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Looming August tariff deadline prompts carriers to pull trans-Pacific capacity

Demand from Southeast Asia has already dried up, a carrier source said, with Chinese goods the last due to enter the US before fresh tariffs take effect. Photo credit: asharkyu / Shutterstock.com.

Michael Angell, Senior Editor, East Coast Ports | Jul 17, 2025, 4:49 PM EDT

Ocean carriers have begun to reel in capacity ahead of the mid-August expiry of the 90-day pause on higher US tariffs on Chinese goods, with an increasing number of trans-Pacific container services getting blanked for the rest of July. And with most pre-higher tariff imports on the water or ready to ship, spot rates look set for further weakness through the end of summer.

Some 175,000 TEUs of container capacity is set to be blanked during July, according to data from maritime intelligence provider eeSea, amounting to 11% of deployed capacity between Asia and the US West Coast. That is an uptick from the 118,500 TEUs of capacity blanked in June, which accounted for about 9% of deployed capacity.

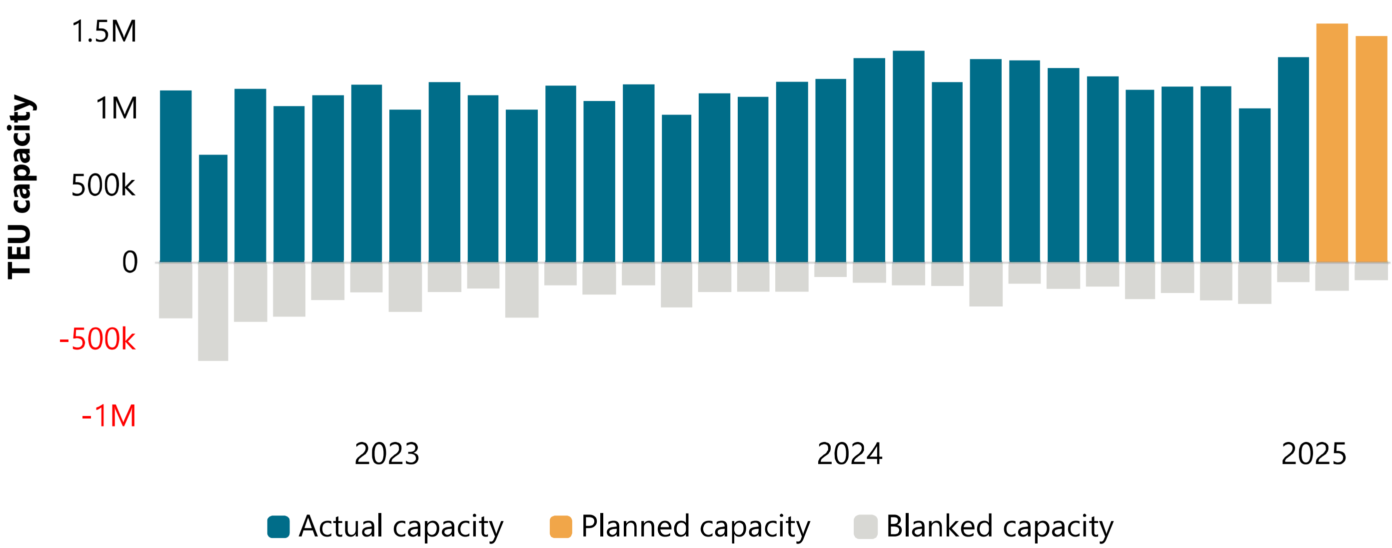
The canceled departures from Asia coincide with the Aug. 12 deadline for the Trump administration to impose country-specific tariffs on China in the absence of a new trade deal. With an Aug. 1 deadline for trade talks with other Asian countries, demand was already drying up, with Chinese goods the last that could get on a ship and enter the US in time to avoid the higher rates.

"It's already too late to ship product from Vietnam and Southeast Asia to beat the Aug. 1 deadline," an ocean carrier source told the *Journal of Commerce*. "There has been no spike in imports from Vietnam since June, when it was possible to beat the Aug. 1 deadline, so demand simply isn't there."

Indeed, many of the services culled through July also call southern Chinese ports that serve as transshipment points for other Asian goods, or services that directly call Southeast Asia.

Trans-Pac carriers pulling back functional capacity

Container ship capacity deployed from Asia to US West Coast, with historical blanked and deployed capacity, planned capacity, and blank sailings already announced



Source: eeSea

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OOCL canceled eastbound sailings on its Pacific South China Express (PSX) service for the last two weeks of July, according to Hong Kong-based logistics provider Honour Lane Shipping. The PSX service will offer an eastbound ad hoc call to Shanghai, though, during the last week of July, with only one call at the southern port of Yantian.

Express services are typically the first to get blanked, with CU Lines, SeaLead and other niche carriers also canceling services through July. But the demand slowdown is also hitting big-ship services as well.

CMA CGM canceled an eastbound voyage on its Columbus Jax service, which offers average weekly capacity of about 13,000 TEUs, for the last week of July. The pendulum service, which switches to US East Coast ports on its westbound voyages, also calls Malaysia's Port Klang, Thailand's Laem Chabang and Vietnam's Cai Mep.

Cosco Shipping canceled a July voyage on its 13,000-TEU Asia-US West Coast service, while the Premier Alliance has also canceled two July voyages on its 13,000-TEU MP2 service.

Weaker second half expected

While a trade deal with China or other Asian countries may be in the offing, forwarders and shippers are not hopeful that it would spark more demand. US importers have mostly frontloaded goods already and will just be dribbling in product as needed through the rest of the year, Sanjay Tejwani, chief executive of consulting firm 365 Logistics, told the *Journal of Commerce*.

"A lot of frontloading has happened, which means that the volumes will remain soft," Tejwani said. "August through December will be soft. Even if the tariffs were to drop back to zero, a lot of merchandise has been shipped and inventory levels are decent, why would anyone bring in more cargo?"

Ocean carriers are quoting spot rates near $2,500 per standard container to the US West Coast as of July 15, hoping the step-up in blank sailings for July would tighten the market, Robert Khachatryan, chief executive of Freight Right Global Logistics, told the *Journal of Commerce*. But he doesn't expect the rate level to hold, adding that he is seeing a number of voyage-specific West Coast rates near $1,700.

The mid-July rates "were driven largely by a reduction in capacity," Khachatryan said. "There is no pickup in demand."

Platts, a sister company of the *Journal of Commerce* within S&P Global, pegged Asia-USWC rates at $1,733 per FEU as of July 16, down 2% on the week. But Drewry's Shanghai-Los Angeles rate as of July 17 was $2,817 per FEU.

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Senior Editor Bill Mongelluzzo and Associate Editor Laura Robb contributed to this report.