TP report for week 49

	Summary	*Supplement*
TP News		**Source: enews@gccports.com, S&P Global**
1	**White House rolls backs tariffs on broad list of food and ag imports**	The Trump administration late Friday exempted a wide-ranging list of food and agriculture imports from previously imposed tariffs as concerns grow that US consumers are seeing grocery costs rise. The move came via an executive order issued by President Donald Trump that ends the so-called "reciprocal" tariffs first announced in a separate executive order in April. At the time, Trump said those tariffs were required to redress trade imbalances that threatened US national security. The broad exemptions, effective retroactively to Thursday (Nov. 13), cover common products like beef, coffee, bananas and dozens of other agricultural and food products. Trump said he has been advised by officials to ease tariffs on those products, particularly on products not produced in the US. The White House couched the significant rollbacks as an appropriate move in the aftermath of several trade deals with key partners. But the about-face comes less than two weeks after Democrats were overwhelmingly successful on Election Day, winning a number of key state and local races where affordability and the rising cost of every day products were key issues, with opponents of the Trump administration pinning the hikes on tariffs. Separately, US Trade Representative Jamieson Greer said earlier Friday that the administration had negotiated the framework for a deal with Switzerland that would reduce duties on imports from that country to 15%, down from the previous level of 39%.
2	**Trade volatility pushes LA port towards new record**	The Port of Los Angeles processed 848,431 twenty foot equivalent Units (TEUs) in October, a steady showing that puts the busiest U.S. container gateway closer to an unprecedented record. "With six weeks to go, we are within reach of the 10 million container unit-mark for the year," Port of Los Angeles Executive Director Gene Seroka said in a media briefing. "If we reach that milestone, it would be the third time in our history and something no other Western Hemisphere port has achieved even once. "That kind of performance is powered by the skill and dedication of our waterfront workforce along with the terminal operators who keep this port running safely and efficiently every day." Volume through the first 10 months of the year was 8,655,489 TEUs, ahead 2% year-on-year. Earlier frontloading by importers hoping to avoid tariffs likely will result in softer numbers in November and December from a year ago, Seroka said, in the face of well-stocked retail and manufacturing inventories. October loaded imports totaled 429,283 TEUs, off 7%, while loaded exports edged up 1% y/y to 123,768 TEUs. The hub handled 295,380 empty container units, an indicator of future imports, off 8% from a year ago.
3	**UP enhances intermodal between LA and Cincinnati**	Union Pacific Railroad has made changes to how it will route domestic containers from Los Angeles to Cincinnati, moving the originating terminal closer to warehousing clusters in Southern California and offering additional trains. Effective Nov. 20, domestic containers destined for Cincinnati must originate at UP's City of Industry or Inland Empire terminals rather than its Los Angeles Transportation Center in eastern Los Angeles. The change gives shippers two origin options closer to major warehousing and cross-dock clusters in San Bernardino County, reducing drayage distances and transportation costs for transloaded freight. "These changes are designed to streamline your shipping experience and expand your options for reaching Cincinnati via the Norfolk Southern," UP said in a service advisory on Tuesday. The move benefits beneficial cargo owners operating in the Inland Empire, who also use cross-docks in the area to transload cargo from international to domestic containers. But while the front end becomes more convenient, the middle mile may become more complicated in Chicago. Added transits and costs in Chicago Under the new plan, containers moving from UP to Norfolk Southern for final delivery into downtown Cincinnati will need to be "rubber-tired" between terminals in the Chicago area. That means trucking the boxes about 30 to 40 miles from UP's intermodal facility to NS's Calumet terminal, known as a "cross-town" dray, adding both time and cost. Previously, this traffic was "steel-wheeled" — i.e., transferred by rail between UP and NS terminals using switching service or short-line railroads. The change comes as Norfolk Southern reorganizes its Cincinnati-area intermodal operations, separating international and domestic containers into two separate terminals. NS believes the split improves terminal flow through Cincinnati, but dividing the flows makes it impractical for UP to send blocks of international and domestic containers to NS via rail in Chicago.
4	**Fire Continues to Burn on ONE Containership at Port of Los Angeles**	Fire crews from Los Angeles and Long Beach responded to a fire aboard an Ocean Network Express (ONE) containership docked at the Port of Los Angeles on Friday evening, November 21. While residents in surrounding communities were told to close windows in their homes, the fire department reported the danger had passed with no injuries. The fire, however continues to burn on the ship which has been moved away from the dock. According to the AIS signal, the vessel was moved overnight on November 22 to the Long Beach anchorage. A fire boat remains alongside with the Port of Los Angeles reporting fire crews and ship crew members are continuing fire suppression efforts. It is unclear how many containers might have been damaged, but the reports said the fire onboard has been substantially contained. Los Angeles Fire Department Capt. Adam Van Gerpen told the media that at least 40 containers were involved in the fire, and it was possible that it had spread to 100 or more after an explosion aboard the ship.
5	**Sharp drop in Q3 profits signals tough 2026 for oversupplied ocean carriers**	A shift in the supply-demand imbalance in container shipping dragged down the financial results of ocean carriers in the third quarter, and maritime experts see nothing in market conditions to change their view that the industry's multi-year profitability voyage will end in 2026. Global fleet capacity is forecast to grow 6.9% to 32.97 million TEUs this year and by another 2.2% in 2026 to 33.7 million TEUs, according to Drewry Shipping Consultants, and Bimco expects global container volume growth of between 2.5% and 3.5% in both years. While carriers will remain in the black this year thanks in large part to a strong first half that's already in the bank, full-year operating profit will be around $20 billion for 2025 compared to more than $60 billion last year, Drewry noted. But the maritime consultant is predicting industry losses will top $10 billion in 2026. The sharp drop in revenue and profits in the third quarter was dramatic and across the board. Revenue among the 11 carriers that report their turnover showed a Q3 drop of $44 billion, down 22% compared to the revenue earned in the third quarter of last year, Sea-Intelligence Maritime Analysis noted in its latest Sunday Spotlight Newsletter. Despite volume gains across most of the carriers, the combined earnings before interest and taxes (EBIT) in Q3 fell sharply year on year — from $17.06 billion to $5.12 billion. However, Sea-Intelligence emphasized that although the 2024 peak has passed, the EBIT floor has not yet fallen to pre-COVID 2019 levels. The analyst said shipping lines also recorded a double-digit year-over-year contraction in average freight rates in Q3 as the market corrected from the disruption-driven highs of the previous year.
6	**Shanghai port container volume up 6.5%**	Container throughput at Shanghai Port has not experienced significant fluctuations and is maintaining an overall upward trend in 2025. Container throughput at Shanghai port exceeded 46 million teu in the first ten months, a year-on-year increase of 6.5%. Among them, the container throughput at Yangshan port reached 23.84 million teu, up 8.9%. Export volume for what described as the "new three" items in the shipping sector: electric vehicles, lithium batteries, and solar cells, continued to rise. New energy vehicles played a key role in the port's container throughput growth, indicating the increasingly strong market competitiveness of the new energy vehicle sector in Shanghai and across China. To date, Shanghai Nangang port's automobile throughput exceeded 1.01 million units of vehicle, a figure that has already surpassed Nangang port's total automobile throughput for the previous year. Last year, Shanghai Port became the world's first port with an annual container throughput exceeding 50 million teu.
7	**General average declared on ONE Henry Hudson**	Ocean Network Express (ONE) has advised that the owners of the ONE Henry Hudson have declared general average in relation to the fire that hit it while docked at the port of Los Angeles 10 days ago. The ship's owner, Fukujin Kisen, has appointed Richard Hogg Lindley as average adjusters. Containers will not be released for on-carriage or delivery until cargo interests have made the required security arrangements. The severe fire on the 8,212 teu ONE Henry Hudson saw the ship towed out to sea, and it took five days before the fire was contained. The ship has since returned to port.
TP Market dynamics		**Source: China Shipping Gazette, S&P Global**
1	**CMA CGM expects softer 2026 due to trade, rate and Red Sea uncertainties**	Container shipping is facing a weaker 2026 amid likely lackluster demand, overcapacity and a possible shift of mainline carriers back to the Red Sea and Suez Canal, a top CMA CGM executive said Friday. "We see uncertainty for the coming quarters," Ramon Fernandez, CMA CGM Group's chief financial officer, said during an online briefing. "We anticipate a slowdown in global trade and freight rates may continue to normalize." His remarks coincided with the carrier's third-quarter financial results, which saw year-over-year declines. While CMA CGM's shipping division saw a year-over-year decline in the quarter, Fernandez said it was an improvement compared with the second quarter, which was affected by the US-China trade and tariff spat. Fernandez said the carrier's fourth quarter will not be as strong as the third quarter, even though freight rates have rebounded since China's Golden Week holidays in early October. Despite concerns about overcapacity, Fernandez said CMA CGM needs new ships to maintain trade growth while investing in dual-fuel vessels to cut emissions. "There is no alternative," he said. "We need to replace older vessels." He did not immediately comment on reports that the world's third-largest carrier signed a deal this week for up to 10 22,000-TEU liquefied natural gas (LNG) dual-fuel ships with China's Dalian Shipbuilding Industry Co., even though the shipyard confirmed the order. But he said CMA CGM would operate more than 200 dual-fuel ships by 2029, including 160 owned vessels.
2	**OOCL adds Halifax call to trans-Atlantic Med service**	OOCL is adding the Port of Halifax to a trans-Atlantic Mediterranean service, marking the carrier's first direct service to the port. The new port call comes as Canada looks outside the US for more trade and as low water levels on the St. Lawrence River make Halifax an offtake point for Montreal-bound cargo. OOCL said its West Mediterranean America service from Italy and Spain would add Halifax as the first call before US East Coast ports, noting in a statement the move "unlocks direct access to Montreal and Toronto." The OOCL service joins three other Mediterranean-North American East Coast services that also call Halifax; this will be the Hong Kong-based carrier's first service to the port. While Halifax's overall cargo volumes have yet to approach their 2022 peak, the port has seen some uptick this year. First-half 2025 import volumes are up 13.6% to 131,980 TEUs and export volumes have risen 8.9% to 126,937 TEUs compared to H1 2024.
3	**CMA CGM profit collapses on ocean 'slowdown'**	CMA CGM on Monday said group net income fell 72.6% to $749 million from $2.73 billion on revenue down 11.3% to $14.042 billion from $15.834 billion in the year-ago quarter. The privately-held company headquartered in Marseilles said results were "significantly impacted" by geopolitics and trade tensions centered in the United States with a corresponding "slowdown in maritime activity". Earnings before interest, depreciation, taxes and amortization (EBITDA, or operating earnings) totaled $2.995 billion, a decline of 40.5% from $4.964 billion. The world's third-largest container carrier noted improvement from the second quarter when trade between China and the U.S. came to a virtual standstill amid a heightening of the trans-Pacific tariff war. Red Sea disruptions continue to pose operational challenges, the company said in an earnings release. The French operator has been the only global liner to continue operating scheduled services through the Red Sea and Suez Canal since Yemen's Houthi militia began attacking merchant shipping in 2024. It recently said it was expanding those services following a ceasefire in the Gaza war. Maritime revenue was $9 billion, 17.4% lower from a year ago. EBITDA came to $2.2 billion, a drop of 48.8% while EBITDA margin was 24.9%, off 15.3%. Average revenue per twenty foot equivalent unit slid 19.2% to $1,452 compared to the same period in 2024 as volume of 6.2 million TEUs was up 2.3% y/y and 3.4% from Q2. The company highlighted that in the quarter it ordered six 1,700-TEU ships with India shipyards and pledged to hire 1,500 Indian crew by the end of 2026, in support of the Modi government. It also said it was registering 10 24,000-TEU vessels — the largest in operation — in France. Those moves come after chairman and chief executive Rodolphe Saade, whose family controls CMA CGM, in March appeared in the Oval Office with President Donald Trump to announce $20 billion worth of investments to back a revival of the U.S. shipping sector.
4	**Zim CEO sees 'likely' return to Suez Canal transits soon**	Zim Integrated Shipping Services is preparing to route its ships through the Suez Canal, possibly as soon as 2026. The ocean carrier added that a return to Red Sea transits will further weaken freight rates, with Zim planning to return some chartered ships to reduce its fleet size. Chief Executive Eli Glickman said that the Israel-based Zim still needs the approval of its insurers and the owners of chartered vessels for a return to Suez routings. But "the current cease fire in Gaza is encouraging progress," he said Thursday during the company's third-quarter earnings conference call. Zim reported a 90% plunge in profits on weaker freight pricing. "We believe that a return to the Suez Canal in the near future now appears increasingly likely," Glickman said. "We are preparing an operational plan to support this transition once the security situation has stabilized." Glickman added that while the shorter route through the Suez Canal will mean lower operating costs, "it will also increase effective vessel supply currently tied up by longer routes around the Cape of Good Hope, adding pressure on freight rates." Zim, which charters most of its 115 container ships from other owners, is reducing its fleet size in response to further rate pressure. The company returned 22 chartered ships so far in 2025, reducing its fleet capacity by some 80,000 TEUs. Another three charters are ending this year, while another 17 up for renewal next year, amounting to another 80,000 TEUs of capacity Zim could shed. Chief Financial Officer Xavier Destriau said Zim used short-term charters on smaller Panamax ships to supplement its capacity throughout 2021 and 2022. Going forward, Destriau said Zim will lean more on its "core" fleet of 46 long-term chartered ships and 16-owned ships, which are primarily in the 8,000 to 11,500-TEU range.

5	**ONE expands India-USEC ‘WIN’ loop with Jebel Ali call amid demand woes**	Ocean Network Express (ONE) is adding Jebel Ali in the United Arab Emirates to its India-US East Coast “WIN” service, potentially targeting regional volumes and transshipment freight. The additional stop will be included in the eastbound direction, or inbound to India, according to industry sources. The first sailing lined up under the extended rotation is known to be the San Francisco Bridge, departing New York on Dec. 8 and arriving in Jebel Ali on Jan. 16. With the change, the WIN will now rotate Hazira, Nhava Sheva, Mundra, Colombo, New York, Norfolk, Savannah, Jacksonville, Charleston, Jebel Ali and Hazira. The string originally included a call at Port Qasim in Pakistan, but bilateral trade curbs implemented by India in May forced ONE and other mainliners to terminate calls there. Local freight forwarder sources believe ONE will attempt to tap US exports into the Middle East through Jebel Ali calls amid the ongoing slump in westbound volumes out of India. Schedule reliability has been a serious drag on the WIN service since it began operations in May 2024, coinciding with the Red Sea shipping crisis. ONE has generally been able to operate only two sailings a month out of West India instead of a weekly rotation — meaning a 50% cut in its originally declared capacity — due to tonnage problems linked to the longer transits around the Cape of Good Hope in southern Africa, an analysis of recent schedule data reveals. The ONE Maxim in Week 45 and the Cap Andreas in Week 47 have held November voyages out of Nhava Sheva. The market has become even more problematic for major carriers serving the India-USEC trade lane due to the impact of elevated US tariffs on Indian exports.