FrachtNEWS
Logistics Market Report

Global Market | Ocean Freight

ILA and USMX Reach Tentative Agreement, Ensuring Labor Stability at US East and US Gulf Coast Ports

The International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) announced a tentative agreement on a master contract covering East and Gulf coast ports, avoiding a potential strike just days before the January 15 deadline. This breakthrough, which still requires ratification by ILA locals and USMX members, offers a six-year assurance of labor stability crucial for maintaining the efficiency of national supply chains. The negotiations had been strained due to union concerns about the impact of semi-automated rail-mounted gantry cranes (RMGs) on longshore employment. The new terms include provisions that balance the adoption of new technologies with job creation for longshore workers, signaling a constructive compromise that prioritizes modernization without sidelining workers. Although the specifics of the agreement remain undisclosed, sources suggest widespread support from ILA locals, given the direct involvement of ILA President Harold Daggett and Executive Vice President Dennis Daggett in the negotiations. According to a joint statement, the deal "protects current ILA jobs and establishes a framework for implementing technologies that will create more jobs while modernizing East and Gulf coast ports – making them safer and more efficient and creating the capacity they need to keep our supply chains strong" (Angell, 2025). This agreement signals a proactive approach to addressing labor challenges in the maritime sector while safeguarding the continuity of port operations. By fostering cooperation between labor and management, the ILA and USMX have set a precedent for handling emerging industry challenges.

Source: Angell, M. (2025, January 8). *ILA, USMX reach tentative deal that avoids another port strike.* Journal of Commerce. https://www.joc.com/article/ila-usmx-reach-tentative-deal-that-avoids-another-port-strike-5919519

Global Market

Ocean Freight

Shipping Industry Faces Continued Detours Around Cape of Good Hope Amid Red Sea Uncertainty

As major container lines continue to adjust their networks in response to ongoing security concerns in the Red Sea, vessels are expected to keep bypassing the Suez Canal through at least mid-2025. Industry experts suggest that resuming routes through the Suez Canal will require further network adjustments, a complex and costly process that may not be completed until late in the year. According to Lars Jensen, CEO and partner at Vespucci Maritime, “Shipping lines are set to phase-in their new networks over the course of February and March, and this means reliability during this period will be all over the place” (Whiteman, 2025).

The disruption caused by the Red Sea crisis has prompted carriers to consider the long-term implications of changing routes. Even if the situation is resolved, Jensen speculates that the diversion around the Cape of Good Hope could extend for an additional six months. Shippers are also apprehensive, prioritizing stability over speed. Despite longer transit times around the Cape of Good Hope, the risk of disruption through the Red Sea, including the potential for costly insurance claims if a vessel is targeted, makes this detour the safer option. “For shippers, the concern is not that the Africa route takes longer, nor that they may lose their cargo if a ship is attacked, the concern is general average (GA).” Jensen explained, emphasizing the financial and logistical risks associated with operating in volatile regions (Whiteman, 2025). Carriers may eventually revert back to the Suez Canal once the geopolitical risks diminish, but the current environment suggests that the route around the Cape of Good Hope will remain the preferred option for carriers and shippers alike.

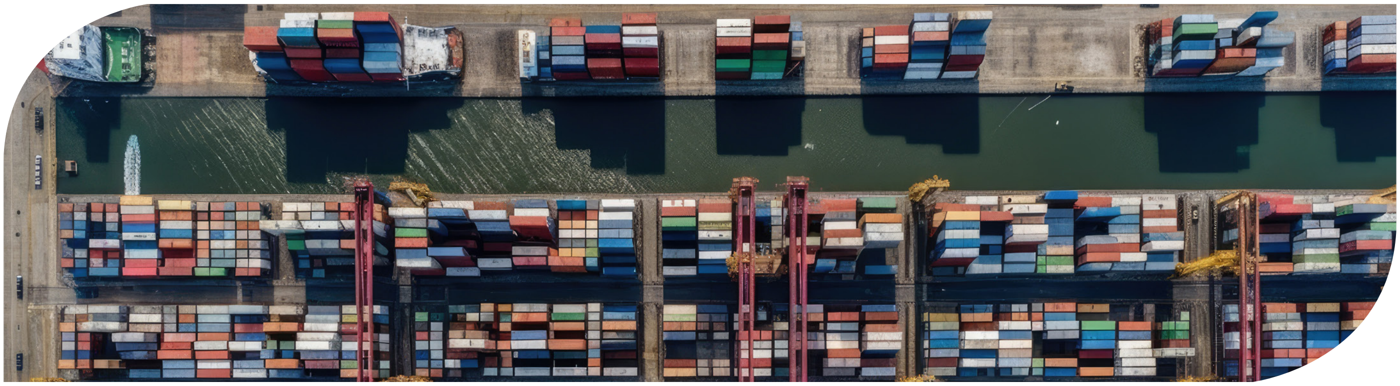
Source: Whiteman, A. (2025, January 3). *Cape of Good Hope detours look set to continue until “August, at least.”* The Loadstar. https://theloadstar.com/cape-of-good-hope-detours-look-set-to-continue-until-august-at-least/

Global Market Ocean Freight

Global Supply Chains Strain Under Port Congestion and Delays

Global shipping lanes are under significant strain due to a combination of factors, including holiday port closures, labor shortages, and vessel bunching. These conditions have led to severe delays across Asia, Europe, and Mediterranean routes, with some disruptions expected to persist into February. “Port congestion is severe in China, Japan and the Philippines partly due to a pre-holiday cargo rush, bad weather and yard congestion” (Wallis, 2024). Efforts to mitigate these challenges include deploying additional “sweeper” vessels to clear backlogs. In Europe, labor shortages at Hamburg are delaying berthing times for Asia-Europe services, with similar issues reported in Rotterdam and Genoa. Further delays are compounded by holiday closures at ports such as Le Havre, Barcelona, and Marseille-Fos. With some Asia-Europe services seeing delays of up to 35 days, global supply chains must brace for prolonged disruptions. Strategic planning and alternative solutions are critical as stakeholders navigate this period of elevated strain and uncertainty.

Source: : Wallis, K. (2024, December 31). *Shippers, carriers face wave of port congestion, vessel delays in Asia, Europe.* Journal of Commerce. https://www.joc.com/article/shippers-carriers-face-wave-of-port-congestion-vessel-delays-in-asia-europe-5913827



China’s Dominance in Global Shipbuilding Reaches New Heights

China has solidified its position as the global leader in shipbuilding. As noted in the Intermodal and Clarksons Research data report, “Through government support and public investments to its national shipbuilding ecosystem, China emerged as a market leader, commanding nearly 65% of global shipbuilding orders, an impressive rise considering the less than 10% share in 2000” (Chambers, 2024). In contrast, traditional leaders like Japan and South Korea have experienced significant declines. China’s dominance is a testament to its ability to strategically leverage resources, policy, and innovation to lead in an industry historically shared by multiple nations.

Source: Chambers, S. (2024, December 5). *China now controls unprecedented 65% of global shipbuilding orderbook.* Splash247. https://splash247.com/china-now-controls-unprecedented-65-of-global-shipbuilding-orderbook/

Global Market — Air Freight

Air Cargo Demand Growth Slows but Remains Promising for 2025

The International Air Transport Association (IATA) projects air cargo demand will grow by 5.8% in 2025, marking a slowdown compared to 2024. Despite this deceleration, industry conditions remain favorable due to robust e-commerce activity, tight freighter capacity, and ongoing ocean shipping delays. Ghislaine Lang, an IATA economist, noted, "Sustaining these double annual growth rates is going to become just a little bit harder," (Kulisch, 2024) reflecting the challenges of maintaining high growth following a weak 2023 market. While demand stabilizes, factors like improved semiconductor shipments for AI and electric vehicles could bolster traditional airfreight markets.

Source: Kulisch, E. (2024, December 16). *Growth in air cargo demand to decelerate in 2025, IATA says*. FreightWaves: https://www.freightwaves.com/news/growth-in-air-cargo-demand-to-decelerate-in-2025-iata-says

Pre-Tariff Shipments Drive Year-End Air Cargo Surge

Source: : Brett, D. (2024, December 19). *Air cargo market unusually busy as pre-tariff shipments pick up*. Air Cargo News, https://www.aircargonews.net/freight-forwarder/air-cargo-market-unusually-busy-as-pre-tariff-shipments-pick-up/

As the year concludes, air cargo volumes are rising sharply as shippers move goods out of China to the US in anticipation of new tariffs set to take effect in January. TAC Index noted, "The data thus far matches expectations of a strong peak season this year, despite a rise in capacity and a lot of planning ahead this year by shippers and freight forwarders." (Brett, 2024) This rush to beat potential tariff increases has led to increased demand, especially in electronics and general cargo, driving air freight capacity to critical levels as the market adjusts to the impending trade changes.

Air Cargo Industry Reflects on a Challenging 2024 and Prepares for 2025

The air cargo market experienced a strong year in 2024, with double-digit volume growth driven by an e-commerce boom and disruptions in ocean shipping. However, the absence of a traditional "peak season" disappointed some stakeholders who anticipated higher rates. Industry experts highlighted looming challenges for 2025, including potential U.S. port strikes, tariff changes, and evolving manufacturing hubs across Asia. Glyn Hughes, head of TIACA, observed, "Shifts in production to Southeast Asia could unexpectedly boost air cargo demand" (Lennane, 2024) Looking ahead, the sector faces unpredictable rate fluctuations, capacity constraints, and regulatory concerns, making adaptability critical for success.

Source: Lennane, A. (2024, December 20). *Happy last year in air freight (for some) – and good luck with the next*. The Loadstar, https://theloadstar.com/happy-last-year-in-air-freight-for-some-and-good-luck-with-the-next/

Global Market

Breakbulk

Stable Charter Rates Reflect Resilient Multipurpose Shipping Market

Toepfer Transport's monthly Multipurpose Rate Index (TMI) reflects ongoing stability in the shipping market for heavy-lift and multipurpose vessels. The December 2024 average daily time charter rate for a 12,500 dwt/F-type heavy lift vessel remained consistent compared to previous months. The company attributes this steadiness to a balanced mix of cargo contributions across sectors. "The various cargo contributions support healthy rates but also may reduce the tolerance for downside movements if one segment struggles, though no such issues are apparent," an analyst noted (Toepfer Transport, 2024). While transatlantic trade is showing slight improvements, it continues to lag behind typical levels due to slow economic growth and geopolitical challenges. However, strong demand for tonnage in Asia has bolstered vessel utilization, ensuring overall market equilibrium.

Source: Kershaw, D. (2024, December 10). *Toepfer Transport's monthly multipurpose shipping rate update.* Heavy Lift & Project Forwarding International. https://www.heavyliftpfi.com/sectors/toepfer-transports-monthly-multipurpose-shipping-rate-update/21174.article?utm_campaign=Wednesday%20Wire%20-%20111224%20-%20PL&utm_medium=email&utm_source=email&utm_content=newsletter

New Guidelines Streamline Heavy-Lift Stability in Maritime Operations

Source: Bajic, A. (2024, December 3). *Industry experts team up over heavy-lift stability guidelines.* Project Cargo Journal. https://www.projectcargojournal.com/shipping/2024/12/03/industry-experts-team-up-over-heavy-lift-stability-guidelines/?gdpr=accept

In a significant move to enhance safety in heavy-lift maritime operations, industry leaders collaborated to develop comprehensive stability guidelines. "The document outlines current calculation methods, offering guidance on load assumptions and background information" (Bajic, 2024). The guidance outlines a five-step process to ensure stability focusing on essential considerations such as load assumptions, calculation methods, and background information critical for risk mitigation. A core feature is a flowchart designed to evaluate lifting stability, providing checkpoints for reviewing rigging plans, assessing effectiveness, and setting operational boundaries. The guidelines also address key operational risks, such as wind, crane movements, vessel motion, and sliding angles. By incorporating detailed mathematical formulas and practical assumptions, they offer tools for calculating stability under various scenarios.

Latin American Market

Ocean Freight

The Panama Canal: A Global Trade Lifeline in the Spotlight

Source: Rodriguez, J. J. (2024, December 23). *Five key points about the Panama Canal, now in Trump's sights.* Buenos Aires Times. https://www.batimes.com.ar/news/world/five-key-points-about-the-panama-canal-in-trumps-sights.phtml

The Panama Canal, an 80-kilometer interoceanic waterway, stands as a vital artery for global trade, connecting the Pacific and Atlantic Oceans. The canal's unique lock system elevates ships 26 meters to Gatun Lake and then lowers them to sea level, enabling efficient transit between oceans. Recently, discussions surrounding its control sparked international debate after the incoming U.S. administration expressed concerns about toll prices for American vessels. "The canal has no direct or indirect control, neither by China nor by the European community nor by the United States or any other power," stated former Panamanian President José Raúl Mulino, reaffirming the canal's autonomy supported by the 1977 Torrijos-Carter Treaties that established the canal is neutral and any ship can pass through (Rodríguez, 2023). Today, the canal continues to adapt to modern challenges, such as climate impacts and increased global shipping demands. As discussions continue, Panama stands firm in protecting its national heritage and economic engine.

Brazil Proposes Safety Upgrades to Boost Paraguay River Navigation

The National Waterway Transport Agency of Brazil (ANTAQ) has unveiled a comprehensive plan to enhance navigation safety along the Paraguay River, which traverses the Brazilian states of Mato Grosso and Mato Grosso do Sul. The initiative aims to address the challenges posed by increasing river traffic while supporting economic growth through safer and more efficient waterborne trade. Eduardo Nery, Director General of ANTAQ, emphasized the urgency of infrastructure upgrades when stating, "to ensure the continued safe and efficient transport through the river, investments must be made in dredging, surveys, and the installation of aids to navigation" (Baird Maritime, 2024). This initiative aligns with broader efforts to enhance regional connectivity and competitiveness in global trade.

Source: Baird Maritime (2024, December 16). *Brazilian waterway agency proposes navigation safety for Paraguay River.* Baird Maritime. https://www.bairdmaritime.com/marine-projects/dredging/brazilian-waterway-agency-proposes-navigation-safety-improvements-for-paraguay-river

Latin American Market

Ocean Freight

Shifting Trade Currents: Asia-Europe Dominates, but Latin America Gains Momentum

In 2024, the global container shipping fleet experienced significant expansion. The heightened activity on Asia-Europe routes is closely tied to the Red Sea crisis, which extended sailing distances and required additional ships to maintain regular schedules. Looking beyond Asia-Europe, Latin America emerged as a market of interest, showing significant capacity additions and promising volume growth. "We saw a very steep increase in the capacity of liner services to and from Latin America," Alphaliner reported. This growth was fueled by a significant volume increase between Asia and Latin America. As the industry looks ahead, Latin America stands out as a key area to monitor. The region's growing trade lanes could reshape global shipping dynamics in 2025 and beyond.

Source: Marle, G. (2025, January 2). *Asia-Europe still soaking up new tonnage – but Latin America the market to watch.* The Loadstar. https://theloadstar.com/asia-europe-still-soaking-up-new-tonnage-but-latin-america-the-market-to-watch/

USA Market

Compliance

U.S. Import and Export Compliance Penalties on the Rise

The U.S. Department of Commerce has increased penalties for import and export violations, with further hikes coming after January 15. These penalties target violations related to seafood, wildlife, foreign trade zones, and the 2018 Export Controls Act. A joint warning from the U.S. Departments of Commerce, Justice, and Treasury cautioned that "malign regimes and other bad actors" (Whiteman, 2025) could exploit the global market to harm U.S. national security. Experts urge businesses to proactively ensure compliance to avoid costly fines.

Source: Whiteman, A. (2025, January 6). *Warning as penalties for non-compliance with US import/export rules increase.* The Loadstar. https://theloadstar.com/warning-as-penalties-for-non-compliance-with-us-import-export-rules-increase/

USA Market

Air Freight

U.S. Brands Reevaluate Fulfillment Strategies Amid Mexico's New Trade Rules

Recent policy shifts in Mexico are prompting U.S. apparel companies to reassess their cross-border logistics. "On December 19, a presidential decree announced that tariffs for textiles imported into Mexico will increase to 15% and up to 35% for finished apparel products until April 2026" (Damien, 2025). Additionally, stricter rules under the IMMEX program—previously used for duty-free imports and re-exports—have disrupted operations for brands relying on Mexican warehouses to serve U.S. customers. These changes aim to bolster Mexico's domestic textile industry but have caused major fulfillment centers to reevaluate strategies. Businesses now face the challenge of finding alternative solutions to meet customer demand efficiently.

Source: Brett, D. (2025, January 6). *Mexico's new tariff announcements to put pressure "border skipping."* Air Cargo News. https://www.aircargonews.net/business/supply-chains/mexicos-new-tariff-announcements-to-put-pressure-border-skipping/

Mexico Market

Ocean Freight

Mexico Tightens Customs Regulations to Manage E-commerce Imports

The Mexican government is set to implement stricter e-commerce customs regulations starting January 2025. These measures aim to address tax fraud, smuggling, and undervaluation of goods entering the country. The new rules will require detailed documentation, including precise descriptions of imported goods, their value, and tax identification numbers for recipients.

"The e-commerce customs regulations going into effect in January will affect the importation of everything from clothing, home decorations, jewellery, kitchen utensils, toys and electronics" (Mahoney, 2024). In line with these efforts, President Claudia Sheinbaum recently enacted a decree aimed at closing loopholes exploited by e-commerce sellers bypassing Mexican borders. The broader strategy includes eliminating the de minimis threshold for imports from countries outside North America, ensuring consistent tax collection on goods from Asia, Europe, and South America. This regulatory shift underscores Mexico's commitment to leveling the playing field for domestic businesses while reinforcing its customs infrastructure to adapt to the growing demands of international trade.

Source: Mahoney, N. (2024, December 29). *Borderlands Mexico: Mexican government aims to regulate Asian e-commerce imports.* Freightwaves. https://www.freightwaves.com/news/borderlands-mexico-mexican-government-aims-to-regulate-asian-e-commerce-imports?oly_enc_id=9241H1871612B5T

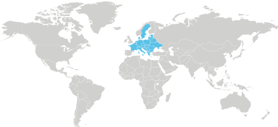
Middle East Market

Ocean Freight

Egypt Successfully Tests Expansion to Suez Canal, Enhancing Capacity and Emergency Handling

In a strategic move to enhance the Suez Canal's capacity and operational efficiency, Egypt recently completed a successful test of a new 10-kilometer expansion designed to accommodate two-way ship traffic. This modification increases the length of the canal's two-way section from 72 to 82 kilometers, as part of a broader effort to modernize the waterway, which handles significant global trade. The Suez Canal Authority anticipates that the new extension will increase the canal's capacity by up to eight additional ships per day and "enhance its ability to handle potential emergencies" (SupplyChainBrain, 2024).

Source: SupplyChainBrain (2024, December 31). *Egypt Tests New Extension for Suez Canal*. SupplyChainBrain. https://www.supplychainbrain.com/articles/40912-egypt-tests-new-extension-for-suez-canal



European Market

Ocean Freight

Carriers Adjust Surcharges Amid New EU Emission Regulations

As the European Union's stringent environmental regulations tighten, ocean carriers are incorporating new surcharges to account for compliance costs. Effective January 1, 2025, the EU Emissions Trading System (EU ETS) will apply a carbon tax on 70% of carrier emissions, increasing from 40% in 2024, for voyages to and from European ports. Simultaneously, the FuelEU Maritime regulation will impose limits on the greenhouse gas (GHG) intensity of ships' energy use. In response, major ocean carriers are implementing new surcharges.

"Customer advisories from CMA CGM, Maersk and Hapag-Lloyd show the carriers plan to "simplify the process" by merging compliance with the EU ETS and FuelEU regulations into one fuel surcharge" (Knowler, 2024). These new fuel surcharges represent a growing trend in the shipping industry as carriers adapt to increasingly stringent environmental policies. As the regulatory landscape continues to evolve, these surcharges will likely remain a critical component of carrier pricing strategies in the coming years.

Source: Knowler, G. (2024, December 16). *Carriers roll out new fuel surcharges as EU emissions rules tighten*. Journal of Commerce. https://www.joc.com/article/carriers-roll-out-new-fuel-surcharges-as-eu-emissions-rules-tighten-5906178

European Market | Ocean Freight

Trans-Atlantic Trade Stabilizes Amid Labor and Tariff Concerns

Trans-Atlantic trade showed robust recovery in 2024, rebounding from a significant decline the previous year. Despite these gains, the trade remained vulnerable to potential disruptions, including labor strikes and tariff changes. Carriers navigated the imbalance in supply and demand by strategically adjusting capacity. Looking ahead, the stability of this trade lane may be tested by external factors. The impending threat of increased tariffs from the incoming U.S. administration and the possibility of further labor actions loom large. These challenges, combined with constrained capacity for goods like industrial equipment and pharmaceuticals, could lead to rapid rate increases if disruptions materialize. As highlighted by Greg Knowler, "bottlenecks will soon build at the busy import gateways, tying up capacity, extending transit times, and exerting additional upward pressure on pricing" (Knowler, 2024).

Source: Knowler, G. (2024b, December 26). *Restabilized trans-Atlantic facing dual strike, tariff threats.* Journal of Commerce. https://www.joc.com/article/restabilized-trans-atlantic-facing-dual-strike-tariff-threats-5911500

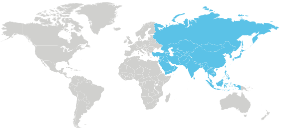
European Market | Air Freight

Challenge Group Nears Acquisition of Jet Airways' Aircraft for Conversion

Source: Sourabh, P., (2024, January 5). *Challenge Group closer to taking possession of jets, B777s.* The STAT Times. https://www.stattimes.com/air-cargo/challenge-group-closer-to-taking-possession-of-jets-b777s-1354058

As Jet Airways begins its liquidation process, the Challenge Group's Malta-based subsidiary, Ace Aviation, is moving closer to acquiring three Boeing 777 aircraft from the defunct airline. Despite challenges, including grounded aircraft and necessary maintenance, the company plans to convert these planes into freighters. Michael Koish, CIO of Challenge Group, shared, "Upon acquiring the B777s from Jet Airways, we plan to convert them into freighters using the conversion slots secured with IAI for 2025 and 2026." (Sourabh, 2025) While the liquidation process is ongoing, the company remains confident that the remaining steps will be completed efficiently.

Asian Market Air Freight



China Airlines to Add Boeing 777-8 Freighters to Fleet

China Airlines has confirmed plans to add four Boeing 777-8 freighters to its fleet, with deliveries set to begin in 2029. This new generation aircraft will enhance the airline's long-haul cargo routes, improving flexibility and payload capacity. "The next-generation 777-8F freighter has the same cargo hold specifications as the 777F fleet and will offer more operational flexibility," (Jeffrey, 2024) the airline stated. With this order, China Airlines maintains a Boeing-exclusive freighter fleet, complementing their existing 777F aircraft (Jeffrey, 2024).

Source: Jeffrey, R. (2024, December 20). *China Airlines plans to order four Boeing 777-8 freighters*. Air Cargo News. .
https://www.aircargonews.net/airlines/china-airlines-plans-to-order-four-boeing-777-8-freighters/

Indian Air Cargo Market Poised for Growth in 2025

Indian air cargo stakeholders are optimistic about the market's growth trajectory in 2025, driven by ecommerce demand and manufacturing expansion. IndiGo, India's largest private airline, has experienced substantial gains, including a record-breaking 37,000-tonne uplift in October. Mark Sutch, CCO of IndiGo's cargo arm CarGo International, highlighted the airline's achievements: "From a record-breaking uplift of over 37,000 tonnes in October to substantial growth in domestic and international operations, this has been a year of transformation and progress." (Mathais, 2024) Meanwhile, demand indicators show that India's air cargo volumes are expected to grow by 9-11% in FY 2024-25, with the goal of handling 10 million tonnes annually by 2030.

Source: Mathais, A. (2024, December 20). *Air cargo players in India are betting high on the market outlook*. The Loadstar.
https://theloadstar.com/air-cargo-players-in-india-are-betting-high-on-the-market-outlook/