launched a second feeder capacity option for Pakistan transshipment cargo and imposed a \$500 surcharge for shipments to Europe. Feeder operators benefit from rerouting cargo to hub ports like Colombo and Salalah. [The Loadstar](#)

### PEAK SEASON OR RECESSION? FORWARDERS AND SHIPPERS NEED TO 'STAY FLEXIBLE'

Transpacific contract negotiations are stalled, with few agreements reached due to uncertainty from Trump's policies. Transport Intelligence CEO John Manners-Bell highlights the need for flexibility, as neither forwarders nor shippers want to be locked into contracts. The potential for a peak season depends on the US avoiding recession and tax cuts boosting consumer spending. Distrust between carriers and forwarders adds to the instability, with each tradelane facing unique challenges. [The Loadstar](#)

### FIRST QUARTER MIGHTY FOR MAERSK

A.P. MOLLER-MAERSK reported strong Q1 results with revenue growth of 7.8% to USD 13.3 billion and EBIT increasing to USD 1.3 billion from USD 177 million a year ago. Profitability improved in Ocean, Logistics & Services, and Terminals. Despite increased uncertainty, Maersk maintains its 2025 financial guidance. The global container market volume growth has been revised to -1% to 4% due to macroeconomic and geopolitical uncertainty. Disruption in the Red Sea is expected to continue throughout the year. [The DCN](#)

### KLM GROUNDS SEVEN B787'S BUT CLAIMS NO IMPACT ON AIR CARGO OPERATION

KLM Cargo has denied that the grounding of seven 787s has impacted its cargo operations. The grounding was due to maintenance issues related to the aircraft's refuelling system. KLM confirmed the cancellation of three intercontinental services to Mexico City, Chicago, and Portland. The seven 787s will gradually return to service after additional maintenance. The US DoT has permitted Air France to wet-lease aircraft to KLM on the Schiphol-JFK route from 1 July to 31 October. [The Loadstar](#)

### AIRFREIGHT PLAYERS EYE NEW ROUTES AS DEMAND ON THE TRANSPACIFIC NOSEDIVES

The sudden fall in demand for transpacific airfreight has led to an 8% global capacity drop in the past 72 hours. This is partly due to the May Day holiday and the end of the de minimis exemption in the US. While transpacific capacity fell 18%, Europe-North America saw an 11% rise. Qatar Airways Cargo and Challenge Group announced new services, while DSV introduced a charter route between Chicago and Shanghai. Rates are expected to fall. [The Loadstar](#)

### TRANSPACIFIC VOLUMES TO RISE FOLLOWING US-CHINA TRADE DETENTE

Air cargo volumes and capacity are expected to rise following a 90-day partial suspension of the US-China trade war, reducing tariffs to 10% and 30% respectively. The de minimis duty for e-commerce shipments will also be lowered. This temporary break may lead to a rush to move goods, with airfreight rates recovering slightly. Capacity on the transpacific trade has increased, with widebody freighter capacity up 40% compared to last week. [Air Cargo News](#)

### ASIA PACIFIC TRADE GROWTH UNDER THREAT FROM AIRCRAFT DELIVERY DELAYS

The Association of Asia Pacific Airlines (AAPA) urges governments to address supply chain disruptions delaying aircraft deliveries and constraining capacity, threatening Asia Pacific trade growth. Average load factors are at a record high of 83%. Delayed deliveries impact decarbonisation targets, forcing airlines to use older, less efficient aircraft. The rising burden of material shortages, regulatory hurdles, and surging costs threaten long-term industry growth. Governments and suppliers must step up to tackle these challenges. [Air Cargo News](#)