Asia-US ocean rates trend lower but Trump tariff threats shadow trade

Import levies could offset seasonal drop in volumes, rates

Stuart Chirls

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Tariff threats by Presdent Trump could spur more frontloading of imports. (Photo: Jim Allen/FreightWaves)

Trans-Pacific container rates eased in the most recent week as Chinese manufacturing and logistics activity wound down for the Lunar New Year holiday, which began Wednesday.

Asia-U.S. West Coast ocean rates fell 7% to $4,938 per forty-foot equivalent unit for the week ending Jan. 24, according to the Freightos Baltic Dry Index.

Asia-U.S. East Coast prices declined 1% to $6,656 per FEU.

Asia factories and associated logistics services close for the 15 days of Lunar New Year.

"Trans-pacific rates to the West Coast have dipped by 17% since mid-January and Asia-Europe prices are 25% lower than just a few weeks ago, but at about $5,000/FEU and $4,000/FEU respectively, these rates are still more than double 2019 levels as continued Red Sea diversions absorb capacity across the market," said Judah Levine, head of research for Freightos. "And though the six-week phase one Israel-Hamas ceasefire is into its second week and the Houthis have paused attacks on passing vessels so far, carriers – with some limited exceptions – will not take steps to resume Red Sea traffic until they are convinced there will be long-term quiet."

French carrier CMA CGM has been the only major liner operator to maintain regular service via the Suez Canal route, on its BEX2 service linking Shanghai and Beirut.

Frontloading by shippers ahead of tariffs threatened by President Donald Trump will keep ocean volumes and rates higher than normal during the first quarter and possibly into the second quarter, Levine said, depending on their timing. He added the pull-forward could also be felt in lower volumes and rates after tariffs are introduced.

Freightos said Asia-North Europe prices fell 12% to $4,122 per FEU. Asia-Mediterranean rates fell 4% to $5,075 per FEU.

Trump has said he will levy 25% tariffs on trade from Canada and Mexico starting Feb. 1. But his tariff threats for non-trade-related matters, as was seen this week in a dispute over repatriating of U.S. deportees to Colombia, leave open the possibility that other levies may be called off. Canada and the European Union have threatened retaliatory tariffs, which could hit U.S. exports.

It remains to be seen, Levine said, what effect the February rollouts of new ocean carrier alliances, such as Maersk's and Hapag-Lloyd's Gemini, a hub-and-spoke model promising 90% schedule reliability, have on rates.

Analyst Sea-Intelligence in its annual Global Liner Performance report said global schedule reliability in December fell to 53.8%, and largely within the 50% to 55% range for all of 2024.

The average delay for late vessels decreased to 5.28 days, lowest since July 2024.

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