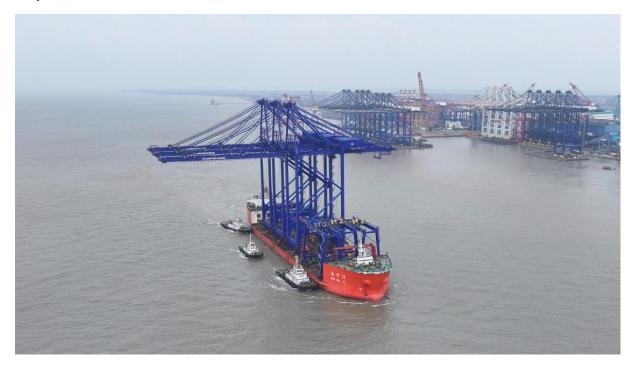
## US ports hit out at proposed 100% tariff on China-built ship-to-shore cranes

Terminal operators say USTR recommended tariffs on Chinese port cranes will not create new domestic production capacity out of thin air and and will result in sharply increased costs.

Barry Parker, New York Correspondent

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Cranes built by ZMPC arriving in Sri Lanka's port of Colombo last monthCredit: ZPMC

Ship to shore (STS) cargo handling cranes- where China's <u>Shanghai Zhenhua Heavy Industries</u> (<u>ZPMC</u>) has had a seeming lock on the marketplace were the subject of hearings this week at the United States Trade Representative (USTR), the same agency recently in the news with the imposition of fees on <u>Chinese</u> controlled ships inbound to ports in the States.

While it did publish its rules on vessels, to take effect in October, the agency has not yet published its final measures on cranes; an initial USTR proposal officially titled "Annex V (Tariffs on STS Cranes and Cargo Handling Equipment (CHE) of China)": had recommended a 100% tariff on the cranes. Understandably, the port segment has taken a strong stance against possible punitive measures, which would build on the 25% tariffs put in place in Spring 2024, during the Biden administration.

Similarly to <u>US</u> shipbuilding, which cannot be revived overnight, building a crane manufacturing capability in the States would take time. In responding to a reporter question regarding the cranes during the May 2025 monthly webinar from the <u>Port of Los Angeles (POLA)</u>, the port's CEO, Gene Seroka said: "You don't have a lot of choice when looking at shoreside cranes...the few that have stepped up since this discussion started taking place last summer showed costs that were two-and-a-half to three times more than what's on the books today."

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In testimony before the USTR, occurring simultaneously with the POLA webcast, the American Association of Port Authorities (AAPA) President and CEO, Cary Davis, offered a view cautioning against tariffs on Chinese manufactured cranes. "Applying a new 100% tariff to Chinese STS cranes

will not create a domestic crane manufacturing industry out of thin air...It will only increase costs for public port authorities," he had written in comments submitted in advance of the hearings.

Comments from the Port of Gulfport, Mississippi, submitted in conjunction with stevedoring giant PortsAmerica, which operates more than three dozen terminals, spread among ports on the East, West and Gulf Coasts, urged that tariffs be carefully enforced, and that pre-2025 orders for Chinese cranes be exempted from the tariffs. Gulfport in a joint venture arrangement, had placed in order for a Chinese manufactured STS crane in 2023.

In its submission, Gulfport/ Ports America voiced their support for efforts by the STS Crane Task Force within the National Association of Waterfront Employers (NAWE)- a group of terminal operators and stevedores chaired by Carl Bentzel, a former Commissioner at the Federal Maritime Commission. NAWE's submittal noted that: "the simple fact is that PRC manufacturers remain the dominant force in STS crane production, leaving NAWE's members with few alternatives. Indeed, PRC STS cranes account for over 80% of STS cranes at US ports, with similar market dominance in Canada and Mexico."

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A submission by terminal operator SSA Marine with multiple facilities in US ports, voiced the view that: "there are steps that USTR and the Trump administration, more broadly, could take to address the issues posed by Chinese dominance of cargo handling equipment production without causing unnecessary harm to US businesses and consumers. Irrespective of the final remedy adopted, any duties on ship-to-shore cranes or related cargo handling equipment should be carefully weighed and buffered with a staggered implementation schedule, possibly mirroring the twenty-four-month or more, phased-in timetable set out in the shipbuilding component of this Section 301 proceeding. As no domestic yard yet fabricates high -reach container cranes, a calibrated ramp up period would avert US ports facing an immediate procurement and operational cliff, preserving Marine Terminal Operator berth throughput targets, and still furnishing the predictable demand signal necessary for US fabricators to re-tool and qualify our domestic industrial capability."

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SSA Marine also suggested a potential linkage of container cranes to the Defense Production Act, which allows the President to prioritise certain industries as "strategic", and eligible for receiving Federal contracts.

So, for now it's a waiting game. In his answers to journalists queries on the May webinar, POLA's Seroka opined that: "Let's see how they [the hearings and resultant USTR actions] turn out. Generally speaking, more competition should lead to better pricing and higher quality. That's my hope for shoreside cranes."

Readers can see full USTR comments here:

https://comments.ustr.gov/s/docket?docketNumber=USTR-2025-0008