

Neolink Global Freight Outlook






22nd of May 2025

Navigating Global Freight in 2025: Stability, Shifts & Strategic Response

May 2025 marks one of the most stable freight pricing environments in the past four years. However, beneath this surface stability, seismic shifts in global supply chains are underway—driven by ongoing U.S.-China trade tensions, changes in consumer demand, tightening airfreight capacity, and, most recently, an anticipated RBA rate cut.

At Neolink, we've deliberately paused frequent updates in recent months—not due to a lack of insight, but because we only speak when we believe it adds value. As featured in publications such as the AFR and Business News Australia, we are committed to bringing our customers context-rich commentary that not only reflects what is happening in the global supply chain but what it means for Australian importers and exporters.

May 2025 Highlights at a Glance

-  **Rates stable — for now:** GRIs forecast for late Q2 into Q3 as shipping lines seek margin recovery.
-  **U.S.-China trade tensions:** Driving both congestion and opportunity; AU impacted via capacity shifts.
-  **Airfreight tightening:** Southern China key risk area; early booking critical.
-  **AUD volatility + RBA rate cut:** Landed costs affected; stimulus effect expected on demand.
-  **Tech-enabled response:** Real-time visibility and automation via Neolink + Logixboard.

1. China–Australia Lane: Stable but Volatility Looms

Market is forecasted to shift in the first half of June. While a slight rate reduction was expected due to softening demand, major carriers including COSCO, OOCL, MSC, and ANL have reversed course. This is due to a rapid redeployment of large vessels from the AU lane to the more profitable U.S. lanes following the recent U.S.-China tariff truce.

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COSCO and OOCL have both announced Rate Restorations effective from **15 June 2025**:

- **USD \$300/20' and USD \$600/40'** from both Northeast and Southeast Asia to Australia and New Zealand.

Capacity update:

- Temporary withdrawal of vessels such as ANL's CA2, *YM Eternity*, and several MSC ships from the AU trade to U.S. lanes is placing further pressure on space.

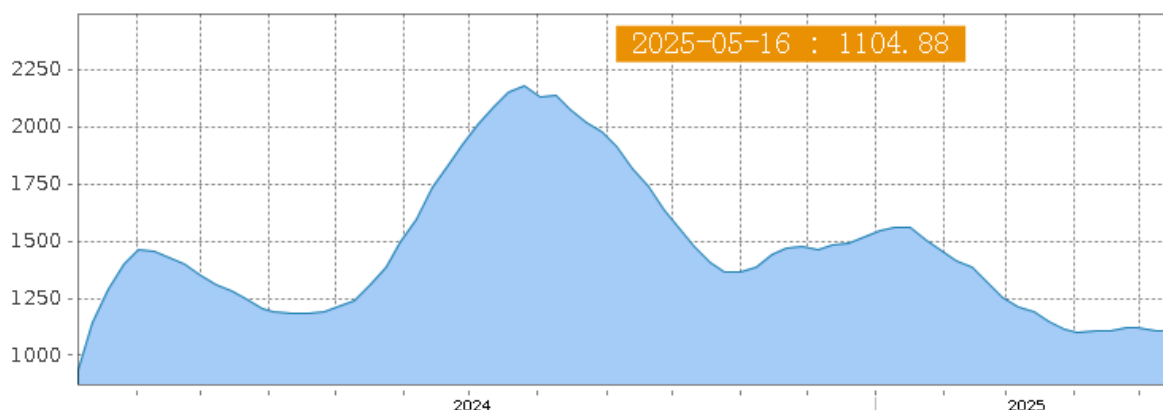
Neolink partner update:

Our China partners report that rate pressure is building, and space is already tightening as shipping lines shift assets. Spot rate reductions originally forecasted for June have been postponed and, in many cases, reversed. Last-minute bookings may face surcharges or lack of availability.

Neolink recommendation:

- Secure bookings at least 2–3 weeks in advance, especially for 40' containers
- Monitor GRIs closely through your Neolink Account Manager
- Consider alternate port pairs or flexible container specs (e.g. 20GP where available)

China Containerized Freight Index



Spot rates have hovered under USD \$1,000/TEU for several months, driven by post-Lunar New Year softness and excess capacity. However, signals of GRI attempts in early May suggest that this window may be closing. Idle vessel reactivations, surging US-bound volumes, and carrier blank sailing strategies are beginning to ripple across Asia-Pacific services.

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Our view:

- Expect spot volatility with potential increases in late Q2/Q3 as transpacific prioritisation intensifies
- Equipment shortages in key hubs like Ningbo and Yantian could escalate
- Peak season capacity constraints look likely at this point if the market remains unchanged

Neolink recommendation:

Now is the time to build flexibility into your routing plans. Customers that engage in forward planning with Neolink—at least 2–3 weeks ahead of EX Factory dates —can access more predictable transit schedules and better rate stability. Speak to your Neolink Account Manager to evaluate all routing and carrier options, including the trade-offs between premium speed and economy solutions. Strategic planning now will be the key to maintaining reliability through volatile conditions.

2. U.S.-China Tariffs: Threat or Opportunity?

As covered in our recent feature with Business News Australia, the re-escalation of U.S. tariffs on Chinese goods has been quickly followed by a partial reversal. On May 14, 2025, the United States and China enacted a 90-day tariff truce, reducing U.S. tariffs on Chinese goods from 145% to 30% and Chinese tariffs on U.S. goods from 125% to 10%.

This move triggered a rapid surge in global shipping demand, as businesses rush to take advantage of the tariff reprieve. Air and ocean freight bookings from China to the U.S. spiked immediately—ocean volumes jumped over 50% in the first week post-announcement, and airfreight capacity out of Southern China tightened significantly.

Impacts on Australian importers:

- Australia-facing capacity is being squeezed as carriers redirect vessels and equipment to transpacific routes
- Airfreight allocations are shifting toward U.S.-bound cargo, limiting availability and pushing up prices into Australia
- Scheduling delays and blank sailings are becoming more frequent on China-Australia lanes

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Broader implications:

- Space constraints are pushing up spot rates and reducing flexibility for last-minute bookings
- Forwarders are reprioritising service contracts, and smaller shippers are seeing reduced allocation
- Transshipment hubs serving AU (e.g., Singapore, Busan) are becoming congested due to re-routing pressure

Neolink's strategic support:

We've supported Australian businesses by:

- Launching bonded 3PL facilities in LA, New Jersey, and Shenzhen
- Navigating EIN registration and U.S. compliance setups
- Offering flexible consolidation hubs across Asia
- Deploying scenario models to evaluate optimal air vs sea routing based on urgency, capacity, and cost

Given the volatile nature of this tariff adjustment and its 90-day timeline, proactive freight planning is essential. If you ship from China and sell into the U.S., or if you rely on China-Australia lanes, early forecasting and space bookings are now critical to avoid capacity shortfalls and cost blowouts.

3. Australian Economy & RBA Rate Cut: What It Means for Freight

In a widely expected move, the RBA cut the cash rate by 25 basis points to 3.85% on May 20, 2025. This follows months of subdued consumer demand, weak per capita GDP growth, and persistent soft wage data across key sectors.

The Australian economy remains under pressure on a per capita basis, with signs of technical stagnation despite positive headline growth figures. ATO-reported business debt levels are at historic highs, impacting SME cash flow and credit risk exposure.

Roy Morgan's Consumer Confidence Index rose modestly in early May to 88.3 but remains well below the neutral mark of 100, highlighting ongoing caution in household spending.

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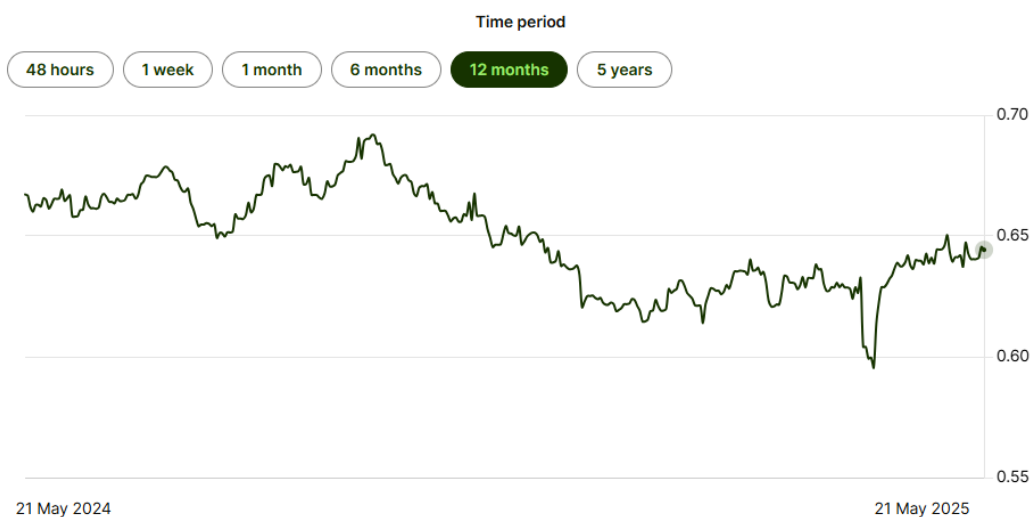
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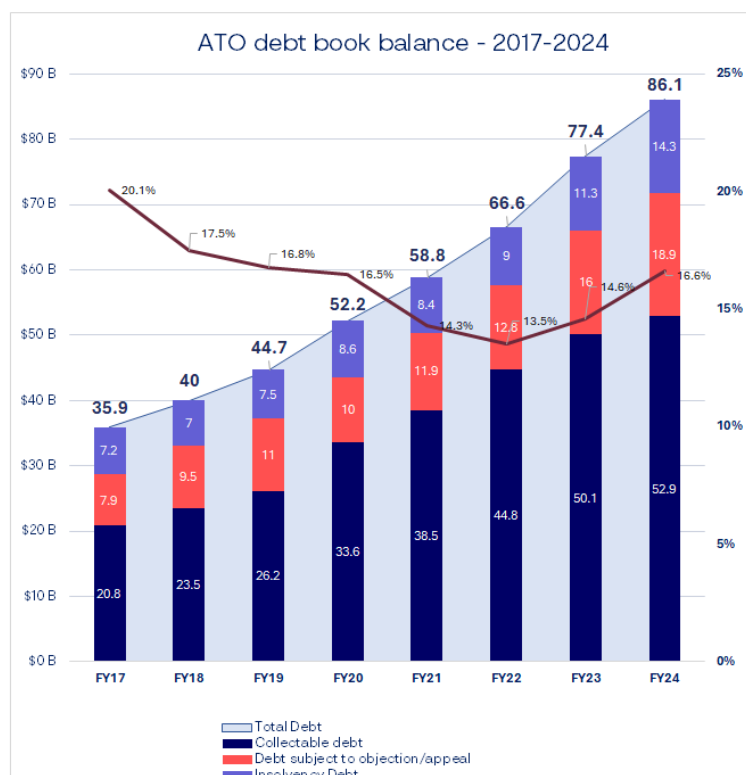
Inflation expectations have eased slightly, but cost-of-living pressures continue to weigh on discretionary consumption.

Key macro-freight implications:

- AUD remains volatile; trading just below USD \$0.65, increasing import landed costs



- High ATO debt levels create risk for smaller importers managing cash flow volatility



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- Lower borrowing costs may stimulate Q4 restocking and B2B investments
- Potential sectoral strength in construction and healthcare aligned with government stimulus

Freight and Trade Flow Implications

Recent data highlights a drop in imported container volumes into Australia during Q1 2025, with full container imports down approximately 6.2% year-on-year, reflecting weaker retail demand and reduced inventory replenishment activity across several consumer sectors.

According to Ports Australia's *State of Trade* report, Australian ports still handled over \$650 billion in trade during 2024, but throughput in early 2025 suggests importers remain cautious. Volume softness has been most pronounced in discretionary categories such as consumer electronics, furniture, and fashion. This softening directly impacts container throughput, warehousing utilisation, and intermodal transport planning.

Port-led trade is highly correlated with domestic consumption, and reduced inbound volumes may create short-term savings on spot freight—but can also reduce carrier service reliability as rotations are adjusted.

Port's Australia Port Members Aggregated Financial and Operational Data by Year

	Units	2022/23	2021/22	2020/21	2019/20	2018/19	Compound Growth Rate ⁽¹⁾
FINANCIALS							
Revenue	A\$M	\$ 4,736	\$ 4,222	\$ 4,195	\$ 3,757	\$ 3,756	6.0%
Capital expenditure	A\$M	\$ 980	\$ 673	\$ 485	\$ 931	\$ 737	7.4%
Operational expenditure	A\$M	\$ 2,128	\$ 2,034	\$ 1,857	\$ 1,822	\$ 1,817	4.0%
Company Tax Paid	A\$M	\$ 280	\$ 215	\$ 209	\$ 183	\$ 166	14.0%
EMPLOYMENT							
Number of Permanent employees	FTE	3,647	3,499	3,342	3,214	3,108	4.1%
Number of Trainees	FTE	46	53	30	24	20	23.1%
Employees working in Regional Areas	FTE	2,025	1,896	1,834	1,711	1,628	5.6%
% of Employees working Regional Areas	%	56%	54%	55%	53%	52%	
MOVEMENTS⁽²⁾							
Number of vessel visits - container	#	6,007	5,644	5,609	5,829	6,283	-1.1%
Number of vessel visits - bulk	#	21,510	21,647	20,040	20,478	20,618	1.1%
Number of vessel visits - ro-ro	#	1,952	2,083	2,084	1,990	2,263	-3.6%
Number of vessel visits - cruise	#	1,633	292	205	1,501	1,670	-0.6%
Total Number of vessel visits	#	31,102	29,666	27,938	29,798	30,834	0.2%
CRUISE PASSENGERS⁽²⁾							
Number of passengers - cruise	#	1,688,745	25,605	6,142	1,294,730	1,430,007	4.2%
TRADE VOLUME⁽²⁾							
Imported containers ⁽³⁾	TEU	4,266,986	4,415,376	4,410,221	3,943,492	4,107,231	1.0%
Imported bulk commodities	kt	118,507	115,782	112,140	107,941	112,240	1.4%
Imported ro-ro items	#	1,292,638	1,116,687	1,096,995	910,054	1,140,670	3.2%
Exported containers ⁽³⁾	TEU	2,761,617	2,709,166	2,770,113	2,621,636	2,729,186	0.3%
Exported bulk commodities	kt	1,263,903	1,259,786	1,251,839	1,264,062	1,247,482	0.3%
Exported ro-ro items	#	129,631	148,274	110,092	78,770	74,607	14.8%

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Neolink's view:

Neolink customers should anticipate a cautiously optimistic outlook. Lower interest rates could drive renewed investment and restocking in the second half of the year—particularly in sectors linked to infrastructure, healthcare, and essential goods. However, the recovery remains uneven.

To manage risk:

- Align ordering cycles with current demand sentiment and consider flexible inventory strategies
- Use Neolink's PO-level forecasting tools to optimise planning and reduce overstock exposure
- Set up USD or EUR accounts with our Accounts Department to offer a way to hedge against FX risks

We're continuing to work closely with customers to translate market signals into freight execution plans that preserve resilience without compromising agility.

4. Airfreight: Compression Warning

Following China's Labour Day holidays, airfreight demand has surged. Australia is once again deprioritised as high-yield US and EU shipments claim uplift capacity, especially out of Guangzhou, Shenzhen, and Shanghai.

Observations:

- Rates out of South China hubs have risen 18–25% in the last four weeks
- Carriers are prioritising high profit sectors such as tech, pharma, and high-value cargo over general retail
- Reduced freighter frequency and belly hold limitations contributing to capacity compression

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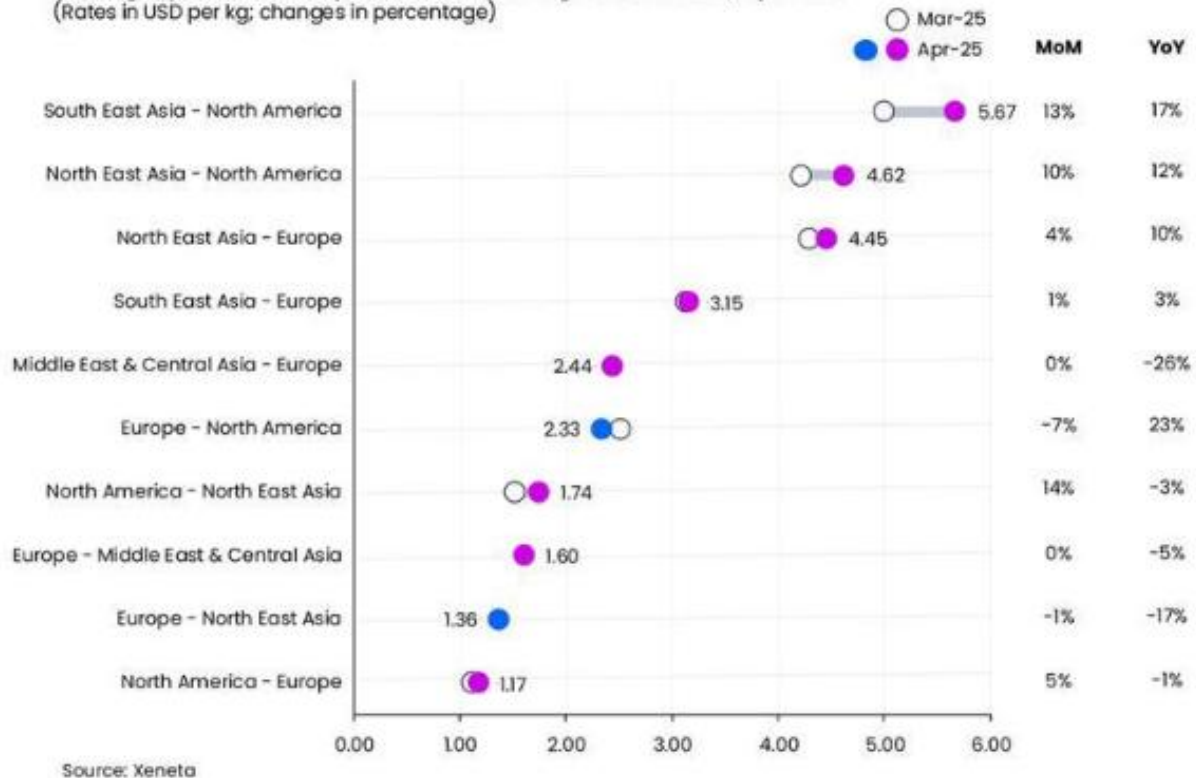
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US tariffs trigger air cargo spot rate surges in and out of Northeast Asia

Air cargo spot rate developments for selected global corridors, April 2025
(Rates in USD per kg; changes in percentage)



Neolink solutions:

- Block Space Agreements (BSAs) in place across key lanes ex-South China
- Multi-hub alternatives across different parts of Asia
- Dynamic load planning tools and AI-driven disruption monitoring for sensitive cargo

5. Port Congestion & Schedule Reliability

Australian ports are operating steadily, with **no major systemic congestion** reported as of May 2025. However, **schedule reliability remains inconsistent**—largely driven by carrier decisions rather than port-side delays.

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Port Congestion: Stable, with Isolated Issues

- **Melbourne** has improved through new stacking procedures, though labour shortages cause occasional delays.
- **Sydney** experiences late gate closures and rostering inefficiencies.
- **Brisbane** remains the most consistent performer, though some transshipment risks persist due to Southeast Asia links.

Live data from GoComet confirms **berth waiting times remain under 24 hours** at major terminals (DP World, Patrick, Hutchison).

Key Insight: Operational performance across Australian ports is largely stable. Most disruptions stem from **carrier schedule changes**, not congestion.

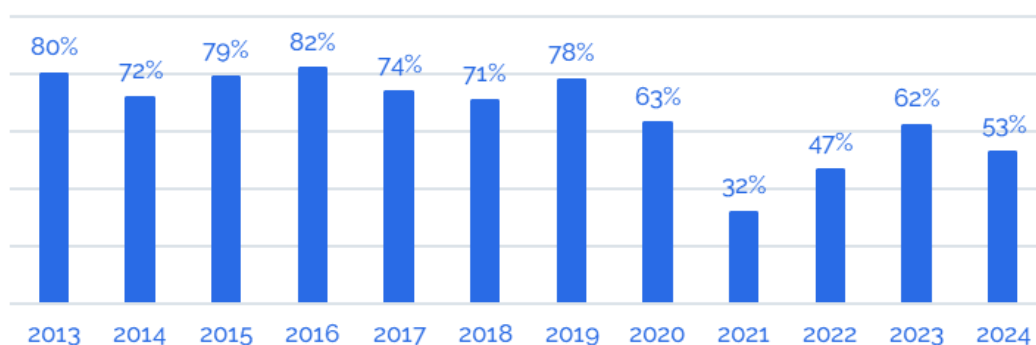
Schedule Reliability: Recovering, But Uneven by Carrier

Sea-Intelligence reports global schedule reliability hit **57.5% in March 2025**—the best level since late 2023, but carrier performance still varies significantly:

- **Global average (Mar 25):** 57.5%
- **Gemini Cooperation (Maersk/MSK):** ~90% on-time
- **MSC (individually):** 79.6%
- **Premier Alliance:** 60.4%

Missed ETAs on China–Australia lanes are largely driven by blank sailings, skipped port calls, and capacity reallocations. Below you will see that we are still sitting significantly below pre-covid schedule reliability levels:

Global Schedule Reliability (Annual)



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Neolink's Strategic Support

To help customers plan around these issues, Neolink offers:

- **New Analytics Tab in Logixboard** – Visual tools for evaluating port-to-port and carrier performance
- **ETA Variance Reports** – Terminal-specific delay visibility
- **Risk-Adjusted Lead Time Guidance** – Dynamic buffer recommendations by trade lane
- **Carrier Scorecards** – Monthly performance tracking by route and partner

Customers are encouraged to speak with their Neolink Account Manager to evaluate options across speed, service class, and carrier. Planning ahead is the best strategy to secure space and reliability.

6. Inventory Strategy: Flex is the New Lean

Inventory strategies are becoming more granular, with Neolink customers shifting from broad supply models to SKU-level planning. Many are applying:

- **Just-in-Time (JIT):** For predictable fast-moving goods with stable demand
- **Just-in-Case (JIC):** For slow movers or where lead time volatility is high
- **Hybrid models:** Where demand and risk vary across product categories or seasons

Leading customers are also:

- Mapping in-store dates directly to purchase orders
- Submitting orders and documentation at least 3 weeks before EXW to maximise routing, cost, and lead time flexibility
- Leveraging bonded 3PL setups to de-risk inventory held at origin or destination

Our strategic recommendations:

- Break your inventory plan into critical and non-critical SKUs by velocity and margin impact
- Use milestone triggers to manage PO releases in line with in-store or promotional targets

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- Collaborate with Neolink to forecast SKU-specific inventory buffer thresholds by month and by lane

7. AI & Technology Leadership

Neolink continues to lead with its investment in automation and real-time intelligence. For over two years, we've used AI applications to automate pre-alert generation, booking confirmations, and status updates across our global partner network—resulting in unmatched team efficiency.

We're currently in beta testing for a new Generative AI Logistics Bot. This is integrated into our Customer Operations email environment and pulls live data from:

- Carrier tracking APIs
- Terminal and port availability feeds
- AIS vessel movement data and Logixboard Milestones
- Internal shipment and exception management tools

This enables Neolink to:

- Respond faster to customer queries
- Anticipate exceptions before they happen
- Coordinate faster resolutions in real-time

This investment strengthens our commitment to delivering best-in-class technology alongside our award-winning [AFR Customer Champion service](#).

Current tools available to all customers:

- **AI-powered alerts:** Milestone variances, proactive exception notifications
- **Logixboard dashboards:** Real-time role-based dashboards for procurement, finance, and warehouse teams

Ask your Account Manager for access or onboarding if not yet enabled.

C02 Emissions data available:

Scope 3 emissions tracking is available per shipment to support ESG initiatives, sustainability reporting, and low-impact routing decisions.

8. Global Disruptions & Geopolitical Flashpoints

Ongoing instability across key shipping corridors continues to affect global supply chain resilience. The Suez Canal, Red Sea, and Panama Canal have all seen recurring disruptions due to conflict, climate-related constraints, and operational bottlenecks.

Implications for Australian importers and exporters:

- Re-routings via Cape of Good Hope add 7–12 days to some EU-AU transit schedules
- Insurance surcharges have increased on lanes passing through the Red Sea
- Space availability and rate volatility for East Coast U.S.–AU and Europe–AU trade lanes remain high

Neolink recommendation:

Plan conservatively when importing from the EU or U.S. East Coast. Our team can simulate transit time scenarios and identify optimal routing paths depending on geopolitical alerts.

Neolink: More Than a Forwarder

As always, we don't just move boxes—we partner with you to navigate disruption, compliance, and market change. Whether you're restructuring your supply chain due to U.S. tariffs, adapting to macroeconomic signals, or rethinking stock flow strategies, our team is ready.

Sources & References

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Freight Demand Surge Post-Tariff Truce:

- [China to US Ocean Cargo Bookings Surge Nearly 300% After Tariff Pause – Business Standard](#)
- [Bookings for Cargo Shipping Spiked This Week – Business Insider](#)

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- [Air Cargo Faces a 'Waiting Game' Amidst Fears of Trade War – Xeneta](#)

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- [Australia's Trade Explained – SBS News](#)
- [ATO's Annual Report - Worrells.net.au](#)
- [2024 State of Trade Report – Ports Australia](#)

Neolink in the News:

- [Freight Forwarder Unpacks Ins and Outs of US Tariffs – Business News Australia](#)
- [Import-Export Firms Embrace Disrupter Neolink – AFR](#)

Internal Resources:

- Neolink China partner (Jan–May 2025)

For tailored advice or to book a freight planning session, please contact your Neolink Account Manager or reach out to our Customer Operations team.

If you'd like to speak with someone from our Business Development team, feel free to email us at info@neolink.au or call us on (02) 8363 6565.

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