

THE SHIPPING STANDARD

OUR EXPERTISE · YOUR ADVANTAGE

SEPTEMBER 2026

ISSUE 99

India Capacity Cuts Create Growing Space Crunch for U.S. Imports



MAIN STORY

VIEWPOINT

INTERVIEW

ASK AHAB

COMIC STRIP

I AM KAI #62

FUN FACTS

PUNCTUATION MARKS

CONNECT THE
DOTS



India Capacity Cuts Create Growing Space Crunch for U.S. Imports

Importers shipping from India to the United States are facing a challenge that has become all too familiar in global logistics: not enough vessel space.

The reason is simple. Ocean carriers have withdrawn significant capacity from India trade lanes, tightening an already constrained market. The timing could not be worse for shippers, particularly as India continues to grow as an alternative sourcing destination for companies diversifying supply chains beyond China.

What makes today's market particularly noteworthy is how dramatically conditions have changed since the start of this year's contract cycle. At that time, carriers were dealing with weaker-than-expected cargo volumes and excess capacity.

This prompted MSC to withdraw its Indus Express service at the end of May, resulting in an estimated 20% to 25% reduction in market capacity. ONE followed suit by withdrawing its WIN service at the end of July, reducing capacity by another 2% to 5%.

Unfortunately, as capacity was being reduced, the amount of cargo that needs to be shipped remains the same, forcing more importers to compete for less space. At the same time, many importers accelerated shipments to get ahead of anticipated bunker-related cost increases following the spike in oil prices after the Iran conflict. Similar to last year's tariff frontloading, this put additional pressure on an already tightening market.

"Carriers have become much more aggressive about managing supply," said Craig Lind, Manager of OEC Group's Seattle Branch. "Suspending services and blanking sailings has dramatically reduced available capacity and put upward pressure on freight rates."

MSC's and ONE's actions have created intense competition for a much smaller pool of available vessel space. This historically tight market to the U.S. East Coast now requires longer booking lead times. Additionally, shippers are seeing frequent cargo rollovers and increased pressure on rates. The result has been one of the tightest India-U.S. markets in recent memory. Until carriers restore meaningful capacity or existing backlogs subside, importers should expect competition for space to remain strong.

"Today's market looks a lot like what we experienced during the pandemic, which means shippers should be following a similar playbook," said Kaleb Shaw, Manager of OEC Group's Kansas City Branch. "The best way to navigate the current environment is to book early, remain flexible, and plan ahead. Shippers who stay proactive will be in the strongest position to succeed."



“ET TU, MOTHER NATURE?” CHANGING WEATHER PATTERNS ARES NOW ANOTHER ANNUAL RISK FOR THE LOGISTICS INDUSTRY

When it comes to logistics, weather has traditionally been viewed as a short-term disruption. A hurricane might delay a vessel or slow port productivity for a few days. A snowstorm could temporarily shut down a highway or rail line, while an unexpected frost might reduce crop yields and create shortages of products such as avocados or oranges. Few people, however, expect weather events to have a lasting impact on the global supply chain.

Today, that assumption no longer holds true. For the past five years, major shifts in weather patterns have created recurring and increasingly predictable challenges for supply chains around the world. Nearly every year, water levels along the Rhine and Mississippi Rivers fall below normal, restricting cargo movement and disrupting transportation networks.

The Panama Canal routinely faces weather-related restrictions, while hurricanes, floods, snowstorms, and other extreme events continue to force ports and transportation hubs to suspend operations, often in places where such disruptions were once uncommon.

Unfortunately, experts believe this trend is far from over. Recent forecasts indicate that the El Niño phenomenon is strengthening, increasing the likelihood of significant weather disruptions worldwide. El Niño is known for producing drought conditions in some regions while triggering severe rainfall and flooding in others. It can influence hurricane activity, impact agricultural production, strain infrastructure, and create major transportation bottlenecks.

According to the National Oceanic and Atmospheric Administration (NOAA), the current El Niño has a greater than 90% chance of becoming a "very strong" event and a 69% chance of reaching historic levels not seen since modern records began in 1950. For supply chains, that translates into higher costs, reduced reliability, and greater uncertainty.

This is hardly just a U.S. problem. Modern supply chains are deeply interconnected, meaning a weather event thousands of miles away can quickly create ripple effects throughout the global transportation network. Drought conditions in agricultural regions can reduce export volumes. Flooding near manufacturing centers can interrupt production schedules.

Shifting weather patterns can alter commodity demand and even change the flow of goods between continents. In some cases, extreme weather can affect the viability of entire trade lanes.

The key takeaway is that weather-related disruptions do not necessarily stop supply chains, but they can lead to transit delays, reduced capacity, and unpredictable costs. As a result, every shipper and supply chain manager should pay closer attention to weather trends, as they are increasingly influencing the way global commerce operates.

The traditional supply chain model, built around efficiency and predictability, must continue evolving toward resilience and flexibility. Shippers should develop contingency plans, diversify transportation strategies, evaluate alternative sourcing options, and identify backup routing solutions before disruptions occur. Companies that depend heavily on a single transportation mode, gateway, or production region may find themselves particularly vulnerable when conditions suddenly deteriorate.

The strengthening El Niño is more than a weather story. It is a supply chain story. It is a trade story. It is a business story.

That is why preparedness can no longer be viewed as optional. The companies that work with experienced logistics partners to build flexible, resilient supply chains will be far better positioned to navigate future disruptions. Those that fail to prepare may discover that the next major supply chain crisis was forecast long before it arrived.



VMA '26 TO SHOW WHY KNOWLEDGE IS A BUSINESS NECESSITY

If there is one thing shippers will learn at the Virginia Maritime Association's (VMA) 2026 Conference this October, it is that knowledge is no longer a competitive advantage. It is a business necessity.

Over the past several years, supply chains have been tested by pandemics, geopolitical conflicts, inflation, labor disruptions, tariffs, and shifting trade policies. As a result, logistics has become less about executing a plan and more about adapting when that plan inevitably changes. That reality is reflected throughout this year's conference agenda, which appears designed not to explain what happened in 2026, but to help shippers prepare for what may lie ahead in 2027.

From carrier alliances and geopolitical disruption to cargo theft, and regulatory oversight, the topics that will be discussed at VMA point to an increasingly clear conclusion that the future belongs to companies that can anticipate change and respond quickly when disruption occurs.

One of the conference's most timely sessions will focus on the growing impact of geopolitical events on global commerce. Brett Bruen, President & CEO of Global Situation Room, will discuss how conflicts, sanctions, elections, economic nationalism, and shifting alliances continue to reshape international trade. For shippers, the message is straightforward, supply chains can no longer be built on assumptions of stability.

The conference will also shine a spotlight on another threat that continues to grow in both scope and sophistication, cargo theft. Industry experts will examine evolving criminal tactics, supply chain vulnerabilities, insurance implications, and practical mitigation strategies. In an era where organized theft rings have become more technologically advanced, supply chain security can no longer be treated as an afterthought.

Companies that proactively manage risk and strengthen their security protocols will be far better equipped to protect their cargo, customers, and bottom line.

Another standout session will examine air cargo's role in building more resilient supply chains. While air freight has traditionally been viewed as a premium transportation option, it has increasingly become a strategic tool for managing disruption, when it occurs. In a time where disruptions can emerge with little warning, having air freight as part of a broader logistics strategy is no longer a luxury – it is now a necessity.

Finally, the fireside chat featuring Federal Maritime Commission Chairman Laura DiBella and National Retail Federation Vice President Jon Gold is shaping up to be one of the conference's must-attend sessions.

Their discussion is expected to cover detention and demurrage enforcement, alliance oversight, tariff uncertainty, carrier practices, and the broader regulatory environment affecting global trade. The conversation will likely reinforce another important reality for shippers, regulatory developments are no longer background noise and they have become a significant business consideration that can directly influence costs, service levels, and supply chain decision-making.

The message at this year's VMA conference is clear, the companies that succeed in 2027 will be the ones that anticipate disruption, monitor change, and have contingency plans in place before they are needed.

The insights shared at the October conference will do more than help attendees understand today's market; they will help them prepare for tomorrow's, as well. Most importantly, this year's conference will prove, once and for all, that knowledge is by far the most valuable asset a shipper can possess.



THE ROAD AHEAD: A TRANSPORTATION SCHOLAR'S INSIGHTS ON THE FUTURE OF TRANSPORTATION

University of Virginia Professor Peter Norton, a member of the university's Center for Transportation Studies, has authored numerous works on transportation history and policy, traffic safety, and autonomous vehicles. Few experts are better equipped to explain how transportation has evolved and what those changes mean for the logistics industry today.

In an exclusive conversation with OEC Group, Norton shares his insights on the evolution of rail and trucking, the challenges and opportunities shaping modern freight transportation, and where he believes the industry is headed next. He also discusses what shippers should be watching as transportation networks continue to adapt to changing technologies, economic pressures, and customer demands.

[To watch the interview, click here.](#)



#108

ASK AHAB

Dear Ahab:

I hear U.S. Customs and Border Protection (CBP) is strengthening their enforcement of compliance by requiring shippers to use a CTPAT-validated, or a CTPAT-validated licensed customs broker to file entries. Why are they doing this, and how should I prepare my supply chain?

– Should I Be Concerned

Dear Should I Be Concerned:

In June, President Trump signed Executive Order 14411, which orders CBP to strengthen customs enforcement by requiring foreign Importers of Record to either be CTPAT-validated themselves or use a CTPAT-validated licensed customs broker to file entries. The goal of the order is to increase transparency, improve supply chain security, and reduce customs fraud, including duty evasion, misclassification, and other compliance violations.

The order stems from legitimate concerns that some providers have been avoiding duties and tariffs by undervaluing goods, misclassifying products,

or obscuring the identity of the true Importer of record. As a result, CBP is demanding greater visibility into who is importing the goods, who is responsible for duties and taxes, and whether the correct amounts are being paid.

For shippers, this means greater scrutiny of import transactions and more due diligence requirements. CTPAT-validated brokers will be expected to verify information such as ownership, compliance history, supply chain details, and the importer's ability to pay duties and fees.

Now is the time to confirm whether your customs broker is CTPAT-validated and ensure you can readily provide documentation supporting your import activities. While the process may require more leg work, working with a reputable, compliant broker can help reduce the risk of delays, audits, penalties, and costly supply chain disruptions in the future.

Dear Ahab:

Cargo theft incidents have leveled off over the past year, yet total cost of losses has more than doubled. How is that possible, and what steps can I take to better protect my cargo?
– Theft Terrified

Dear Theft Terrified:

I agree that those numbers seem contradictory, but they highlight an important shift in cargo crime. While the total number of thefts may have remained the same, organized criminal groups are increasingly targeting higher-value shipments, leading to significantly larger financial losses per theft. Electronics, pharmaceuticals, luxury goods, and other high-value cargoes remain especially attractive targets, and sophisticated fraud schemes such as identity theft, fictitious pickups, and cyber-enabled cargo theft continue to grow.

The good news is that shippers can take several steps to reduce their risk. Thorough carrier vetting, shipment visibility tools, and heightened vigilance around documentation can all help deter theft. However, even the strongest security measures cannot eliminate risk entirely.

That is why cargo insurance remains one of the most important tools in a shipper's risk management strategy. When theft occurs, cargo insurance can help protect your financial interests, minimize disruption, and provide valuable peace of mind.



ASK AHAB

Dear Ahab:

Is it possible for air cargo to get bumped from a flight, just like ocean cargo can get rolled from a vessel? If so, what happens to my shipment?

– Fearful Flier

Dear Fearful Flier:

Absolutely. While air freight is widely regarded as the fastest and most reliable mode of international transportation, it is not immune to capacity constraints and operational disruptions. In the air cargo industry, this is commonly referred to as a shipment being "offloaded" or "bumped" from a flight.

Several factors can lead to cargo being offloaded, including aircraft weight restrictions, flight cancellations, adverse weather conditions, mechanical issues, airport congestion, or last-minute operational changes by the carrier. Unlike ocean freight, where a rolled container may wait for the next scheduled sailing, air cargo is typically reassigned to the next available flight or alternative routing as quickly as possible.

The impact on transit time can vary. In favorable conditions, the delay may be only a matter of hours. During periods of tight capacity, severe weather events, or network disruptions, delays can extend several days. To minimize the impact, airlines and freight forwarders often utilize alternative carriers, different flight schedules, or reroute cargo through secondary gateways to keep shipments moving toward their final destination.

This is where the value of an experienced freight forwarder becomes particularly evident. A professional forwarder does far more than simply book cargo on an aircraft. They continuously monitor carrier performance, maintain relationships with multiple airlines, evaluate alternative routing options, and proactively intervene when disruptions occur. When a shipment is bumped, an experienced forwarder can often secure priority placement on another flight, identify faster recovery solutions, and provide timely updates to ensure customers remain informed throughout the process.

The good news is that most air cargo shipments reach their destinations without incident. However, when the unexpected occurs, having an experienced logistics partner in your corner can make the difference between a minor inconvenience and a significant supply chain disruption.

In air freight, speed gets the attention. Expertise keeps the shipment moving.

Dear Ahab:

I recently started a position as a Supply Chain Manager in the funeral industry. Our company regularly imports cremation urns. Are cremation urns exempt from tariffs because they are used for funeral and memorial purposes?

– Death and Tariffs

Dear Death and Tariffs:

Unfortunately, no. Cremation urns are not automatically exempt from duties or tariffs simply because they are intended for funeral or memorial use.

When U.S. Customs and Border Protection determines the duty treatment of an imported product, it generally focuses on factors such as the item's material composition, manufacturing process, tariff classification, and country of origin. The intended use of the product, while sometimes relevant, does not automatically create an exemption from duties or additional trade measures.

The encouraging news is that decorative aluminum cremation urns may qualify for a normal duty rate of free under the appropriate Harmonized Tariff Schedule (HTS) classification. However, importers should not confuse a duty-free classification with a tariff exemption. Depending on the country of manufacture and current trade regulations, additional tariffs, including those imposed under special trade actions, may still apply.

This is where the expertise of a licensed Customs House Broker becomes invaluable.

A knowledgeable broker does much more than simply process customs entries. They analyze product specifications, verify the correct tariff classification, evaluate country-of-origin implications, monitor changing trade regulations, and identify opportunities to maintain compliance while minimizing unexpected costs. In today's constantly evolving tariff environment, even a seemingly straightforward import can carry nuances that significantly impact the final landed cost.

Before assuming an item is exempt from duties or tariffs, it is always wise to have a licensed Customs House Broker review the product in detail. A proactive classification review before shipment can help avoid costly surprises, customs delays, and unexpected duty assessments after the cargo arrives. After all, when it comes to international trade, surprises are best left for the reading of the will.



Fun Facts About PUNCTUATION MARKS



The exclamation point (!) did not get its own dedicated typewriter key until the 1970s.



The comma (,) was invented by Aristophanes of Byzantium who wanted to show actors where they need to pause.



The ampersand (&) used to be in the alphabet and it followed the letter Z.



The ampersand (&) is older than the word "and" in English.



In Israel the at (@) sign is called a Strudel and, in the Netherlands, it is called a Monkey's Tail.



The period (.) has been in use since the third century BC.

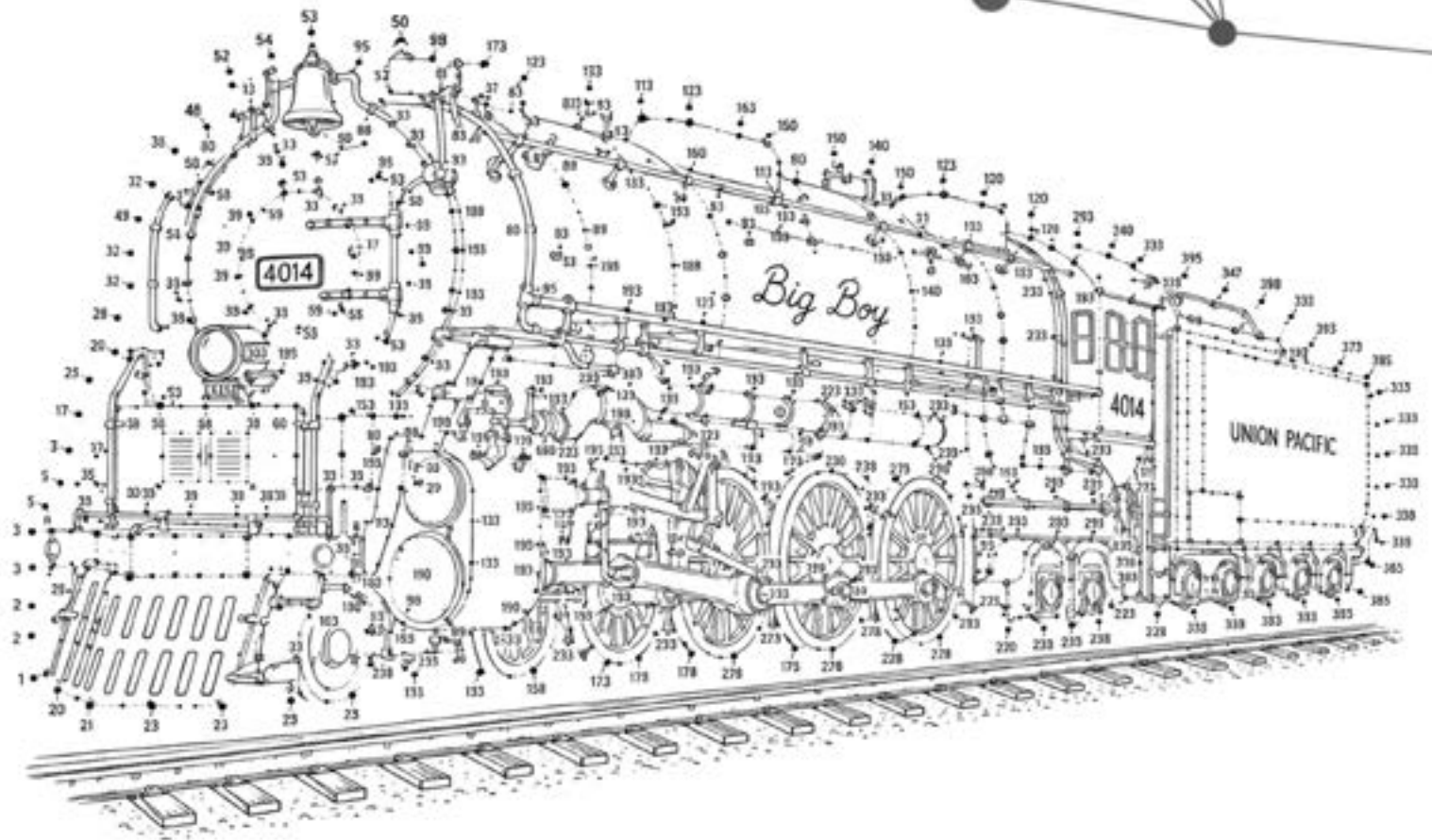


A single missing comma in a Lockheed Martin contract created an unintended contractual advantage for a customer, costing the company \$70 million.



The slash (/) was originally used to mark brief pauses in poetry in medieval manuscripts.

CONNECT THE DOTS



ABOUT

ISSUE 99



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.