



Shipping Australia Chairman's Report

By PHIL HOLMES,
Chair of Shipping Australia

Chairman's foreword

The year just gone was the year of Trumpian trade wars and tariffs. How do I even begin to review that? It's just so hard to even know where to start. Well, maybe we can begin with imports and the Trump tariffs.

If you can think of an import, it's probably been Trumpariffed. Announced tariffs include 20% on Chinese imports, 10% on Canadian potash, 50% on copper, and 20% on Vietnam, among others.

That said, according to researchers at Clarksons Research, as of mid-September 2025, only 4% of global seaborne trade has been "freshly" tariffed this year. They add that another 65% of the impacted volumes are subject to a "deal", they wrote in a Shipping Review & Outlook in September.

Uncertainty

That was the year that was of tariffs, penalties, counter-tariffs, counter-penalties, and re-counters. Frankly, there's been so many, I've lost count. It was a tough ask for trade consultants to keep track. What will tariffs do today? Will they go up? Will they go down?

Who knows? Not you. Not me.

And unless you have a team of forensic trade experts, it's almost impossible to work out what's happened over the last few months, let alone what's happening now. And as for the future? Only top-tier analytical experts have any hope of figuring out what's going on.

Economic impact

The Budget Lab of Yale University looked into the numbers and found that the pre-

Trump (i.e. early January 2025) tariff rate was about 2.5%. By early August 2025, that figure stood at just over 18%, "the highest since 1934".

This costs. It costs the US economy.

The US economy has shrunk. In the long run, US real economic growth is about 0.4 percentage points to 0.5 percentage points smaller, equivalent to about US\$120 billion less each year. Although US manufacturing is growing, other US sectors are shrinking by more, and faster.

This matters. Because it matters to real people. It matters most to those in society who have the least.

Effects of policy change

The effects of policy changes surging out from Washington do not stop at the borders of the US. I hardly need to remind this readership that maritime trade policy is international trade policy, and that shipping is a global business.

The consequences of what is decided in the Oval Office flow to every maritime capital in the world.

We saw this all too clearly in mid-October 2025, when, bowing to Trumpian pressure, the Member States of the International Maritime Organization agreed to stall the Net-Zero Framework at the extraordinary environmental meeting in London.

We note that IMO Member States adjourned the talks for 12 months with related work continuing throughout the year. We hope that progress can resume when the meeting reconvenes.

In the interim, we reiterate that it is vitally important for the economic well-being of all Australians that the regulation of

shipping continues to take place at the international level. As the expert global regulator, the IMO is the body that is best placed to create global regulation for a global industry.

Fragmented international shipping regulation, which induces unnecessary compliance costs and operational difficulties, is so detrimental to Australia's economic interest that it must be avoided. We continue to urge Australian governments to opt for regulation that is aligned with IMO policy and rules.

Shipping is committed to protecting the environment

International shipping is committed to protecting and preserving the marine and atmospheric environments. Indeed, while the adjournment at the IMO is unfortunate, we recall that it was progress from within the shipping industry that led to regulatory environmental developments.

That industry-led progress will continue. The schedule may have slipped, but the voyage has been planned, the course has been set, and the Bridge has been briefed.

There will be no returning to the port of origin.

International shipping will continue to sail toward decarbonisation and into a future that preserves the global environment for the benefit of everyone today and for those as yet unborn.

The peoples of the world rightly demand, and expect, no less.

And shipping, as it always does, will deliver on those expectations.

Technology, Digitalisation and Cyber Risk

The move to digital and autonomous operations is gaining pace. Industry stakeholders are being urged to accelerate adoption of AI for condition based maintenance, route optimisation and cargo tracking.

At the same time, cyber threats are a growing concern for the maritime domain — regulatory and risk frameworks are still catching up.

Red Sea disruption

Geo-political issues in the Middle East continue to disrupt shipping. Earlier in the year, the situation looked hopeful with the release of the Galaxy Leader crew who had been kidnapped in November 2023. Subsequently, a ceasefire was announced. However, the ceasefire that was agreed in May 2025 did not induce a general return to the Red Sea. The Clarksons Research review published in September indicates Red Sea transits remain 70% down (international trade media, Lloyd's List estimates 60% down), adding that re-routing adds ~2.5% extra demand overall, +11% for container shipping. Some shipping companies have returned, it seems, and the Suez Canal Authority is attempting to attract traffic with 15% discounts for box-ships, trade media have stated.

The US Maritime Administration, part of the U.S. Department of Transportation, continues to advise that shipping may be subject to attacks if they have an Israeli, US, or UK association, or if any vessel within a group or company fleet has been identified as making port calls in Israel. As of mid-July this year, there were a series of attacks on shipping in the region. These attacks pushed up the cost of insuring shipping, with trade media reporting comments that up to 1% of a ship's value must now be paid in insurance premiums to pass through the Red Sea, up from a rate of about 0.2% to 0.3% previously during the lull in attacks.

More recently, the general cargo vessel *Minervagracht* (IMO 9571521; 2011-built, 691 TEU and 11,759-deadweight

capacity) was attacked by a Houthi-fired missile in late September. The ship was set on fire and one crew member died.

IMO Secretary-General Mr. Arsenio Dominguez commented: "I am deeply saddened to learn of the passing of a crew member of the *MV Minervagracht*, as a result of injuries sustained during an attack on the vessel in the Gulf of Aden. I strongly condemn any type of attack against international shipping, regardless of its motivation or cause. These deplorable attacks in the Red Sea violate international law and freedom of navigation. Innocent seafarers and local populations are the main victims of these attacks and the pollution they cause. Constructive dialogue is the solution to resolving ongoing geopolitical crises affecting seafarers and international shipping".

Slightly further afield in the Middle East, and it has been widely reported that extensive electronic interference with ship systems is being carried out over the southern and middle aspects of the Persian Gulf, the Strait of Hormuz, and the Sea of Oman. The UK Maritime Trade Operations, a programme of the UK Royal Navy that is active in the region has stated that it has received multiple reports of increasing electronic interference across the region, and that this interference is having a "significant impact on vessels positional reporting".

The Middle East situation, and therefore the outlook for commercial shipping through the region, remains uncertain.

Shipping Australia's Board

It is fitting when carrying out a review, to reflect for a moment upon those who have worked to help the industry over the last twelve months.

The year just gone has seen something of a sea-change at the Board owing both to the normal ebb and flow of life, and also because of the application of the standard succession rules at Shipping Australia.

On behalf of all of the members of the association, I would like to extend our thanks to My Therese-Blank, who took

up a role outside the shipping sector and accordingly resigned her Shipping Australia positions, for her efforts both as part of the Board and for her term as Chair.

Owing to the unexpected acceleration in the planned rotation of positions at the Board of Shipping Australia, I note that the Chair at the previous Annual General Meeting was Clint Evans. Accordingly, I would also like to thank Clint for his time and work in advancing the interests of the ocean-going shipping community in Australia.

I must also take a moment to pay tribute to Eddie de Clerq, who selflessly served on the Board and served the industry as a whole for a very long time. He has always been an active participant in Shipping Australia's policy, advocacy, and governance. We, as an organisation, are grateful for his involvement. Thank you, Eddie.

I would also like to extend a warm welcome to our two new additions to the Board, Fleur Walsh and Eric Tjandra. Both are extraordinarily highly skilled executives. The ocean shipping industry in Australia is fortunate indeed to benefit from their knowledge and experience. On behalf of the members of Shipping Australia, I welcome them to their roles and look forward to their insights and guidance.

Delivers value

And finally, I would like to pay tribute to the Secretariat of Shipping Australia for all their hard work over the course of the year. Whether they're staff, volunteers, or contractors, on behalf of all the members of Shipping Australia, thank you.

It is now time for me to conclude this foreword.

Please enjoy this Annual Review. ▲