CANADA Daily News and Updates April 22nd 2025

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Air Updates

Air Cargo Faces Potential $22-Billion Revenue Hit Over Three Years When China Tariff Exemption Ends

U.S. plans to cancel tariff-free access for low-value parcel shipments from China and Hong Kong, coupled with a new 145% tariff rate on Chinese imports, could bleed more than $22 billion in revenue from the air cargo sector over three years and put thousands of online sellers with direct-to-consumer fulfillment models out of business, according to an e-commerce and logistics consulting firm.

Derek Lossing, the founder of Cirrus Global Advisors, has previously said the Trump administration's recent trade actions against China would "decimate" air cargo out of China because demand for products on the Temu and Shein platforms would plummet. His Seattle-based consultancy has now quantified the downstream effects of the changes on the air cargo sector.

The Cirrus Global Advisors model shows the airfreight industry revenue could contract $22 billion if the White House maintains tariffs at 125% for a substantial period of time, based on assumptions about lower consumer demand, excess airline capacity and downward pressure on yields. The estimate was made before the U.S. clarified that the China tariff rate is actually 145%, to include a previous tariff, but it's unclear if the higher rate would further drag down industry revenue.

Read more in an article from FreightWaves.

Ocean Updates

Dramatic Surge of Blank Sailings Between Asia and North America West Coast

According to a new report from Sea-Intelligence, container shipping lines have dramatically increased blank sailings on Transpacific routes as a result of the escalating trade conflict between the U.S. and China.

Sea-Intelligence indicated that the total blanked capacity for weeks 16 to 19 has spiked to 367,800 TEUs, versus just 60,000 TEUs three weeks prior. The Asia-North America West Coast trade lane has seen scheduled capacity decline by 12% compared with six weeks ago, while the Asia-North America East Coast route experienced an even steeper decline of 14%.

“The current political climate is extremely volatile and given that tariffs are being imposed and suspended on an almost daily basis, we assume that both the shipping lines and cargo owners are only adjusting their short-term supply chains for now and waiting for things to settle down before making longer-term network adjustments,” said Alan Murphy, CEO of Sea-Intelligence.

Read more in an article from Maritime Magazine.

China Pushes Back on U.S. Port Fee Proposal

China is pushing back hard on the White House's proposal for port fees on Chinese tonnage, which would make it much more expensive for specific classes of vessel to call in the U.S. The fees would make American port calls uneconomical for Chinese owners and operators, who would face charges that would peak at $140 per net ton per visit to the United States.

"The U.S. measures fully expose the unilateralist and protectionist nature of its policies," said China's commerce ministry in a statement Friday. "They seriously harm the legitimate rights and interests of Chinese companies, disrupt the stability of the global supply and production chain, violate World Trade Organization rules, and undermine the rules-based multilateral trading system and international economic and trade order."

The China Shipowners' Association joined in, urging the U.S. to stop all "discriminatory measures" and abide by global trade rules. The association also rejected USTR's accusations of unfair competition.

Read more in an article from The Maritime Executive.