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US in race to replenish China stocks to avoid summer shortages: Maersk CEO

Maersk is not heavily exposed to China-US trade, which comprises just 5% of the carrier's total volume. Photo credit: Ceri Breeze / Shutterstock.com.

Greg Knowler, Senior Editor Europe | May 8, 2025, 11:14 AM EDT

US retailers are in a race to find inventory from alternative sources to China, with Maersk CEO Vincent Clerc warning Thursday they may have until summer to fill stocks or risk seeing shortages "across the board."

Volume from China to the US has fallen 30% to 40% since the Trump administration's imposition of 145% tariffs on most Chinese imports on April 9, Clerc told analysts on the carrier's first-quarter earnings call.

"Everybody is rewiring their supply chains and looking at bringing in extra inventory based on the SKUs [stock keeping units] that they're most concerned with," Clerc said, as shippers waited to see whether there would be any easing of tariffs on China.

"Right now, the race is about trying to get your hands on as much inventory as possible," he added. "They're drawing on the inventories they have in Canada. They're drawing on inventories they have in Mexico, and on distributors and other vendors inside the US to see how long they can hoard those goods."

Clerc said in the industrials and automotive sectors, and in commodities such as rare earth and semiconductors, the import decline was "going to bite soon."

"There are certain commodities where you can't substitute imports freely, both in terms of SKUs but also in terms of quantities, because the capacity there was in China is not readily available elsewhere to support the US market," he said.

While empty shelves in big box retailers in the US were not "right around the corner," Clerc said if inventory could not be found before the summer "it's going to start to hurt quite a lot across the board."

Maersk is not as exposed as other carriers to the trans-Pacific disruption. The dramatic drop in US imports from China had little effect on its first-quarter result, with China-US trade comprising only 5% of the carrier's total volume.

Maersk reported a strong start to the year with revenue in the first quarter rising 7.8% year over year to $13.3 billion and earnings before interest, taxes, depreciation and amortization (EBITDA) up 70% at $2.7 billion. Earnings before interest and taxes (EBIT) of $1.25 billion were six times higher than the year-ago period, as was a net profit of $1.2 billion.

The carrier's volume in the first quarter grew just 0.1% year over year at 2.9 million FEUs, but it was a decline of 6.5% compared with the last quarter of 2024. Its average rates followed a similar trajectory, rising 2.5% year over year to $2,427 per FEU but down 8.7% quarter over quarter.

Geopolitics drags down global volume forecast

Maersk left its full-year EBIT forecast of zero to $3 billion unchanged. But the increasing macroeconomic and geopolitical uncertainty saw the carrier leave open the possibility of negative growth in global container volumes, revising its forecast to a range between -1% and 4%. Its previous forecast was for 4% market growth in volumes.

Clerc explained the reasoning behind the revised volume growth, saying the supply-side risks from new tonnage being delivered combined with a return to Red Sea transits have faded this year. Although significant amounts of capacity were still entering the market, there was little chance of carriers returning to the Red Sea this year despite an apparent ceasefire with the Houthis announced earlier this week by US President Donald Trump.

On the demand side, Clerc pointed to the erratic nature of the US tariffs that were creating new levels of uncertainty.

“For me, 145% tariffs on China were not really in the base case that we had … and some of these other tariffs that have been set on pause for 90 days were also higher than what most people expected,” he said.

The Trump administration a month ago announced a 90-day pause for countries open to negotiations, leaving a 10% across-the-board baseline tariff in place during the negotiating period.

Some positive trade momentum has begun to emerge. The White House announced a trade deal between the US and the UK Thursday, although no details were provided, and representatives from the US and China are set to meet for trade talks in Switzerland this weekend.

“If this resolves itself quickly with a lot of trade deals within the 90 days, and maybe a de-escalation with China, you will see the demand side bounce back to somewhere around 4% for the year,” Clerc said.

But if the tariffs became entrenched, it would lead to lower global demand and increase the risk of recession in the US, he added.

“Because ultimately, given the lack of alternatives to China, both in terms of scale and breadth, this will have to be passed on to consumers,” Clerc said.

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