TP report for week 41

	Summary	*Supplement*
TP News		**Source: enews@gccports.com, S&P Global**
1	**Pre-Golden Week rate hike beginning to fade on trans-Pacific**	Container lines had stemmed a month-long decline in container spot rates on the eastbound trans-Pacific, but forecast volume declines and modest blanking announcements are testing the foundation of the new bottom. The bump in spot rates that was driven by the convergence of a Sept. 1 general rate increase (GRI) and blanked sailings in the eastbound trans-Pacific appears to be over, and rates this week are headed lower, according to forwarders. “The Sept. 1 GRI raised rates a few hundred dollars, but we can say now that rates are back to pre-Sept. 1 levels,” James Caradonna, executive vice president of the forwarder M&R Spedag Group, told the Journal of Commerce Monday. That was echoed by Chris Sur, executive vice president for ocean freight contract logistics at forwarder Unique Logistics International. “The Sept. 1 GRI certainly was successful,” Sur said. “It increased rates for a couple of weeks, but now it’s kind of going back to pre-Sept. 1 levels.” Container spot rates have ticked up in recent weeks, as measured by Drewry, the Shanghai Shipping Exchange and Platts, a Journal of Commerce sister company within S&P Global. The spot rate from Asia to the West Coast as of Monday was $2,500 per FEU, up $200 on the week, while the East Coast spot rate of $3,600 per FEU was up $300 week over week, according to Platts.
2	**China’s soybean shift threatens US farmers — and freight jobs**	A sharp drop in U.S. soybean exports to China could impact more than just farmers — it may soon begin putting pressure on trucking jobs, rail shipments, and port operations across the country. Once America’s top soybean customer, China has drastically cut back purchases in favor of South American suppliers. With fewer soybeans slated to move overseas, freight demand could plummet — and so could jobs. “Yes, it’s going to have a real impact on them,” Mike Steenhoek, executive director of the Soy Transportation Coalition, told FreightWaves. “When all of a sudden you’ve got this significant decrease because of geopolitical issues, then it really imposes hardship on the freight rail industry and other transportation modes as well. The companies that invest in export capacity at these terminals — like along the Columbia River or the Puget Sound by Seattle — it’s obviously a real concern.” China’s pullback stems from trade tensions that began in 2018, when it imposed retaliatory tariffs on U.S. goods, including soybeans, after Washington raised duties on Chinese imports. Today, Chinese tariffs on U.S. soybeans remain around 34%, pushing Beijing to shift purchases to Brazil and Argentina, where it has locked in millions of tons. In 2024, the U.S. shipped an estimated $12.8 billion worth of soybeans to China — about 25% of total U.S. exports, according to the USDA’s Foreign Agricultural Service. But for the 2025–2026 crop year, China has placed zero new soybean orders, a major blow as peak harvest season begins.
3	**LA port sees 10% import drop through year-end**	The July momentum fueled by a pause in the Trump administration’s trade war on China carried over into August, as the hub handled 958,355 twenty foot equivalent units (TEUs), just off the record traffic from a year ago. “The Port of Los Angeles moved nearly 2 million containers in July and August combined,” Port of Los Angeles Executive Director Gene Seroka said in a media briefing. “ That’s the best two-month stretch for any port in the Western Hemisphere. Retailers and manufacturers have continued to bring goods in early, both to get ahead of holiday demand and to hedge against any shifts in trade policy. The August surge mirrored similarly positive results at the Port of Long Beach, LA’s neighbor in the San Pedro port complex, top-ranked among American maritime cargo centers. But that’s where the growth ends, Seroka said, as a confluence of factors weighs on container traffic through the remainder of this year. “Looking forward,” Seroka said, “I expect container volumes to ease through the rest of 2025 – especially against last year’s unusually high benchmarks. That’s because much of the year-end holiday cargo has already arrived. And economic signals like slowing job growth and lingering inflation are making both importers and consumers a bit more cautious.” The port is also bracing for the imposition in October of new ship fees on China-owned and -operated ships, and how that could effect ocean lines’ services. Rough estimates of how much the fees could drive up shipping costs have ranged from $175 to $300 per container, Seroka said, though he expects any increases to hit smaller ports harder than Los Angeles.
TP Market dynamics		**Source: Shipping Gazanette, S&P Global**
1	**MSC ready for US port fees after network changes: CEO**	Mediterranean Shipping Co. (MSC) is the latest carrier to change vessel deployments for its US network ahead of new port fees on Chinese-built ships, signaling to its shippers that the carrier will absorb, if not entirely avoid, the cost of the new fees. In a customer advisory sent Thursday, CEO Soren Toft said MSC “proactively restructured its global vessel network” in response to the US Trade Representative’s fees on Chinese-built or -operated ships calling US ports. The fees, scheduled to start Oct. 14 and based on the higher of either gross tonnage or container volume, amount to an extra $300 to $600 per container by various estimates. “This internal adjustment ensures full alignment with applicable US trade regulations while maintaining the reliability and efficiency of MSC’s service offerings,” Toft said in the notice. MSC’s announcement comes after CMA CGM said Wednesday that it doesn’t plan to charge customers shipping to the US to cover the cost of the new fees after removing Chinese-built ships from its US service networks. China’s Cosco Shipping, which will not be able to avoid the fee due its ownership, also does not plan to levy a surcharge, according to a carrier executive and Cosco customer familiar with the carrier’s plan. Thirty-five of the 266 individual ships operated by MSC that called the US during the last six months were built in China, according to data from Sea-web, a sister company of the Journal of Commerce within S&P Global. While many of those were likely ad hoc calls, some of MSC’s Chinese fleet that was in regular rotation to the US now appear to be deployed to non-US trades, Sea-web and vessel schedules show.
2	**Cosco Shipping to develop high-end logistics hub in Yantian with Shenzhen Port**	Cosco Shipping and Shenzhen Port Group said Monday they have teamed up to develop a high-end logistics park in Shenzhen's Yantian port district as part of a wider plan to develop and expand Cosco's digital supply chain business. The move is the first time the two state-controlled companies have launched a joint development. It is also believed to be only the second time Cosco has linked with a state port company to develop logistics facilities after it signed a deal four years ago with Shanghai International Port Group, controlled by the Shanghai municipal government, to focus on terminal investment and operations. The latest development, announced by Cosco Shipping in a Hong Kong stock exchange filing, also marks a further step in the company’s diversifying away from being a pure container line and port company into an asset-heavy logistics operation. Under the plan, Cosco Shipping said it will form a joint venture known as Shenzhen Cosco Shipping Smart Supply Chain Company with Shenzhen Port Logistics Group, an affiliate of Shenzhen Port Group. Cosco will have a 67% stake in the venture. Cosco said the joint venture will be responsible for developing a multi-functional logistics park involving the construction of high-specification warehouses, cold chain storage, and consolidation and distribution facilities. No details of the size of the logistics park or the overall cost have been released, but Cosco said the joint venture will “serve as a collecting and distributing hub for cargo in Yantian port and (the) surrounding area.” Cosco said the project will strengthen its “strategic presence in the Pearl River Delta region and serve as key infrastructure for scaling its digital supply chain business.”
3	**Cosco says no changes to US services as new port fees approach**	Cosco Shipping has informed its US customers to expect little change in its services and rates as the carrier starts paying new service fees for US port calls in October, becoming the latest container line to signal it will absorb the Trump administration’s penalties against China’s maritime industry. Cosco said in a customer advisory Wednesday it will “continue to serve the US market” once the US Trade Representative (USTR) begins collecting fees on Chinese-built and -operated ships calling US ports starting Oct. 14. The fees stem from the USTR’s findingthat China has used unfair trade practices to promote its shipbuilders and ocean carriers. While the new fees “may pose certain operational challenges,” Cosco said it does not plan to remove any trans-Pacific services, reduce its US ship deployment, or impose new surcharges to cover the fees. “We are committed to maintaining stable capacity deployment and service quality,” Cosco said. “We will maintain competitive rates and surcharges.” Cosco’s advisory follows similar announcements from competitors CMA CGM and Mediterranean Shipping Co.(MSC), which have both said they hope to mitigate the impact of the fees after having rotated most, if not all, of their China-built container ships out of US services prior to mid-October. As a China-based carrier, Cosco does not have that option under the USTR’s action, which assesses a higher penalty for Chinese carriers than for Chinese ships. Cosco, along with its OOCL subsidiary, face a $50 per net ton fee for any of their vessels on their first port call to the US, up to five times per year. The fee rises to $140 by 2028. In contrast, a Chinese-built ship operated by a non-China domiciled carrier only faces an $18 per net ton fee in the first year of the USTR’s penalty scheme, rising to $33 by 2028.
4	**Yang Ming signs $1.4 billion upgraded ship order for 16,000-TEU vessels**	Yang Ming Marine Transport has upgraded a newbuild deal with South Korean shipyard Hanwha Ocean for larger capacity 16,000-TEU container ships costing $1.4 billion, Taiwan's second-largest liner has confirmed. Yang Ming directors initially agreed to order seven 15,000-TEU liquefied natural gas-powered dual-fuel vessels from Hanwha Ocean at a meeting on July 17, the first time the carrier agreed to order ships from Hanwha. Subsequent talks between Yang Ming and the shipbuilder led the carrier, ranked 10th-largest in terms of capacity by Alphaliner, to increase the capacity of the ships to 15,880 TEUs while also making them capable of operating on ammonia fuel. Details of the enhancements were outlined by Yang Ming in a statement following the signing of the revised shipbuilding contracts Tuesday. Yang Ming said the ships will be the first LNG dual-fuel container vessels in Taiwan to feature specifications allowing them to be converted to ammonia dual-fuel propulsion. More than half of container ship order book green fuel capable Share of capacity of container ships on order capable of running on methanol, liquefied natural gas (LNG) and traditional marine fuel “This ensures both high operational efficiency and flexibility in alternative fuel adoption during the decarbonization transition,” the carrier said. The latest contract signing takes Yang Ming’s order backlog to 18 ships, with 13 earmarked to replace smaller 5,500-TEU and 6,500-TEU vessels that have been in service for more than 20 years.
5	**HD Hyundai in Talks to Buy U.S. Shipyard**	South Korea’s largest shipbuilder is reportedly in discussions with “multiple companies” exploring the acquisition of a U.S. shipyard. It would follow the 2024 acquisition of Philly Shipyard by competitor Hanwha and HD Hyundai’s growth strategy, expanding its international operations. News of the potential acquisition of a U.S. shipyard came during an exclusive interview with a company executive by Reuters. They declined to name the companies involved in the talks or to reveal how advanced the discussions might have progressed. HD Hyundai cited the strong opportunities emerging in the United States as it anticipates the Trump administration will accelerate naval shipbuilding to catch up with the Chinese. U.S. naval shipbuilding is currently dominated by a few major companies, including HII (Huntington Ingalls Industries), General Dynamics, Fincantieri Marine, Austal, and others. U.S. law requires warships to be built at U.S. yards, although there is talk in the U.S. Congress to ease some restrictions so that the Korean yards might build some vessels. HD Hyundai, in addition to its commercial operations, is expanding its construction of naval vessels. The company this week christened the second ship of South Korea’s 8,200-ton Aegis destroyer program at its Ulsan shipyard. Hyundai has been adapting the designs and building Aegis destroyers since 2008. It has a technical cooperation agreement (MOU) with Huntington Ingalls for the Aegis class and has also built warships for export to the Philippines, New Zealand, and a new program for Peru.