

ANALYZING THE IMPACT OF GEOPOLITICAL ISSUES ON FREIGHT FORWARDERS: A STUDY OF COIMBATORE DISTRICT**Mr. K Chandrabose,**

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ABSTRACT

This project studies the impact of recent geopolitical issues on international freight forwarding with the special reference to the Coimbatore district. geopolitical events such as trade wars political conflicts, sanctions, and tariff changes have created uncertainty in global trade freight forwarders face challenges like in increased transportation costs, shipment delays, route changes, and fluctuating customs regulations. This study aims to understand how these global political issues affect the daily operations, cost management, and decision –making of freight forwarders. The research also highlights the strategies adopted by freight forwarding companies to manage risks and maintain supply chain efficiency during uncertain global conditions

Keywords:

Geopolitical, freight forwarding, trade policy, trade police uncertainty, logistics management

INTRODUCTION:

Geopolitical issues are reshaping global trade, and freight forwarders and right at the center of these changes. Political tension, sanctions, and trade restrictions can suddenly disrupt trade routes and delay shipment. These change increases costs, create uncertain and force freight forwarders to adapt quickly. Fuel price fluctuations, tariff, and new regulations make planning more complex than ever. Even in Times of uncertainly, freight forwarders keep global trade moving buy finding alternative, managing risk, and connecting business across borders

OBJECTIVE:

- To study the major impact of geopolitical issues in international freight forwarding
- To examine to operational challenges due to increasing uncertainly in political and tariff
- To suggest the resilient strategies to mitigate geopolitical issues

STATEMENT OF PROBLEM:

Geopolitical issues such as trade restrictions, international conflicts, changing tariff, and political instability created uncertainly in global trade, these issues have affected freight forwarders in Coimbatore by increasing costs, causing delays and creating operational challenges. This study focuses on understanding the key problem faced by freight forwarders and how geopolitical issues affect their daily operations.

RESEARCH METHODOLOGY:**Research type:** Descriptive research**Area of study:** Coimbatore district, Tamil Nadu**population size** 110 (CHAASAAC organizations)**sample size:** 30 Respondents

Sampling technique: Simple random sampling**sampling tools:** Reliability, simple frequency analysis, ranking analysis, factor analysis and Anova**REVIEW OF LITERATURE:**

Yoganandham G (2025) analyzed the impact of tariff political and trade wars during the trump era on global logistics with reference to India and China. The study revealed that tariff escalations increased costs, caused shipment delays and disrupted supply chains. It also highlighted that policy uncertainty forces logistics' providers to adopt alternative routing and risk management strategy negatively affecting overall logistics efficiency

Yilmazkuday et al. (2022) examined the impact of geopolitical risk on global shipping cost and trade flows. The study found that increased geopolitical tensions disrupt shipping route, rise freight and insurance costs, and reduce trade efficiency. The authors conclude that understanding geopolitical risk is essential to reduce disruptions and manage global trade more effectively.

Prajapati et al. (2020) reviewed the efficiency of the Indian shipping logistics sectors and identified key factors such as port efficiency, infrastructure adequacy, environmental sustainability and operational performance the study stressed that integrating sustainability with operational efficiency is crucial for improving maritime logistics and enhancing India's trade competitiveness in the global market.

Pankaj Chandra et al. (2007) studied the evolution of India's logistics sector in the content of economic growth and infrastructure development. The study highlighted that regulatory complexities, poor infrastructure, and coordination issues among government agencies reduce logistics efficiency the authors emphasized that the adoption of technology, multimodal transport and institutional reforms are essential to reduce logistics costs and improve competitiveness in India.

ANALYSIS AND INTERPRETATION:**RELIABILITY ANALYSIS:**

Case processing summary		
	N	%
Valid	30	30.3
Excluded	69	69.7
Total	99	100.0

Reliability statistics	
Cornbach 's	No of items
.934	20

INTERPRETATION:

A reliability was conducted using 30 valid responses to test the reliability of the research instrument. The Cronbach's alpha value of 0.934 indicates high level of internal consistency. Therefore, the questionnaire is considered reliable and appropriate for the main study

SIMPLE FREQUENCY:

Due to tariff changes, pricing is most affected area			
S.no	variable	No of respondents	percentage
1	Documentation process	8	26.7
2	Cost estimation and pricing	10	33.3
3	warehouse management	11	36.7
4	Custom communication	1	3.3
5	total	30	100.0

INTERPRETATION:

The analysis shows that warehouse management is most affected area due to tariff changes followed and documentation process custom communication is the least affected area

Freight forwarders need to mitigate risks			
S.no	variables	No of respondents	percentage
1	Advanced technology upgrades	3	10.0
2	Risk assessment and monitory tools	9	30.3
3	Diversification of routes and partners	13	43.3
4	Advance insurance cost	5	16.7
5	total	30	100.0

INTERPRETATION:

The findings reveal that diversification of route and partners is the most preference risks assessment and monitoring tools advanced technology upgrades and insurance coverage are considered comparatively less importance

RANKING:

Particulars	Mean Rank
Trade barriers	2.67
Shipment delay	2.80
Transportation costs	2.93
Customs delays	3.00
Freight rates	3.60

INTERPRETATION:

The ranking analysis indicates that freight rates that the greatest challenge, followed by customs delays and transportation costs this suggests that cost –related factors are the primary concerns affecting freight forwarders

ANOVA:**Difference in perceptions of geopolitical risks:**

H0: no difference in perceptions of geopolitical risk

H1: there is difference in perceptions of geopolitical risk

		Sum of Squares	df	Mean Square	F	Sig.	Result
Policy uncertainty	Between Groups	18.155	3	6.052	9.486	.000	sig
	Within Groups	16.587	26	.638			
	Total	34.742	29				
Geopolitical risk	Between Groups	84.452	3	28.151	8.200	.001	sig
	Within Groups	89.255	26	3.433			
	Total	173.707	29				
Cost volatility	Between Groups	5.808	3	1.936	2.420	.089	Not sig
	Within Groups	20.800	26	.800			
	Total	26.607	29				

INTERPRETATION:

The Anova results show a signification difference among group with the respect to policy uncertainly and geopolitical risk, as the significance value is less than 0.05. however, cost volatility dose not sure a significant difference among the groups.

Impact of policy uncertainly on freight forwarders:

Ho: policy uncertainly has no significant impact on freight forwarders

H1: policy uncertainly has a significant impact on freight forwarders

INTERPRETATION:

The analysis indicates that there is no significant difference among the groups regarding policy uncertainty, geopolitical risk, and cost volatility, since the significance values are greater than 0.05.

Impact of Operational resilience:

H0: no significant difference among the groups

		Sum of Squares	df	Mean Square	F	Sig.	Result
Risk management	Between Groups	17.778	3	5.926	7.710	.001	sig
	Within Groups	19.985	26	.769			
	Total	37.763	29				
Operational resilience	Between Groups	138.313	3	46.104	7.094	.001	sig
	Within Groups	168.981	26	6.499			
	Total	307.294	29				
Supply diversification	Between Groups	38.908	3	12.969	3.099	.044	sig
	Within Groups	108.811	26	4.185			
	Total	147.719	29				

H1 there is significant difference among the groups

		Sum of Squares	df	Mean Square	F	Sig.	Result
Policy uncertainty	Between Groups	4.549	3	1.516	1.306	.294	Not sig
	Within Groups	30.193	26	1.161			
	Total	34.742	29				
Geopolitical risk	Between Groups	15.852	3	5.284	.870	.469	Not sig
	Within Groups	157.856	26	6.071			
	Total	173.707	29				
Cost volatility	Between Groups	6.652	3	2.217	2.889	.055	Not sig
	Within Groups	19.956	26	.768			
	Total	26.607	29				

INTERPRETATION:

The hypothesis is rejected the that perception indicates the perception very significantly among Anova result show a significant difference among the groups; hence, the null

Variation in risk management and operational resilience:

H0 difference in perceptions of risk management and operational resilience

H1 there is difference in perceptions of risk management and operational resilience

		Sum of Squares	df	Mean Square	F	Sig.	Result
Risk Management	Between Groups	4.432	3	1.477	1.153	.347	Not sig
	Within Groups	33.331	26	1.282			
	Total	37.763	29				
Operational Resilience	Between Groups	27.623	3	9.208	.856	.476	Not sig
	Within Groups	279.670	26	10.757			

	Total	307.294	29				
Supply Diversification	Between Groups	37.201	3	12.400	2.917	.053	Not sig
	Within Groups	110.517	26	4.251			
	Total	147.719	29				

INTERPRETATION:

The result shows no significant difference among groups concerning risk management, operational resilience and supply diversification, as the significance values exceed the accepted level

FINDINGS:

- The frequency analysis shows that tariff changes mainly impact warehouse activities and pricing decisions
- Ranking analysis indicates that high freight rates, custom delays and transportation cost are the biggest challenges faced by freight forwarders
- The analysis also shows that most freight forwarders prefer diversifying routes and partners to reduce risks
- The ANOVA results confirm that policy uncertainty and geopolitical risks significantly affect freight forwarding operations

SUGGESTIONS:

- Freight forwarders can reduce risk by working with different countries and using alternative trade routes
- Using simple digital tools like shipment tracking can help them make quicker And batter Decision
- The government can help by making customs procedures easier and faster through digital systems
- Improving ports and creating new trade routes can ensure smother moment of goods during global issues

CONCLUSION:

Geopolitical issues have a strong influence on the freight forwarding industry by creating delays, increasing costs, and adding uncertainty to trade political conflicts and changes in tariffs make freight operations more difficult. Therefore, freight forwarders need to remain flexible, stay aware of global political developments, and control costs effectively. This helps them manage risks and make better decisions in an uncertain global trade environment.

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