
## GLOBAL APERTURE

Commercial vessel traffic through the Strait of Hormuz fell to a five-week low on July 13 as renewed U.S.-Iran hostilities and attacks on merchant vessels heightened security concerns in the region. Reduced tanker movements and continued uncertainty around safe transit are expected to keep supply chains and vessel scheduling under pressure across global trade lanes.

Global air cargo spot rates continued their upward trend as they increased 41% year over year in May, according to market analytics firm Xeneta, as resilient demand and lingering Middle East disruptions kept capacity tight. However, Xeneta predicts that pricing pressures will begin to ease in the coming weeks as carrier capacity recovers and seasonal demand slows.

U.S. President Donald Trump withdrew a proposed 20% fee on cargo transiting the Strait of Hormuz, replacing it with plans for expanded trade and investment agreements with Gulf states. At the same time, the United States resumed its naval blockade of Iranian ports and continued military operations targeting threats to commercial shipping, while vessel traffic through the Strait of Hormuz remains significantly reduced.

## REGIONAL FOCUS – AMERICAS

**United States:** The Port of Los Angeles recorded its busiest June on record, with container volumes increasing 12% year over year as importers accelerated shipments ahead of anticipated U.S. tariffs and higher transportation costs. The surge reflects continued frontloading by retailers and manufacturers seeking to secure inventory before additional trade measures take effect.

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**South America:** Weather linked to a strengthening El Niño is disrupting production of some high-value export crops across parts of South America, particularly in Peru and Colombia, raising concerns for perishables supply chains in the second half of the year. While exporters expect localized impacts to continue and potentially intensify, industry stakeholders said overall air cargo demand and perishables exports remain resilient across the region.

## REGIONAL FOCUS – ASIA-PACIFIC

Typhoon Bavi disrupted port operations across North Asia over the weekend, with maritime analyst Linerlytica reporting that the region accounted for 54% of global container port congestion by Sunday as nearly 2 million twenty-foot equivalent units of vessel capacity were delayed. While ports have resumed operations, the backlog—primarily at Shanghai and Ningbo—is expected to take up to two weeks to clear, with continued impacts to vessel schedules and landside operations.

**Singapore:** Singapore was ranked the world's leading maritime center for the 13th consecutive year in the 2026 Xinhua-Baltic International Shipping Centre Development Index, reflecting its continued strength as a global shipping and logistics hub. The ranking recognized the country's port performance, maritime services, connectivity, and leadership in maritime technology and alternative fuels.

## REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

**Middle East:** Iran has signaled it could expand disruptions to global shipping by coordinating with Yemen's Houthi forces to threaten the Bab el-Mandeb Strait, raising the possibility of simultaneous risks at both the Strait of Hormuz and the Red Sea. While no closure has occurred, analysts warn that any escalation could disrupt vessel traffic, extend transit times, and increase supply chain uncertainty across key Europe–Asia trade routes.

**Europe:** Critically low water levels on the Rhine River are severely restricting inland barge traffic, forcing more cargo onto already congested road and rail networks across Northern Europe. Logistics providers warn the disruption is causing terminal congestion around Antwerp and Rotterdam, reduced barge capacity, and delays to inland container movements.

**United Kingdom:** East Midlands Airport reported a 14% year-over-year increase in air cargo volumes in June as more airlines shifted cargo operations to the airport. Additional cargo flights are expected in the coming months as the airport continues expanding its role as a key UK freight hub.

**Germany:** Middle East airspace disruptions following the regional conflict reshaped air cargo flows during the second quarter, reducing capacity on Gulf routes and redirecting shipments to direct Europe–Asia and Europe–Africa services. Frankfurt Airport reported stronger cargo demand from India, Japan, and Taiwan as freight was rerouted, while volumes to and from the Middle East declined nearly 20%.