Tariff backdrop finds ocean rates steady

Frontloading boosting Q2 projections

Stuart Chirls

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(Photo: Jim Allen/FreightWaves)

As President Donald Trump prepares for a Wednesday Rose Garden event to unveil his tariff plan, significant uncertainty remains on key details.

Despite Trump's claims of having decided on a course of action, reports suggest the administration is still weighing options. A major point of contention is whether to implement reciprocal tariffs at varying levels for specific trading partners or impose a uniform global tariff on all imports.

The administration faces the challenge of reconciling multiple objectives, which include raising revenue through tariffs, increasing domestic manufacturing and using tariffs as leverage to extract concessions from other countries.

Adding to the complexity, the pause on 25% tariffs for imports from Canada and Mexico covered by the United States-Mexico-Canada Agreement is set to expire Wednesday. Additionally, federal agencies are due to deliver the president's requested state of trade report Tuesday, which could potentially form the basis for a 60% tariff on China.

One firm date in the tariff rollout calendar is April 3, when the U.S. is scheduled to apply a 25% tariff to all automotive imports, barring last-minute changes.

The looming tariffs and deadlines have sparked a surge in cross-border trucking as shippers rush to beat the rollouts. A flurry of last-minute air chartering has also been observed for the same reason.

The Freightos Baltic Index found Asia-U.S. West Coast container rates decreased 2% to $2,187 per forty-foot equivalent unit for the week that ended on Friday. Asia-U.S. East Coast prices increased by 1% to $3,369 per FEU.

Ocean freight is seeing continued strength in U.S. import projections for the start of Q2, suggesting that many shippers are frontloading shipments until the tariff landscape becomes clearer.

Despite this potential demand strength, trans-Pacific container rates have recently fallen below 2024's floor. Asia-Europe prices are also easing past the previous year's low as this route enters its slow season.

To counter falling prices, carriers are implementing start-of-month general rate increases and increasing the number of blanked sailings.

The increase in blanked, or canceled, sailings may indicate progress in transitioning to new alliance configurations. However, carriers are also grappling with the effects of fleet growth, as reports show year-on-year scheduled capacity increases on major lanes.