Newsletter
AUG 2025

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Autonomous Driving Paves the Way for Smarter Logistics in China

In Ziyang, Sichuan province, a logistics company has deployed three autonomous delivery vans as "employees." These driverless vehicles can transport 600 to 800 parcels continuously, navigating winding roads between villages 10 to 30 kilometers from their distribution center at speeds of 15 to 20 km/h. They stop at red lights, avoid obstacles, and are remotely monitored via smartphone.

Site manager Luo Diwen demonstrated their efficiency by unlocking the van with a few taps on his phone, streamlining the delivery process. This automation has cut labor costs and halved fuel consumption, according to general manager Liu Gang.

The vans are manufactured by Neolix, a Beijing-based company that has expanded its fleet from over 2,000 units in 2024 to more than 7,500 across 280 cities, achieving over 42 million kilometers of autonomous driving. Neolix gained attention in May 2021 by obtaining China's first permit for autonomous delivery vehicles and has partnered with major logistics providers like SF Express.

Founders Yu Enyuan and Yang Zhe leverage their logistics experience to tackle cost and efficiency challenges. Neolix has released five generations of vehicles, each improving performance and reducing costs. The fourth-generation X3 model is priced under 100,000 yuan (about $14,012), with accessible financing options.

China's autonomous driving sector is advancing quickly, supported by government initiatives. In 2023, the Ministry of Industry and Information Technology (MIIT) issued guidelines for L3 and L4 autonomous vehicles on public roads. Cities like Shenzhen and Shanghai have enacted supportive legislation, while Beijing expanded its autonomous vehicle demonstration zone from 160 to 600 square kilometers.

The MIIT plans to revise the Road Traffic Safety Law to clarify regulations for autonomous vehicles. Neolix is also working on technologies for seamless integration with automated warehouses and sorting systems. The founders envision a future where logistics efficiency enables remote distribution centers and overnight deliveries, illustrating how China's supply chain revolution is reshaping logistics.

The Quiet Revolution in Reusable Packaging

In Agadir, foldable crates are being loaded onto trucks, destined for Valencia. These crates won't end up in a landfill; they'll return to Morocco. A growing trend in reusable packaging is reshaping the agricultural export landscape, reducing costs and waste.

Karim Belkadi, a cold chain coordinator, shares that previously, packaging was primarily cardboard or foam. Now, 40% of their packaging is returned. This change signifies a new approach to circular logistics, with crates designed for over 40 uses, creating a closed-loop system between Moroccan exporters and Spanish importers.

After delivery, crates are collected, cleaned, and sent back on return trips, improving efficiency. In regions like Souss-Massa, the reuse rate has doubled in just a year. "It's not just about being eco-friendly; it's a smart business decision," Belkadi states, noting that customers appreciate the consistency.

At the port of Tanger Med, a local freight handler has implemented a basic cleaning unit for the crates. While the system lacks automation, it allows for quicker returns, enhancing supply chain efficiency. One logistics operator remarked, "Sometimes innovation is just doing old things better."

The reusable packaging model is spreading. Seafood cooperatives near Dakhla are testing crate systems for fresh fish exports to France, and a pilot for reusable garment boxes is underway in Casablanca for textile shipments to Portugal.

Despite challenges like loss and cleaning logistics, the advantages—reduced single-use materials, less customs waste, and lower repacking costs—are pushing this trend forward.

ANA Acquires Nippon Cargo Airlines: A New Era for Japan's Freight Sector

On August 1, 2025, ANA Holdings successfully completed its acquisition of Nippon Cargo Airlines, marking a significant shift in Japan's freight strategy. This deal, which had been in the works for over a year, positions ANA not just as a passenger airline but as a formidable logistics operator on the global stage.

With this acquisition, ANA now controls Nippon Cargo's fleet of Boeing 747 freighters, greatly enhancing its ability to transport bulk cargo across continents without relying on commercial passenger flights. This strategic move not only expands their fleet but also brings onboard decades of expertise in freight handling. Nippon Cargo's experienced crews are well-versed in the intricacies of loading and transporting large and awkward shipments, ensuring both speed and safety.

The path to this acquisition was not without its challenges. Regulatory concerns from both Japanese and Chinese authorities delayed the process, with China particularly wary of ANA potentially dominating key terminals. However, after months of negotiations, the deal received the necessary approval in July.

Looking ahead, ANA has plans to establish a new logistics division, integrating Nippon Cargo's operations while retaining its staff. This transition is expected to streamline operations, leading to more ANA freighters on key routes, such as Tokyo to Los Angeles, and providing freight customers with more consistent scheduling.

For global shippers, this acquisition is a clear signal that ANA is serious about expanding its freight services beyond merely utilizing passenger aircraft. As one German importer noted, "If ANA can offer guaranteed space with a fixed timetable, we'll sign tomorrow." This sentiment reflects a growing demand for reliable logistics solutions, and ANA's strategic move stands to reshape the logistics landscape in Japan.

Qatar Airways Cargo Expands Capacity with Two New Boeing 777 Freighters

On August 12, 2025, Qatar Airways Cargo made a significant move to enhance its freight capacity by adding two Boeing 777 freighters to its fleet. The aircraft, freshly delivered from Boeing's Everett plant in Washington State, will soon be operational at Hamad International Airport in Doha.

This strategic expansion comes at a crucial time, as global freight volumes continue to rise, particularly in e-commerce and temperature-sensitive goods. Key routes, such as Hong Kong to Frankfurt and Shanghai to Chicago, are experiencing tight space and increasing rates. Guillaume Halleux, Chief Officer Cargo, emphasized the need for this expansion, stating, "Our customers are asking for faster, more reliable options on long-haul routes. Expanding now is the only way to maintain that level of commitment."

Unlike previous fleet upgrades, these new aircraft represent a net increase, bringing Qatar Airways Cargo's total freighter count to 32. Each Boeing 777 freighter is capable of carrying over 100 tonnes, effectively addressing capacity bottlenecks on critical Asia-Europe routes.

The new jets feature advanced avionics and lightweight composite materials, which Qatar Airways expects will help mitigate fuel costs and lower emissions. This expansion is not just about increasing space; it also positions the airline to compete more effectively in a market where rivals are rapidly scaling operations.

Analysts suggest that the timing of this addition will enable Qatar Airways Cargo to better handle seasonal surges, particularly during the upcoming pre-holiday peak when demand for everything from electronics to fresh produce typically spikes. For the airline's freight customers, the arrival of these new freighters is a welcome development that promises to improve service reliability and capacity.

American Ports Support Revitalization of Domestic Crane Manufacturing

The American Association of Port Authorities (AAPA) is backing plans to bring the manufacturing of ship-to-shore (STS) cranes back to the United States. This initiative comes amid ongoing discussions regarding U.S. Trade Representative (USTR) actions aimed at addressing maritime trade issues, particularly concerning vessels linked to Chinese ownership.

Currently, the U.S. lacks the capability to manufacture these crucial cranes, which are essential for port operations. The USTR has proposed implementing a “U.S. build” requirement for STS cranes, but AAPA has cautioned against hasty measures. During recent testimonies, AAPA President and CEO Cary Davis highlighted that imposing 100% tariffs on Chinese cranes would not revive the American crane manufacturing industry, which has been dormant for decades. Instead, it would lead to increased costs for public port authorities that need to replace aging equipment or outfit new terminals.

In response, AAPA has expressed strong support for a legislative initiative aimed at reshoring crane manufacturing. The proposed Port Cranes Tax Credit Act of 2025 seeks to implement a 25% investment tax credit for U.S. facilities that manufacture or repair STS and mobile harbor cranes. Additionally, a production credit of 40% would be available, rising to 60% if at least 90% of crane components are made in America.

Davis stated, “Instead of levying unfair taxes on port development, the Port Cranes Tax Credit Act is a tangible first step toward incentivizing the reshoring of key cargo-handling equipment.” He emphasized the need for Congress to act swiftly on this legislation to bolster domestic production and enhance the competitiveness of U.S. ports.

Support for the initiative extends beyond AAPA, with industry leaders like Paul Anderson, President and CEO of Port Tampa Bay, advocating for the bill. Anderson noted that U.S.-built cranes are vital for strengthening the nation’s supply chain resilience and addressing national security concerns.

The AAPA has urged the House Committee on Ways and Means to expedite consideration of the Port Cranes Tax Credit Act and called for senators to introduce similar legislation. By fostering domestic production of port infrastructure, Congress can significantly enhance the security and resilience of America’s ports.

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