TP report for week 31

	Summary	Supplement
TP News		**Source: enews@gccports.com, S&P Global**
1	**China-US container trade trending down as peak season nears**	Indicators of China-U.S. container traffic are trending down even as the peak shipping season draws closer. On Monday the Port of Los Angeles Port Optimizer showed 128,720 twenty foot equivalent units (TEUs) import volume due in July 13-19, up 8.68% from the past week and 13.23% ahead of the year-ago week. More troubling, the port is showing 120,072 TEUs arriving the week of July 20-26, down 6.72% w/w and 11.47% y/y. Worse yet, projected import volume for July 27-August 2 plunges to 78,025 TEUs, a decrease of 35.02% w//w and 22.10% from a year ago. Similarly, the SONAR Inbound Ocean TEUs Volume Index, China to the United States, fell to 929.53 as of Monday. The Ocean TEU Index represents how much containerized volume is being tendered to ocean carriers (booked) with ocean carriers and/or 3rd party logistics companies (freight forwarders/ NVOCCs).
2	**Trump announces 30% tariffs on imports from Mexico, EU**	President Donald Trump on Saturday said he will impose a 30% tariff on imports from Mexico and the European Union (EU) starting on Aug. 1. Trump announced the tariffs in letters posted to Truth Social, which he has used over the past week to unveil a flurry of new import levies with dozens of U.S. trading partners. In his letter to Mexican President Claudia Sheinbaum, Trump cited fentanyl as the main reason for the tariffs. “Mexico has been helping me secure the border, BUT, what Mexico has done, is not enough,” Trump wrote. “Mexico still has not stopped the Cartels who are trying to turn all of North America into a Narco-Trafficking Playground.” Trade between the U.S. and Mexico totaled more than$840 billion in 2024, making Mexico the top U.S. trade partner for the second consecutive year, according to Census Bureau data. Mexico was also the top U.S. trade partner in May at $74.5 billion. In a letter to the EU, Trump said that the U.S. trade deficit was a national security threat. “We have had years to discuss our Trading Relationship with The European Union, and we have concluded we must move away from these long-term, large, and persistent, Trade Deficits, engendered by your Tariff, and Non-Tariff, Policies, and Trade Barriers,” Trump wrote. “Our relationship has been, unfortunately, far from Reciprocal.” Ursula von der Leyen, the president of the European Commission, said the commission will continue to work toward an agreement before the Aug. 1 deadline arrives. “Imposing 30 percent tariffs on EU exports would disrupt essential transatlantic supply chains, to the detriment of businesses, consumers and patients on both sides of the Atlantic,” Von der Leyen said in a news release.
3	**Trump will charge 35% tariff on Canadian imports starting Aug. 1**	President Donald Trump plans to impose a 35% tariff on the majority of imports from Canada starting next month, an increase to the 25% levy the president first announced in February. Trump said the 35% tariff, which go into effect Aug. 1, is necessary because of fentanyl being smuggled into the U.S. through Canada. “As you will recall, the United States imposed tariffs on Canada to deal with our nation’s fentanyl crisis, which is caused, in part, by Canada’s failure to stop the drugs from pouring into our country. Instead of working with the United States, Canada retaliated with its own Tariffs,” Trump wrote on Truth Social. “If Canada works with me to stop the flow of Fentanyl, we will, perhaps, consider an adjustment to this letter. These Tariffs may be modified, upward or downward, depending on our relationship with your Country.” A White House official told the Wall Street Journal that imported goods covered by the United States-Mexico-Canada Agreement were expected to remain exempt, and 10% tariffs on energy and fertilizer were also not set to change.
4	**Looming August tariff deadline prompts carriers to pull trans-Pacific capacity**	Ocean carriers have begun to reel in capacity ahead of the mid-August expiry of the 90-day pause on higher US tariffs on Chinese goods, with an increasing number of trans-Pacific container services getting blanked for the rest of July. And with most pre-higher tariff imports on the water or ready to ship, spot rates look set for further weakness through the end of summer. Some 175,000 TEUs of container capacity is set to be blanked during July, according to data from maritime intelligence provider eeSea, amounting to 11% of deployed capacity between Asia and the US West Coast. That is an uptick from the 118,500-TEU of capacity blanked in June, which accounted for about 9% of deployed capacity. The canceled departures from Asia coincide with the Aug. 12 deadline for the Trump administration to impose country-specific tariffs on China in the absence of a new trade deal. With an Aug. 1 deadline for trade talks with other Asian countries, demand was already drying up, with Chinese goods the last that could get on a ship and enter the US in time to avoid the higher rates.
5	**U.S. and EU Reach Trade Deal**	The EU will buy $750 billion worth of U.S. energy, invest $600 billion in the U.S., and acquire additional U.S. military equipment. The EU will lower its tariffs on U.S.-origin goods to 0%, while the U.S. will apply a 15% tariff, instead of the originally prescribed 30% tariff, on EU-origin goods, including automobiles. Steel and aluminum from the EU will remain subject to a 50% tariff upon entry into the U.S.
6	**Trade flows boost China, Europe ports while tariffs pain US gateways**	Most of the world’s maritime centers shook off the effects of a U.S. trade reset in May as Drewry’s Global Container Port Throughput Index rose 1.4% from April and 5.4% year-on-year. The London-based shipping consultant said that the rolling 12-month average global port handling growth rate held steady at 6.5% for the third consecutive month. The Greater China Container Port Throughput Index slightly softened, experiencing a 0.4% month-over-month decline to 124.9 points. However, the year-over-year (y/y) perspective was more positive, with a 4.5% increase. The top five ports in Greater China saw average y/y growth of 7.2% in May. Shanghai particularly stood out, with volumes surging by an impressive 10.2%. Conversely, the North American Container Port Throughput Index encountered some headwinds, reflecting both internal and external challenges. In May, the index dropped by 8% month-on-month to 109.3 points, a decline largely attributed to the impact of the Trump administration’s April ‘Liberation Day’ tariffs. Despite these short-term setbacks, the index still grew 2.7% y/y, supported by a rolling 12-month average growth rate that, while slightly diminished, sustained a double-digit figure of 10.1%. Notably, the major West Coast ports experienced significant declines. Throughput at Long Beach plummeted by 26.3% m/m and 8.2% y/y, while Los Angeles saw decreases of 15% from April and 4.8% y/y. Manzanillo in Mexico and Seattle also faced declines, with throughput slipping by 10.4% and 9.6% y/y, respectively. Vancouver, Canada and Mexico’s Lazaro Cardenas bucked the downward trend as y/y volume was better by 13.9% and 12.6%, respectively.
TP Market dynamics		**Source: Shipping Gazanette, S&P Global**
1	**OOCL’s Q2 revenue slides on lower trans-Pacific, Asia-Europe rates**	OOCL’s second-quarter revenues dropped 6.5% year over year to $2.1 billion amid falling freight rates on trans-Pacific and Asia-Europe services, the carrier said in a quarterly update Friday. The revenue decline came despite a 4.4% increase in total container volumes to 2 million TEUs, the carrier said. OOCL, the liner offshoot of Hong Kong-listed Orient Overseas (International), a Cosco Shipping Holdings subsidiary, said second-quarter trans-Pacific revenues were also hit by a 4.3% fall in container volumes to 501,814 TEUs. Trans-Pacific revenues fell 18% to $753 million in the second quarter from $922 million a year earlier. OOCL said revenue from Asia-Europe services dropped 15% to $443 million in the April–June period despite a 3% increase in liftings to 361,722 TEUs. There were brighter results in OOCL’s two other main markets. Intra-Asia and Australasia remained OOCL’s biggest contributor to revenue and volumes after the carrier saw a 9% increase to $728 million in second-quarter revenue. Liftings climbed 8% to 951,940 TEUs. Revenue from trans-Atlantic services surged 25% to $194 million, while container volumes rose 21% to 147,824 TEUs.
2	**MSC, Yang Ming lead nearly $4 billion ordering spree for new vessels**	Three container lines, including Mediterranean Shipping Co. and Taiwan’s Yang Ming, are spending close to $4 billion on a raft of new ships to be built by Chinese and South Korean shipyards, carriers and shipyards have confirmed. The largest deals, which shipbrokers estimate at more than $1.7 billion combined, have been awarded by MSC for six 22,000-TEU liquefied natural gas-powered vessels. Four will be built by Shanghai Waigaoqiao Shipbuilding (SWS) and two by Hengli Heavy Industry in Dalian, China. The world’s largest container line has also upsized six LNG-fueled container ships ordered from SWS last year from 19,000 TEUs to 22,000 TEUs, the shipyard said. MSC’s orders at the two Chinese shipyards continue the carrier’s long association with Chinese shipbuilders, with the liner seemingly undeterred by US proposals to levy hefty port fees on Chinese-built ships. They also take to about 30 the number of ships ordered by MSC at Chinese yards in the past year and increase MSC’s order backlog to 135 vessels totaling more than 2.3 million TEUs, according to the latest Alphaliner figures.
3	**Matson Suspends Shipping EVs Citing Hazards of Lithium-ion Batteries**	Matson surprised customers this week with an announcement that, effective immediately, it would suspend transporting battery-powered electric or plug-in hybrid electric vehicles due to the hazardous material classification of their lithium-ion batteries. The ability to ship cars between the mainland of the United States, Hawaii, Guam, and Alaska was an important service both for individuals and car dealers. In a letter sent to customers, the company writes, “Due to increasing concern for the safety of transporting vehicles powered by large lithium-ion batteries, Matson is suspending acceptance of used or new electric vehicles (EVs) and plug-in hybrid vehicles for transport aboard its vessels. Effective immediately, we have ceased accepting new bookings for these shipments to/from all trades.” The Hawaii Electric Vehicle Association reports there are currently more than 37,000 electric vehicles registered in the state. No figures were reported for Guam, but dealers who spoke with the local media said they regretted the decision, highlighting that EVs are well-suited for driving on the island. Matson had reported in the past that it had developed a collaborative team approach to tackle the complexities of carrying lithium batteries. It established an Electric Vehicle Safe Carriage Working Group, and said it was participating in external working groups on electric vehicles and lithium batteries. Shoreside, it said, Lithium Battery Handling Procedure included a review process and a used battery shipment checklist, while for vessels, it developed procedures on how to fight lithium fires and how to prevent them from occurring. This included proper stowage, the use of new tools like thermal imaging cameras to see temperature spikes, and the deployment of the Viking HydroPen, a firefighting tool that replaces the traditional water mist lance and is designed to drill into containers and extinguish fires.
4	**MSC to launch new USEC-Oceania weekly service in February**	Mediterranean Shipping Co. will launch a new direct weekly service between the US East Coast and Oceania in February, boosting total monthly sailings on the small but expanding trade lane by approximately one-quarter. The standalone service, announced Wednesday, will be called the Eagle Service and serve several ports in Australia and New Zealand, with additional stops through the Panama Canal. It will include 11 vessels, but MSC declined to comment on how much capacity the service will bring to the trade. The full rotation includes Philadelphia, Savannah, Freeport, Rodman, Papeete, Auckland, Sydney, Melbourne, Brisbane, Tauranga, Rodman and Cristobal, before returning to Philadelphia. Volumes from Oceania to the US East Coast have grown steadily during the past five years. Between 2020 and 2024, data from PIERS shows the compound annual growth rate for USEC volumes from Oceania was 5.2%, rising to 108,198 TEUs in 2025 from 84,120 TEUs in 2020. PIERS is a sister product of the Journal of Commerce within S&P Global. US imports to the East Coast from Oceania reached an all-time high for a single month in June, with 10,384 TEUs, up 6.3% year over year. April 2025 is the only other month when US imports from Oceania have exceeded 10,000 TEUs, PIERS data shows. Through the first half of 2025, Maersk has had the largest presence among carriers on the USEC-Oceania trade lane, with CMA CGM and MSC coming in second and third place, respectively. Maersk’s first-half imports from Oceania to the US East Coast alone exceeded the total TEUs carried on the trade by CMA CGM and MSC individually.
5	**CMA CGM container vessel becomes largest under U.S. flag**	The U.S. Department of Transportation’s Maritime Administration (MARAD) recently celebrated a significant milestone in advancing America’s maritime strength through the reflagging of the CMA CGM Phoenix. During a ceremony at the Port of Charleston, the 9,300-TEU neo-panamax container ship became the largest-ever U.S.-flagged vessel of its kind. The acting administrator of MARAD, Sang Yi, underscored the significance of this achievement, stating, “Adding the CMA CGM Phoenix into the U.S.-flagged fleet is a powerful move toward reclaiming America’s maritime strength. This is about more than ships; it’s also about jobs, trade, and economic strength and national security for Americans.” Launched in 2013 under Singapore’s registry, the CMA CGM Phoenix spans approximately 1,079 feet in length and 151 feet in width, boasting a weight of 110,000 gross tons and a deadweight capacity of about 130,000 tons. As the 11th U.S.-flag vessel in Marseilles-based CMA CGM’s service, the ship joins an elite fleet including tankers, container ships, and more, all serving as pivotal components of America’s maritime initiative.
TP Trend forecasts		
1	PA: PS5 currently operates on a biweekly schedule. 08.06 YM EXPRESS cancels call with OAK	
2	OA: CEN will also maintain dual duty service until August 18th. 08.04 COSCO AFRICA Jumping PRR	
3	MSC adjusts its ORIENT service, with MSC SILVANA VIII/GO532N becoming the last direct routing on August 7th. In the future, MSC’s USWC direct service will mainly rely on JADE routes.	
Carrier indications for fixed levels		
1	ZIM, HMM, ONE, EMC adjustment USEC, 07.25-08.14 PSS=0	