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Ocean Updates

Carriers Roll Out Rate Increases amid U.S.-China Tariff Pause

After the U.S. and Chinese governments agreed to slash reciprocal tariffs, shipping lines are expecting an early peak season on the transpacific eastbound trade, and have announced surcharges of $1,000 to $2,000 per 40ft, said container shipping consultancy Linerlytica.

Peak season is traditionally between July and September, when U.S. and European retailers stock up with goods from Chinese factories for the Thanksgiving and Christmas holiday seasons.

During the 90-day grace period of reduced tariffs, U.S. importers are expected to front-load to avoid potential hikes once the window closes.

Under U.S. Federal Maritime Commission regulations, carriers must announce price changes 30 days before they come into effect. However, a number of carriers currently have a May 15 general rate increase (GRI) on transpacific eastbound shipments already in place, which could prove to be first GRI in months to actually stick.

Read more in an article from gCaptain.

MSC Containership Aground in Red Sea is a Possible Victim of GPS Jamming

An MSC containership, *MSC Antonia*, has been aground in the Red Sea for the past several days while a growing mystery is swirling around the vessel's location and the cause of the incident. Speculation is growing that the vessel is possibly the victim of GPS jamming as multiple reports surface of widespread disruptions in the Red Sea region.

Well-known industry analyst Lars Jensen, CEO of Vespucci Maritime [**and a presenter at CIFFA's October 29 and 30 conference**], mentioned the grounding in an online update writing, "the vessel track on AIS appears highly erratic, likely due to the GPS interference reported in recent days by UKMTO."

The UK Maritime Trade Operations (UKMTO) on May 9 issued a warning that multiple vessels had experienced disruptions and electronic interference lasting up to several hours in the Red

Sea across a broad area encompassing Jeddah, Saudi Arabia to Port Sudan. They warned it was "affecting navigation systems and requiring vessels to rely on backup methods."

Read more in an article from The Maritime Executive.

International Business/Government

Canada's New Tariffs on U.S. Drop to 'Nearly Zero'

Canada has effectively suspended almost all of its retaliatory tariffs on U.S. products, tamping down inflation risks and improving its growth outlook, according to Oxford Economics.

The government imposed new import taxes of 25% on about C$60 billion of U.S.-made goods in March in response to the first round of tariffs from the Trump administration. Canada also retaliated against U.S. auto tariffs in early April by putting its own levies on U.S. vehicles.

But Prime Minister Mark Carney's government then announced a six-month tariff exemption for products used in Canadian manufacturing, processing and food and beverage packaging, and for items related to health care, public safety and national security. Automakers got a break, too: companies that manufacture in Canada, such as General Motors Co., are allowed to import some vehicles into Canada tariff-free.

Those exemptions mean Canada's tariff-rate increase on the U.S. is "nearly zero," according to calculations by Oxford.

"It's a very strategic approach from a new prime minister to really say, 'We're not going to have a retaliation,' " Tony Stillo, Oxford's director of Canada economics, said. "It's a strategic play on the government's part to not damage the Canadian economy."

Retaliatory tariffs on some U.S. goods remain, including on food items such as orange juice, alcohol and coffee, as well as clothing and cosmetics.

Read more in an article from Transport Topics.

China Issues Warning to UK over Terms of U.S. Trade Deal

China has warned the UK over its new trade deal with the U.S., accusing Britain of aligning with the U.S. in a move that could compel British companies to exclude Chinese products from their supply chains.

The UK-U.S. trade deal, signed last week, offers Britain limited relief from U.S. tariffs on car and steel exports, but only if it complies with strict American security requirements. These conditions include scrutinizing supply chains and ownership structures – a move widely interpreted as targeting Chinese involvement.

Beijing argues the agreement violates the principle that international agreements should not target third countries, noting this is a "basic principle."

Read more in an article from The Guardian.