TP report for week 33

	Summary	Supplement
TP News		**Source: enews@gccports.com, S&P Global**
1	**White House Plans 25% Tariff for India Product Imports Aug. 1**	President Trump in a social media post today said his administration plans to impose a 25% tariff on products imported into the U.S. from India, starting Aug. 1. "Remember, while India is our friend, we have, over the years, done relatively little business with them because their Tariffs are far too high, among the highest in the World, and they have the most strenuous and obnoxious non-monetary Trade Barriers of any Country," President Trump said on Truth Social. He also warned of a "penalty" against India for purchasing weapons and energy from Russia. The NCBFAA Customs Committee and Counsel of Sandler, Travis & Rosenberg will monitor additional details regarding this trade deal and others reached last week by the Trump administration, as well as track pertinent Customs and Border Protection (CBP) guidance, and present this information to our members as received.
2	**U.S. Copper Imports Subject to 50% Tariff, Starting Aug. 1**	Pres. Trump issued a Proclamation this afternoon, July 30, stating that all imports of semi-finished copper products and intensive copper derivative products will be subject to a 50% tariff, effective at 12:01 a.m. ET on Aug. 1. This tariff shall be effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. ET on Aug. 1 and shall continue in effect, unless such action is expressly reduced, modified, or terminated, according to the Proclamation. "This tariff is in addition to any other duties, fees, exactions, and charges applicable to such imported semi-finished copper products and intensive copper derivative products," the Proclamation said. Full details of the White House Proclamation are available here.
3	**White House Executive Order Increases Tariffs on Brazilian Imports to 50%**	President Trump signed an Executive Order today, July 30, implementing an additional 40% tariff on Brazilian products, bringing the total tariff amount to 50%. The Trump Administration said its reason for the tariff increase is due to "recent policies, practices, and actions by the Government of Brazil that constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States." See the White House Fact Sheet regarding this Executive Order here. In addition, the Office of the U.S. Trade Representative (USTR) on July 15 initiated an investigation of Brazil under Section 301 of the Trade Act of 1974. The investigation will seek to determine whether acts, policies, and practices of the Government of Brazil related to digital trade and electronic payment services; unfair, preferential tariffs; anti-corruption interference; intellectual property protection; ethanol market access; and illegal deforestation are unreasonable or discriminatory and burden or restrict U.S. commerce.
4	**Trump increases tariff on Canada to 35%, White House says**	WASHINGTON — U.S. President Donald Trump on Thursday signed an executive order increasing tariffs on Canadian goods to 35 per cent from 25 per cent on all products not covered by the U.S.-Mexico-Canada trade agreement, the White House said. Goods transshipped to another country to evade the new tariffs will be subject to a transshipment levy of 40 per cent, according to a White House fact sheet. The increased tariff, which the White House said was the result of Canada's "continued inaction and retaliation," comes after Trump told reporters that Prime Minister Mark Carney reached out ahead of an Aug. 1 tariff deadline, but no conversations between the two took place. Trump has warned that any country that does not strike a deal with the U.S. before Friday will be subjected to higher tariffs imposed on goods. "We haven't spoken to Canada today. He's (Carney) called and we'll, we'll see," Trump told reporters during an event at the White House before the 35 per cent rate was announced.
5	**Trump announces trade deal with South Korea, imports face 15% tariff**	The agreement between South Korea and the U.S. averts a steeper 25% import duty rate that would have started Friday. (Jim Allen/FreightWaves) President Donald Trump said on Wednesday the U.S. has reached a "full and complete trade deal" with South Korea that includes a 15% tariff on imports from the Asian nation. As part of the agreement, U.S. exports to South Korea will not face duties. South Korea will buy $100 billion in U.S. energy products and invest $350 billion into the U.S. shipbuilding sector, as well as production of semiconductors, secondary batteries and biotech products. "I am pleased to announce that the United States of America has agreed to a Full and Complete Trade Deal with the Republic of Korea. The Deal is that South Korea will give to the United States $350 Billion Dollars for Investments owned and controlled by the United States, and selected by myself, as President," Trump wrote on Truth Social. The agreement between South Korea and the U.S. averts a steeper 25% import duty rate that would have started Friday, according to a letter Trump sent to Seoul on July 7.
6	**India Protests Trump's Pressure Campaign on Russian Oil Imports**	The government of India confirmed Monday that it plans to resist pressure from the Trump administration to stop buying Russian oil. India ramped up purchasing of Russian oil after the full-scale invasion of Ukraine began in 2022. As Europe shut down its own imports, large volumes of sanctioned Russian crude became available at a discount on the global market. Under the G7 "price cap" measure, Russia has been allowed to keep selling that oil to non-Western buyers. At the time of implementation in 2022-23, G7 economic planners - notably then-U.S. Treasury Secretary Janet Yellen - wanted to keep Russian oil exports flowing, keeping net global supplies stable while reducing Russian energy revenue at the margins with the price cap. "The United States at that time actively encouraged [Russian oil] imports by India for strengthening global energy markets stability," the Indian foreign ministry noted in a statement Monday. India was a willing participant and stepped up its buying of Russian crude, allowing the Middle Eastern crude oil that it used to buy to go to Europe instead. Indian refiners stopped buying American oil in quantity, and using their newfound and heavily-discounted Russian barrels - which now account for up to 30 percent of Indian crude imports - Indian refiners provided the European market with low-cost gasoline and diesel, made partly from EU-sanctioned Russian oil. The Trump administration entered negotiations over the future of Ukraine with a pro-Russian outlook, and initially blamed Kyiv for the war. But as rounds of peace talks have come and gone without results, President Donald Trump's opinion of Russian negotiating strategy has soured. Trump has threatened to impose "secondary tariffs" on India if Moscow does not make moves toward ending the war. As U.S. importers pay the cash amount of each tariff to U.S. Customs and Border Protection for each shipment, the policy would raise transaction costs for Indian products like textiles and pharmaceuticals, making those products less competitive.
7	**US trucking employment rising steadily despite soft freight market**	For-hire trucking employment is growing despite weak overall US hiring, imports and industrial production, with for-hire carriers adding 7,700 jobs in July before seasonal adjustments, according to the US Bureau of Labor Statistics (BLS). The Journal of Commerce For-Hire Trucking Employment Index climbed from 100.5 in June to 101 in July and is up from 98 in February. That indicates non-seasonally adjusted trucking employment is up 1% from its average in the fourth quarter of 2018. A steady increase in non-seasonally adjusted trucking employment shows there's more life in trucking than one might expect following lackluster carrier earnings reports. The number of real, unadjusted trucking jobs has risen every month since February, climbing higher by 45,500 employees over that six-month period, according to non-seasonally adjusted BLS data released Friday. On an annualized basis, for-hire trucking employment was up 0.4% at approximately 1.54 million jobs in July from the same month a year ago, before adjustment. The non-seasonally adjusted BLS numbers have been positive year over year since May. Even seasonally adjusted trucking job numbers rose in July, rising by 3,600, indicating stronger-than-expected growth in what's usually a quieter month for trucking. The latest data shows a continuing recovery in employment numbers after a revision by BLS found trucking employment had been over-reported in the period from 2022 through 2024, with the number of trucking employees inflated by as much as 2% to 4%. That revision pulled trucking employment numbers down to their lowest point since May 2021 at about 1.49 million employees, lower than in the pre-pandemic year of 2019.
TP Market dynamics		**Source: Shipping Gazanette, S&P Global**
1	**Matson expects dampened peak season after tariff-driven rush in Q2**	US-based ocean carrier Matson saw its trans-Pacific container business drop during the second quarter as volatile US tariff policy prompted customers to pause and then quickly resume shipments. The carrier expects volumes and rates to weaken through the rest of 2025, as shippers have frontloaded much of their seasonal freight. Matson said late Thursday that second-quarter container volumes on its expedited services from China fell 14.6% from a year earlier, with shippers whipsawed by the Trump administration's implementation of so-called reciprocal tariffs. The Jones Act carrier said its customers negotiated with their Asian suppliers throughout April on an "order-by-order" basis on how to pay for the tariffs. Freight activity quickly resumed in mid-May after the White House issued a temporary reprieve on tariffs, Matson said, adding that higher freight rates for its premium services mitigated some of the effects of the volume decline. Matson's ocean transportation revenue fell 2.1% during the quarter to $675.6 million, while operating income fell 9.5% year over year to $98.6 million. Matson's Vietnam services benefited from the tariff volatility. It said container volumes from that country were up year over year as shippers sought to source goods outside of China. Matson has previously said freight from Vietnam makes up about 20% of its trans-Pacific business. Matson's Jones Act business between US ports saw mixed results in the second quarter. The Hawaii business saw a modest 2.6% volume gain thanks to the state's relatively stable economy and tourism, while its Alaska business was slightly higher due to ongoing economic growth driven by oil and gas development. But the carrier's Guam services saw a 2.2% decrease due to more muted economic activity.
2	**ONE cuts profit forecast as falling rates, excess capacity weigh on carriers**	Ocean Network Express (ONE) slashed its fiscal year 2025 profitability forecast by more than 36% Friday on expectations that the bearish fundamentals of falling demand and declining rates on the major trades out of Asia will be amplified by new vessel deliveries on the way. The Singapore-based carrier now expects its full fiscal-year 2025 net profit to be $700 million compared with the $1.1 billion forecast made earlier this year, it said in an earnings statement. ONE's 2025 fiscal year began April 1 and ends March 31, 2026. "Recent trade uncertainties complicate visibility for the latter half of the fiscal year ... the current global environment remains highly uncertain," the carrier said, adding that security risks in the Red Sea would keep pressure on the global supply chain. In its first quarter ending June 30, ONE reported revenue of $4 billion, down 4% year over year. Earnings before interest, taxes, depreciation and amortization (EBITDA) fell 49% to $616 million, earnings before interest and taxes (EBIT) dropped 94% to $38 million and net profit of $86 million was almost 90% lower compared with the same quarter last year. ONE reported flat volume on Asia-North America eastbound routes of 672,000 TEUs, with vessel utilization dropping from 100% to 94%. Asia-Europe volume was up 5% year over year at 456,000 TEUs, although utilization fell from 100% to 90%.
3	**China trade fight weakens Matson earnings**	Matson said earnings were hit by U.S. tariffs on China and said that an expected recovery of trans-Pacific trade won't equal year-ago volumes. The U.S.-flag carrier (NYSE: MATX) reported revenue for the second quarter ended June 30 totaled $830.5 million compared with $847.4 million for the same period in 2024. Net income fell to $94.7 million, or $2.92 per diluted share, from $113.2 million, or $3.31 per diluted share a year ago. Operating income was $113.0 million from $124.6 million y/y, while earnings before interest, taxes, depreciation and amortization (EBITDA) declined to $163.6 million versus $171.5 million in the year-ago quarter. Freight rates were modestly higher in the quarter y/y. The Honolulu-based company said ocean transportation income was lower year-over-year due to China volumes that fell 14.6%. Demand rebounded following the April tariff pause between China and the U.S., while shifting trade flows boosted container volumes outside of China higher than in the first quarter. Hawaii and Alaska volumes were higher y/y. Chairman and Chief Executive Matt Cox in a release said that the company was raising its full-year ocean transportation operating income guidance higher than it provided in May, but moderately lower than the level achieved in the prior year. Third quarter results are expected to be "meaningfully lower" from a year ago on trade and tariff volatility, as well as the expectation of a "muted" peak shipping season.
4	**HMM Confirms Talks to Acquire SK Shipping Have Broken Down**	HMM confirmed in a stock exchange announcement that its talks to acquire assets from SK Shipping have "finally broken down." The company had been pursuing the acquisition as part of its strategy to diversify its non-container shipping operations. The Korean media had reports of a wide valuation gap between HMM and the largest shareholder of SK, the private investment firm Hahn & Company. According to the reports, HMM was valuing the assets it proposed to buy at half the expected price of the investment company. HMM initially issued a stock exchange announcement on the morning of August 4, denying the media reports that the talks had fallen apart. It said it had "not received any confirmation" of the media reports that its "status as preferred bidder for the acquisition of SK Shipping" had been revoked. The end-of-day statement, however, said that the "acquisition negotiations have finally broken down." HMM reported it was selected as the preferred bidder on January 15 and was negotiating to buy assets from SK. The company conducted a due diligence and an independent valuation. One of the challenges for HMM is an existing non-compete agreement that runs till 2029, issued as part of the sale of Hyundai Merchant Marine's LNG business in 2014. At the time of the sale, it agreed not to re-enter the sector for 15 years, although there have been previous reports that HMM was considering repurchasing the LNG business, which was sold to an investment company. HMM is reported to have proposed buying the other segments of SK, focusing on the fleet of 37 vessels, including 23 VLCCs, as well as bulk carriers and LPG carriers. HMM has been working to grow its operations in the segments as part of a $17 billion investment plan outlined in 2024.
TP Trend forecasts		
1	MSC notification, freight rates for 08.11-08.31, $1650 for the USWC and $2650 for the USEC, GULF$2850 , CHI KSK DAL MEM $420. MSC is expected to offer a $50-$100 discount on Bullet rate in	
2	On the premise of temporarily suspending tariffs without extending them, the conditions for price increases are no longer available in late August.	