



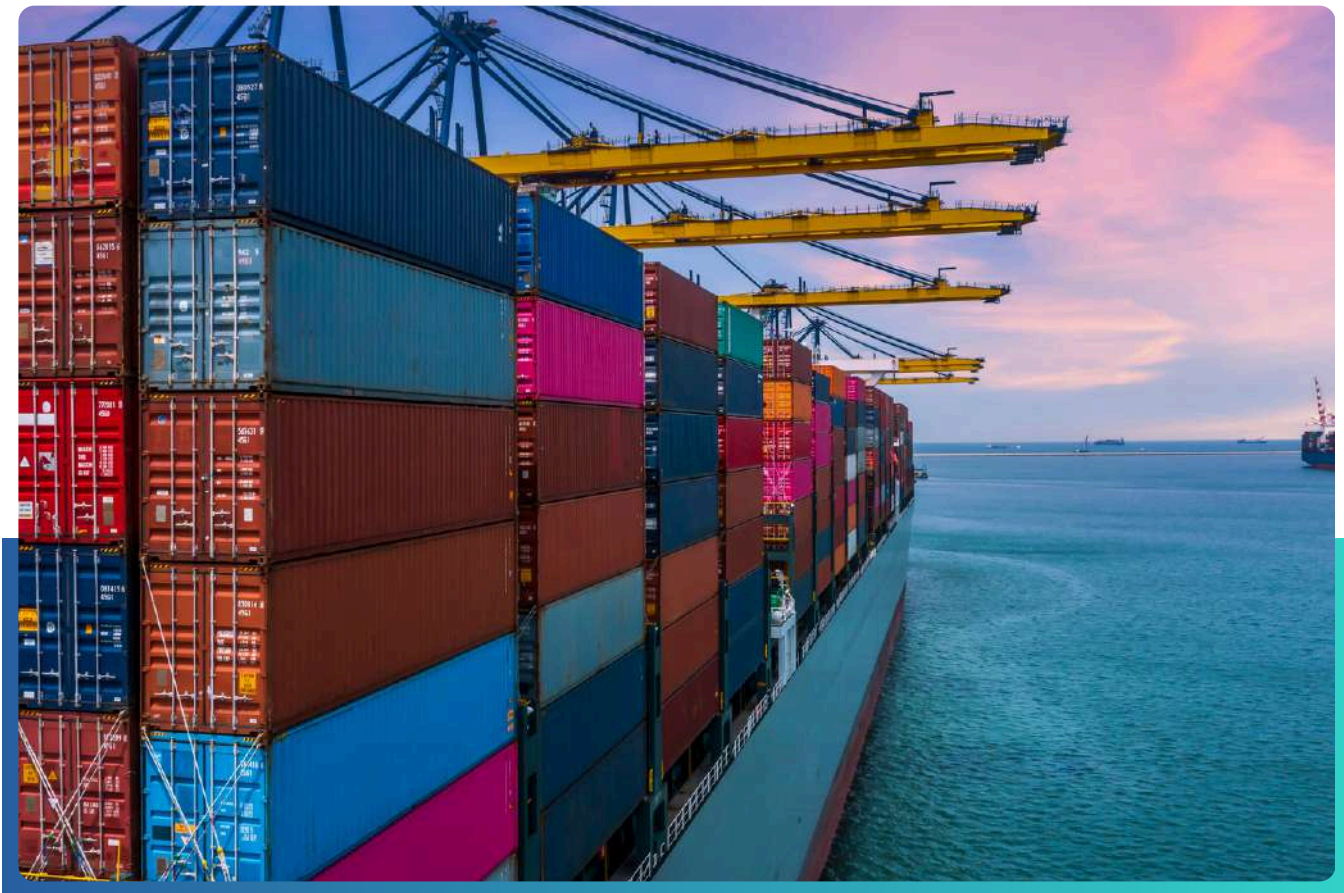
THE CURRENCY TO SUCCESS FOR GLOBAL TRADE

A Guide to Reducing Costs and Risks
in Global Shipping Payments



TABLE OF CONTENTS

The Global Shipping Landscape in 2025	05
Understanding Cross-Border Payments	11
Strategies for Streamlining Cross-Border Payments	18
Use Case: Streamlining Bulk Payments	22
Scaling Your Shipping Operations for 2025 and Beyond	23





Executive Summary

The shipping industry is experiencing a period of significant change, driven by shifting global trade routes, rapid digitalisation, and evolving regulatory demands. As cross-border trade becomes ever more integral to business growth, shipping companies are challenged by complex foreign exchange risks, rising operational costs, and the need for greater compliance and efficiency.

This eBook examines the major trends and challenges shaping the shipping sector in 2025. Key concerns include managing increasing costs, maintaining healthy cash flow, and integrating new digital systems into daily operations. Packed with practical insights and real-world examples, this eBook is designed to help shipping businesses optimise cross-border payments, enhance financial control, and stay competitive in a rapidly evolving maritime landscape.

GLOBAL SHIPPING LANDSCAPE IN 2025

Global trade is on the move. International shipping remains the backbone of global commerce, facilitating over 80% of global trade by volume according to the International Chamber of Shipping.

The shipping industry faces a transformative year shaped by geopolitical realignments, environmental mandates, and technological innovation. Yet the route to profitability is becoming more challenging as owners contend with fluctuating demand, geopolitical disruptions, and cost pressures that impact every dollar moving through port-to-port payments.

Business owners are navigating not just oceans but an increasingly complex landscape of changing trade dynamics, digital disruption, and mounting financial pressure. With 3% projected growth in container trade and 100%+ surge in biofuel bunker demand, businesses must adapt to shifting operational and financial currents.

Opportunities

Port-to-Port in a Shifting World Trade Environment

Global trade routes are being redefined by new alliances, technological advancements, and diversified freight corridors.

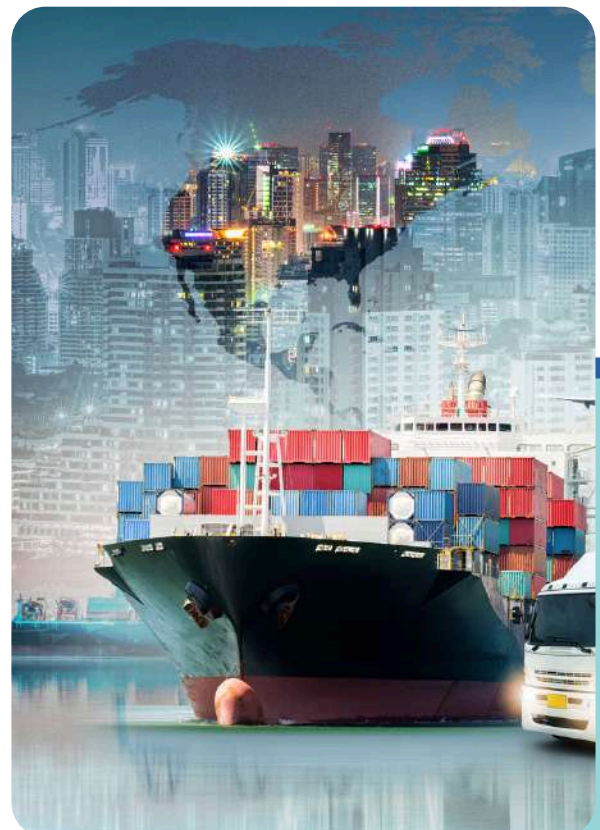
Trade agreements and manufacturing shifts to countries like Vietnam and India have increased congestion at key transshipment hubs such as Singapore and Rotterdam by 10%.

At the same time, the development of new infrastructure like Peru's Chancay deep-water port is expected to alleviate bottlenecks along the Trans-Pacific corridor.

However, the reopening of the Suez Canal has reduced reliance on Cape of Good Hope diversions, which currently absorb 10% of global container capacity.



International shipping facilitates over **80%** of global trade.



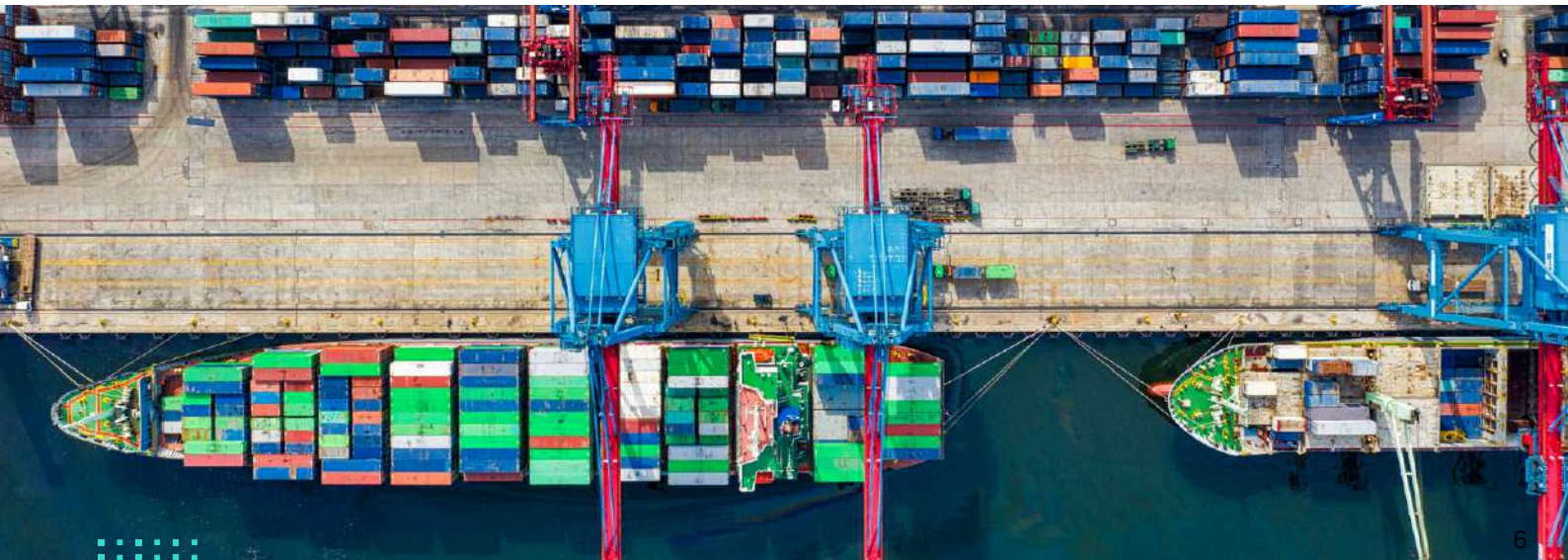
Strategic Route Changes (2025)	Impact
Asia-Europe Mainline	Vietnam/India shifts drive 10% congestion at Singapore/Rotterdam
Trans-Pacific	New Peruvian Chancay port eases US West Coast bottlenecks
Cape of Good Hope	Reduced Suez Canal traffic leads to longer transit times

Trade Alliances Redefine Asia’s Maritime Map

The Regional Comprehensive Economic Partnership (RCEP) is accelerating intra-Asian trade integration, with forecasts of an extra 2.2 million TEUs in intra-Asia container volumes by 2030.

This pact is strengthening manufacturing corridors like Vietnam–China–Europe, where road-rail freight between Vietnam and southwestern China now handles raw material flows for European production.

Meanwhile, initiatives like the Johor–Singapore Special Economic Zone (JS-SEZ) are creating digital-first logistics corridors, enabling seamless cross-border cargo clearance and reducing transit times by 18%.





RCEP-Driven Trade Shifts	Impact
ASEAN-China road freight	15% annual growth due to low-inventory manufacturing strategies
Cold chain logistics	2,850+ TEUs of refrigerated cargo processed at China's Beibu Gulf Port in 2025, including Thai rice and Australian cattle
Port network expansion	34+ RCEP-focused shipping routes added at Beibu Gulf since 2022, handling 69,000 TEUs annually

Digitised Ports Reshape Regional Competitiveness

The rapid adoption of digital technologies is transforming ports into smart logistics hubs, reshaping regional competitiveness and trade dynamics.

Asia has emerged as a global leader in port digitisation, hosting 63% of global smart port investments. These advancements are not only improving operational efficiency but also enabling ports to handle growing cargo volumes with greater precision and speed.

For instance, Singapore's Maritime Data Hub leverages blockchain-enabled customs clearance to reduce cargo turnaround times by 30%, setting a benchmark for other ports worldwide. Across the region, ports are deploying cutting-edge technologies to streamline operations and enhance trade connectivity.



Key developments include:



Rotterdam's MASS Port Network

This initiative is testing AI-driven vessel coordination with Asian partners, successfully reducing berthing delays by 22%.



Qinzhou Port's Cold Chain Revolution

The port now processes over 500 TEUs of fresh fruit exports monthly to Thailand, facilitated by RCEP tariff pathways and advanced cold chain logistics.



Hainan's Blue Economy Integration

Zero-tariff policies are attracting ASEAN seafood processors, while Yangpu Port has deployed smart containers equipped with real-time humidity and temperature tracking to support perishable goods trade.



Shipping in the Digital Age

The global shipping industry has undergone a digital revolution, with ports embracing advanced technologies to enhance efficiency, transparency, and sustainability. Port digitisation is accelerating, with blockchain platforms now used by 29% of freight forwarders to reduce cross-border documentation delays by 40%.

The deployment of 5G and testing of 6G networks at major ports, such as the Port of Tyne in the UK, has enabled real-time cargo tracking and automation, optimising operations in an increasingly complex trade environment.

AI and IoT Integration is also reshaping logistics. AI-driven cargo tracking systems and IoT-enabled sensors are providing real-time updates on container movements, reducing bottlenecks and improving operational visibility. Ports like Rotterdam and Busan have integrated these technologies into their smart port systems, cutting average turnaround times for freight by up to 30%.

Key Challenges: Global Payroll Pressures

Shipping has always been a globally interwoven industry. But for business owners, the real pressure isn't just on moving cargo – it's in moving money.

The shipping industry's global nature means payroll is far more than a routine administrative task – it is a time-sensitive, high-stakes process that can directly affect operational reliability, crew morale, and the bottom line.

Multi-Currency Complexities Drains Margins

”

“Switching to Wallex helped us save up to **80%** on transfer fees.

Those savings have made a real difference to our business, cutting down our costs and boosting our bottom line.”

Mrs Dina

Finance Accounting Manager, HMNS

Shipping companies must pay crew and staff in a range of currencies – USD for senior officers, PHP for Filipino seafarers, IDR or VND for regional staff – while also settling invoices and fees in local currencies at each port of call.

This constant need for currency conversion exposes businesses to FX volatility, which can erode profit margins and make payroll costs unpredictable.

According to our in-house Pulse Survey, 52.8% of businesses identified FX volatility as a top financial concern, yet most have not implemented formal hedging strategies.

Even small shifts in exchange rates can add up to significant cost overruns when multiplied across hundreds of payroll transactions each month.



Settlement Delays Disrupt Shipping Operations

While vessels may move swiftly across oceans, cross-border payments often lag behind.

Traditional banking channels, such as SWIFT, can take several days to process payroll transactions, especially when multiple correspondent banks are involved.

Delayed salary payments can damage crew morale, breach labour contracts, and disrupt vessel schedules.

For shipping businesses, settlement delays are not just a financial inconvenience – they can become operational bottlenecks that impact the entire supply chain.

Fragmented Cross-Border Compliance Across Jurisdictions

Each country involved in a shipping company's payroll brings its own set of compliance requirements, including Anti-Money Laundering (AML) checks, Know-Your-Business (KYB) protocols, tax reporting, and FX controls.

Navigating these obligations is increasingly complex, especially in Southeast Asia, where regulatory standards and digital payment frameworks vary widely. Failure to comply can result in delayed or blocked payments, fines, and reputational damage – risks that are magnified when relying on traditional banks that may not adapt quickly to local regulations.

Manual Processes and Limited Financial Visibility

Despite advances in digitalisation, many shipping businesses still manage global payroll manually, using spreadsheets, paper invoices, and disconnected banking platforms.

This labour-intensive approach is time-consuming and prone to human error, leading to payment delays, reconciliation issues, and missed opportunities to optimise working capital.

Payroll teams often lack real-time visibility into FX costs, cash flow position, or the status of outbound payments, making it difficult to forecast and control expenses.

Our in-house Pulse Survey revealed that only 52% of businesses feel prepared to integrate digital or AI-powered payment automation – leaving nearly half exposed to inefficiencies that could be resolved with modern fintech solutions.



“With Wallex, we are now able to pay our vendors and partners within **24 hours**, which means no more long waits. It's really helped us keep our supply chain moving without delays.

Mr. Budy Sulistriono

Owner, PT Intralab Ekatama



UNDERSTANDING CROSS-BORDER PAYMENTS

Following the challenges outlined in the previous section, it is clear that SMEs must navigate a complex business landscape in 2025. Amid rising costs, reduced customer spending, and cash flow constraints, emerging trends in cross-border payments offer both opportunities and solutions for SMEs to optimise operations and expand globally.

This section highlights key trends shaping the future of cross-border payments and how they can empower SMEs to overcome barriers and thrive in international markets.

Emerging Trends

Interoperability of Real-Time Payments

Real-time cross-border payment systems are moving towards a new level of interoperability. The ASEAN region has already made notable strides through bilateral payment linkages, supported by initiatives like the Bank for International Settlements' Project Nexus. These developments aim to reduce friction and improve the efficiency of money movement between countries.

What makes this trend particularly interesting in 2025 is the convergence of regional efforts, as seen in the G20 cross-border payments program, aimed at enhancing the speed, transparency, accessibility, and affordability of cross-border payment services, is expected to show significant progress by 2025.

This global push, combined with the maturing of regional initiatives, is creating a more cohesive and interoperable global payments landscape.





FX Volatility Management

Foreign exchange volatility continues to pose a major challenge for SMEs handling multiple currencies, but the tools to manage this risk are becoming increasingly sophisticated. AI-driven predictive analytics are now helping businesses anticipate currency movements and make informed decisions on when to execute transactions or hedge exposure.

Automated hedging tools are also gaining traction, enabling companies to apply pre-defined currency management rules triggered by market shifts—improving both cost efficiency and control. Additionally, real-time FX conversion at the point of transaction is becoming more widespread, allowing businesses to lock in rates instantly and eliminate settlement-period risks. These innovations are giving SMEs more stability and predictability in their international financial operations.

Wallet-to-Wallet Payments

Wallet-to-wallet payments offer several potential benefits for businesses engaged in cross-border transactions. First, they can enable potentially faster settlement times, as funds can be transferred directly between digital wallets without the need for intermediary banks. This speed is particularly advantageous for businesses that require quick access to funds or need to make time-sensitive payments.

These transactions often come with lower costs compared to traditional international wire transfers. By bypassing the traditional banking system, wallet-to-wallet payments can reduce or eliminate many of the fees associated with cross-border transactions.

As digital wallet domestic adoption increases among different countries, this trend could lead to a more direct and efficient method of cross-border payments, potentially disrupting the traditional model of international money transfers.

Artificial Intelligence in Payment Processing

Artificial Intelligence (AI) is set to play an increasingly important role in cross-border payments, with applications ranging from fraud detection to payment routing optimisation. The integration of AI into payment systems could lead to more secure, efficient, and cost-effective cross-border transactions for businesses of all sizes.

AI algorithms can analyse vast amounts of transaction data in real-time, identifying patterns and anomalies that may indicate fraudulent activity. Machine learning algorithms can automate many aspects of know-your-business (KYB) and anti-money laundering (AML) checks, reducing the time and resources required for these essential tasks while improving accuracy.

Digitalisation of B2B Payments

The shift toward end-to-end digitalisation of B2B payments is set to accelerate beyond 2025. Digital invoicing and reconciliation are key components of this trend. By digitising these processes, businesses can reduce errors, speed up payment cycles, and improve cash flow management.

Automated reconciliation systems can match invoices with payments and purchase orders in real-time, significantly reducing the manual work involved in managing accounts payable and receivable. Integrated supply chain finance solutions are another aspect of B2B payment digitalisation. These platforms can provide visibility into the entire supply chain, allowing businesses to optimise working capital and offer early payment options to suppliers. Real-time payment tracking and reporting are becoming standard features in digital B2B payment systems. These capabilities provide businesses with greater visibility into their cash position and help with forecasting and financial planning.

As more businesses adopt fully digital payment processes, we expect to see improvements in cashflow management, reduced processing times, and enhanced visibility across the payment lifecycle. This digitalisation is particularly important for businesses engaged in cross-border trade, where traditional paper-based processes can lead to significant delays and increased costs.

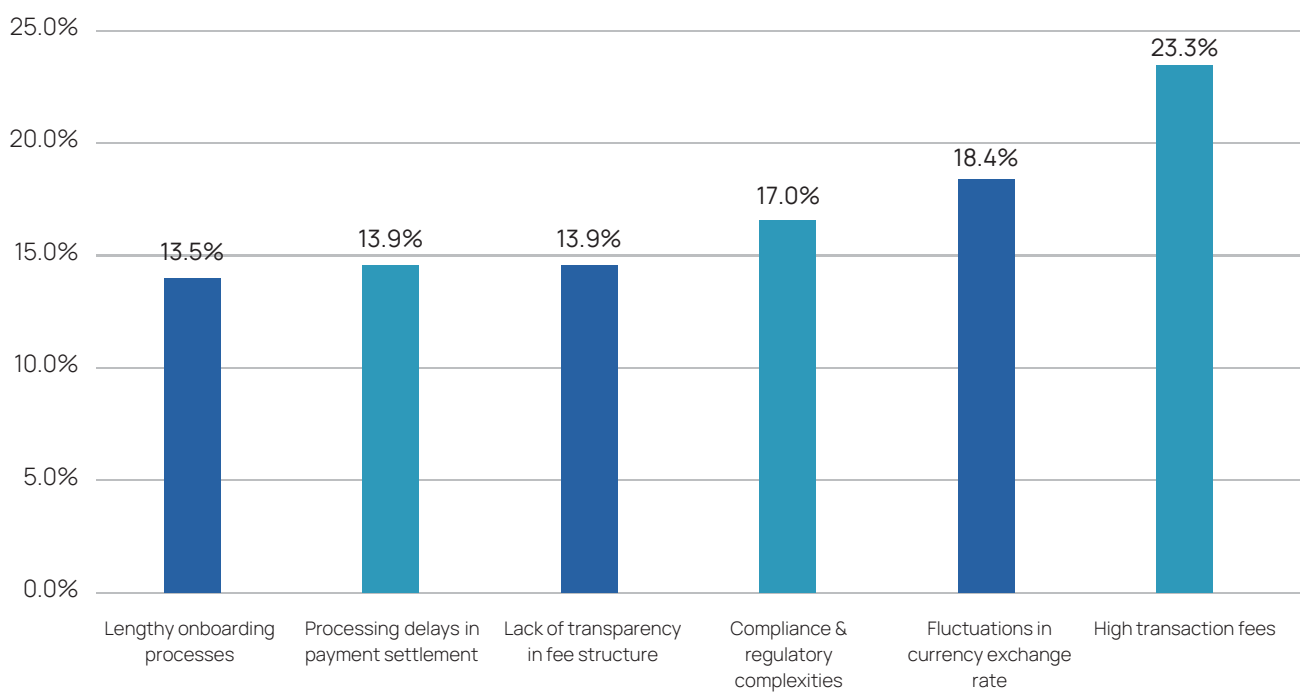


TOP CROSS-BORDER PAYMENT AND FX CHALLENGES

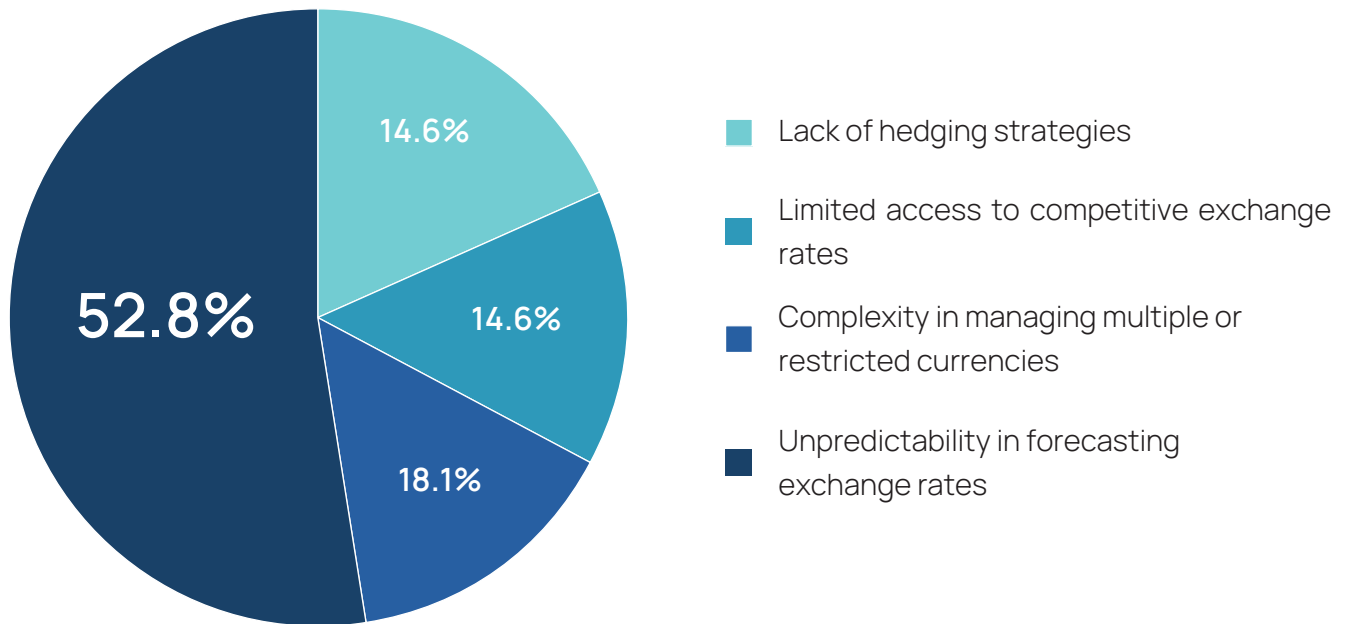
Businesses operating in global markets face significant challenges in managing cross-border payments, ranging from high transaction costs to compliance complexities.

Our latest in-house M-DAQ SME Pulse Survey highlights high transaction fees, currency fluctuations, and regulatory burdens as the most pressing concerns, affecting cash flow, profitability, and operational efficiency.

Top Cross-Border Payment Challenges



Top FX Management Challenges



Key Takeaways

- High transaction fees remain the primary challenge, with 23.3% of SMEs struggling with excessive costs from SWIFT fees, currency conversion markups, and intermediary bank charges, directly affecting profitability.
- Currency exchange rate volatility is a major risk, with 52.8% of SMEs citing difficulty in forecasting exchange rates.
- Despite that, over 70% of them lack the implementation of hedging strategies, leaving them exposed to unpredictable market shifts.

Addressing these challenges requires SMEs to adopt fintech-driven payment solutions, hedge against FX risks, and leverage digital tools to reduce costs, enhance transaction speed, and ensure greater financial visibility.



GEOGRAPHIC-SPECIFIC CHALLENGES IN CROSS-BORDER PAYMENTS WITHIN ASEAN

Regional Disparities



Financial Inclusion Gaps:

Bank penetration varies dramatically across ASEAN countries. While Singapore has one of the highest rates globally, approximately 42% of the ASEAN population remains unbanked, with a significant portion being underbanked.



Regulatory Fragmentation:

Inconsistent digital payment standards across ASEAN countries complicate cross-border transactions and compliance efforts.



Infrastructure Disparities:

Several ASEAN nations, including Cambodia, Laos, Brunei, and Myanmar, face high costs in building robust digital payment systems, especially in rural areas with limited resources.

Country-Specific Challenges

Singapore:

- B2B sector still relies heavily on traditional wire and bank transfers for cross-border payments.
- Cross-border B2B payments can take several days to process, with fees ranging from US \$10 to US \$25 per transaction, excluding foreign exchange costs.

Vietnam:

- Limited financial literacy among individuals and small business owners hampers the adoption of digital financial services.
- Regulatory fragmentation leads to inconsistent digital payment standards.



Philippines:

- ◆ Cross-border payments incur high remittance fees, averaging 6%.
- ◆ Multiple validations and compliance checks increase delays and costs

Cambodia, Laos, Brunei, and Myanmar:

- ◆ Evolving regulations create uncertainty for businesses and slow the adoption of new payment technologies.
- ◆ Many citizens lack access to digital payment tools, limiting adoption despite fintech efforts.
- ◆ Underdeveloped digital payment ecosystems hamper financial innovation and accessibility.

Regional Systemic Challenges



Interoperability Issues

Limited system compatibility prevents seamless cross-border and cross-platform transactions, restricting ASEAN-wide integration.



Currency Dependence

Most cross-border payments are settled using US dollar foreign exchange reserves, creating vulnerabilities during crises.



Market Liquidity

Regional bond markets suffer from thin liquidity, sparse and costly hedging tools, and a lack of standardisation in market practices.



Technology & Business Model Differences

Varying technological preferences and business models across countries pose challenges for payment connectivity initiatives.

STRATEGIES FOR SMARTER PORT-TO-PORT PAYMENTS

As shipping businesses navigate an increasingly complex global trade environment, managing cross-border payments with precision has become just as critical as managing cargo. Whether settling port dues, paying international agents, or disbursing crew salaries, business owners must optimise their payment strategies to reduce costs, manage financial risks, and maintain operational momentum.

By adopting smarter port-to-port payment practices—powered by fintech innovations and localised payment solutions—shipping businesses can streamline cash flow, avoid unnecessary FX losses, and gain greater control over international financial operations.

Cost Management

For shipping businesses operating across multiple jurisdictions, payment inefficiencies are not just administrative burdens—they are direct hits to the bottom line. International wire transfers through traditional banks often involve SWIFT fees, intermediary charges, and unfavourable currency conversion rates. These hidden costs can significantly inflate the true cost of settling with vendors, agents, and port operators.

Bulk disbursements are another game-changer for shipping operations. By consolidating multiple payments into one transaction—such as payroll for crew or port service settlements—business owners can reduce per-transaction fees and minimise administrative load.

Some platforms also offer preferential FX rates through negotiated rate-locking, giving shipping operators greater predictability on large-value transfers for expenses like bunker fuel or equipment sourcing.





Mitigating Currency Risk Across Trade Routes

Shipping companies face frequent and unavoidable exposure to foreign exchange fluctuations. From paying ship chandlers in Southeast Asia to receiving freight forwarding fees in USD, the shifting nature of currency values can create volatility in cash flow and profitability.

Many shipping business owners still convert currencies manually at spot rates or rely on bank-provided conversions—without visibility into mid-market rates or timing advantage. This exposes businesses to reactive decisions, often resulting in missed opportunities or losses.

Hedging strategies such as forward contracts or automated conversion triggers can help stabilise payment values, particularly for predictable, recurring expenses like monthly port fees or fuel purchases. These tools enable business owners to lock in exchange rates in advance or execute transactions automatically when favourable thresholds are met.

For companies operating across key shipping corridors, holding multiple currencies in dedicated accounts allows for more strategic timing in conversions and payments—reducing the need for real-time conversions during market peaks.

Advanced platforms also offer AI-driven FX analytics, which can forecast currency trends across specific trade lanes. This empowers shipping finance teams to make informed decisions, avoid over-exposure, and protect margins from sudden FX swings.

Digitalising Payment Workflows

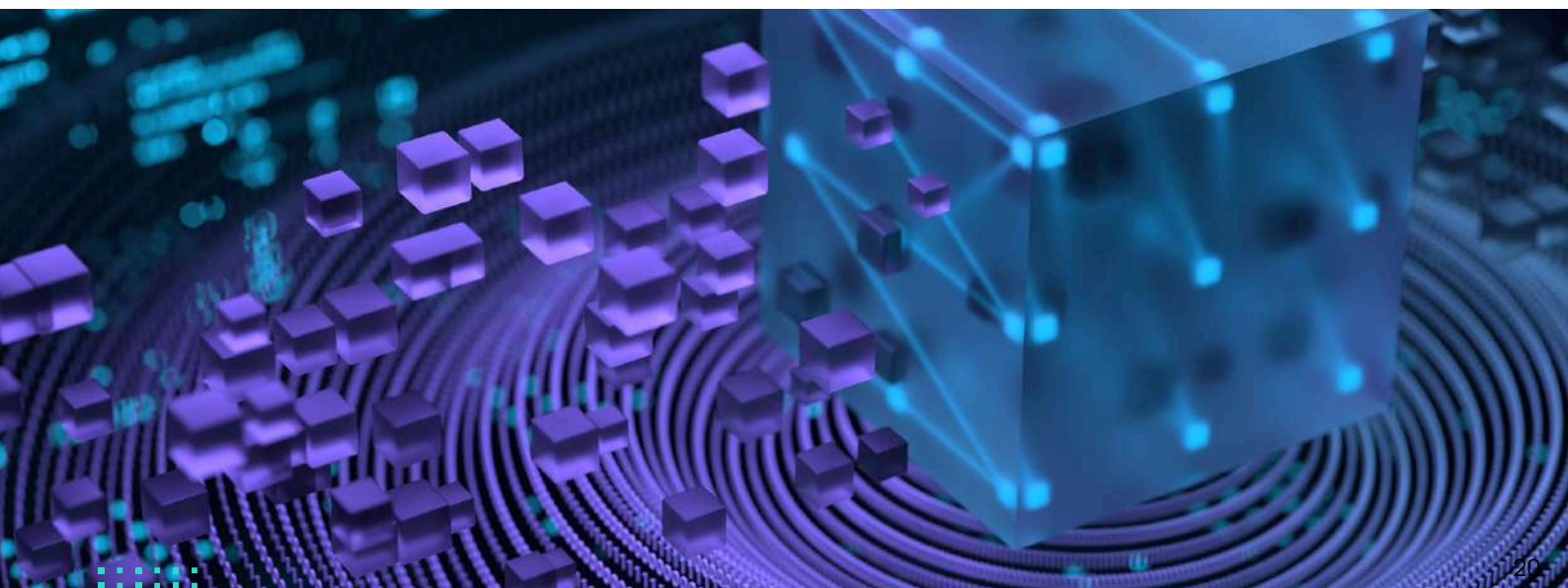
Shipping companies that still depend on manual spreadsheets, standalone bank portals, and paper invoices risk losing valuable time and money in reconciliation delays, data entry errors, and missed payments.

By embracing automated payment platforms, shipping business owners can unify their global financial operations—integrating real-time transaction tracking, invoice matching, FX conversion, and compliance checks into a single workflow.

This is particularly useful for managing recurring vendor payments, crewing contracts, insurance premiums, and maintenance expenses. With real-time dashboards, business owners gain a clear view of pending transactions, FX exposure, and liquidity status at any given moment.

AI and machine learning are also playing a larger role in fraud detection and compliance. These technologies automatically flag anomalies or inconsistencies in payment patterns, ensuring that cross-border disbursements are secure and aligned with local regulations.

For companies running large fleets or multi-port operations, integrating payment platforms with shipping ERPs or logistics management systems can greatly enhance cash flow forecasting and reduce turnaround time in procurement and payment processing.





Building Strategic Partnerships

Shipping business owners must be selective when choosing payment partners. Not all providers have the infrastructure or licensing to support fast, compliant cross-border transactions – especially in regulated shipping hubs like Singapore, Indonesia, or China.

Working with a licensed Payment Service Provider (PSP) ensures that payments are processed through locally compliant channels, reducing the risk of delays, rejected transactions, or blocked funds. These PSPs also provide access to local clearing networks, which are significantly faster and more cost-effective than traditional international wire systems.

A trusted PSP can also assist with FX management, reporting obligations, and regional tax compliance –critical for business owners operating across ASEAN and beyond. This is particularly important when disbursing payments in jurisdictions with strict capital controls or evolving regulatory frameworks.

By forming strategic partnerships with fintech-forward PSPs, shipping companies can reduce administrative complexity, ensure payment compliance across borders, and tap into real-time payment capabilities that support scalable growth.

USE CASE: STREAMLINING MULTI-CURRENCY PAYROLL PAYMENTS

A leading Asian shipping company with across 15 nationalities required a scalable solution to process 200+ monthly payroll transactions in IDR, PHP, and more.

Maritime businesses face unique payroll complexities, including managing crew rotations across time zones, complying with diverse tax regimes, and ensuring timely salary disbursements to seafarers often without reliable banking access.

With 86% of maritime workers prioritising employers with robust digital payment capabilities, inefficient systems risk talent retention and operational continuity.

Implementing a Bulk Payment Solution

Wallex provided the shipping company with a comprehensive bulk payment solution tailored to the complexities of the maritime industry.

By automating payroll processes, optimising currency management, and ensuring secure disbursements, the platform addressed the company's operational pain points while enhancing efficiency and compliance:

Bulk Payment Upload & Global Payroll Management

Managing payroll across multiple currencies can be time-consuming and prone to errors, especially when exchange rate fluctuations impact costs.

Wallex's system simplified this process by enabling bulk payment uploads and optimised currency conversions.

Process: Upload pre-formatted templates with relevant details, salaries, and currency allocations.

FX Optimisation: Locked in near mid-market rates for IDR, PHP, and more – reducing currency loss by 23%.



“The payment process is now a lot smoother.

To us, the biggest impact on our operations is that we save up to **2 business days** of processing time.”

Finance Director

Leading Marine Engineering Company



SCALING YOUR SHIPPING OPERATIONS FOR 2025 AND BEYOND

Shipping is a fast-moving business – but traditional banking hasn't kept pace.

With trade routes expanding, regulatory demands intensifying, and FX risks multiplying, shipping business owners must now rethink their cross-border payment approach.

The "currency" to success lies in embracing the move towards digital-first, cost-conscious, and compliance-ready payment systems – those who adapt will unlock new opportunities, drive growth, and thrive in the competitive landscape of 2025 and beyond.

CONNECT WITH US

Wallex, a leading FX and payments specialist for companies transacting in Asia, empowers businesses to operate overseas confidently – with powerful cross-border solutions that deliver greater speed, support, and savings. Acquired by M-DAQ Global in 2022, Wallex is licensed in Singapore, Malaysia, Indonesia and Hong Kong and have supported over 40000 customers move funds across borders.

Convert and pay in 47 currencies, collect in 35 via virtual accounts, and hold funds through the Wallex Global Business Account.



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