

THE SHIPPING STANDARD

OUR EXPERTISE YOUR ADVANTAGE

TPM 2025: FOR SHIPPERS THE BEST OPTION
MAY BE TO KEEP ALL THEIR OPTIONS OPEN

ASK AHAB

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FUN FACTS

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TARIFFS

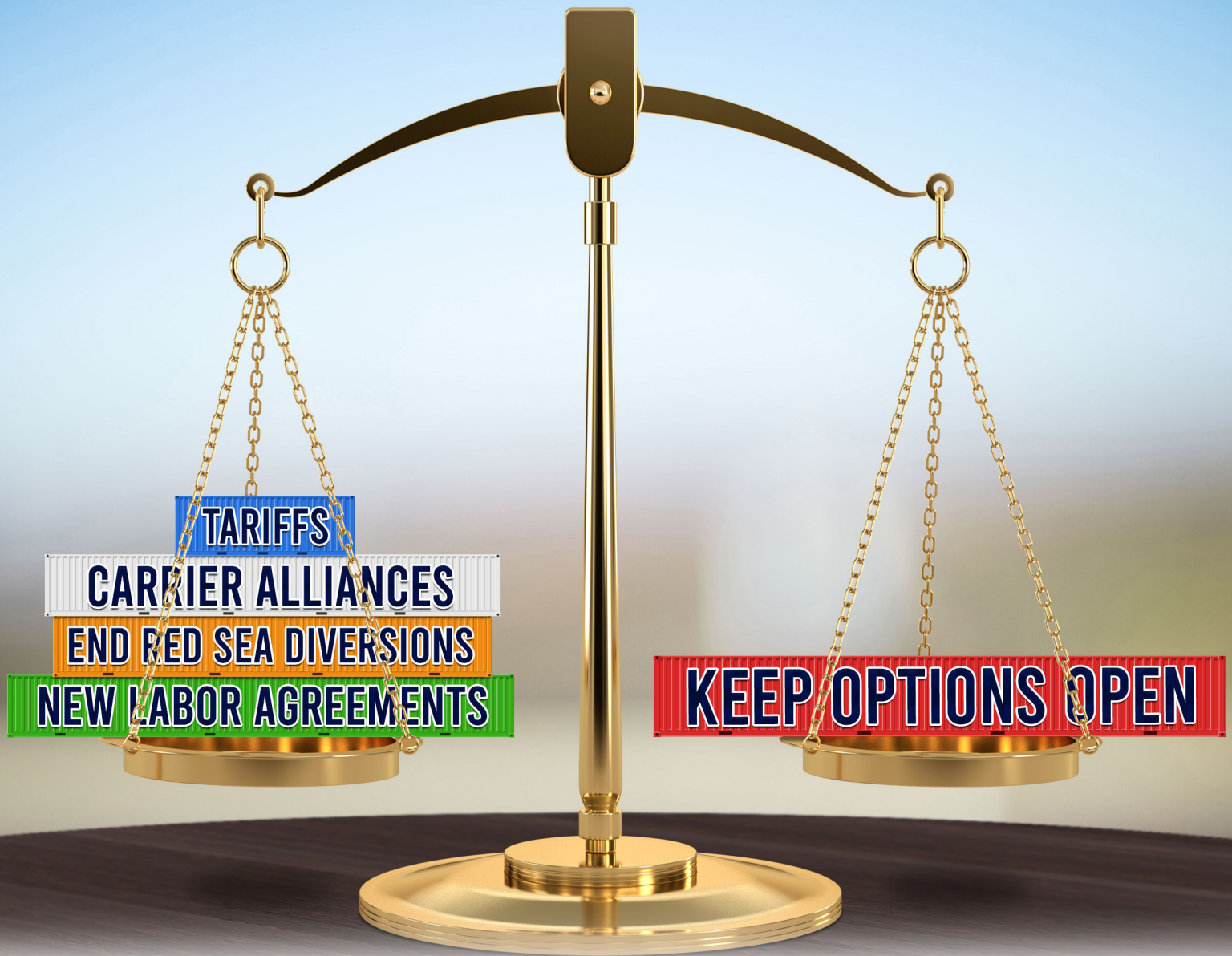
CARRIER ALLIANCES

END RED SEA DIVERSIONS

NEW LABOR AGREEMENTS

KEEP OPTIONS OPEN





TPM 2025: FOR SHIPPERS THE BEST OPTION MAY BE TO KEEP ALL THEIR OPTIONS OPEN

TPM is the industry's unofficial start of contract season. At this year's conference shippers will be trying to determine what impact carrier alliances, new tariff requirements, recent labor agreements, and the potential end of Red Sea diversions will have on the industry and their bottom lines.

One of the main issues shippers are expected to seek more clarity on is whether or not freight rates will drop once vessels start travelling through the Red Sea, as many experts believe that rates will fall once the route is deemed safe to travel – something which could happen by the third quarter.

However, other problems could arise that could wipe out any gains from lower rates. Among those potential problems is a significant capacity increase, with over one million TEUs of capacity expected to hit the market in 2025. Furthermore, vessels travelling through the Red Sea and around the Cape of Good Hope will create double volumes at European ports for at least four-to-six weeks after the canal opens. Other issues that are predicted to occur include grounding of empty boxes, growing stacks of empty containers, and major long-term congestion at all major Mediterranean and Northern European ports.

Another topic many industry leaders are worried about is the after-effects of the new labor agreements from the past three years. Specifically, many experts are trying to determine how these pay raises will impact costs and industry modernization. There is also growing concern about the potential short and long-term impacts of the new carrier alliances, as many are waiting to see how these new alliances impact their bottom line and whether or not they will be able to enjoy the same perks that they have in the past.

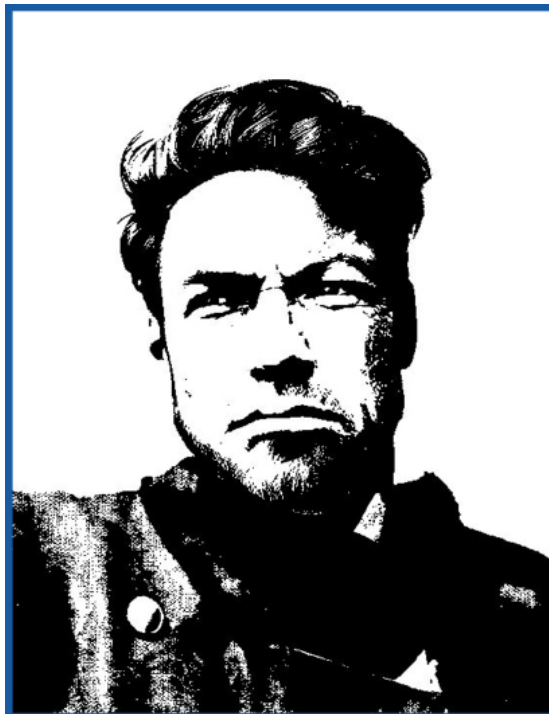
“This year’s TPM is all about finding answers to many of the industry’s most pressing questions,” said Anthony Fullbrook, president of OEC Group’s North American Region. “Unfortunately, shippers should not expect to leave the conference with any definitive answers, as there are simply too many unknowns. However, getting a better understanding of the direction things are headed should give some clarity on what to expect for critical issues such as contract rates and reliability.”

One issue that is highest on everyone’s mind is the possibility of the U.S. government imposing new and more severe tariffs. Some of the concerns related to higher tariffs include creating a rush from importers to ship products into the U.S. before tariffs take effect, which will not only take up valuable vessel space but also occupy a significant amount of warehouse space for the next few years – creating a glut of product, resulting in long-term storage costs. Additionally, the administration’s current tariff policy makes it difficult for most shippers to create a reliable supply chain strategy.

“With all the uncertainty in the market there is a real chance of rate volatility and carriers being forced to continue their historic blank sailing programs to reduce capacity and restore rates,” said Peter Hsieh, OEC Group Vice President of North American Sales. “The best option for shippers is to continue to allocate a portion of their logistics program to forwarders, because one thing that has become clear in the last few weeks is that in this market and having a reliable forwarder is essential.”

ASK AHAB

This month our resident advice columnist answers questions on how to keep your cool in an unstable market.



Dear Ahab:

**What can we expect to learn at this year's Trans-Pacific Maritime Conference (TPM)?
–Trade Showless Joe**

A: - Dear Showless Joe:

This year's TPM promises to be very interesting because it is very hard to predict how tariffs, vessels beginning to sail through the Red Sea, higher wages for port workers, new carrier alliances, shifting weather patterns, and a multitude of geopolitical problems will affect our industry.

The reality is it is very hard for any business to function with this much uncertainty.

However, one thing is certain: If you go to TPM with an open mind you'll get some valuable insight on how to manage these issues. There is nothing more valuable than knowledge, and you can gain more of it by simply associating with the right people. My advice is to find someone who has more knowledge and experience than you in understanding how to navigate the uncertainty.

Having this superpower in your arsenal will make your business unstoppable in 2025.

Dear Ahab:

I'm at my wits end with all this uncertainty in the logistics industry, I just don't know what to expect from one day to the next. Needless to say, I'm a bit anxious! Do you have any idea what the future hold for ocean freight rates?

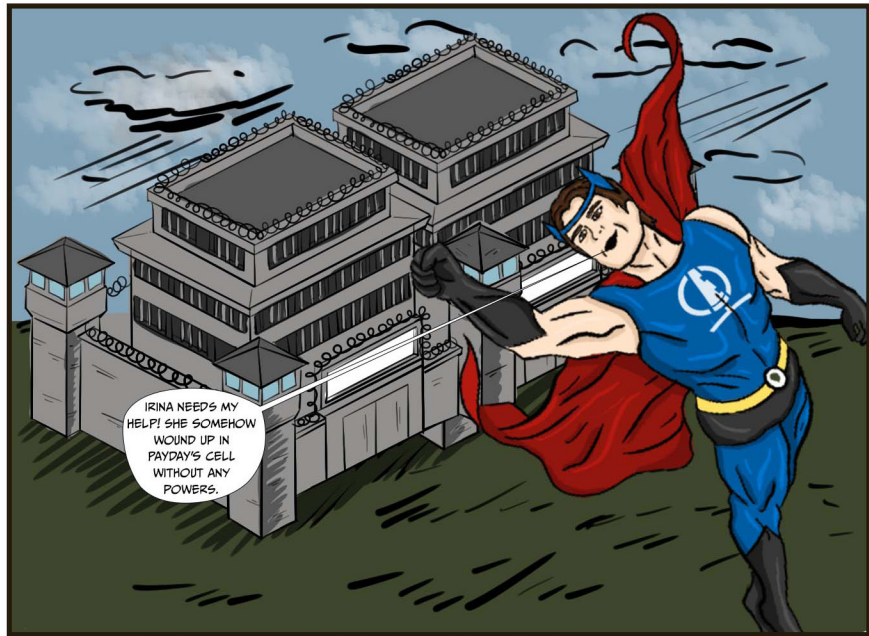
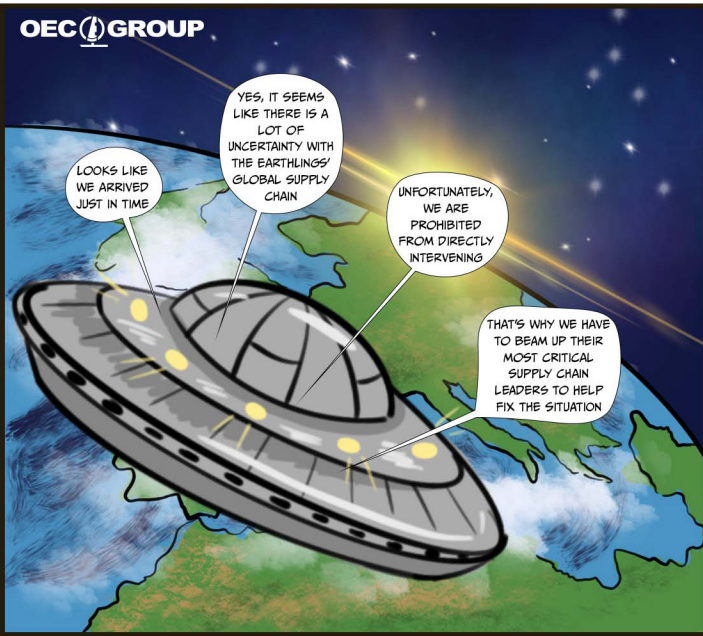
- Not-Shore

A: - Dear Not-Shore:

With new tariffs being either reported or instituted, shipping companies saying they may soon start to sail through the Red Sea, new carrier alliances working through the kinks of their new relationships, and the possible return of blank sailings, it seems reasonable to expect that rates will be all over the place this year.

That being said, betting on outwitting the system won't always bear fruit. Sometimes you simply can't.

Therefore, you need to consider your comfort level for risk. The reality is no one knows what is going to happen from one day to the next. Therefore, it is probably best to just sign with a forwarder who can offer you more services and protection and pay the fluctuating rate. Chances are, in this environment, you will do a lot better.



Fun Facts About Ice Cream



THE MOST POPULAR FLAVOR
IS VANILLA



ON AVERAGE IT TAKES 50 LICKS TO FINISH
ONE SCOOP OF ICE CREAM



ICE CREAM WAS ORIGINALLY
INVENTED IN CHINA



THE LARGEST ICE CREAM SUNDAE
IN HISTORY WEIGHED NEARLY 55,000 POUNDS



THE BEST WAY TO STOP ICE CREAM INDUCED BRAIN FREEZE
IS TO COVER THE ROOF OF YOUR MOUTH WITH YOUR TONGUE



ONE HEALTH BENEFIT OF ICE CREAM
IS THAT IT HELPS LOWER STRESS LEVELS.



MANY SICILIANS EAT ICE CREAM FOR BREAKFAST!
THE DISH IS CALLED BRIOCHE CON GELATO



THE COUNTRIES THAT EAT THE MOST ICE CREAM
ARE THE UNITED STATES, AUSTRALIA, AND NORWAY

ABOUT OEC GROUP

As an industry pioneer, OEC Group has become one of the world's leading logistics companies. We leverage in-house expertise, carrier partnerships, connections with ports and transportation hubs, and our network of offices in North America, Europe, Asia, India, South America, Australia, and the Middle East, to provide freight transportation, logistics, information, customs and brokerage, insurance, and technical services to over 50,000 customers of various sizes and industries.

We are also highly sought after for the advice we give shippers on how to optimally manage their supply chains. The guidance we provide is based on data analytics, best practices, and decades of industry knowledge.

We believe that relationships matter and treat your cargo as our own. Our experts are always investing in efficient, cost-effective, and cutting-edge services to evolve with the ever-changing market, address the complexities of any client's supply chain, and consistently perform at the highest level for our customers.

Our business is making our logistics expertise, your competitive advantage.