GLOBAL APERTURE

The conflict between the United States, Iran, and Houthi forces escalated further on July 24 following U.S. strikes on targets across Iran after renewed attacks on commercial shipping in the Red Sea. The latest developments have heightened risks for vessels transiting both the Strait of Hormuz and the Bab el-Mandeb Strait. A subsequent pause in U.S. bombing has eased oil prices but left uncertainty over future shipping conditions in the region.

Blank sailings across the major East-West trade lanes increased significantly faster than overall vessel capacity growth during the first half of 2026, according to market analyst Sea-Intelligence. In a separate report, Sea-Intelligence also found that global container schedule reliability declined to 62.6% in June, although the average delay for late vessel arrivals improved to 5.31 days.

Air cargo carriers are raising fuel surcharges as global jet fuel prices have increased approximately 35% since early July following renewed tensions in the Middle East. The higher fuel costs are expected to place upward pressure on airfreight pricing in the coming weeks, even as airlines continue restoring capacity across key trade lanes.

REGIONAL FOCUS – AMERICAS

United States: New Section 301 Forced Labor Tariffs took effect on July 25, replacing the temporary Section 122 tariffs with duties of 10% or 12.5% on imports from 60 trading partners. The new tariff structure includes country- and product-specific exemptions, while certain goods subject to Section 232 tariffs remain exempt.

China has criticized these tariffs and called for their removal, while U.S. importers have filed lawsuits in the U.S. Court of International Trade challenging the legality of the new duties. Despite the legal and diplomatic challenges, the tariffs remain in effect as the cases move forward.

Panama: The Panama Canal Authority has begun implementing precautionary transit restrictions as the risk of a severe El Niño continues to increase, including reducing booking availability for Panamax vessels. Additional draft and transit limitations remain under consideration, with the timing and scope expected to depend on water levels and weather conditions.

Latin America: International air cargo volumes in Latin America and the Caribbean increased 3.3% year over year in May, according to the Latin American and Caribbean Air Transport Association (ALTA). Growth was driven by strong performance in Brazil and Colombia, while Mexico recorded another monthly decline due in part to weaker cargo flows with Hong Kong and Germany.

REGIONAL FOCUS – ASIA-PACIFIC

China: China's revised Maritime Code is prompting carriers and non-vessel operating common carriers (NVOCCs) to review documentation processes as the new rules impose additional legal requirements for international shipments involving Chinese ports. The changes include new bill of lading requirements for cargo carried on deck and revised liability provisions that may affect how international shipping contracts are administered.

Australia: Western Sydney International Airport launched commercial freight operations on July 27, opening its new 24-hour Cargo Precinct with an initial annual handling capacity of approximately 250,000 metric tons. The new facility expands Sydney's air cargo capacity and provides dedicated freight infrastructure with direct access to key logistics and industrial hubs across Western Sydney.

REGIONAL FOCUS – EUROPE, MIDDLE EAST & AFRICA

Europe: Asia Pacific-to-Europe air cargo volumes declined 13% year over year during the weeks of July 6–19, according to the latest from air cargo market analyst WorldACD, driven by a 24% drop in shipments from Hong Kong after the European Union eliminated the €150 de minimis exemption on July 1. The new import rules, which also introduced customs reporting requirements, have had the greatest impact on e-commerce shipments moving into Europe.

Low water levels on the Rhine River continue to worsen, with the Kaub chokepoint forecast to fall to its lowest level in at least 36 years this week as persistent heat and dry weather continue across Europe. Reduced barge loading capacity has further constrained inland shipments of coal, fuel, containers, and other cargo while increasing transportation costs.