Not so liberating tariffs spike box market gains

A new tariff regime has entered into force, but the old uncertainties remain as shippers and carriers battle to secure their positions in the run up to the final weeks of contract negotiations.

Nick Savvides, Europe correspondent

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Image: Official Portrait

According to Hong Kong consultancy Linerlytica, carriers smuggled through the first spot rate gains of this year, but the fundamental signals coming from the industry do not suggest these gains can be supported, even in the short term.

“Carriers secured their first rate gains in 2025 as they pushed through the 1 April GRI [general rate increase]. However, the tentative capacity cuts led by MSC and OCEAN Alliance are not matched by Gemini and Premier Alliance, which will continue to test the carriers’ resolve to enforce capacity discipline amidst growing concerns over weakening cargo demand as the new Trump tariffs loom.”

A broad new tariff regime was announced by Donald Trump yesterday, ranging from 10% import duties on the UK to 48% on Laos and including 20% import taxes on the European Union and 34% on China.

"There will never have been a transformation of a country like the transformation that's already happening in the United States of America," Trump told journalists yesterday.

However, analysts Xeneta said that Trump tariffs could prevent shippers from making important decisions on supply chains and are not likely to cause an immediate spike in freight rates.

Peter Sand, Chief Analyst at Xeneta said: “Many US shippers are right at the point of agreeing new long-term ocean container freight contracts coming into effect on 1 May, so this puts them in an extremely difficult position. Where will they be importing goods from in the next 12 months and which carrier should they choose?”

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Consumer prices will likely rise in the US as a direct result of these new import charges, according to Sand, who added: “At this point we do not expect significant upward pressure on ocean container freight rates. Carriers did push spot rate increases on trades from the Far East to US on 1 April, but these are unlikely to stick as they come off the back of steady market decline since 1 January and subdued demand in February and March.”

Linerlytica added that the constant changes to Washington’s trade policy has created a “weariness” in the market and have pushed shippers into new Pacific contracts with small increases.

Those increases include “provisions for surcharges to cover the proposed levies on Chinese-built ships calling at US ports. However, the outlook remains uncertain with cargo demand in March failing behind last year’s level as the weakness is expected to persist for the rest of this year,” Linerlytica reported in its weekly email.

Frontloading ahead of Chinese New Year and the threat of tariffs in January has meant that the decline in volume in February and March has not created the conditions necessary to improve rates, according to Xeneta.

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“Once the tariff situation becomes clearer and shippers begin to diversify supply chains across regions, it is possible we could see disruption in ocean supply chains and upward pressure on rates, but this may be a little further down the line,” explained Sand.