

Tariffs and Taxes Impact on Logistics

Tariffs and taxes significantly influence global logistics, affecting costs, supply chain efficiency, and trade flows. Government-imposed duties and levies vary widely depending on the country, impacting both importers and exporters. Companies operating in international logistics must navigate these financial regulations to remain competitive and optimize operations to manage these challenges effectively.

Regional Overview of Tariffs and Taxes in Logistics

North America

- The **United States** has recently overhauled its tariff regime, significantly increasing duties on a wide range of Chinese imports, affecting the global manufacturing supply chains.

- Canada** while still aligned with USMCA provisions, has expressed strong opposition to the U.S. tariff hikes. In response, Canada is exploring retaliatory tariffs on a range of American goods.

- Mexico** is reassessing its trade policy in light of U.S. tariff increases. Its free trade zones continue to offer tax benefits for logistics and manufacturing operations.

Europe

- The **European Union (EU)** maintains its Common External Tariff and continues to advocate for multilateral trade stability. In response to U.S. trade shifts, the EU has initiated reviews on import duties for American goods, with potential retaliatory tariffs under consideration.

- The **United Kingdom** post-Brexit, has introduced new temporary tariffs on certain U.S. products, citing unfair trade practices. This adds another layer of complexity to transatlantic logistics operations.

- Germany and France** continue to apply VAT on imports, with additional compliance checks being introduced for U.S. goods as part of a broader EU review.

Asia-Pacific

- China** has retaliated against the new U.S. tariffs with increased duties on American agricultural and industrial imports. The country also continues to reduce tariffs from other trade partners as part of the Regional Comprehensive Economic Partnership (RCEP).

- India** is implementing minor adjustments to its GST structure to streamline logistics costs and enhance competitiveness, particularly in e-commerce and express delivery.

- Japan and South Korea** maintain simplified customs procedures. However, both countries are recalibrating trade terms with the U.S. to mitigate the impact of the new American tariff policies.

Middle East & Africa

- The UAE** continues to support global trade through its duty-free zones, although regional instability has prompted reviews of some bilateral trade arrangements, especially with the U.S.

- South Africa** is negotiating trade concessions with the U.S. after facing increased duties on key exports such as citrus and wine.

- Saudi Arabia** is implementing a phased VAT hike, now reaching 17%, as part of fiscal diversification efforts. This change significantly affects logistics and supply chain costs.

Latin America

- Brazil** is simplifying its tax system, aiming to reduce the burden on imported goods amid concerns that U.S. tariffs might indirectly affect Brazilian export competitiveness through global value chains.

- Argentina** has tightened import licensing, especially for U.S. goods, as a reciprocal measure. This has caused delays and additional logistics hurdles.

- Chile** continues to enjoy relatively low tariffs, leveraging trade agreements to maintain smooth operations. It is also strengthening ties with Asian economies to offset North American uncertainties.

How Tariffs and Taxes Affect Logistics

1. **Cost Increases** – Higher tariffs raise transportation and import costs, leading to more expensive goods for consumers.
2. **Customs Delays** – Complicated tax structures and tariffs often slow down border clearance, increasing lead times.
3. **Supply Chain Disruptions** – Sudden policy changes can create uncertainty, forcing businesses to adjust their logistics strategies.
4. **Competitive Disadvantages** – Countries with high tariffs may struggle to attract foreign investments and global trade opportunities.
5. **Encouragement of Domestic Production** – High import duties often push businesses to source locally, reducing dependency on foreign suppliers.

Strategies to Mitigate Tariff and Tax Impacts

Optimize Trade Agreements – Leveraging free trade agreements (FTAs) can reduce tariff burdens and facilitate smoother transactions.

Restructure Supply Chains – Sourcing from tariff-friendly regions minimizes costs and enhances resilience.

Use Bonded Warehouses – Storing goods in duty-free zones allows companies to defer or reduce tax obligations.

Improve Compliance and Documentation – Avoiding penalties through proper customs documentation ensures smoother border clearance.

Implement Digital Tax Management Tools – Automated software helps track duties, VAT, and customs charges efficiently.

Future Trends in Logistics Tariffs and Taxes

Geopolitical & Trade Policy Shifts

Carbon & Sustainability-Linked Tariffs

Digital & E-Commerce Taxation

Automation & AI in Customs Compliance

Supply Chain Resilience Taxes & Incentives

VAT/GST & Indirect Tax Reforms

Evolving Free Trade Agreements (FTAs)

Trade Compliance & Anti-Avoidance Measures

We're Here to Help

These changes may have an impact on your supply chain. Our team can support you with industry update, tariff impact analysis, Customs compliance planning and supply chain risk reviews.

For assistance regarding:

North America regulations,
please contact us at: lewis.hu@sh.aelbkm.com

China regulations,
please contact us at: roger@hk.aelbkm.com

EU regulations,
please contact us at: alex.chen@sh.aelbkm.com

LEADING STAFF

After graduating from Xiamen University of Technology with a degree in International Trade in 2002, Alvin embarked on his career at AEL-Berkman Xiamen. His first year was a whirlwind of learning the core logistics operations, from processing Bill of Lading to managing client communications. These early experiences undoubtedly instilled in him a commitment to precision and attention to detail, values that have been fundamental throughout his career.

In 2003, he transitioned to Geodis, where he rapidly advanced from documentation to leading a team of 15 professionals in customer service and operations management. Handling urgent shipments for multinational clients and overseeing the transition from third-party agents to in-house operations honed his strategic thinking and understanding of cross-cultural teamwork and leadership.

The year 2011 marked a new challenge for him as Alvin joined Shipco to establish its Xiamen branch during a critical phase of the company's global expansion. Building operations from the ground up, recruiting staff, designing workflows, and setting efficiency standards taught him to balance speed with precision in the fast-paced startup environment.

By 2013, Alvin returned to AEL-Berkman Xiamen, where he began as Operation Manager and focused on embedding core values of integrity, innovation, and client-centricity into the daily work. His promotion to Office Manager in 2014 saw him leading initiatives to reduce error rates through targeted staff training programs, enhancing service quality and earning the company a reputation as a "Trusted Partner" in logistics.

Alvin's journey is a testament to his unwavering commitment to excellence and his ability to drive impactful change in the company management.



AEL-Berkman Forwarding

Alvin Zhang
Xiamen Branch Manager

Bridging Global Logistics Building Trusted Futures

From clerical beginnings to strategic leadership, Alvin's journey reflects a deep commitment to continuous learning, adaptability, and collaboration. As global uncertainties reshape the logistics landscape, he remains confident that with innovation, unity, and trust at the core, the company can transform every challenge into a new opportunity.

