Trade wars reloaded: Logistics in the crossfire of US tariff fallout

As much as we prefer to bring positive news to our readers within the global logistics and transportation space, this is becoming increasingly difficult due to a new global trade world order. Globe trade principles and underlying geopolitical dynamics have been subject to an array of earthquakes during the last months, triggered by the US administration's fundamentally new foreign trade policy.

Tariffs will undoubtedly become the word of the year in 2025 and have become the main political instrument for the new US administration to curb an alarming trade deficit that has widened over the last decades. In the opposite ring corner stands China, known as the factory of the world, and with no outlook of budging despite the projected massive impact on its economy.

While Liberation day, as US President Donald Trump labelled it, initially targeted all major US trading countries, a 90-day reprieve was provided to all countries with the exception of China. This, in turn, prompted many customers to expedite shipments to the US within the 90-day window. Accordingly, the impact on global trade lanes varies significantly and will continue to do so in the coming weeks and months.

The latest US measures are not merely incremental policy changes; they represent a fundamental recalibration of international trade norms. What once operated under longstanding rules and frameworks is now subject to short-notice policy shifts, executive orders, and geopolitical manoeuvring.

At the heart of this disruption is a new wave of sweeping tariffs that are redefining the cost and movement of goods worldwide. From high-impact levies on Chinese imports to the repeal of de minimis exemptions for low-value e-commerce, the ripple effects are being felt across more or less all industries. As a natural consequence, global supply chains have been left reeling in what can best be described as a “wait and see” limbo mode.

Mitigating supply chain strategies include the usage of bonded warehouses, foreign trade zones and supply chain diversification (China+1), i.e. diversifying manufacturing and sourcing away from high-tariff regions. Especially South Asia and the Indian sub-continent countries will benefit from changed sourcing patterns.

Changes to the de minimis rule, a capacity shift from US trades, and a drastic drop in consumer spending, just to name a few factors, are undoubtedly also impacting supply and demand levels and, accordingly, freight rate levels.

We aim to provide you with our take on the latest market developments, and, as well, our short and mid-term outlook.

As always, we recommend that you keep close contact with your designated SGL contact person, allowing for close coordination and alignment on priority shipments.

Please note that all information provided is given to the best of our knowledge and does not represent specific guidance on actual market development.

Enjoy the reading from here on out.

On behalf of Scan Global Logistics,

Mads Drejer

Global COO & CCO

Tariffs & Trade policy shake-up: A new era of trade disruption

On 2 April, the US announced a blanket 10% import tariff on all incoming goods, effective 5 April, sparing only Canada, Mexico, and China. Similarly, reciprocal tariffs were added to over 75 countries effective 9 April. The move disrupted decades of trade liberalisation and triggered immediate "panic" in financial markets, forcing businesses to reassess their sourcing, manufacturing, and warehousing strategies.

On the day the reciprocal tariffs were to be implemented, the US administration announced a 90-day pause on these tariffs for all countries except China, allowing time for bilateral negotiations between the trading partners. Concurrently, the EU announced that its planned response to the tariffs would be suspended until further notice. The blanket 10% import tariff, however, remains in effect.

China's reciprocal reaction to the tariff increases and the ensuing escalation places the US and China at the epicentre of a trade war between the World's 2 biggest exporters. As of 9 April, a reciprocal 125% tariff has been added to the 20% "baseline" tariff introduced in March, bringing total duties on US imports from China to a staggering 145%.

In retaliation, China has raised tariffs on imports from the US to 125%, with the Chinese Ministry of Finance stating that *"Even if the US continues to impose even higher tariffs, it would no longer have any economic significance and would go down as a joke in the history of world economics."*[1]

As can be seen in the illustration below of the world´s largest exporting countries, the scene is firmly set for a trade clash of the titans, and the bet is now on which of the two titans blinks first.

[1] https://www.reuters.com/world/china/china-increase-tariffs-us-goods-125-up-84-finance-ministry-says-2025-04-11/

Chart from Financial Times

New trade patterns emerge

The current deadlock has already triggered significant shifts in trade flows between the two nations. Hapag-Lloyd has reported a 30% cancellation rate on bookings since the implementation of increased tariffs on US imports from China, while shipping lines have announced an unprecedented number of blank sailings in response to the decline in volumes from China. According to Drewry, the tariffs are expected to result in a reduction of up to 40% in US imports from China.

On the flip side, carriers are witnessing increased volumes from countries such as Thailand, Vietnam, and Cambodia, which is partly a matter of frontloading ahead of July 9, when the 90-day pause will expire. This confirms the growing emphasis on supply chain diversification, as highlighted earlier. There are indications that Chinese shippers are exploring opportunities to boost sales to European customers in a bid to offset lost sales to the US. This shift could potentially exert upward pressure on rates in the Asia-Europe trade.

Growing pressure for adjustment of US tariffs emerges

While the current effects are dramatic by nature, there is a growing and modest "optimism" that some form of mitigating action is imminent, in the form of reduced tariff levels on US imports from China. This optimism is rooted in a steadily brewing concern from many sides within the US, ranging from Fortune 500 company CEOs to the first Republican concerned voices echoing.

On Monday 21 April US President Trump hosted a meeting at the White House with Chief Executives from three of the nation's top retailers namely Walmart, Home Depot and Target addressing concerns on the impact of China tariffs, which worst case can lead to empty shelves across the US, and not least inflate consumer prices.

While the meeting was touted as constructive and informative, the underlying signal is clear: Some of the largest companies in the US have strong concerns about what will happen in the coming weeks and months from a US economic perspective.

Another noteworthy opposition against the recent tariff scheme came from the International Longshore and Warehouse Union (ILWU) which issued a warning that US tariffs will lead to massive job losses and higher prices for working-class Americans, stating that;

"*The International Longshore and Warehouse Union (ILWU) unequivocally condemns the recent tariffs that the Trump administration has imposed,"* the union said in a statement. *"Tariffs are taxes. These and other reckless, shortsighted policies have begun to devastate American workers, harm critical sectors of the economy, and line the pockets of the ultra-wealthy at the expense of hardworking families. The tariffs have also sown distrust among our allies and inflamed geopolitical tensions.*

These tariffs are nothing more than a direct attack on the working class and should be opposed outright" and further that *"Hundreds of thousands of jobs are dependent on or connected to global trade. Constricted trade between the world's two largest economies could lead to devastating job losses for workers employed in the global supply chain,"* the union said. It pointed to a recent move by Ocean Network Express further delaying resumption of its PS5 trans-Pacific West Coast service scheduled for May, and said *"[i]ndirect effects of these tariffs,* *like rising fuel costs and increased costs of construction materials, have already led to layoffs as American businesses struggle to adapt".*[2]

During April, more than 1,400 demonstrations across the US also took place, with protesters voicing their anger and fears over the impact on the average US American. They denounced the impact on consumers and the financial impact on retirees, fearing for the value of their investments and life savings.

Picture from USA Today News

Our assessment of some form of tariff softening being in the making, is rooted in factors such as China having taken a clear and firm stance in the trade war, consumer and investor confidence dropping significantly, protests from longstanding allies across the world, and major business corporations from within the US voicing major concerns about a looming recession.

When and if a tariff softening happens, it also means that some form of "ketchup" effect is likely to occur, with shippers scrambling to ship from China to the US on very short notice.

[2] https://www.freightwaves.com/news/longshore-union-blasts-trump-tariffs-warns-of-massive-job-losses?oly_enc_id=7021D1668490J9R

IMF: Global Growth to Slow in 2025

Growth forecasts have been sharply downgraded since January,

According to the IMF's latest World Economic Outlook issued on 14 April, global growth is now projected to land at 2.8% for 2025, down from a 3.3% projection in January.

The impact is broad-based. US growth is forecasted to ease to 1.8%, with recession risks climbing to an alarming 40%. China's economy is also expected to lose momentum, with growth slowing to 4%, around half a percentage point lower than earlier estimates.

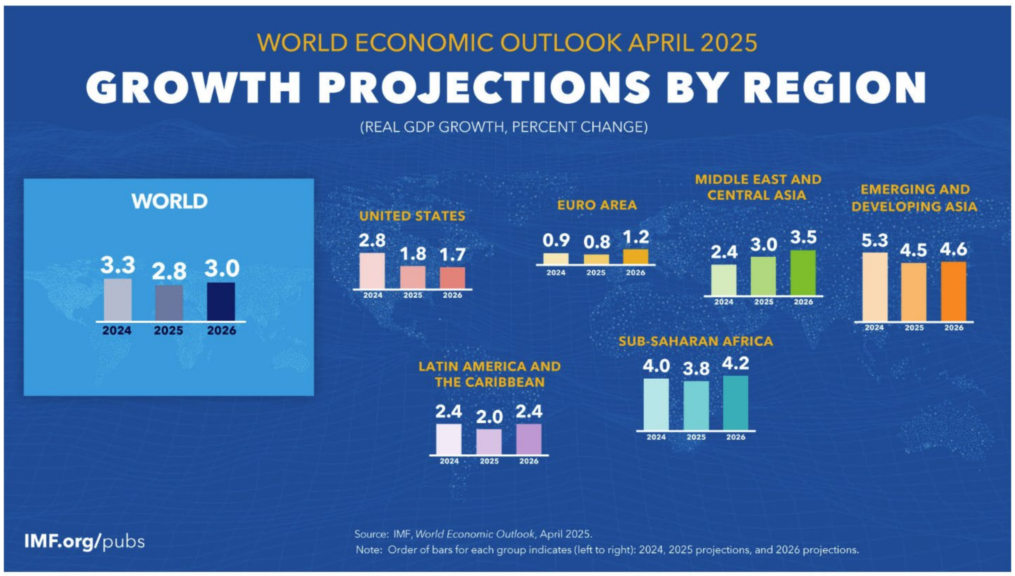


Chart from IMF

On 30 April, a fresh report by the US Commerce Department concluded that the US economy contracted 0.3% in Q1, marking the first negative reading since 2022. The decline in gross domestic product was fueled by a massive surge in imports, while other parts of the US' economy showed signs of slowing. Consumer spending climbed 1.8%, the weakest pace since mid-2023.

The report is among the last data points to capture a snapshot of the US economy before President Donald Trump's Liberation Day tariffs announcement sent shock waves around the world. More recent data has begun to capture some of that fallout. Earlier Wednesday, payroll processor ADP reported just 62,000 new roles added in April, well below both estimates.

In an interview with ABC News, US President Trump refuted the claims that the US economy is heading for a slump, claiming he had signalled during his campaign that there would be a transition period.

While there has been no clear correlation between GDP development and rate development in recent years, the latest downgraded growth projections will put more pressure on carriers to fill their vessels, which is looking increasingly difficult when assessing the outlook for the remainder of the year.

Ocean freight rates stabilise amidst trade-war chaos

The extensive blank sailings program initiated by the ocean carriers in recent weeks seems to have paid off in terms of freight rate stabilisation, at least for now. Looking at the ocean freight rate development over the past 5 weeks, the carriers have succeeded in maintaining an average rate level of $2.472 across all trades according to the Global SCFI index, despite the significant drop in volumes on the Trans-Pacific trade.

Zooming in on the highly volatile Asia-Europe trade freight rates, they have dropped by +50% since the beginning of 2025, albeit from a historically high starting point, except if looking back at the "happy" carrier days of the pandemic. Rate levels have now stabilised and are more or less status quo since the end of March.

Week 18 SCFI numbers were published early on 30 April due to the Chinese Labour holiday and showed a modest drop of USD 120/40´ on Far East Europe, clocking in at USD 2400/40´.

As in the case of the Asia-Europe trade, rate development from Asia to the US East Coast and US West Coast has been rather stable in recent weeks. However, somewhat surprisingly, US East Coast rates increased USD 25/40´, and in a similar fashion, West Coast increased USD 131/40´. Our assessment is that this development is firmly pushed by carriers trying to sustain rate levels ahead of the typical contract season period. We expect that the sharp volume decline into US will result in pressure on rate levels, with the lingering question being, to which effect the massive carrier blanking programs can mitigate this?

Past 4 weeks trending

Trade	202515	202516	202517	202518	Average	Chg. past 4 weeks			Chg. past week		
Europe (base port)	2.712	2.632	2.520	2.400	2.566	-312	-12%	↓	-120	-5%	↓
MED (base port)	4.288	4.322	4.258	4.178	4.262	-110	-3%	↓	-80	-2%	↓
USWC	2.202	2.103	2.141	2.272	2.180	70	3%	↑	131	6%	↑
USEC	3.226	3.251	3.257	3.283	3.254	57	2%	↑	26	1%	↑
ANZ (MEL)	1.780	1.782	1.710	1.628	1.725	-152	-9%	↓	-82	-5%	↓
Gulf & Red Sea (DXB)	2.618	2.532	2.322	2.244	2.429	-374	-14%	↓	-78	-3%	↓
Korea (Pusan)	284	292	292	294	291	10	4%	↑	2	1%	↑
South America (Santos)	3.132	3.146	2.828	2.786	2.973	-346	-11%	↓	-42	-1%	↓
Southeast Asia (Singapore)	896	900	908	876	895	-20	-2%	↓	-32	-4%	↓
South Africa (Durban)	4.302	4.152	4.086	4.052	4.148	-250	-6%	↓	-34	-1%	↓
Average	**2.544**	**2.511**	**2.432**	**2.401**	**2.472**	**-143**	**-6%**	↓	**-31**	**-1%**	↓

Given the heightened political uncertainty, particularly in relation to global trade, forecasting the near-term development of ocean freight rates remains challenging. Nevertheless, there are indications that some shippers are exploring options to divert export cargo from China to alternative origins such as Thailand, Cambodia, and Vietnam, in a bid to mitigate the impact of current tariffs between China and the US.

Overall, the current rate outlook is highly unpredictable given the current geopolitical situation. A drop in demand driven by less consumer spending will result in overcapacity across most trade lanes and, as a consequence, downward pressure on freight rates. This raises the question of to what extent carriers can balance capacity through blanking programs and capacity reshuffling.

Generally speaking, our assessment is that demand will remain subdued throughout 2025. As a consequence, there are no indicators that freight rates, despite a chaotic-like environment, will increase significantly, and this is the case on most trade lanes.

With some European shippers rushing to expedite orders to the US within the 90-day window, some form of pressure has been noticeable on the Trans-Atlantic trade. However, overall, not to an extent that has triggered capacity issues or significant upward pressure on rate levels.

Northern Europe ports experience persistent congestion disruption

Major ports across Northern Europe – notably Rotterdam, Antwerp, Hamburg, and Le Havre – continue to suffer from congestion challenges. While a marginal improvement in berth waiting times has been observed over the past four weeks, the broader picture remains that these ports are constrained. Network disruptions, labour unrest, and persistent infrastructure limitations continue to plague North European ports. As we have communicated previously, we assess that this is systemic by nature and will resurface on a regular basis.

Adding to this are the recent changes to the carrier alliance landscape—most notably, the launch of the Gemini Cooperation between Hapag Lloyd and Maersk, which further complicates efforts to sustain operational efficiency while the new rotations are phased in.

Recent strike action, particularly in Antwerp, has increased vessel backlogs and contributed to significant yard congestion. PSA is now reporting yard utilisation levels of 90–95%.

See further port updates below across both EU, US, Latam and Asia ports.

EU PORTS AND TERMINAL

- **Rotterdam/Bremerhaven/Le Havre/ Gdynia/Gdansk/Antwerp**
  High yard density and berth waiting times up to 7 days, except **Gdynia/Gdansk.** Labor strike in **Le Havre** will continue throughout the month of April
- **Hamburg**
  High Yard Density with berth waiting time up to 5 days
- **Felixstowe/Southampton**
  Increased berthing delays with up to 8 days
- **Valencia/Barcelona** are faces berth waiting times up to 2 days
- The major railway corridor from Rotterdam to Basel and Genoa will undergo construction from 18 to 27 April 2025. Certain sections of the railway will be clsoed

US/LATAM PORTS AND TERMINAL

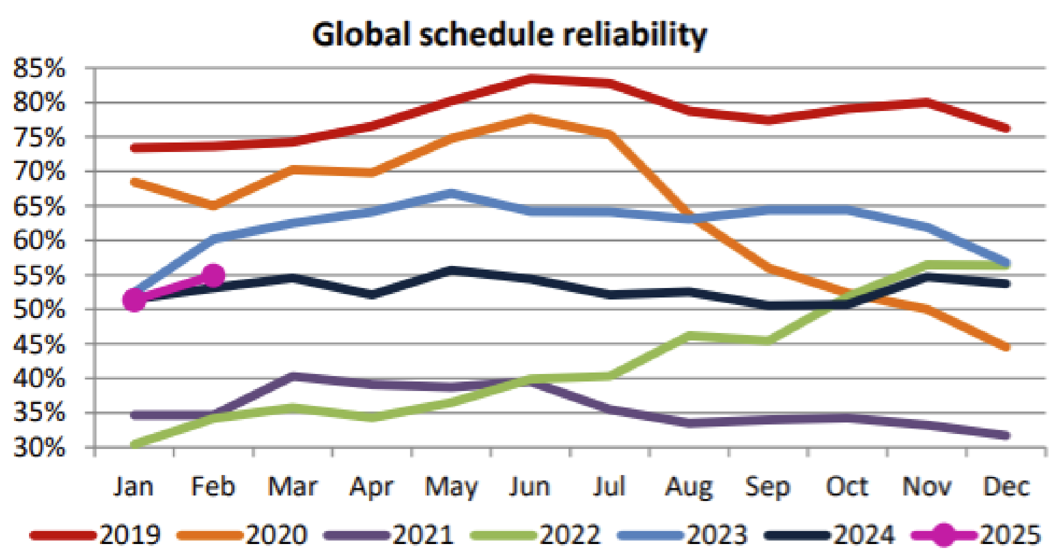
- **NYC/Charleston/Baltimore** are operating stable. **Savannah** has as an average berth waiting time of 4 days
- **Los Angeles/Long Beach/Oakland/Vancouver** and **Houston/Miami/Chicago** conditions are normal and stable
- **Vancouver, Montreal and Prince Rupert** are facing modest Yard Density
- **Santos/Parangua/Itapoa** stable operation with an average berth waiting less than 1 days
- **Cartagena** and **Valparaiso** Terminals are operating stable, with less than 1 day berth waiting time
- **Manzanillo, MX** Healthy Yard Utilization

ASIA PORTS AND TERMINAL

- **Shanghai/Ningbo/Qingdao** are facing berth waiting times up 3 days due to the weather situation
- **Colombo and Sri Lanka** are operating stable
- **Singapore and Port Kelang** port faces moderate yard density with berth waiting time up to 2 days
- **Bangladesh** port operates stable
- Ports in **North Vietnam** are operating stable
- **Malaysia** ports are operating stable

Steady improvements in global schedule reliability

While it is still too early to fully assess the on-time performance of the new alliances, it is evident that, although there have been improvements in schedule reliability, performance remains significantly below pre-pandemic levels. According to SeaIntelligence's latest Global Liner Report, global schedule reliability reached 54.9% in February 2025, marking the highest level since May 2024. This improvement coincides with the introduction of new carrier alliances and the gradual phasing out of older ones.



Graph from SeaIntelligence

Among the top 13 carriers, Maersk led with a schedule reliability rate of 60.2%, followed by MSC at 57.4% and Hapag-Lloyd at 57.3%.

The Gemini alliance's ambitious target of 90% on-time reliability remains. Should Hapag-Lloyd and Maersk achieve this, it would not only differentiate them in the market but also exert considerable pressure on competitors depending on their ability to improve at the same pace.

The blanking lottery remains in full force

The 30% booking cancellation rate reported by Hapag-Lloyd, alongside a 45% decline in container inbound volumes to US West Coast ports, underscores the urgent need for carriers to balance supply and demand. Therefore, it is no surprise that the container carriers continue to announce blank sailings, especially on Trans-Pacific routes.

As can be seen from the overview below, projected container volumes into the Port of Los Angeles are expected to plummet in May to historic low levels, and accordingly, until we see some form of macro-economic stability, especially between the US and China, we expect this to continue.

Scheduled container volumes are plummeting at the Port of Los Angeles see below:

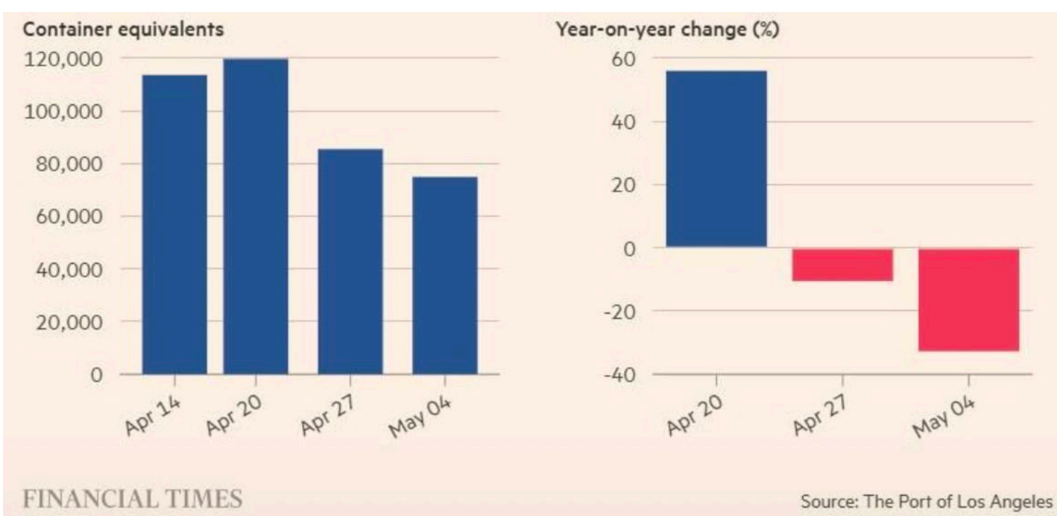


Chart from Financial Times

According to Sea-Intelligence, the Asia to US West Coast trade lane is expected to see a 28% reduction in capacity for the week from April 28 to May 3. The East Coast route anticipates a 42% decrease for the week of 5–11 May. These figures represent the highest percentage of blank sailings recorded this year.

The impact of these cancellations is substantial, with over 80 blank sailings reported in April alone, surpassing the 51 recorded during the early stages of the COVID-19 pandemic in May 2020.

US to implement phased port fees on Chinese vessels effective October 2025

The final plan for the port fees on Chinese-built or Chinese-owned vessels proposed by the US Trade Representative (USTR) in February has now been released. Public hearings have taken place since February and while the plan still carries serious ramifications for the global shipping industry, it has substantial easing elements compared to the initial proposal. The aim of the initiative is to promote US domestic shipbuilding to reduce US reliance on China.

The fees are planned to commence on 14 October 2025, leaving 180 days for carriers to adjust their networks to the new reality. Some of the headlines in the final plan include that the fees will not be stacked, but apply per vessel per rotation or string of port calls, i.e. not a fee per individual port call, which was part of the initial proposal.

The final plan presented by the USTR includes:

- Chinese-owned vessels will be subject to a $50 per net ton fee per US voyage, increasing over the following years up to $140 by 2028.
- Chinese-built vessels will be charged $18 per net ton, increasing to $33 by 2028, or alternatively, a per-container fee starting at $120 and increasing to $250 after three years (whichever is higher).
- Capped at five port fee assessments per vessel per year.

According to the research firm, Clarksons, the announced port fees equate to approximately $89 per container in 2025, rising to $163 in 2028.

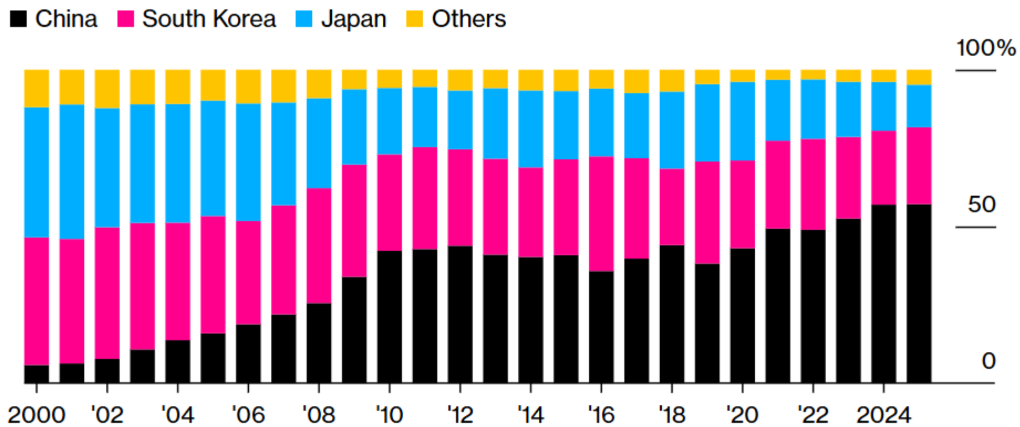
There are exemptions, which will apply to:

- Vessels carrying US government cargo
- Ships arriving empty to load US exports
- US-owned vessels (≥75% US beneficial ownership)
- Great Lakes operations and certain small-scale or short-sea shipping services

Shipping lines can qualify for fee remission for up to three years by committing to purchase and take delivery of a US-built vessel of equivalent size within that period.

China Accounts for More Than Half of the World's Ship Deliveries

Beijing has filled the gap left by traditional vessel-building nations including Japan



Source: Clarksons
Note: Percentage represents portion of global total in deadweight tons. 2025 data reflects levels as of Feb. 1.

While the proposal is now more concrete and, as highlighted, also softer than feared, we also assess that it is premature to conclude that this will actually be implemented. As can be seen from the above overview, China now accounts for more than half of the world´s ship deliveries, and further retaliatory measures from China aimed at the US are expected if this takes effect.

Accordingly, we assess there is a decent probability that a compromise will be found that would include this proposal to be either fully or partly revoked. It is furthermore difficult to see how this would be enforced in practical terms, as carriers and alliances today have vessels deployed that represent a blend of vessels built in China and in other nations such as South Korea and Japan.

Panama Canal operations stabilise, but full recovery still underway

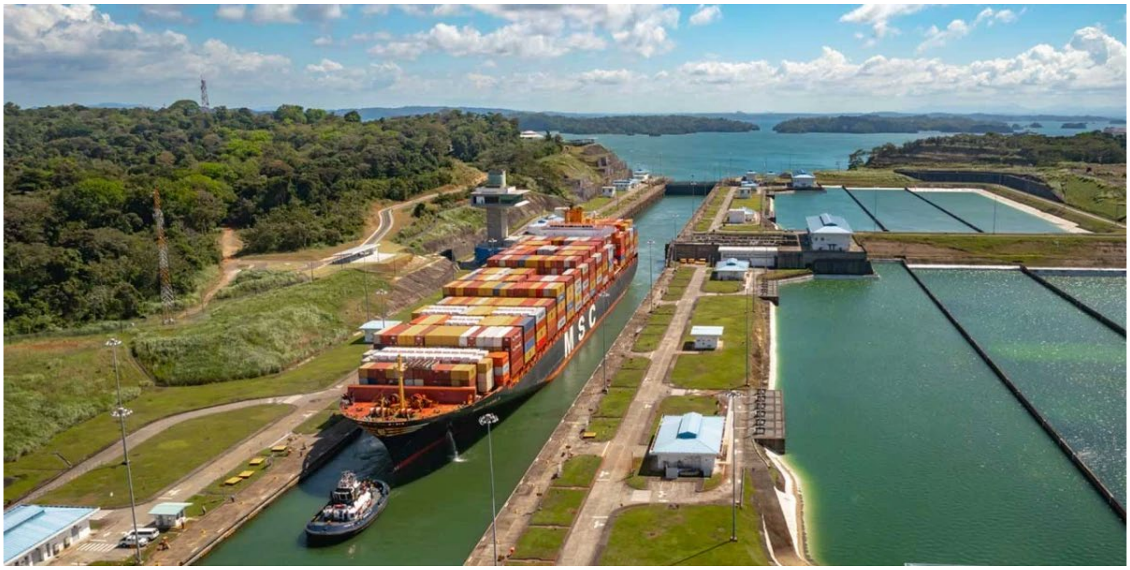
Following a prolonged drought that severely impacted capacity, the Panama Canal has made progress in restoring operational levels, though transit volumes remain below historical averages.

Current capacity: The canal now averages 33.7 vessel transits per day, up from a low of 22, but still shy of its full 36-transit daily capacity.[3]

Between October 2024 and January 2025, transits increased 25% year-over-year, with notable growth in bulk carrier activity (+86%) and container vessels (+6.99%). However, LNG carrier

[3] https://www.reuters.com/world/americas/panama-canal-traffic-fell-337-ships-per-day-march-authority-says-2025-04-10/

transits remain significantly lower, with just 13 recorded in the first four months of FY2025 (down from 72 the previous year).



Picture from Portcast

While conditions have improved, ongoing constraints and seasonal variability means that routing through the Panama Canal remains sensitive. Hence, some initiatives are being taken to support long-term resilience:

- The Rio Indio reservoir project has been approved to enhance water availability. It is expected to be completed in six years.
- A new "net-zero slot" programme begins 5 October 2025, offering weekly priority transit for low-emission vessels.

The Panama Canal remains an area of strategic importance to the US administration. President Trump continues to reassert US influence over the canal to the benefit of US commercial and naval traffic, and not least to limit Chinese influence in the area[4]. Most lately President Trump demanded free access through the Panama Canal and the Suez Canal for US military and commercial vessels.

Red Sea tensions persist, with no immediate return to Suez Canal transit expected

Houthi rebel attacks on commercial vessels in the Red Sea and Gulf of Aden continue, despite intensified US military operations aimed at neutralizing Houthi military capabilities. Recent incidents indicate that the Houthis are maintaining their offensive approach, targeting both military and civilian maritime assets.

4 https://www.cfr.org/blog/presidents-inbox-recap-trumps-plan-panama-canal

On 24 April, the US-flagged container ship Maersk Yorktown was targeted by an anti-ship ballistic missile in the Gulf of Aden. The missile was intercepted by US naval forces, preventing damage to the vessel.
April 26, the Panama-flagged oil tanker Andromeda Star sustained minor damage after being struck by two missiles approximately 15 nautical miles southwest of Mokha, Yemen.
April 29, 2025: The Malta-flagged merchant vessel MV Cyclades was attacked with anti-ship missiles and unmanned aerial vehicles (UAVs), resulting in minor damage.
Additionally, the Portugal-flagged MSC Orion was directly struck by a drone approximately 600 kilometers off the coast of Yemen in the Arabian Sea, marking the furthest recorded attack by the Houthis to date.

These incidents underline the Houthis' sustained threat to maritime security in the region. Despite ongoing US airstrikes targeting Houthi infrastructure, including a significant strike on the Ras Isa fuel port on April 17 that resulted in at least 74 fatalities, the group's operational capabilities remain largely intact.

These attacks have led to a substantial decline in canal traffic, with a reported 50% drop in the first quarter of 2025 compared to the same period in 2024. There are no immediate signs that global ocean carriers will resume transiting via the Suez Canal in the near future.

The prolonged disruptions have had a significant financial impact on Egypt, with Suez Canal revenues dropping nearly two-thirds to $3.991 billion in 2024 from a record $10.25 billion in 2023.

Overall, the outlook for a permanent return to Suez Canal passage remains negative, despite intensified military efforts from the US in the region.

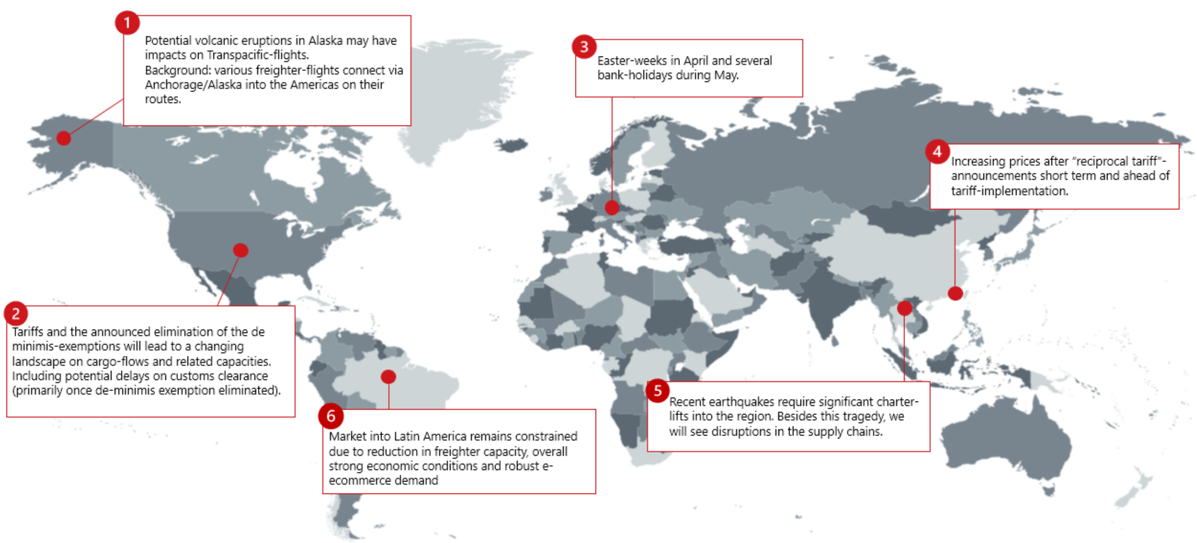
Heavy turbulence within the airfreight sector remains ever present

Similar to the situation on ocean freight, new US tariff measures had an immediate and severe impact on demand levels. On top, the removal of the de minimis exemption for e-commerce shipments from China and Hong Kong to the US has caused a drastic decline in volumes into the US. This development has already triggered freighter cancellations and muted demand in recent weeks. The elimination of the de minimis exemption, effective from 2 May 2025, has prompted many shippers and platforms to cancel air shipments early to avoid exposure to the new regulations upon arrival.

E-commerce volumes from China to the US have been the number one driver of demand in recent years, and the new policy is widely expected to significantly impact available capacity. Unlike the potentially reduced tariffs, the de minimis decision is expected to remain in effect, even if some form of resolution in the trade war between the US and China presents itself.

On other trade lanes, including the Transatlantic, volumes remain stable to slightly declining, applying some downward pressure on rates.

Key factors currently shaping the airfreight market:



Short-term air cargo trends ahead of major policy shift on de minimis

According to WorldACD's Weekly Trends report (Week 16), global air cargo tonnage fell by 6% between 14–20 April. The week-on-week (WoW) decline mirrors the pattern seen during the equivalent Easter week last year (-5%).

Over the past four weeks, global tonnage has continued to ease WoW. However, compared with early 2024 levels, volumes remain 8% higher, indicating a still-resilient underlying demand.

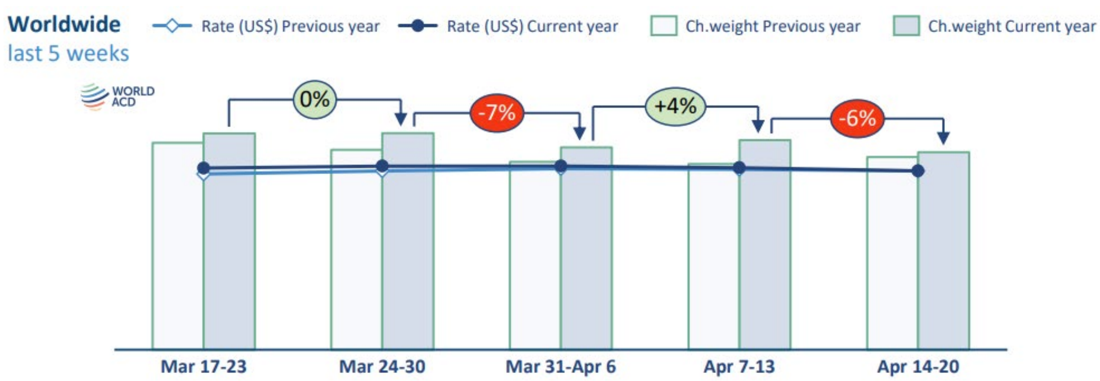


Chart from World ACD

In the short and mid-term, our assessment is that we will continue to see a subdued demand environment, which will put further pressure on rate levels. A potential resolution to the ongoing trade war(s) can result in a ketchup effect that will benefit airlines; however, this is assessed to be rather short-lived if and when this materialises.

De minimis: US tariff changes reshape e-commerce flows

Recent tariff measures introduced by the US are slowly but surely beginning to reshape the e-commerce landscape, particularly affecting low-cost imports from China and Hong Kong.

Effective 2 May 2025, the United States will eliminate the de minimis exemption for packages arriving from China and Hong Kong. Previously, goods valued under $800 could enter duty-free; under the new rules, shipments will be subject to all applicable duties, which shall be paid in accordance with applicable entry and payment procedures. Customs duties aside, all shipments will, as of 2 May, be subject to a standard customs clearance process, with this in itself presenting an administrative nightmare.

With elevated tariffs of 145% currently in place for China, the elimination of the de minimis exemption will significantly influence pricing strategies for e-commerce platforms and consumer purchasing behaviour. Companies such as Shein and Temu, which previously leveraged the de minimis threshold to offer low-cost goods, have already announced price increases.

The change to de minimis, along with the current tariff levels, is anticipated to significantly impact the global air freight market. Based on assumptions about lower consumer demand, excess airline capacity, and downward pressure on yields, Cirrus Global Advisors estimates that as much as $22 billion in revenue could bleed from the air cargo sector as a consequence of the elimination of the de minimis exemption.

In response to rising processing demands, DHL has temporarily suspended acceptance of business-to-consumer (B2C) shipments to the US valued over $800, effective 21 April 2025[5].

The coming months will be critical for supply chains servicing the US e-commerce sector, as platforms and logistics providers adjust to a more complex, cost-intensive operating environment.

[5] https://www.freightwaves.com/news/dhl-temporarily-suspends-b2c-shipments-over-800-to-us?

TRADE-LANE OVERVIEW OF OCEAN FREIGHT

ORIGIN REGION	TRADE-LANE	CAPACITY	EQUIPMENT	SCHEDULE RELIABILITY	RATE DEVELOPMENT
Asia	Asia – North Europe	Yellow	Green	Yellow	↓
	Asia – West Med	Yellow	Green	Yellow	→
	Asia – Black Sea & Adriatic	Yellow	Green	Yellow	↓
	Asia – North America	Yellow	Green	Yellow	↑
	Asia – Middle East	Yellow	Green	Yellow	↓
	Asia – Africa	Yellow	Green	Yellow	↓
	Asia – East Coast South America	Yellow	Green	Yellow	↓
	Asia – West Coast South America	Yellow	Green	Yellow	↓
	Asia – Australia/New Zealand	Yellow	Green	Yellow	↑
	Intra – Asia	Yellow	Green	Yellow	→
EMEA & Nordics	Europe – Asia	Green	Green	Yellow	→
	Europe – Middle East	Green	Green	Yellow	→
	Europe – Africa	Green	Green	Yellow	→
	Europe – North America	Yellow	Green	Yellow	→
	Europe – East Coast South America	Green	Green	Yellow	→
	Europe – West Coast South America	Green	Green	Yellow	→
	Europe – Australia/New Zealand	Green	Green	Yellow	→
	Intra – Europe	Green	Green	Yellow	→
Americas	North America – Europe	Yellow	Green	Yellow	→
	North America – Asia	Green	Green	Yellow	→
	North America – Middle East	Green	Green	Yellow	→
	North America – Africa	Green	Green	Yellow	→
	North America – Austr./New Zeal.	Green	Green	Yellow	→
	Intra Americas	Green	Green	Yellow	→

CAPACITY	SCHEDULE RELIABILITY	RATE DEVELOPMENT
Green: Capacity open	Green: No challenges	Green: Down
Yellow: Normal capacity	Yellow: Medium challenges	Yellow: Stable
Red: Capacity constrained	Red: Major challenges	Red: Up

TRADE LANE OVERVIEW OF AIRFREIGHT

ORIGIN REGION	TRADE-LANE	CAPACITY	SCHEDULE RELIABILITY	RATE DEVELOPMENT
Asia	Asia – Europe	Normal capacity	Medium challenges	Down
	Asia – North America	Normal capacity	Major challenges	Stable
	Asia – Asia Pacific	Normal capacity	Medium challenges	Stable
	Asia – Middle East / Africa	Normal capacity	Medium challenges	Stable
	Asia – Latin America	Normal capacity	Medium challenges	Stable
Europe*	Europe – Asia Pacific	Normal capacity	Medium challenges	Stable
	Europe – North America	Normal capacity	Medium challenges	Stable
	Europe – Middle East / Africa	Normal capacity	Medium challenges	Stable
	Europe – Latin America	Normal capacity	Medium challenges	Stable

* Continental Europe & Nordics combined

North America	NorAm – Asia Pacific	Normal capacity	Medium challenges	Stable
	NorAm – Europe	Capacity open	No challenges	Stable
	NorAm – Middle East / Africa	Normal capacity	Medium challenges	Stable
	NorAm – Latin America	Capacity constrained	Medium challenges	Stable
Latin America	LatAm – NorAm	Normal capacity	Medium challenges	Stable
	LatAm – Europe	Normal capacity	Medium challenges	Stable
	LatAm – Asia Pacific	Normal capacity	Medium challenges	Stable
	LatAm – Middle East / Africa	Normal capacity	Medium challenges	Stable

CAPACITY	SCHEDULE RELIABILITY	RATE DEVELOPMENT
Capacity open	No challenges	Down
Normal capacity	Medium challenges	Stable
Capacity constrained	Major challenges	Up