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Strategic Strait, Global Stakes: Trade Implications of a Potential Hormuz Closure

lobal supply chains are closely watching developments amid escalating geopolitical tensions in the Strait of Hormuz, a vital 33-kilometer-wide maritime corridor linking the Gulf with the Arabian Sea that facilitates nearly one-fifth of the world's oil and gas supply. The strategic significance of the strait cannot be overstated. This volume supports major economies including China, India, Japan, and South Korea—nations whose energy security and manufacturing output heavily depend on uninterrupted supply through this narrow waterway. While Iran has previously threatened to close the Strait of Hormuz, it has never enacted such a measure. "Iran risks turning its oil and gas producing neighbors in the Gulf into enemies and invoking the ire of its key market China by disrupting traffic in the Strait," said energy

analyst Vandana Hari (Butler, 2025). Efforts to diversify export routes have gained momentum in recent years to reduce dependency on this critical passage. For instance, Saudi Arabia's East-West pipeline and the UAE's Fujairah pipeline offer limited relief developments bypassing the strait. From a logistics standpoint, the threat underscores the vulnerability of concentrated energy corridors. Even the perception of instability in the Strait of Hormuz can drive up freight volatility and increase insurance risks. Stakeholders across shipping, manufacturing, and energy sectors must monitor the situation closely and plan for scenario-based contingencies.

Source: Butler, G. (2025, June 23). *Strait of Hormuz: What happens if Iran shuts global oil corridor?*. BBC. https://www.bbc.com/news/articles/c78n6p09pzno





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U.S. Tariff Strategy Enters Critical Phase as July Deadline Nears

ith the July 9 deadline drawing near, the new U.S. administration's evolving tariff strategy is reshaping global trade dynamics. As of mid-June, only the United Kingdom has finalized a post-Liberation Day trade agreement, underscoring the mounting pressure on other nations to reach deals. Recent negotiations between the U.S. and China have yielded a preliminary framework agreement. Although the deal still requires approval from both leaders, it provides a structure for continued trade while leaving "minor issues remaining, particularly around China's rare earth export controls" (FreightWaves Staff, 2025). Notably, the U.S. is pushing for guaranteed semiconductor access amid broader national security concerns. Trade negotiations with other countries have been categorized as Good Faith Negotiators that may receive deadline extensions and Non-Cooperative Nations that may face significantly higher tariff penalties. Simultaneously, supply chain dynamics are shifting. A notable surge in nearshoring through Mexico, especially in electronics and automotive manufacturing, signals a strategic pivot as companies work to offset tariff exposure.



"China, the EU, and Canada are preparing retaliatory tariffs targeting U.S. agriculture and energy exports" (FreightWaves Staff, 2025). As trade negotiations reach a critical point, the outcome of these evolving developments will have a significant effect on supply chain decisions, logistics planning, and global economic relations in the months ahead.

Source: FreightWaves Staff. (2025, June 19). Trump Administration Tariff Updates - June 19, 2025. FreightWaves.

https://www.freightwaves.com/news/trump-administration-tariff-updatesjune-19-2025



Airfreight Capacity Drops Sharply Amid Middle East Tensions



ecent geopolitical conflict in the Middle East has significantly disrupted global air cargo networks. As Rotates capacity database reports, "airfreight capacity in the Middle East has plummeted since the outbreak of hostilities between Israel and Iran" (Lennane, 2025). The suspension of freighter operations and removal of belly hold space from passenger flights has tightened capacity across key trade lanes. These developments reinforce the need for shippers to enhance route flexibility and invest in predictive logistics tools to mitigate future risks.

Source: Lennane, A. (2025, June 20). Middle East airfreight capacity plummets as carriers suspend services. Retrieved from:

https://theloadstar.com/middle-east-airfreight-capacity-plummets-ascarriers-suspend-services/



Forwarders Navigate Global Trade Shake-Up with Strategic Shifts

ith evolving tariffs and shifting manufacturing bases, freight forwarders are adapting to significant changes in shipper behavior. Many paused China-bound shipments due to uncertainty, but recent easing of tariffs sparked a rebound. As noted in the article, "Some customers have paused or reduced their purchases... to reduce their tariff exposure" (Roberson, 2025). As sourcing expands to Southeast Asia and beyond, forwarders are repositioning—often through acquisitions—to support new trade lanes, customs complexity, and a more diversified global supply chain.

Source: Roberson, C. M. (2025, June 6). *Forwarder focus: Shippers reconfigure supply chains as forwarders adapt.* Air Cargo News. https://www.aircargonews.net/freight-forwarders/forwarder-focus-shippers-reconfigure-supply-chains-as-forwarders-adapt/1080183.article





Breakbulk

Modest Dip in Multipurpose Shipping Rates Amid Optimism for Future Growth



Source: Kershaw, D. (2025, June 9). *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

ultipurpose (MPP) charter rates have declined slightly in early June, according to Toepfer Transport's latest monthly update. While this reflects some near-term softness, longer-term projections remain upbeat. Despite the short-term decline, optimism is building in the sector. "The stagnation of the charter rates seems to continue but chances to achieve or outperform the index rate heavily depends on the trade regions," Toepfer stated, citing growing activity in certain segments of the market, particularly in relation to newbuild deliveries of F500-type vessels (Kershaw, 2025). From a demand perspective, utilization levels remain healthy in most regions, though performance in the transatlantic corridor continues to lag. This mixed picture reinforces the importance of regional dynamics in forecasting MPP charter trends. Toepfer's assessment suggests that a rebound is likely within the next year.



Breakbulk

Aging MPVs Stir Debate Over Project Cargo Viability



s the global multipurpose vessel (MPV) fleet ages, logistics professionals are reassessing long-held views on what constitutes a viable charter option. Although the current fleet is seen as adequate for today's demands, concerns about capacity in the face of projected cargo growth are prompting some to rethink the exclusion of older vessels. Traditionally, MPVs over 20 years old have been dismissed by many project cargo shippers due to perceived safety risks. Not everyone agrees that aging vessels are the crux of the issue. Christophe Grammare, managing director at AAL Shipping, believes, "The issue with MPV supply is cargo segmentation and specialization" the existing MPV fleet is well-aligned with current needs (Fields, 2025). As industry players weigh fleet renewal against capacity concerns, the conversation around overage MPVs is shifting—from hardline rejection to more nuanced consideration.

Source: Fields, C. (2025, June 2). *Shippers mull new lease on life for overage multipurpose vessels.* Journal of Commerce. https://www.joc.com/article/shippers-mull-new-lease-on-life-for-overage-multipurpose-vessels-6015756



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Early Import Spike Brings Temporary Relief to West Coast Ports and Rate Pressure

est Coast ports are anticipating a short-term surge in containerized imports as businesses move swiftly to bring in goods ahead of the expiration of temporary tariff exemptions. This expected uptick comes after relatively low volumes in May and early June, offering a welcomed temporary respite for terminal operators and stakeholders along the coast. According to Kip Louttit, executive director of the Marine Exchange of Southern California, "vessel arrivals scheduled for the ports of Los Angeles and Long Beach in the coming weeks are the highest container ships on-the-way levels since January 2025 and July and September 2024" (Mongelluzzo & Robb, 2025). Despite the increase, port congestion is not anticipated due to subdued activity earlier in the season. Spot rates from Asia to the U.S. West Coast have been trending downward, but this preemptive shipping activity may offer temporary price stabilization while potentially signaling an early start to the traditional peak season, typically occurring from August through October.



Source: Mongelluzzo, B., & Robb, L. (2025, June 24). *Quick-hit, tariff-driven import surge on tap for US West Coast ports*. Journal of Commerce. https://www.joc.com/article/quick-hit-tariff-driven-import-surge-on-tap-for-us-west-coast-ports-6031227



UK-US Trade Pact Fuels Aerospace Growth and Export Confidence

he recently signed UK-US trade agreement is paving the way for more predictable logistics planning, particularly in the aerospace and automotive sectors. According to the announcement, the deal "removes tariffs on aerospace goods and provides long-term certainty on tariffs for key exports such as electric vehicles" (Lennane, 2025). By lifting duties on aerospace goods and reducing tariffs on car exports to "10% for up to 100,000 vehicles," the deal offers long-term clarity for cross Atlantic trade lanes. This clarity helps safeguard supply chains and strengthens future trade alignment between both countries, creating new momentum for transatlantic logistics providers.

Source: Lennane, A. (2025, June 17). UK US trade deal brings tariff certainty – plus aerospace investment. Retrieved from: https://theloadstar.com/uk-us- trade-deal-brings-tariff-certainty-plus-aerospace-investment/





North America Market

Rail Freight

U.S. Authorizes Autonomous Cargo Route Linking Texas and Mexico

he United States has approved a new transport network project intended to streamline cross-border logistics between Laredo, Texas, and Monterrey, Mexico. This initiative, led by U.S.-based Green Corridors, proposes an elevated guideway to transport freight via autonomous, diesel-electric hybrid cargo shuttles. Mitch Carlson, executive director of Green Corridors, emphasized that "the project does not seek to replace road or rail transportation, but rather to complement short-distance routes (less than 200 miles) that currently create bottlenecks in border infrastructure" (MundoMaritimo, 2025). While U.S. federal approval has been secured, Green Corridors must still obtain permits from Mexican authorities and finalize land agreements before construction begins. If milestones are met, the automated corridor could be operational by 2031.

Source: MundoMaritimo. (2025, June 23). *The U.S. approves an automated* elevated corridor project to speed up border trade with Mexico. MundoMaritimo. https://www.mundomaritimo.cl/noticias/ee-uu-aprueba-proyecto-de-corredorelevado-automatizado-para-agilizar-el-comercio-fronterizo-con-mexico







Prolonged Delays at Manzanillo Port Disrupt Mexico's Primary Trade Gateway

ore than a month after customs staff ended a brief but impactful strike, operations at Mexico's main container gateway, the Port of Manzanillo, is still not fully stabilized. The customs strike, which began on May 12 in protest over working conditions following a leadership change, led to a full stoppage and blocked port access. "The National Chamber of Freight Transport, Canacar, described chaotic scenes, with customs inspections of single shipments taking more than 72 hours and yards overwhelmed with thousands of stranded containers." (Putzger, 2025). Relief could come in the form of a largescale federal infrastructure expansion plan, announced last December, that aims to quadruple the port's capacity by 2030. Until then, shippers may need to continue navigating unpredictable conditions at Manzanillo.

Source: Putzger, I. (2025, June 19). Mexican gateway struggling to get back to normal weeks after strike ends. The Loadstar.

https://theloadstar.com/mexican-gateway-struggling-to-get-back-to-normalweeks-after-strike-ends/



Latin America's Trade Activity Rises Amid Shifting Market Dynamics



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n the first quarter of 2025, Latin America's shipping activity demonstrated a notable increase, signaling a positive trajectory for the region's logistics and supply chain sectors. According to preliminary data from Container Trades Statistics, "Latin America's containerized trade volumes increased by 5% in the first quarter of 2025 compared to the same period in 2024" (Itimoudis, 2025). This growth was driven primarily by a sharp increase in import demand. Exports also rose, albeit more modestly. These figures suggest a shifting landscape for Latin American trade, characterized by a resurgence in consumer and industrial demand for imports and a recalibration of export flows.

Source: Itimoudis, A. (2025, June 23). Latin America trade volumes increased in 1Q 2025. Container News.

https://container-news.com/latin-america-trade-volumes-increased-in-1q-2025/



Santos Port Reaches Historic Milestone in **Monthly Cargo Volume**

he Port of Santos achieved a significant operational milestone in May 2025, setting a new monthly cargo movement record. According to official port data, the complex handled 16.6 million tons of cargo, marking the highest volume in its more than 100-year history and reflecting a 5% increase compared to the same month in 2024. As noted in the original report, "solid bulk stood out, showing an increase of 5.3%, with special emphasis on the shipment of soybeans, which grew 12.6%, and soybean meal, with an expansion of 6.9%" (Port of Santos, 2025). These gains underline the continued global demand for Brazilian agricultural commodities. Trade with China remains a critical driver of this growth. With its recent performance, Santos is not only breaking historical records but also setting a precedent for future growth, positioning itself as a model of resilience and scalability in global logistics.

Source: Insights by Logcomex. (2025, June 18). Port of Santos records historic movement record in May 2025. Insights by Logcomex. https://insights.logcomex.com/noticias/portos-n/porto-de-santos-registrarecorde-historico-de-movimentacao-em-maio-de-2025/



Strategic Improvements Planned for Peru's Matarani Port Terminal



eru is preparing to take a major step forward in port infrastructure development, as the Port of Matarani is slated for a significant modernization initiative. According to Peru's Private Investment Promotion Agency (PROINVERSIÓN), an addendum to the current concession contract with Terminal Internacional del Sur (TISUR) is expected to be signed in the third quarter of 2025. "The project includes the construction of a new multipurpose pier, a breakwater, electric crane installations, specialized mineral warehouses, and improvements to container yards" (MundoMaritimo, 2025). This signals a concentrated effort to deliver operational improvements quickly while supporting long-term growth objectives.

Source: MundoMaritimo. (2025, June 24). Port of Matarani, Peru: Infrastructure modernization addendum signing to take place in the third quarter. MundoMaritimo. https://www.mundomaritimo.cl/noticias/puerto-de-matarani-peru-firma-deadenda-para-modernizacion-de-infraestructura-se-realizara-en-el-tercer-trimestre





Air India Scales Back Widebody Flights Amid **Safety Review**

ir India is temporarily reducing operations on its Boeing 787 and 777 aircraft to perform additional safety inspections following a fatal accident on June 12. The airline confirmed it would "undertake enhanced pre-flight safety checks," while also citing airspace closures in the Middle East as a contributing factor (Brett, 2025).

Flight reductions impact multiple routes across North America, Europe, Asia-Pacific, and Australia. Air India Cargo continues to support India's growing export sector during this operational shift.

Source: Roberson, C. M. (2025, June 19). Air India reduces 777 and 787 flights. Air Cargo News. https://www.aircargonews.net/airlines/air-indiareduces-777-and-787-flights/1080276.article



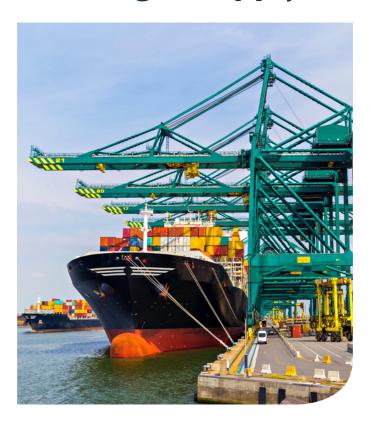


European Market

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Persistent Port Congestion in North Europe Challenges Supply Chain Resilience



orth European ports, including the newly crowned leader Antwerp-Bruges, are bracing for continued congestion well into the coming months as the region struggles to absorb sustained demand, operational disruptions, and labor-related slowdowns. Several issues are compounding congestion: ships missing berthing windows, carrier alliance realignments, high terminal yard utilization, and intermittent dockworker strikes. Low water levels on the Rhine and logistical delays in inland transportation are further contributing to the gridlock. According to Luc Arnouts, vice president of international relations and networks at the Port of Antwerp-Bruges, port operations remain constrained across the board: "Terminal occupancy is high in all the major ports, so when ships do not arrive within their berthing window and arrive a day later, that disrupts the whole operation" (Knowler, 2025). Continued vigilance and adaptive routing strategies will be essential as North European ports operate at full tilt under heavy stress.

Source: Knowler, G. (2025, June 19). Months of congestion ahead for North Europe ports: Antwerp-Bruges. Journal of Commerce. https://www.joc.com/article/months-of-congestion-ahead-for-northeurope-ports-antwerp-bruges-6028184



Leipzig/Halle to Add Modern Cargo Hub with **Realterm Partnership**

ealterm and Leipzig/Halle Airport have announced plans for a new 45,000 sq m air cargo facility aimed at express, e-commerce, and specialized freight. With direct airside access and dedicated truck staging, the development will streamline transfer times and boost operational efficiency. "This project represents one of the most strategic air cargo real estate opportunities in Europe," said Lynn Kau, Realterm's SVP of Corporate Development (Jeffrey, 2025). The expansion supports LEJ's 24/7 cargo capabilities and growing role as a European freight hub.



Source: Jeffrey, R. (2025, June 17). *New air cargo facility for Leipzig/Halle* Airport. Air Cargo News.

https://www.aircargonews.net/cargo-airports/new-air-cargo-facility-forleipzig/halle-airport/1080264.article



Suez Canal Welcomes Return of Ultra-Large Container Ships

he Suez Canal has welcomed its first large container ship in over a year, marking a key milestone in the waterway's recovery following a period of geopolitical disruption. According to the Suez Canal Authority (SCA), this development reflects a new phase in the canal's recovery. Lieutenant General Osama Rabie, Chairman of the SCA, emphasized that the transit represents progress in reestablishing normal maritime traffic and "marks the beginning of a new phase in the restoration of megacontainer ship traffic through the Suez Canal" (Dixon, 2025).

The return of such large vessels demonstrates renewed confidence in the Suez Canal's reliability and strategic importance as a global shipping artery, even as regional risks remain a concern for the industry.

Source: Dixon, G. (2025, June 20). *Huge CMA CGM container ship makes* groundbreaking Suez Canal transit. TradeWinds.

https://www.tradewindsnews.com/containers/huge-cma-cgm-containership-makes-groundbreaking-suez-canal-transit/2-1-1835837





Emirates SkyCargo Flags Capacity Pressure Amid Fuel Adjustments

mirates SkyCargo has cautioned customers about possible payload restrictions due to increased fuel loads, a precaution tied to regional instability. "Due to ongoing geopolitical instability in the region, additional fuel is being uplifted on flights departing from Dubai. This may result in payload constraints and shipment offloads," the airline stated (Brett, 2025). In response to ongoing conflict, the carrier has also extended its embargo on flights to Iran and Iraq while rerouting aircraft to avoid high-risk zones—adding operational complexity to Middle East cargo flows.

Source: Brett, D. (2025, June 24). *Emirates SkyCargo warns of payload constraints due to additional fuel uplift*. Air Cargo News. Retrieved from: https://www.aircargonews.net/airlines/emirates-skycargo-warns-of-payload-constraints-due-to-additional-fuel-uplift/1080288.article





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West Africa Emerges as a Key Hub for Ultra-Large Container Vessels



editerranean Shipping Co. (MSC), the world's largest container carrier, is reshaping maritime logistics by elevating West Africa into the ranks of global shipping corridors served by the world's largest vessels. This strategic reallocation of resources highlights the increasing importance of the Asia-West Africa route in the global trade network. In an official statement, MSC emphasized the importance of this strategic pivot: "MSC's bold move to deploy these 24,000 TEU vessels marks a new chapter for West African trade. As these giants of the sea become a regular presence, the region stands poised to experience a significant transformation in its economic landscape, unlocking new opportunities for growth and development" (Chambers, 2025). This realignment underscores how global carriers are responding to shifting trade flows by investing in growing markets and adapting port capabilities, with West Africa now positioned as a vital link in the global container shipping network.

Source: Chambers, S. (2025, June 25). *MSC propels West Africa higher up the container ladder*. Splash247. https://splash247.com/msc-propels-west-africa-higher-up-the-container-ladder/