KWE
Global Logistics Partner

GLOBAL APERTURE

In the second full week of July, global air cargo demand declined for the second consecutive week, with volumes from Asia Pacific to the U.S. falling another 5% week-on-week—driven by sharp drops from Southeast Asia. Modest rebounds from Japan and Hong Kong helped offset some of the decline, while the Middle East and South Asia also saw reduced volumes due to regional disruptions and logistics issues.

Ocean freight faces a difficult outlook for the second half of 2025, as analysts point to inconsistent first-half volumes amid ongoing economic and geopolitical headwinds. Shipping analytics platform Xeneta reports that soft demand, elevated bunker costs, and continued disruptions are likely to challenge carrier performance through year-end.

REGIONAL FOCUS - AMERICAS

United States: Inbound container volume at the ten largest U.S. ports fell 7.9% year-over-year in June, marking the second consecutive monthly decline and a sharp reversal from earlier growth trends. The drop is largely attributed to ongoing and upcoming tariffs, which are disrupting supply chains, raising shipping costs, and potentially triggering pandemic-era-style bottlenecks.

United States/Mexico: On July 19th, the U.S. Department of Transportation announced firm regulatory actions against Mexico over violations of the 2015 U.S.-Mexico Air Transport Agreement, including proposed withdrawal of the Delta/Aeromexico joint venture's antitrust immunity and new oversight of Mexican airline operations. These actions have direct implications for air cargo: the relocation of U.S. cargo flights from Mexico City's main airport has increased operational burdens and costs, prompting the DOT to require advance approvals for Mexican cargo charters and schedules—raising the risk of broader disruptions in cross-border logistics.

REGIONAL FOCUS – ASIA-PACIFIC

Singapore: Economists at United Overseas Bank (UOB), one of Southeast Asia's largest banks, are warning of a potential export slowdown in the second half of 2025 as the effects of front-loaded shipments fade and U.S. reciprocal tariffs dampen global demand. While June saw a 13% year-over-year surge in non-oil domestic exports—driven by electronics and non-monetary gold—UOB cautions that trade-related sectors like transport and storage may face pressure as activity normalizes.

Bangladesh: The Bangladesh Inland Container Depots Association (BICDA) will increase export container handling fees by up to 81% starting September 1st, citing rising investment and operational costs. Exporters warn the hikes will intensify pressure on the trade sector, already strained by a 35% U.S. reciprocal tariff on Bangladeshi goods set to take effect August 1st.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

In the first half of 2025, Europe's major ports saw diverging trends as container growth at the Port of Antwerp-Bruges helped offset broader regional slowdowns, while the Port of Rotterdam faced a 4.1% decline in overall throughput. Antwerp-Bruges recorded a 4% year-over-year increase in container volumes—reaching 7.36 million TEUs—thanks to strong transshipment and North American demand, which softened the impact of falling dry bulk traffic. In contrast, Rotterdam's drop was linked to reduced coal, container, and oil product volumes, highlighting the uneven effects of shifting global demand and geopolitical disruptions across European trade hubs.

The mid-June 2025 escalation between Israel and Iran caused major disruptions to Middle East airspace, leading to sharp declines in cargo volumes and freighter capacity from the Middle East and South Asia region and forcing longer, costlier reroutes through Turkey, Central Asia, and alternative hubs. Stakeholders are urged to diversify cargo corridors, secure overflight rights, adopt digital documentation, and implement predictive risk management to build greater resilience against such geopolitical disruptions.