



Weekly Update | 5.27.2025

UNDERSTANDING TARIFF CHANGES

Navigating recent executive orders, proclamations, and memorandums and understanding how they may affect your business.*

**All information provided herein is informational and advisory only. We strongly encourage importers to consult legal counsel for definitive and binding information.*

International Emergency Economic Powers Act (IEEPA)

COUNTRY OF ORIGIN: CHINA AND HONG KONG

- In effect as of February 1, 2025
- Second phase of IEEPA effective March 4th, 2025.
- 20% duty increase on all China and Hong Kong origin goods
- This is in addition to the ad valorem duty, section 301 duties, and section 232 duties (if applicable)
- Shipments loaded on the vessel, rail or truck on or before January 31, 2025 and then having an entry cleared with Customs and Border Protection with duties processed by CBP before March 7, 2025 will not be subject to the additional IEEPA duty. This means shipments must be cleared and duties paid to CBP by March 6, 2025.
- On February 27, 2025, President Trump announced an additional 10% applied to China and Hong Kong origin goods effective March 4th, 2025. This increased IEEPA duties from 10% to 20%.
- Exemptions are:
 - Goods for personal use
 - Goods exported from the US to China and returned to the US
 - Donations
 - Informational materials

Guidance Issued May 15th, 2025 by Customs and Border Protection found here [International Emergency Economic Powers Act \(IEEPA\) Frequently Asked Questions | U.S. Customs and Border Protection](#)

- Regarding feeder vessels and shipments that were required to be loaded on a vessel prior to April 10th, 2025 to receive exemption:
 - If the shipment was loaded on the vessel prior to April 10th, 2025 and was not transshipped to a new vessel then the exemption will be granted.
 - If the shipment changed vessels on or after April 10th, 2025 prior to arriving to the US then the exemption will not apply.
- If you receive a CF29 regarding the exemption being removed by CBP for your shipment, please notify us as soon as possible. We believe protesting this action may have benefits to you as the importer.

Tariff Stacking

All Countries

Effective March 4, 2025

- President Trump issued the Executive Order on April 29th, 2025, to relieve some of the burden on importers by eliminating some of the overlapping tariffs or “stacking” of certain tariffs. The EO can be found here [Federal Register :: Addressing Certain Tariffs on Imported Articles](#).
- Below are the details of the stacking that is being eliminated.
 - Tariffs subject to Automobiles and Automobile Parts Section 232 are not subject to Canada or Mexico IEEPA. They also are not subject to Aluminum and Steel with derivatives Section 232.
 - Tariffs subject to Canada and Mexico IEEPA are not subject to Aluminum and Steel with derivatives Section 232. All duty rates in ANNEX I of the Reciprocal Tariff Executive Order will be “paused” for 90 days.
- The EO is very clear that tariffs subject to Section 232 aluminum and its derivatives are still subject to Section 232 steel and its derivatives if the tariff falls on both lists.
- The order is retroactive to March 4th, 2025, and refunds will be issued by CBP. The Department of Commerce Secretary has until May 16th, 2025, to establish a process for importers to seek entry adjustment to receive a refund. Meanwhile, importers must refrain from requesting refunds until the process is published in the Federal Register.
- Below is the prioritization that was released by CBP on May 15th, 2025.
 - First if Section 232 Auto/Auto Parts apply then IEEPA Canada, IEEPA Mexico, 232 Aluminum, and 232 Steel do not apply.
 - Note if goods are exempt from Canada and Mexico IEEPA because they are eligible for USMCA then they are not considered exempt from Section 232 Aluminum and Steel.
 - Second if IEEPA Canada or IEEPA Mexico apply then 232 Aluminum and 232 Steel do not apply.
 - Third if both Section 232 for Steel and its derivatives and Section 232 for Aluminum and its derivatives both apply, both duties are still due.

Decrease in China Reciprocal and De Minimis

All Countries

Announced May 12th, 2025

Effective May 14th, 2025

- Due to negotiations in Geneva, Switzerland China and the United States have agreed to lower their reciprocal/retaliatory tariff duties to 10% vs the current 125%.
- The executive order was issued on May 12th, 2025 addressing the reciprocal duty decrease and lowering of De minimis duty charges. The executive order can be found here [Modifying Reciprocal Tariff Rates to Reflect Discussions with the People's Republic of China – The White House](#).
- The decrease to the reciprocal tariff will be effective for any shipments entered for consumption on or after May 14th, 2025. The decrease will be in effect for 90 days. At the end of the 90-day period the reciprocal tariff amount will return to 34% instead of 125%.
- The White House has issued a fact sheet at this link [Fact Sheet: President Donald J. Trump Secures a Historic Trade Win for the United States – The White House](#) and a statement at this link [Joint Statement on U.S.-China Economic and Trade Meeting in Geneva – The White House](#).
- Note: There were not any changes to Section 301, Section 232, or the 20% IEEPA in this executive order.
- De Minimis Changes effective on or after May 14th, 2025 are:
 - US postal packages will change from 120% to 54% duty rate.
 - July 1st, 2025 change to \$200 per postal item will be removed completely.

Amendments to Reciprocal Tariffs

All Countries

Amendment Issued May 12th, 2025, and Effective May 14th, 2025.

Amendment Issued April 11, 2025, and Effective April 10, 2025 ,adding additional exemptions found here [Clarification of Exceptions Under Executive Order 14257 of April 2, 2025, as Amended – The White House](#)

- The Tech Industry originally had raised hopes as this includes some smartphones, laptops, and similar electronics, but were advised by the Administration that these items would face separate increases “in a month or two” as part of a trade investigation into semiconductors.
- The below classifications were added to ANNEX I and are therefore exempt from reciprocal tariffs. (Semiconductors)
 - 8471 8473.30 8486 8517.13.00 8517.62.00 8523.51.00 8524 8528.52.00 8541.10.00 8541.21.00 8541.29.00 8541.30.00
8541.49.10 8541.49.70 8541.49.80 8541.49.95 8541.51.00 8541.59.00 8541.90.00 8542

Amendment Issued April 9, 2025 effective April 10th, 2025 pausing ANNEX I found here [Modifying Reciprocal Tariff Rates to Reflect Trading Partner Retaliation and Alignment – The White House](#)

- All duty rates in ANNEX I of the Reciprocal Tariff Executive Order will be “paused” for 90 days.
- All countries with a higher than 10% reciprocal rate in ANNEX I will be subject to the “base ports” 10% duty increase effective April 10, 2025, for 90 days.

Guidance Issued May 15th, 2025 by Customs and Border Protection found here [International Emergency Economic Powers Act \(IEEPA\) Frequently Asked Questions | U.S. Customs and Border Protection](#)

- Regarding feeder vessels and shipments that were required to be loaded on a vessel prior to April 10th, 2025 to receive exemption:
 - If the shipment was loaded on the vessel prior to April 10th, 2025 and was not transshipped to a new vessel then the exemption will be granted.
 - If the shipment changed vessels on or after April 10th, 2025 prior to arriving to the US then the exemption will not apply.
- If you receive a CF29 regarding the exemption being removed by CBP for your shipment, please notify us as soon as possible. We believe protesting this action may have benefits to you as the importer.

Reciprocal Tariffs Enacted Under IEEPA

ALL COUNTRIES OF ORIGIN

- Effective on April 5, 2025. Countries included in Annex I effective April 9th, 2025 (Paused for 90 days). **Expected to be reenacted on July 8th, 2025.**
- President Trump issued an Executive Order declaring a national emergency due to trade deficits with foreign trading partners. View here [Federal Register :: Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits](#)
- To rebalance the global trade **all countries** will receive a **10% increase** to ad valorem duty **except countries listed in Annex I.**
- Such rates of duty shall apply with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on April 5, 2025, except that goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. eastern daylight time on April 5, 2025, and entered for consumption or withdrawn from warehouse for consumption after 12:01 a.m. eastern daylight time on April 5, 2025, shall not be subject to such additional duty.
- ANNEX I contains country specific ad valorem. ANNEX I is located here. [Annex-I.pdf](#).
- Furthermore, except as otherwise provided in this order, at 12:01 a.m. eastern daylight time on April 9, 2025, all articles from trading partners enumerated in [Annex I](#) to this order imported into the customs territory of the United States shall be, consistent with law, subject to the country-specific ad valorem rates of duty specified in [Annex I](#) to this order. Such rates of duty shall apply with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on April 9, 2025, except that goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. eastern daylight time on April 9, 2025, and entered for consumption or withdrawn from warehouse for consumption after 12:01 a.m. eastern daylight time on April 9, 2025, shall not be subject to these country-specific ad valorem rates of duty set forth in [Annex I](#) to this order. **These country-specific ad valorem rates of duty shall apply to all articles imported pursuant to the terms of all existing U.S. trade agreements, except as provided below.**
- ANNEX II contains the goods that are exempt from this order. ANNEX II is located here. [Annex-II.pdf](#)
- This increase to duties is in addition to any other duties, fees, taxes, exactions, or charges applicable to imported articles. **USMCA qualifying goods are exempt.** This exclusion is further explained in parts (e) and (d) of the executive order.
- Goods included in Section 232 are exempt. This includes Aluminum, Steel, Derivatives, Automobiles, and Automobile parts.

Section 232 Aluminum and Steel Tariff Expansion

ALL COUNTRIES OF ORIGIN

- Original Section 232 tariffs have been in effect since 2018 with exclusions granted
- Section 232 expansion will be effective March 12, 2025, for original section 232 tariffs and **all** new derivative items.
- The expansion removes all exclusions for Argentina, Australia, Brazil, Canada, Mexico, South Korea, European Union Countries, Japan, United Kingdom, and Ukraine
- All importer-specific exclusions will be in effect until they expire
- Duty rates for aluminum and its derivatives will increase from 10% to 25%
- Duty rate for steel and its derivatives will remain at 25%
- The list of the additional derivative tariffs were published in the Federal Register on February 18, 2025
 - A link to all tariffs affected by the 232 expansion can be found here [Steel-Aluminum-HTS-Codes.xlsx](#)
 - For derivative items included in the section 232 appendices, the 25% increase will only apply to the aluminum and steel content. This requires multiple lines to be submitted to CBP to report steel and aluminum content. CBP has instructed if steel and aluminum content is unknown at time of entry that section 232 duties will apply to the entire value of the derivative items. Importers should be reporting material and value breakdown for derivative items on the commercial documents provided to their customs brokers to facilitate compliant and accurate entries.
- Items on the new steel and aluminum derivative list that are made of US origin steel and aluminum will be exempt with certificates of melt and pour
- If the products are from Russia, or any amount of primary aluminum use to make the article is smelted in Russia or cast in Russia, it is subject to 200% tariffs. In addition, the same exemptions under HTS Chapter 98 do not apply the same way as to other origin goods.
- Customs and Border Protection has been instructed to prioritize review of these imports and if misclassification is found, maximum monetary penalties will apply. The instruction on steel imports also states mitigation will not be allowed (this contradicts existing CBP regulations).

Section 232 Automobiles and Automobile Parts

ALL COUNTRIES OF ORIGIN

- Effective April 3rd, 2025 for automobiles.
- Effective May 3rd, 2025 for automobile parts.
- Effective before May 3rd, 2025 for automobile parts. An Executive Proclamation was published in the Federal Register on April 3rd, 2025 here. [Federal Register :: Adjusting Imports of Automobiles and Automobile Parts Into the United States](#)
- The 25 percent tariff took effect with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. Eastern Daylight Time on May 3, 2025.
- The proclamation advises that an additional 25% duty will be assessed on automobiles and automobile parts from all countries except the US.
- “For automobiles that qualify for preferential tariff treatment under the USMCA, importers of such automobiles may submit documentation to the Secretary identifying the amount of U.S. content in each model imported into the United States. “U.S. content” refers to the value of the automobile attributable to parts wholly obtained, produced entirely, or substantially transformed in the United States. Thereafter, the Secretary may approve imports of such automobiles to be eligible to apply the ad valorem tariff of 25 percent in clause (1) of this proclamation exclusively to the value of the non-U.S. content of the automobile. The non-U.S. content of the automobile shall be calculated by subtracting the value of the U.S. content in an automobile from the total value of the automobile.” If the US content is found to be inaccurate due to overstatement the 25% will apply to the full value of the automobile and full value of any additional automobiles of the same model imported after April 3rd, 2025. This is in addition to any assessed fees or penalties.
- The scope of tariffs involved are included here. [Attachment 2 Auto Parts HTS List 1.pdf](#) [Federal Register :: Adjusting Imports of Automobiles and Automobile Parts Into the United States](#)
- This proclamation does not apply to commercial vehicles or their parts.

United Kingdom and United States EPD

All Countries

Announced May 8th, 2025

- In the first of its kind Economic Prosperity Deal (EPD) the United Kingdom and United States have began negotiations to formalize and implement the three below objectives.
 - To grow the quality and volume of mutually beneficial trade between the United States and the United Kingdom, creating good, high-paying jobs and growth in both countries;
 - To remove barriers to make it easier for American and British businesses to operate, invest and trade in both countries; and
 - To ensure that the Special Relationship is rooted in an enduring economic partnership that is fair, reciprocal, future-facing, and built on a shared vision of the challenges that face our economies.
- The statement is found at this link [General Terms for the United States of America and the United Kingdom of Great Britain and Northern Ireland Economic Prosperity Deal – The White House](#)
- Items include are:
 - Addressing Tariffs
 - US exports to the UK of beef will receive duty free treatment for the first 13,000 mt. US exports of ethanol will also receive duty free treatment for the first 1.4 billion liters.
 - UK exports to the US of automotives will receive 10% duty rate for the first 100,000 vehicles from the UK. US also commits to preferential treatment of Pharmaceuticals depending on the outcome of the Section 232 investigation.
 - Addressing Non-Tariff Barriers-Includes Agricultural trade between countries.
 - Increasing Digital Trade
 - Other agendas like mutual security, intellectual property rights protection, forced labor, and deepening trade relationships with UK and US.

Port Fees

- In 6 months (Oct 14), Chinese-owned and operated vessels will be charged a fee based on net tonnage and will increase over time.
 - Chinese-built ships operated by non-China carriers will be charged less, based on net tonnage or by container.
- The plan will impact Cosco & OOCL the hardest although it will impact nearly all ocean carriers who own Chinese-built vessels calling US ports.
 - The USTR declined to impose fees based on a company's prospective orders of Chinese-built vessels.
 - The best estimated cost for Chinese carriers will be around \$250-\$500/container based on recent callings by the Cosco Hope, Cosco Italy and OOCL Bauhinia.
- Chinese vessel operators will pay \$50 per net ton of the vessel (Container vessels can range from 50,000 to 220,000 tons).
- For Chinese-built vessels calling a US port, a fee of \$18 per net ton of vessel or \$120/container. It is the highest amount of the two which applies.
 - This increases gradually to either \$33 per net ton of vessel or \$250/container by April 2028.
 - The fee on a Chinese built vessel can be waived if the operator orders and takes delivery of a US-built vessel of same or larger tonnage within 3 years.
- This is likely to cause a network adjustment in Ocean Alliance such that CMA CGM and Evergreen will be operating US-bound services as much as possible (Lars Jensen).
- Other carriers will shuffle vessels where possible to have Chinese ships in other trades (Lars Jensen).
- The exemption for vessels below 4000 TEU and voyages below 2000nm will incentivize transshipment for cargo to USEC in the Caribbean hub ports (Lars Jensen).

Current CBP Investigations

ALL COUNTRIES OF ORIGIN

- President Trump stated on March 24th, 2025 that in the very near future he will announce tariffs on pharmaceuticals and semiconductors. The 232 investigations can be found here. [2025-06587.pdf](#) [2025-06591.pdf](#) The BIS is requesting public comments by May 7th, 2025. **CBP reminded the pharmaceutical trade community specifically that declaring incorrect value on import or export documentation is trade evasion and CBP will fully pursue any violations to the fullest extent possible. CBP reminds pharmaceutical trade community of their legal obligations in light of 'most-favored-nation' drug-pricing requirements | U.S. Customs and Border Protection**
- An Executive Order has been issued to the USTR suggesting the Harbor Maintenance Fee and a 10% service fee should be charged on imports calling on Canada and Mexico ports and then moving into the US by land ports. These charges would be part of the charges owed by the importer of record to Customs and Border Protection.
- An Executive Order creating an investigation into critical minerals under Section 232 has been issued. A report is due by October 12, 2025. [Ensuring National Security and Economic Resilience Through Section 232 Actions on Processed Critical Minerals and Derivative Products – The White House](#)
- The Department of Commerce released its final affirmative determinations in the antidumping and countervailing duty investigations of solar panels from Cambodia, Malaysia, Thailand, and Vietnam. ITC is still making their final determinations in the case.
- The Secretary of Commerce initiated an investigation to determine the effects on the national security of imports of medium-duty trucks, heavy-duty trucks, and medium- and heavy-duty truck parts, and their derivative products. The investigation is under Section 232. The Federal Register notice can be found here [Federal Register :: Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Trucks](#). Comments can be submitted until May 16th, 2025.
- The Bureau of Industry and Security (BIS) initiated an investigation to determine the effects on the national security of imports of commercial aircraft and jet engines, and parts for commercial aircraft and jet engines. The pending Federal Register notice can be found here [Federal Register :: Public Inspection: National Security Investigation: Imports of Commercial Aircraft and Jet Engines and Parts for Commercial Aircraft and Jet Engines](#).
- **The International Trade Commission (ITC) initiated an investigation under section 332 to determine if the global market for nonfat milk solids is affecting the US market and its competitiveness. Written comments are due by July 28th, 2025. [Federal Register :: Nonfat Milk Solids: Competitive Conditions for the United States and Major Foreign Suppliers](#)**

Importer Preparation Items

The items in this publication are advisory and for information purposes only. Legal counsel should be consulted to establish scope and available actions for your business.

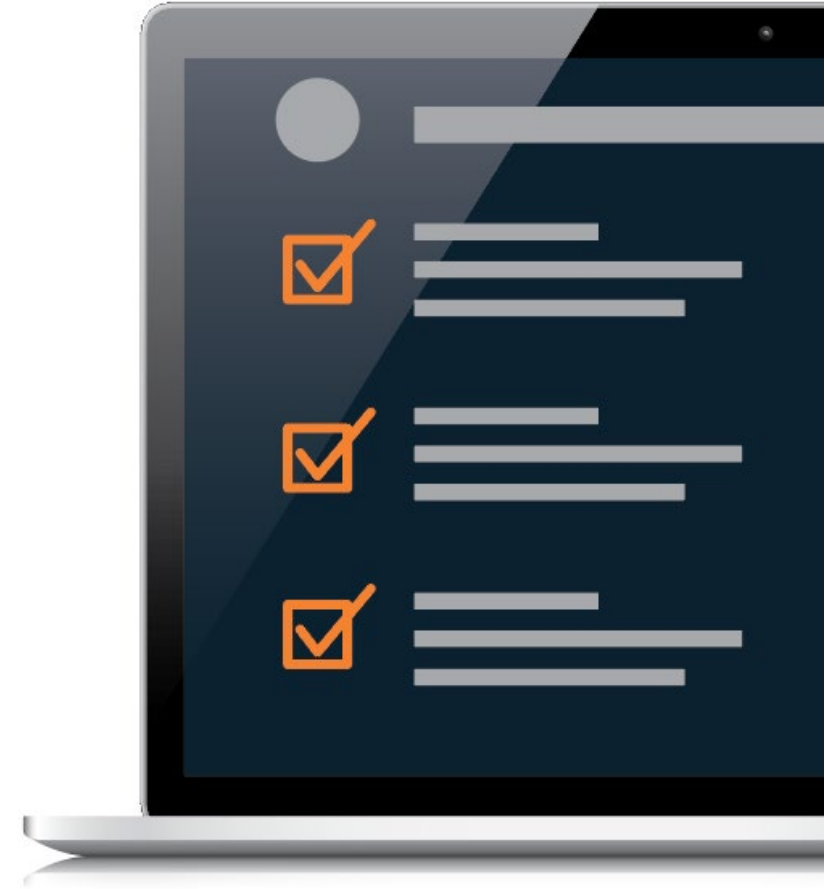
- Items that could help an Importer of Record prepare for these changes are below:
 - Establish which of your goods are affected and ensure compliance
 - Have open conversations with your suppliers (Ask how they are planning on proceeding as shippers)
 - Consider alternative vendors outside of countries currently affected or affected less.
 - Encourage suppliers to use US origin steel and aluminum in derivative items
 - If you are not the direct buyer of the goods that you are importing research using “First Sale” rates on your commercial invoices. This can relieve duties paid by lowering the declared value. CBP has strict requirements for this process.
- Prior to signing fixed-rate contracts, evaluate the carrier's current fleet and future fleet of Chinese built vessels to determine possible financial impact.
- Remember, even when using a broker, you, the importer of record, are ultimately responsible for the correctness of the entry documentation presented to CBP and all applicable duties, taxes and fees. Microsoft Word - iius.doc
- Be very careful in how you react as an importer to tariff increases. CBP is already issuing CF28's and CF29's to establish compliance to recent changes is in place. It is no longer an **if** they will catch a lack of compliance, it is **when** they catch it.
- A memo issued on May 12th, 2025, from the head of the Department of Justice's Criminal Division states they will be including “trade and customs fraudsters, including those who commit tariff evasion” as a priority in prosecuting corporate and white-collar crimes. It also includes a “Voluntary Disclosure Policy” to help companies to avoid criminal prosecution.

Next Steps

Executive orders, proclamations, and memorandums continue to be issued and/or changed at a frenetic pace. We understand how challenging it is to break down and interpret the information. We are hopeful this update will provide valuable insights in a meaningful way.

eShipping will continue sending weekly updates and we will do our best to work together to navigate this ever-changing and challenging situation.

Please contact your eShipping account manager if you have additional questions. Our account managers will work with our compliance and customs brokerage teams accordingly.



Archive Information For Review

International Emergency Economic Powers Act (IEEPA)

COUNTRY OF ORIGIN: CANADA AND MEXICO

- Effective March 4th, 2025, for Canada and Mexico Entries Not Included in USMCA Free Trade Program
- 25% duty increase on Canada and Mexico origin goods
- 10% duty increase on Canadian energy products
- This is in addition to the ad valorem duty and section 232 duties (if applicable)
- Originally these changes were scheduled for February 1, 2025, but were delayed to March 4th, 2025.
- Exemptions are:
 - Goods that are entered free of duty as originating under USMCA are exempt from the IEEPA tariffs as of March 7th, 2025.
 - Goods that are for personal use.
 - Goods entered under Chapter 98 HTSUS including:
 - 9802.00.40 or 9802.00.50 (repairs/alterations) tariffs apply on value added in Mexico/Canada
 - 9802.00.60 (metal articles processed abroad) tariffs apply on value added in Mexico/Canada
 - 9802.00.80 (assembly of US components) tariffs apply on value added in China and Hong Kong
 - 9801 goods exported from the US and returned from Mexico/Canada not subject (even if Mexico/Canada origin)
 - Other Chapter 98 goods are excluded
 - Donations of food, clothing and medicine intended to relieve human suffering (claim HTSUS 9903.01.21 for the exemption)
 - Merely informational materials (claim HTSUS 9903.01.22 for the exemption)

Removal of De Minimis for China

CHINA AND HONG KONG COUNTRY OF ORIGIN

- Effective May 2nd, 2025.
- For the Postal Network, Carriers will collect these duties and outlay to CBP once a month or if CBP decides at a timeframe they determine appropriate. Carriers also will report total number of postal items containing goods and if choosing the 120% duty rate the value of postal items containing goods on each conveyance in a specific timeframe.
- CBP suspended some regulations to accommodate these changes. All small package shipments that are moving with the US Postal service or carriers like DHL, FedEx, and UPS out of China or Hong Kong will be affected. This should be considered when choosing to move with these types of carriers. It could become more complicated to ensure your companies CBP compliance as this will affect an estimated 5.6 million packages over this year.
- An Executive Order was issued on April 2, 2025 eliminating duty-free *de minimis* treatment for low-value imports from China.
- The Secretary of Commerce has notified that adequate systems are in place to collect tariff revenue for these shipments that were originally announced to have *de minimis* removed earlier this year.
- Imported goods (Country of Origin China) sent through means other than the international postal network that are valued at or under \$800 and that would otherwise qualify for the *de minimis* exemption will be subject to all applicable duties (125%), which shall be paid in accordance with applicable entry and payment procedures.
- All relevant postal items containing goods that are sent through the international postal network that are valued at or under \$800 and that would otherwise qualify for the *de minimis* exemption are subject to a duty rate of either 120% of their value or \$100 per item (increasing to \$200 per item after June 1, 2025). This is in lieu of any other duties, including those imposed by prior Orders.
- Carriers transporting these postal items must report shipment details to U.S. Customs and Border Protection (CBP), maintain an international carrier bond to ensure duty payment, and remit duties to CBP on a set schedule.
- CBP may require formal entry for any postal package instead of the specified duties.
- The Secretary of Commerce will submit a report within 90 days assessing the Order's impact and considering whether to extend these rules to packages from Macau.

Ongoing Dept of Commerce Investigations

ALL COUNTRIES OF ORIGIN

- An Executive Order was issued on February 28, 2025, instructing the Secretary of the Commerce to investigate with the Secretary of Defense, the Secretary of the Interior , and the Secretary of Energy to evaluate the national security risks associated with copper import dependency. A report is due to the President within 270 days. The executive order can be viewed here [Federal Register :: Addressing the Threat to National Security From Imports of Copper](#). Comment period ended on April 1st, 2025.
- An Executive Order was issued on March 6th, 2025, instructing the Secretary of the Commerce to investigate under section 232 of the Trade Expansion Act to determine the effects on the national security of imports of timber, lumber, and derivative products. A report is due to the President within 270 days. The executive order can be viewed here [Federal Register :: Addressing the Threat to National Security From Imports of Timber, Lumber, and Their Derivative Products](#). Comment period ended on April 1st, 2025.
- President Trump issued an executive order on March 24th, 2025 stating that “On or after April 2, 2025, a tariff of 25 percent may be imposed on all goods imported into the United States from any country that imports Venezuelan oil, whether directly from Venezuela or indirectly through third parties. Duties imposed by this order will be supplemental to duties on imports already imposed pursuant to IEEPA, section 232 of the Trade Expansion of 1962, section 301 of the Trade Act of 1974, or any other authority.” The executive order can be viewed here. The Federal Register notice is here. [Federal Register :: Imposing Tariffs on Countries Importing Venezuelan Oil](#)

Port Fees, Continued

- Outside of COSCO & OOCL, no other top 10 carrier has more than 50% of its fleet coming from China, giving them more options to reallocate ships between trades and adjust schedules to minimize port calls for China-built ships (Xeneta)
- On the orderbook side, the European carriers (MSC, Maersk, CMA CGM and Hapag-Lloyd) will also be hit, with all having more than half of current orderbook in Chinese yards (Xeneta)
 - Except for ONE, other Asian carriers will not be impacted by the orderbook fee
- The USTR has scheduled a March 24 public hearing on the fees. While the actual regulation still needs to be worked out, ocean carriers are readying a variety of responses. Those include spinoffs of their China-built ships into separate fleets that serve intra-Asia and European markets. Non-Chinese carriers are also floating surcharges to cover the port fees or asking for premium rates due to their lack of exposure to China-built ships.
- MSC CEO noted the proposed fees for each US port call mean hundreds of dollars per FEU in costs passed on to shippers – and possibly make transatlantic lanes serviced by smaller vessels uneconomical – they will also drive carriers to omit calls at smaller ports, leading to lower volumes at these ports and possible congestion and delays as more containers are routed through the major hubs (Freightos).

Share of Chinese Build Containerships

Share of Chinese built ships in carriers' fleets and orderbooks

