

# Container shipping to brace for four-year rough ride

Tariff turmoil and reorientation of trades - the Trump administration is sending box shipping into turbulent waters.

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Disruption and turmoil are the apparent modus operandi of the Trump administration in the [US](#) and that will be the norm for the duration of his tenure, as experts tell the industry to brace for the bumpy ride.

Speaking on a Hapag-Lloyd webinar two industry insiders, [Hapag-Lloyd](#) CEO Rolf Habben Jansen and analyst Lars Jensen of Vespucci Maritime teamed up with JOC journalist Peter Tirschwell to discuss the state of global shipping in a period of uncertainty.

"It's been an interesting ride," began Jansen, with considered understatement, who thought this year had started well with the run up to Chinese New Year and then the disruption caused by the reconfiguration of alliances.

"Since Chinese New Year, I think we saw an erosion of the spot rates, which was probably a little bit stronger than we would normally see, when just looking at the at the seasonal pattern. And then of course, at the beginning of April we had liberation day in the in the US where all the reciprocal tariffs were announced," he added.

It was, said Jansen surprising how limited the impact of tariffs were, who acknowledged there was a "severe impact on cargo flows" between [China](#) and the US, but volumes decreased between 20-30%, and those volumes were compensated for in part by an up to 50% increase in freight from Southeast Asia.

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“So yes, a little bit softer volume in the last four weeks, and then of course, we had the announcement beginning of last week When China and the US agreed to this 90-day pause to try and sort out their differences,” said Jansen, who added that this was when “everybody went crazy”.

According to the CEO there has been an enormous rush over the last seven - eight days for China-US space.

“I personally, I had not expected a rush to be so strong,” said Jansen.

According to Peter Tirschwell China's share of global trade has not decreased at all, “It's just reoriented, it's been diverted to new trading partners and new trade routes.”

Jensen believes that Donald Trump’s decision-making appears to depend on how he is feeling on a particular day, “they do not necessarily seem to be rooted in a long-term analysis of what developments are, and on that premise, I would expect uncertainty to simply continue.”

Decision making within the Trump administration is “seat of the pants. It's spontaneous. It's emotional. It's in response to various stimuli from people, what he might see on TV, whatever it is,” added Tirschwell, “He's blowing through one norm after another and there's no reason to think that this environment is going to change during the course of his administration.”

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If Jensen and Tirschwell are correct in their projection for the next four years then there will be a significant reconfiguration of supply chains across the globe as manufacturers seek out new markets, and carriers move tonnage to meet the new demands.

Jensen’s view is that many industry observers spend time discussing the negative impacts of the US trade war. “But we can also choose to focus on the fact that this is likely to be a significant benefit for emerging economies going forward,” said Jensen.

“And here's the beauty of it. We're in the shipping industry, so if trade goes somewhere else, we can move the ship somewhere else. It’s not like we have a set of railroad tracks that can't be moved, so it is not all just negative news” added Jensen.

Looking forward to 2029 Jensen believes “We're going to be in a world where the US economy is still very important, but slightly less important than what we have been used to. As simple as that. And sure, the trade war has negative consequences, but the brunt of those negative consequences at the end of the day are likely to be borne by the US.”

In the more immediate future consultant Linerlytica argues that the Sino-US trade deal has created “a perfect storm” that will again lift carrier earnings over the next two quarters.

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“The sharp rebound in transpacific cargo bookings have pushed up freight rates over the past week with further rate hikes planned from 1 June. Carriers are scrambling to redeploy their ships to the US to take advantage of the rate bonus with KMTC becoming the latest new entrant on the transpacific,” said Linerlytica.