

Tariffs Rewrite Global Sourcing Rules: Landed Cost Becomes the New Benchmark

Companies are moving beyond traditional sourcing strategies focused only on low purchase prices. With rising tariffs, freight volatility, and geopolitical risks, businesses are now prioritizing “tariff-adjusted landed cost” — the total real cost of a product including duties, logistics, compliance, and delays.

The shift is pushing procurement teams to diversify suppliers, regionalize supply chains, and focus more on resilience than just cheapest sourcing. Experts say landed cost visibility is now a critical factor in protecting margins and making smarter sourcing decisions in an increasingly unpredictable trade environment.

Source: Supply Chain Brain

LANXESS & HPCL Join Hands to Power India's Aviation Lubricants Market

German specialty chemicals company LANXESS has partnered with Hindustan Petroleum Corporation Limited (HPCL) to expand the availability of advanced aviation and industrial lubricants across India and SAARC countries. Under the new MoU, both companies will jointly explore short-, medium-, and long-term business opportunities while improving local access to premium high-performance lubricant solutions for critical industrial and aviation applications. The collaboration aims to combine LANXESS' global lubricant technology expertise with HPCL's strong regional distribution network to support growing demand in India's rapidly expanding aviation and industrial sectors.

Source: Chemical Weekly

Mitsui Chemicals Faces Deeper Losses Amid Weak Demand and Middle East Risks

Japan-based Mitsui Chemicals reported widening losses in its Basic & Green Materials business for FY2025, mainly due to weak petrochemical demand, low plant operating rates, and falling naphtha prices. The division posted a loss of ¥18.4 billion, compared to ¥11.4 billion the previous year.

The company also warned that ongoing Middle East tensions could further impact earnings by nearly ¥15 billion in FY2026 through higher energy costs and production inefficiencies. Despite these challenges, Mitsui Chemicals expects profitability to improve through restructuring initiatives, capacity optimization, and stronger performance from its specialty chemicals business.

Source: ICIS

Air Cargo Costs Take Off: Spot Rates Jump 30% in April

Global air cargo spot rates surged 30% year-over-year in April, reaching their highest level since October 2022 as geopolitical tensions, capacity shortages, and rising fuel costs disrupted global logistics networks.

Rates from Southeast Asia to North America climbed sharply, reflecting strong demand and limited cargo space. Industry analysts say the spike was largely driven by Middle East conflicts affecting major air routes, though signs of market stabilization are beginning to emerge as capacity gradually returns.

Source: Supply Chain Dive

IEA Warns of Severe Global Oil Shortage Until Late 2026

The International Energy Agency (IEA) has warned that the global oil market will remain heavily undersupplied through at least the third quarter of 2026 due to major supply disruptions linked to Middle East tensions and restrictions around the Strait of Hormuz.

Despite lowering its global oil demand forecast, the IEA now expects a supply deficit of nearly 1.8 million barrels per day, with global inventories falling at record pace. The agency said continued disruptions could trigger further price spikes and prolonged volatility across energy markets worldwide.

Source: S&P Global

Asahi Kasei Pulls Back EV Battery Expansion Amid Slowing Demand

Japan's Asahi Kasei is reportedly scaling back parts of its lithium-ion battery separator expansion plans as the global electric vehicle market faces slower-than-expected growth.

The company is reassessing investments in North America, including delaying the start-up timeline for its Canadian battery materials facility linked to Honda's postponed EV plans.

Despite the slowdown, Asahi Kasei continues to position battery separators as a long-term growth business, focusing on strategic partnerships and selective expansion in key markets. The move reflects broader caution across the EV supply chain as manufacturers adjust to softer demand and rising investment costs.

Source: C&en

Australia Secures Emergency Urea Supply Amid Global Fertilizer Crunch

Australia's government has secured 90,000 tonnes of urea through a special underwriting scheme to stabilize fertilizer supply as global shortages and Middle East disruptions continue to pressure markets. The imports, arranged with distributors Incitec Pivot and CSBP, aim to protect farmers ahead of the winter crop season.

The move comes as urea prices in Australia have surged nearly 72% since the start of the US-Iran conflict, while trade through the Strait of Hormuz remains heavily disrupted. Officials say additional fertilizer supplies are expected soon to ease market volatility and support agricultural production.

Source: Argus Media

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