

Appeals court temporarily restores US tariffs



US retail imports are forecast to end this month with the first decline in more than a year and a half, thanks to US tariffs. APM Terminals at Port of Los Angeles pictured.

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US importers ended Thursday with little clarity on the permanence of sweeping tariffs after an appeals court allowed President Donald Trump's tax to go forward for a least a week-and-a-half.

The US Court of Appeals for the Federal Circuit's decision Thursday to pause the International Trade Court's rejection of the tariffs Wednesday, citing a lack of constitutionality, comes in the early days of peak season and with inbound capacity from Asia generally booked through next month.

The appeals court laid out a briefing schedule through June 9 but did not detail its reasoning for the pause.

The Trump administration has said it is also looking at other ways to maintain tariffs, suggesting importers won't have clarity on the permanence of tariffs in the foreseeable future. The rulings don't apply to US tariffs of aluminum and steel, which put downward pressure on US breakbulk demand.

Amid a flurry of mixed signals, smaller shippers may be gauging whether to rush or slow shipments, logistic consultant Kevin Parkerson told the Journal of Commerce. But, he said, the largest retailers are keeping their strategies consistent with how they've operated since tariffs were announced in April: maintain imports to keep goods on shelves, whatever the tariff rate.

US importers had little time to change their booking plans given that the two rulings occurred within roughly 24 hours of each other. Before this week, container lines warned that container space from Asia to the US would be tight through June as they worked to restore capacity removed following the plunge in bookings out of China.

The peak season ahead of the winter holidays generally begins in June and runs through August, though it has moved to other windows in recent years due to various external dynamics.

US retail imports are forecast to end this month with the first decline in more than a year and a half, according to Global Port Tracker (GPT) published in early May by Hackett Associates on behalf of the National Retail Federation. US imports will end May down 13% May 2024, and will mark the first year-over-year decline in 19 months.

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