September 2025

The direction of global trade is changing

The global container shipping markets are clearly bifurcating into US and non-US trade dynamics, when we look at the data. And we should expect this to continue to be more pronounced.

The latest data from Container Trade Statistics covering cargo loaded during the month of July shows a global demand growth of 5.1%. However, if the data is separated into North American cargo, both import and export, and rest-of-world cargo a very different pattern emerges. North American cargo demand declined -0.4% whereas the rest of the world grew 7.1%.

This is a split we have seen since April, when the US trade war began. Seen over the full trade war period from April to July, North American container volumes are down -2.3% compared to the same period last year. Container demand for the rest of the world is up 6.7% which is very strong growth indeed, and stronger than expected at the start of 2025

Reduced US cargo volumes are causing imbalance

The reason for expecting a further worsening for the US is that the data only covers cargo loaded up to, and including, July. This is the newest, most credible data available. But the trade war intensified significantly in August as the modified "reciprocal" tariffs came into effect and hence we should see further negative impact.

The carriers are already acting by announcing an increase in blank sailings on the Pacific in the coming weeks, but this should also be expected to intensify. We have already seen the first sign of this with Maersk and Hapag-Lloyd initially blanking three sailings on their TP9/WC6 Pacific service but then changing their minds and now cancelling the service entirely for the full 4th quarter 2025. Shippers should prepare themselves for more such action.

Changing tariffs lead to new strategies

On top of the tariff debacle, October 14th will see the implementation of the new USTR fees. These are fees placed on Chinese-built, owned, or operated vessels. Most carriers are already planning to shuffle some of their vessels to limit the number of Chinese built ships coming to the US. A tangible example is the redesign of a Premier Alliance pendulum service now being split up to limit Chinese ships coming to the US.

CMA-CGM has announced they will not create a new separate surcharge for the USTR fees, but at the end of the day it will be market forces determining the outcome. In a strong market carriers will be able to increase rates to compensate for this, even if they don't call it a surcharge. In a weak market the carriers will be unable to this, irrespective of whether they create a specific surcharge.

COSCO and OOCL have a significant problem. The HSBC bank has estimated that the USTR fees will cost them some 1.5 billion USD. Their problem specifically is that there are much higher fees on Chinese operators, and this is irrespective of where the vessels are built. Shippers should expect revisions to the COSCO/OOCL services, and hence Ocean Alliance services. Likely they might try to limit port calls to the US on some services, favoring Mexico or Canada. Another element might try to increase usage of transshipment in the Caribbean.

Looking further into October there is an important meeting coming up in MEPC. This is the group under the International Maritime Organization which settles environmental regulations for global shipping. In April, it was tentatively decided to institute what can essentially be called a tax on marine fossil fuels from 2028. This would be an important element in keeping on track for the IMO ambition to decarbonize shipping by 2050.

The upcoming meeting on October 14-17 is set to formally adopt this new carbon tax. The problem is that the US government has threatened to penalize countries voting in favor of the tax. This could, for example, be in the form of additional tariffs or visa restrictions. What is unknown is to which degree such pressure might result in proponents either changing their view or simply abstaining from voting. It is therefore at this point not a certainty that the proposal will be adopted.

Should it fail to be adopted this would create a significant problem in the decarbonization process for global shipping. Not only would it cast into doubt the decisions to order more green vessels, but it would also cast into doubt the investment cases for creating facilities to produce green marine fuels. Not that it would stop the process entirely, but it would create a headwind for investments, slowing down the process.

Legal disputes and political pressure create uncertainty

The final important element relates back to the US trade war. The US Supreme Court has agreed to take on the case of the legality of the IEEPA tariffs – the ones also known as "reciprocal" tariffs. These have now twice been ruled as unconstitutional. The case will be expedited, but this is still going to take time and realistically a ruling can only be expected sometime late spring 2026 at the earliest. Meanwhile the tariffs will still have to be paid by importers.

But, in the case that the Supreme Court upholds the ruling this will create major claims for refunds of tariffs already paid. Given the magnitude of tariffs currently being paid, this would run into the hundreds of billions of USD. This would place major pressure on the US customs system. Shippers would be well advised to already now prepare for such a contingency by ensuring they have very clearly documented everything they have done since the initiation of these tariffs and be fully up to speed on deadlines and filing requirements to keep their claims relevant.