TP report for week 36

	Summary	*Supplement*
TP News		**Source: enews@gccports.com, S&P Global**
1	**Trump expands 50% tariff on steel and aluminum to 400 additional product types**	U.S. steelmakers urged the Trump administration to broaden import duties on steel and aluminum to cover more derivative products. The Department of Commerce announced that President Donald Trump's 50% tariff on imported steel and aluminum products has been expanded to cover more than 400 additional categories. The expanded tariff list, published Friday by U.S. Customs and Border Protection and entered into the Federal Register on Tuesday, took effect Monday. The new duties now apply to a wide range of goods, including auto parts, electric vehicle components, railcars, marine engines, construction equipment, wind turbines, cranes, chemicals, plastics, and household items such as refrigerators, freezers, dryers, and furniture components. "Today's action expands the reach of the steel and aluminum tariffs and shuts down avenues for circumvention — supporting the continued revitalization of the American steel and aluminum industries," Jeffrey Kessler, Commerce Department Secretary for Industry and Security, said in a news release. The move follows petitions from U.S. steelmakers, including Cleveland-Cliffs and Nucor, urging the administration to broaden import duties to cover more derivative products.
2	**Mexico proposes 50% tariff on Chinese imports; bans shoes, small packages**	Mexico's government plans to impose a 50% tariff on imports from China as part of its 2026 budget proposal, aiming to protect domestic manufacturers while responding to U.S. pressure, Bloomberg reported Wednesday. The levy would apply to a wide range of products, including cars, textiles and plastics. Mexico imported more than $51.4 billion in Chinese goods last year, nearly 20% of its total imports, according to government data. The Trump administration has accused Mexico of serving as a backdoor for Chinese goods to enter the U.S. and avoid American tariffs. Mexican officials have denied the allegation. President Claudia Sheinbaum did not address the tariff proposal during her daily news conference Thursday. The U.S. and Mexico recently extended an existing trade deal for 90 days, keeping a 25% tariff rate on Mexican goods in place instead of increasing it to 30% under the Trump administration's global "reciprocal" tariff policy. In a separate move, Mexico announced Thursday an immediate ban on finished footwear imports, citing unfair competition that has hurt its domestic shoe industry.
3	**US Customs releases new regulations for Los Angeles/Long Beach ports: Starting from August 25th, designated FCL inspection goods must be transported by CES designated carriers**	The US Customs and Border Protection (CBP) urgently issued Trade Information Notice No. 65914055 on August 14, 2025, announcing that from August 25, 2025, full container load (FCL) cargo selected for commodity enforcement team (MET) and/or agricultural (AQI) inspection at the Los Angeles/Long Beach port will no longer have the right to choose a trucking company on its own, and must be transported from the terminal to CES through a designated shipping service provider (i.e. CES carrier) associated or contracted by the centralized inspection station (CES) operator for controlled transportation of containers from the terminal to CES; This requirement also applies to the process of CBP's mandatory re export of goods from CES back to the port, but customs brokers and importers can still choose CES at their own discretion during declaration, and when LCL goods are inspected by MET or AQI, it is still allowed to use self selected transportation companies to transport goods from container freight stations (CFS) to CES. The consequences of this impact analysis are: the efficiency of whole box inspection is reduced, and an additional 3-5 days of waiting are required; Secondly, the inspection cost of each shipment will increase, such as storage, container handling, and so on.
4	**US ports look to DOT to close big funding gap for project grants**	Michael Angell, Senior Editor, East Coast Ports | Aug 20, 2025, 12:29 PM EDT US ports are asking to be included in funding as Congress starts its review of spending priorities for roads and rail, with a request that the amount of federal funding set aside for port infrastructure projects be more than quadrupled from its previous level. Department of Transportation (DOT) Secretary Sean Duffy announced in July his agency is working with Congress on the next surface transportation reauthorization (STR) bill, the multi-year budget plan for the DOT's various subagencies to fund long-term projects. The Biden administration set aside $1.2 trillion in 2021's Infrastructure Investment and Jobs Act for the last STR, with that funding set to expire in September 2026. While projects dealing with highways, truckers, railroads and pipelines are regularly included in the STR, ports are usually not, the American Association of Port Authorities (AAPA) said in a letter sent Tuesday to the DOT.
5	**BNSF, CSX unveil new joint intermodal lanes in aftermath of UP-NS merger**	BNSF Railway and CSX Transportation are adding new joint intermodal routes linking the US West Coast to the Southeast, a competitive counterpunch to Union Pacific and Norfolk Southern (NS) as they seek federal approval for their proposed merger. BNSF and CSX said Friday they will launch bi-directional trains from Southern California to Charlotte, North Carolina, and to Jacksonville, Florida, supplementing their existing joint service to Atlanta. They also announced a new service that will connect Phoenix and Atlanta, opening an intermodal option in a lane long dominated by truckload carriers. The three new trains will travel via BNSF to the jointly-operated BNSF/CSX Fairburn terminal in Georgia, where CSX will take over and haul the cargo to Charlotte and Jacksonville. "This collaboration between BNSF and CSX demonstrates the power of partnership, delivering greater flexibility, efficiency and value for our customers," Jon Gabriel, BNSF's group vice president of consumer products, which includes intermodal, said in a statement. In addition, the two railroads announced new international intermodal trains connecting Kansas City with the Port of New York and New Jersey and the Port of Virginia. That comes after Virginia recently saw NS pulling out of rail service to Memphis. Ocean containers will be routed on CSX to Chicago, then onto Kansas City via BNSF.
6	**Trans-Atlantic carriers limit capacity cuts despite ongoing rate weakness**	Rates on the trans-Atlantic westbound ocean trade — a route dominated by Gemini Cooperation and Mediterranean Shipping Co. — have been stuck at loss-making levels for weeks, yet carriers are showing little appetite for blank sailings to raise prices. Spot rates assessed by Platts, a sister company of the Journal of Commerce, are at $1,600 per FEU this week, far below the breakeven level ocean carriers say is near $2,100/FEU. Rates have lost only $100 since mid-May. While carriers on the North Europe-US East Coast route are scheduled to increase deployed capacity to 376,132 TEUs in September, up 2% compared with August, just 7,349 TEUs in capacity will be withdrawn via blank sailings, according to data from rate benchmarking platform Xeneta. However, Destine Ozuygur, product marketing manager for Xeneta, cautioned about reading too much into the low blank sailings levels. "Blanks used to be a standard measure against persistent demand deficit, but it's also become a widely used tool for ad-hoc reliability management," Ozuygur said. " Carriers are far more comfortable admitting them into schedules in the short term, and repealing them, than they used to be. "Regardless of the tariff or rate environment, we would naturally expect at least a few more blanks to trickle in over the coming weeks," she added. Trans-Atlantic carriers hold off on blank sailings through September North Europe to US East and Gulf coasts container capacity planned and blanked The restructured ocean alliances have adjusted market share on the trans-Atlantic, leaving the trade lane dominated by MSC and Gemini partners Maersk and Hapag-Lloyd.
7	**Canada Post records largest-ever loss as parcel volumes drop 36%**	Canada Post lost US$294 million before taxes in the second quarter, the largest loss for any three-month period in the company's history, as parcel volumes plunged amid a prolonged contract dispute with mail carriers that has created uncertainty for business customers. The Canadian postal operator on Tuesday said pre-tax loss in the first half was $323.7 million, with more than 50% of the loss occurring in June when members of the Canadian Union of Postal Workers stopped working overtime and the threat of a strike remained. On an operating basis, Canada Post lost $286 million in the second quarter, 44% more than last year for the period, and $366 million in the first half. Parcel revenue sank 36.7% in the quarter, or $208 million, on a decline of 25 million pieces (36.5%) as the labor uncertainty pushed shippers to private sector carriers for their deliveries. The decline in parcel volumes has steadily deteriorated since December, when the government intervened to end a 32-day strike and commission a study of Canada Post's condition. Parcel volume in the first half fell 31% year over year, resulting in a 29.6% decline in parcel revenue. Overall revenue fell 7.3%, or $104.8 million, as improved volumes from regular mail due to one-time federal election mailings helped offset some of the parcel decline. In 2024, Canada Post recorded a $611 million loss — its seventh consecutive annual loss — nearly all of it in the second half. Since 2018, the national post has lost $3 billion, with cumulative losses from operations of $3.6 billion. Canada Post said revenue from direct marketing mail declined 7.5% compared to the second quarter of 2024 as companies sought to avoid the possibility of time-sensitive mailings getting trapped in the postal network in the event of a work stoppage.
TP Market dynamics		**Source: Shipping Gazanette, S&P Global**
1	**Trans-Pacific spot market exposure drags down Zim's Q2 earnings**	Zim Integrated Shipping Services' heavy exposure to the trans-Pacific spot market dragged down its revenue, earnings and volume in a tariff-disrupted second quarter. While the carrier doubles down on cost controls and improving its fleet management, there was no escape from the volatile US-China tariff dispute with 70% of its volume exposed to spot rates. "It has been an unpredictable 2025 so far, with wide swings in freight rates, but we are confident in our competitive position in the industry," Eli Glickman, Zim's president and CEO, told analysts during an earnings call Wednesday. Following a good start to the year, the next three months for Zim were highly disruptive as US tariffs on China were increased to 145% in early April, causing rates to tumble amid an abrupt halt to cargo bookings. Then, in early May, the White House announced a 90-day pause on tariffs, which led to a rush to load cargo as well as soaring rates. Zim's average spot rates in the second quarter fell 12% to $1,479 per TEU, while volume dropped 6% to 895,000 TEUs. Those combined to push revenue down 15% year over year to $1.64 billion. Earnings before interest, taxes, depreciation and amortization (EBITDA) fell 38% to $472 million, earnings before interest and taxes (EBIT) of $149 million was down 69%, and net profit of $24 million plummeted 94% compared with the same quarter last year, Zim said.
2	**CMA CGM accelerates $232 million Syrian Med port expansion project**	CMA CGM is committing an additional €200 million ($232 million) to the development of Syria's largest container port of Latakia as the carrier launches the second phase of its expansion project at the war-damaged Mediterranean hub. Following a meeting in Damascus with Syrian leaders, CMA CGM chairman and CEO Rodolphe Saadé decided to accelerate the second part of the project, the carrier said in a statement Wednesday. "This new phase will directly complement the initial phase of €30 million investment that is undergoing and represents a strategic commitment of €200 million in the near future," the statement noted. Under a renewed 30-year concession agreement signed May 1, CMA CGM will continue to manage and redevelop Syria's Latakia International Container Terminal (LICT) that was damaged by air strikes during the Syrian civil war. LICT plays a vital role in the economic connectivity of the region, handling about 95% of Syria's containerized imports and exports. With its links by road and rail to Damascus in northern Syria and as a key transit point to Iraq, Jordan, Turkey and the Persian Gulf, the port is a key logistics hub in the Eastern Mediterranean.
3	**Ocean carriers intensify cost-cutting efforts as rates slide on major trades**	Container lines, facing rate pressure on all major trades, are doubling down on cutting costs that have materially increased above pre-pandemic levels. Executives from Hapag-Lloyd, Maersk and Zim Integrated Shipping Services told investors during second-quarter earnings calls that they are facing higher prices from shipbuilding to port labor. And that has prompted cost-cutting measures ranging from improving fuel efficiency through better scheduling, cutting port time, returning chartered ships at the end of contracts and slow steaming. "Pre-COVID we were bunkering the ships on HFO [heavy fuel oil], and since then we have transitioned to VLSFO [very low-sulfur fuel oil]. This is a cost increase," Zim CFO Xavier Destriau told analysts. "If we look at the newbuilding price, that went up. The chartering rate went up. So the cost of securing tonnage has also gone up compared to the prior period." Destriau also pointed to increases in cargo handling charges, higher wages for dockworkers that are passed on to carriers, and a lack of terminal investment that has made port congestion an ongoing challenge requiring more ships per string. "To give you an example, our main Asia to the US East Coast service used to operate on a weekly basis with 10 ships pre-COVID, but now we need 12 in order to maintain the weekly schedule," he said.
4	**Cosco H1 net profit ticks 4% higher amid 'complex' container shipping market**	Container shipping is undergoing an unprecedented transformation as economic and trade policies, geopolitical issues, technological innovation and ecological demands reshape the industry's competitive landscape, Cosco Shipping Holdings said Thursday. The Chinese state-controlled carrier said in an interim earnings statement the industry experienced a volatile first half of 2025 due to "tariff swings and lingering geopolitical tensions, creating a generally complex and ever-changing situation." The carrier launched a raft of new services between China and emerging markets to help offset the impact of fast-changing US tariff polices. These included three mainline and three feeder services that better connected China and the West Coast of South America utilizing Cosco's hub port at Chancay, Peru, plus new routes connecting Southeast and South Asia with its Yangpu hub port following the launch of the Hainan free trade zone in southwest China. The focus on emerging trades helped drive double-digit growth in revenue and liftings from those regions compared with more modest results from trans-Pacific, Asia-Europe and Asia-Mediterranean services. Group figures, which comprise Cosco Shipping Lines and its Hong Kong-headquartered affiliate OOCL, show overall net profit increased 4% to $2.5 billion in the first half, while revenues rose 7% to $15 billion. That included an $819 million revenue contribution from Cosco Shipping Ports that was 15% higher than the first six months of 2024.
TP Trend forecasts		
1	The other carriers plan to implement rate increases on September 1, but MSK Online will not raise rates during the first week of September. It is unclear whether MSK foresees no improvement in booking volumes in early September and has therefore chosen to forgo the rate increase, or whether—due to its own get-in-date pricing strategy—it is concerned that offline rate hikes might affect load factors, leading it to not only avoid increasing online rates but even reduce them to secure volume.	