## Smaller US ports would be the losers China ship charges

Proposed charges by the United States Trade Representative on Chinese-built ships calling the US would change how lines structure their services, says a SeaLead executive.

Marcus Hand, Editor

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Seminar by the Association of Maritime International Commercial Interests & ExpertiseCredit: Marcus Hand

A seminar by the Association of Maritime International Commercial Interests & Expertise (AMICIE) last Friday in <u>Singapore</u> focused on weathering geo-political risks for international shipping and trade.

Panellist Chow Kitwei, Chief Operations Officer, SeaLead Singapore was asked about the impact of tariffs and restrictions on <u>Chinese</u>-built ships that have been proposed by the Trump administration in the US.

Chow saw tariffs resulting a short-term uptick in trade ahead of their implementation, as can be seen from US port figures in recent months, however, in the longer term he said tariffs would definitely be a hinderance to trade causing inefficiencies and reducing overall volumes. He said carriers would definitely have to be flexible to make changes.

On proposals by the US Trade Representative (USTR) for a \$1 million to \$1.5 million charge on port calls by Chinese-built ships Chow said it would affect all carriers regardless of which trade they were on.

"It's interesting to note how it will affect smaller ports." He noted that it would be fine to pay such a fee for a port such as New York and New Jersey or Long Beach, but it would be different for ports such as say Jackonsville where a carrier's volumes are smaller. For smaller ports the penalty per box would be considerably larger.

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"I think this will definitely influence the way liners structure our services. And of course with that change in structuring we will deploy different sizes or different number of ships into the US trade," Chow said. Flexibility would be a key factor.

SeaLead currently operates a service between Asia and the <u>US</u> West Coast and will be expanding into the Med – US East Coast trade at the end of this month.

Singapore-headquartered SeaLead was founded in 2017 and has grown rapidly to become the world's 13<sup>th</sup> largest container line according to analysts <u>Alphaliner</u>.

Although a relative newcomer to the container shipping sector SeaLead is no stranger to dealing with geopolitical risks and adversity. Throughout the Red Sea crisis since November 2023 SeaLead has maintained services in the region with connections through Djibouti.

In July last year a vessel chartered by SeaLead, Pumba, registered in Liberia, came under attack from the Houthi while transiting the Red Sea from Jeddah, Saudi Arabia to Port Klang, Malaysia. The vessel and its crew escaped unscathed from the incident.

With the potential for a peace deal in Ukraine ending conflict with Russia SeaLead is setting up an office in the East European nation. Chow said the office in Ukraine should be operational next month so that the company is ready to take opportunities in the market.