TP report for week 28

	Summary	*Supplement*
TP News		**Source: enews@gccports.com, S&P Global**
1	**In rare jump, New York-New Jersey leads US port volumes**	The Port of New York and New Jersey, a perennial third place finisher among American container gateways, jumped to number one in May. The East Coast port handled 774,698 twenty foot equivalent units in May, according to the Port Authority of New York and New Jersey. That was off 2% from the same month a year ago, but 20% better than pre-pandemic May 2019. The port cited difficult year-ago comparisons swollen by diverted traffic following the collapse of the Key Bridge that forced the closure of the Port of Baltimore. From January through May, the port handled 3,729,611 TEUs, up 6.5% y/y, and 22.6% ahead of 2019. In May tariff concerns hampered box flows at the busiest gateways as the Port of Los Angeles saw volumes slide 5% y/y to 716,619 TEUs. The Port of Long Beach handled 639,160 TEUs, down 8.2% y/y.
2	**Trump announces deal with Vietnam, includes 20% import tariff rate**	President Donald Trump announced a trade deal with Vietnam that includes a 20% tariff on goods imported from the country Key Takeaways: President Donald Trump said on Wednesday he has reached a trade deal with Vietnam, just ahead of the 90-day pause on “reciprocal” tariffs ending for more than 90 countries that barter with the U.S. Goods from Vietnam to the U.S. will now face a 20% import tax, instead of the 46% duty rate Trump said he would impose on merchandise from the country during his “Liberation Day” announcement on April 2. Trump also said goods from Vietnam to the U.S. could also be hit with tariffs as high as 40% if they originated in another country and were transferred to Vietnam for final shipment to the United States.
3	**Trans-Atlantic ocean trade readies for end to 90-day pause on US tariffs**	Ocean carriers are keeping trans-Atlantic capacity at high levels ahead of next week’s expiration of President Donald Trump’s 90-day pause on so-called “reciprocal” tariffs. Easing freight rates and demand, meanwhile, suggest a “wait-and-see” approach by US importers. The pause ends on July 9 as trade negotiations continue between the US and the European Union. Market expectations are for the 10% across-the-board tariffs on all US trading partners to be applied to the EU and be accompanied by some level of tariffs on automobiles, steel and aluminum. Trump has also suggested he could extend the pause on reciprocal tariffs while talks continue. With no certainty over the outcome of the trade talks, carriers are keeping capacity available to handle any increase in shipments once there is greater clarity around tariff levels. Data from ocean visibility provider eeSea shows that carriers will deploy 344,811 TEUs of capacity in July on the westbound trans-Atlantic, the highest in the past 12 months, then easing slightly to 327,226 TEUs in August. Just 24,840 TEUs will be blanked in July, while no blank sailings have yet been announced for August.
4	**Container rates from key US trade partner plummet 39%**	The latest weekly ocean container shipping market reveals a stark contrast in rate movements across major trade lanes, as the trans-Pacific trade from the Far East to the United States saw a dramatic decline. This trade lane is particularly impacted by the U.S.-China trade war, and it is evident that capacity is now more than meeting demand, empowering shippers to push back against peak season surcharges by carriers. In contrast, the market average on the trade from the Far East to the U.S. East Coast has seen a more moderate decline, falling 9% since June 1 to $5,990 per FEU. Despite this drop, the spot rate remains 43% higher on June 27 than on May 31 with the spread between the coasts reaching $2,673, the highest in 10 months. “Average spot rates have plummeted from Far East to U.S. West Coast, down 39% since June 1, but it has not been so dramatic into the US East Coast with rates holding up stronger – for now,” said Peter Sand, Xeneta chief analyst, in a note. “The trans-Pacific into U.S. West Coast is the key battleground for carriers when it comes to China exports, so spot rates have fallen harder and faster as they prioritized bringing capacity back onto this trade in the immediate aftermath of the lowering of 145% tariffs.” Meanwhile, average spot rates from the Far East into the Mediterranean and North Europe, which experienced jumps in early and mid-June, remain elevated. On June 27, rates to the Mediterranean were 5% higher and to North Europe 14% higher compared to June 1, indicating sustained demand in these regions. The trade from North Europe to the U.S. East Coast has seen little change, with the market average staying flat from a week ago at $2,105 per FEU. This represents only a 3% increase from May 31. This trade lane is currently influenced by negotiations between the European Commission and Washington on a new trade agreement before July 9, when a 90-day pause on higher tariffs is set to expire.
5	**Trans-Pacific air cargo market flying into turbulent second half**	The air cargo industry is flying into a bumpy second half, with persistent uncertainty over US tariff levels and the bleeding of freight due to new US “de minimis” curbs on low-value Chinese goods. It is impacting every aspect of the industry, from disrupting cargo flows to capacity deployment to demand, and clouding the outlook for the year. ”We just simply cannot predict how that is going to play out,” Brie Carere, the company’s chief customer officer, told investors on the company’s fourth quarter earnings call on June 24. After volumes from the US to China “deteriorated sharply,” in May, FedEx said it couldn’t provide a full year forecast due to the “uncertain global demand,” environment. Global air cargo spot rates declined for a second consecutive month in June, down 4% year over year as the supply of capacity overtook demand for the first time in 19 months, according to rate benchmarking platform Xeneta.
6	**Trump announces tariff hikes on 14 countries including Indonesia and South Africa**	In separate July 7 letters to each targeted country, Trump said he will impose 25% tariffs on goods from Malaysia, Tunisia and Kazakhstan, 30% tariff rates on imports from South Africa and 40% tariffs on Laos and Myanmar. Products from Cambodia and Thailand will receive 36% tariffs, while Serbia and Bangladesh face a rate of 35%. Trump said Indonesian imports would have a 32% tariff and goods from Bosnia and Herzegovina would be tariffed at 30%. Earlier in the day he announced 25% tariffs on imports from Japan and South Korea. The new rates will begin Aug. 1. In all, Trump announced 14 new rates on July 7. He also delayed the reciprocal tariffs he announced in April. The new deadline for those to take effect is also August 1. Dozens of more tariff letters will be sent in the next few weeks, White House press secretary Karoline Leavitt said. "It's the president's prerogative, and those are the countries he chose," Leavitt said of the order of the targeted countries. The tariff announcements so far have sent stock markets tumbling. Trump has argued the steep tariffs are needed to rejuvenate U.S. manufacturing in key sectors. In his letters to leaders of the affected countries, Trump has warned: "If for any reason you decide to raise your tariffs, then, whatever the number you choose to raise them by, will be added onto the 25% that we charge." The letters state the tariffs are "necessary to correct" unstainable trade deficits the United States has with the respective countries. They also say there will be no tariffs on the countries if they agree to build or manufacture in the United States.
7	**Trump threatens extra 10% tariffs on BRICS as leaders meet in Brazil**	President Donald Trump said the U.S. will impose an additional 10% tariff on any countries aligning themselves with the "Anti-American policies" of the BRICS group of developing nations, whose leaders kicked off a summit in Brazil on Sunday. With forums such as the G7 and G20 groups of major economies hamstrung by divisions and the disruptive "America First" approach of the U.S. president, BRICS is presenting itself as a haven for multilateral diplomacy amid violent conflicts and trade wars. The Reuters Daily Briefing newsletter provides all the news you need to start your day. Sign up here. In opening remarks to the BRICS summit in Rio de Janeiro, Brazil's President Luiz Inacio Lula da Silva drew a parallel with the Cold War's Non-Aligned Movement, a group of developing nations that resisted joining either side of a polarized global order. "BRICS is the heir to the Non-Aligned Movement," Lula told leaders. "With multilateralism under attack, our autonomy is in check once again." In a joint statement released on Sunday afternoon, the group warned the rise in tariffs threatened global trade, continuing its veiled criticism of Trump's tariff policies. Hours later, Trump warned he would punish countries seeking to join with the grouping. "Any Country aligning themselves with the Anti-American policies of BRICS, will be charged an ADDITIONAL 10% Tariff. There will be no exceptions to this policy. Thank you for your attention to this matter!" Trump said in a post on Truth Social.
TP Market dynamics		**Source: Shipping Gazanette, S&P Global**
1	**Growth in West African ports opens new transshipment options for MSC**	Mediterranean Shipping Co.’s recent deployment of the largest vessels in its fleet to West African ports shows how the container line is capitalizing on the regional market and reducing its reliance on European hubs for transshipping. The deployment in April of 24,000-TEU ships on its Africa Express service allows MSC to better leverage billions of dollars invested in West Africa in recent years, reducing exposure to congested North European ports and tapping growing regional demand. West Africa’s GDP is forecast to expand 4.3% in 2025–26, according to the African Development Bank. The service connecting West Africa with north and southeast Asia calls Tema, Ghana and its longstanding hub in Lomé, Togo. Container volumes at Lomé last year rose 5% year over year to 2 million TEUs, according to an Invest in Togo report. MSC’s European hub-and-spoke network relies on Antwerp, Gioia Tauro, Rotterdam and Valencia, yet its $6.1 billion acquisition of Bolloré Africa Logistics (renamed Africa Global Logistics [AGL]) in 2022 opened new possibilities for the carrier. At MSC’s emerging hub in Abidjan, Côte d’Ivoire, where a second terminal operated by AGL opened in 2022, volumes rocketed 29% last year to 1.6 million TEUs, the Ecofin Agency said. The new facility expanded Abidjan’s container capacity to 2.5 million TEUs.
2	**HMM, CMA CGM to expand key Mediterranean transshipment hub**	TTI Algeciras, one of the two main terminals in the west Mediterranean transshipment hub, has submitted expansion plans to the port authority that would increase handling capacity by 500,000 TEUs. The €150 million ($177 million) investment by owners HMM and CMA CGM would take capacity at Spain’s second-largest terminal to 2.1 million TEUs by 2028, with future plans to increase capacity to 2.8 million. In support of the investment, the Algeciras Port Authority has extended the terminal operating concession by 22 years to 2065. “This expansion is the natural evolution of more than a decade of steady growth,” Alonso Luque, CEO of TTI Algeciras, said in a statement Wednesday. “The project not only adds much-needed physical capacity but also positions us to take on new service opportunities and larger vessels.” HMM acquired 100% of TTI Algeciras in 2017 and sold a 49.9% stake to CMA CGM in 2020. The plan to expand TTI Algeciras is in line with the strategy of both carriers — more so CMA CGM — that are expanding investment in container terminals to diversify revenue and exert greater control over their supply chains. The Port of Algeciras is one of the two largest transshipment hubs in the Mediterranean and is situated in southern Spain just across the Strait of Gibraltar from its transshipment rival, the Moroccan port of Tanger Med.
3	**Taiwan’s ‘Big Three’ carriers see falling Q2 revenues as demand slump begins**	Taiwan’s “Big Three” container lines saw their second-quarter revenues fall sharply from the first quarter, an early indicator of the worsening conditions facing ocean carriers as they report second-quarter and first-half results in the coming weeks. Evergreen Marine, Taiwan’s biggest container line, said its revenue fell 21% to $2.9 billion between April and June. Revenues at Yang Ming were 15% lower, while Wan Hai recorded a 6% decline in second-quarter revenue. The companies provided revenue data only in filings made to Taiwan’s stock exchange on Wednesday. They will not release complete first-half results until next month. Evergreen said its first-half revenues were unchanged compared with a year ago at $6.7 billion, while Yang Ming’s first-half revenue dropped 13% to $2.9 billion. Only Wan Hai Lines, strongly focused on the intra-Asia trade, saw revenue gains in the first half, with a 9.4% increase to $2.5 billion.
4	**Big Gets Bigger as Largest Container Carriers Continue Growth**	The largest container carriers are continuing their capacity growth, although at a slower pace so far in 2025, according to a new report from Alphaliner. It points out that while MSC Mediterranean Shipping Company continues to pull away from the pack, other carriers are also accelerating growth, and for the first time, CMA CGM topped the 4 million TEU capacity mark. In the first half of 2025, Alphaliner reports saw an additional 1.18 million TEU of capacity added to the global fleet. They note it was less than four percent, which marks a break from recent growth-fueled years, but the orderbook remains strong. The sector reached a total global capacity of 32.7 million TEU with 7,336 active vessels representing a combined total of 388 million dwt, Alphaliner calculates. The report highlights that nine of the top ten carriers each added capacity in the first half of 2025, with an average increase of approximately four percent in capacity. Only Zim, which is challenged by regional geopolitical issues reduced its capacity since the start of the year. MSC’s growth is predictable, but it accounted for nearly a third (31 percent) of the growth in the sector. It continues to move away from the pack with a total capacity of 6.6 million TEU. By comparison, Maersk remains at 4.6 million TEU while CMA CGM topped the 4 million mark for the first time. “MSC's fleet has expanded by 365,173 TEU since the start of the year,” highlights Alphaliner. “This growth stems from newbuilding deliveries and ongoing second-hand tonnage acquisition. So far in 2025, MSC has received 25 newbuildings (316,691 TEU), including 12 'Neo-panamax' vessels (15,400– 16,200 TEU), bolstering its standalone network. This consistent expansion is not new for the Geneva-based carrier - MSC has been the strongest growing carrier for several years running, with notable increases of 12.3 percent (2024), 22.0 percent (2023), 7.5 percent (2022), and 10.7 percent (2021).”
5	**MSC outstripping rivals on new capacity for 2025: Alphaliner**	Mediterranean Shipping Co. (MSC) widened its already leading market share among ocean carriers as its fleet added the most ships in the first half of 2025, according to Alphaliner. Many of those new ships, though, are entering non-US trades as trans-Pacific demand appears to be ebbing for the remainder of the year. MSC’s fleet grew 5.5% in H1, Alphaliner said in its weekly newsletter Wednesday. Only Ocean Network Express (ONE) saw a higher growth rate during that period at 5.9%, but MSC outstripped others for most new capacity, adding some 365,173 TEUs to its fleet, Alphaliner said. The additional capacity, a combination of newbuild deliveries and acquisitions of second-hand ships, brings MSC’s total fleet to over 6.6 million TEUs, Alphaliner said. It added that MSC’s “relentless pursuit of capacity” has widened the gap with its former 2M partner Maersk, which added 170,371 TEUs during the first half of 2025 and brought its capacity to 4.5 million TEUs. “To put this into perspective, this gap (between MSC and Maersk) is equal to the entire fleet of ONE,” Alphaliner said, adding MSC is expected to take delivery of another 380,000 TEUs of newbuild capacity during the second half of 2025.