# TP report for week 09

| | Summary | Supplement |
|---|---|---|
| **TP News** | | **Source: enews@gccports.com, S&P Global** |
| 1 | **APM Terminals steps up with offer to temporarily run Hutchison's Panamanian ports** | Following last week's decision by Panama's Supreme Court to annul concession contracts held by a CK Hutchison unit for the Balboa and Cristobal terminals, Maersk-controlled APM Terminals has stepped into the breach.<br>The Danish port operator has signalled its willingness to assume temporary operation of Balboa and Cristobal to safeguard trade flows – but only once the Supreme Court ruling becomes final and binding.<br>Last year, APM Terminals acquired the Panama Canal Railway Company which operates a 76 km single-line railway adjacent to the Panama Canal.<br>Panama Ports Company(PPC), controlled by Hong Kong-based CK Hutchison, has blasted the ruling as inconsistent with the legal framework that underpins operations at both sites, while the Hong Kong government has also hit out at the decision.<br>Panamanian president José Raúl Mulino moved fast to dampen panic, insisting last week that the country's ports "will operate without disruption"<br>The court judgment lands amid a sharpening US-China tussle over strategic trade arteries, and a stalled plan by Hong Kong-based CK Hutchison to try and sell off its entire ports division, something that has provoked both Beijing and Washington. |
| 2 | **China retains shipbuilding crown in 2025** | The Chinese shipbuilding industry currently has its orderbooks filled for the next three to four years, operating at full production capacity.<br>According to date from China Ministry of Industry and Information, China has maintained its position as the world's first shipbuilding nation in terms of newly-received orders, orderbook-on-hand, and completed tonnage for 2025.<br>From January to December 2025, China's shipbuilding output reached 53.69m dwt, an increase of 11.4% year-on-year, accounting for 56.1% of the global total.<br>New orders amounted to 107.82m dwt, a decrease of 4.6% year-on-year, making up 69.0% of the world's total. By the end of December, the orders-on-hand stood at 274.42m dwt, a growth of 31.5% year-on-year, representing 66.8% of the global share.<br>All three major shipbuilding indicators have maintained the world's leading position in international market share for 16 consecutive years.<br>Li Yanqing, vice president of the China Association of the National Shipbuilding Industry, said: "In 2025, China's shipbuilding industry delivered remarkable results, with all three key performance indicators surpassing expectations. The market is projected to maintain relatively stable growth going forward. Therefore, it is essential for China's shipbuilding sector to continue capitalising on market opportunities, securing orders proactively, and guaranteeing on-time vessel deliveries."<br>China's leading shipbuilding enterprises saw their global competitiveness continue to strengthen in 2025, with six domestic shipyards securing positions among the world's top ten across three key metrics: shipbuilding output, new orders received, and orders-on-hand.<br>Among the 18 major ship types, China earned the largest share of new orders in 16 categories. A number of world-class green and intelligent vessels were delivered as China pursues a high-end transformation of the shipbuilding industry. |
| 3 | **Denmark and China extend green maritime collaboration** | Denmark and China have renewed a bilateral agreement focused on cooperation in green maritime technology and shipbuilding.<br>Li Lecheng, minister of industry and information technology of China, held a meeting with Morten Bødskov, Danish minister for industry, business and financial affairs, in Beijing. During the meeting, they discussed cooperation in green shipbuilding and green maritime technology between China and Denmark, and renewed a Memorandum of Understanding on Collaboration in Green Maritime Technology and Shipbuilding Industry between the two ministries.<br>China and Denmark said have reaffirmed their enduring and productive collaboration in the maritime sector, rooted in mutual trust, shared interests, and complementary strengths. Both nations demonstrate a strong dedication to enhancing maritime safety and mitigating the climate and environmental impacts of global shipping.<br>Li Cheng said that China and Denmark possess significant complementarity capabilities in the shipbuilding industry and maritime technology sectors. China is prepared to enhance strategic synergy and policy coordination with Denmark, jointly develop technologies for ships powered by low- and zero-carbon fuels, strengthen cooperation on international maritime rules and standards, explore potential partnerships in new energy vehicles and the digital industry, and contribute more substantially to global green development. |
| 4 | **Pacific container spot rates plunge ahead of contract season** | As the annual contract season is about to start in earnest, traditionally carriers ramp up rates to boost their hand ahead of negotiations, and with a late Lunar New Year now should be the time to turbocharge freight costs.<br>Instead, the latest industry discussions are around how low spot rates can fall, particularly on the eastbound transpacific, where the latest weekly update from consultant Linerlytica, report that rates to the US West Coast are below $1,700 per feu compared to the last SCFI assessment at $1,801 per feu.<br>"Rates as low as $1,400 per feu are being offered as the pre-Chinese New Year volumes to the US have been diluted due to the late holidays this year," added the Hong Kong-based consultancy.<br>Drewry's shipping points to the lack of traditional pre-Lunar New Year rush that has prompted carriers to blank 18, 27 and 28 sailings over the coming three weeks.<br>"A frequency much higher than in previous years," noted Drewry,<br>A similar effect is being observed on the Asia to Europe headhaul leg where container lines have committed to cancelling nine, 16 and nine sailings over the three-week period.<br>Chief Analyst at Xeneta Peter Sand said the current market average on the Pacific was $1,480 per feu, excluding terminal handling charges, but Xeneta's mid-low rate, that is the lowest 25%, is at $1,207.<br>Sand said the continued softening of spot rates, particularly on the Pacific, will have "a sting in the tail," as container lines look to stabilise the situation by aggressively cancelling sailings.<br>"If a shipper expects cargo to leave port on a certain date, they should factor the risk of that service being blanked - potentially at the last minute - and the subsequent ripple effects of delays on their supply chain," said Sand.<br>He added: "Shippers may benefit from overcapacity if it forces lower freight rates, but if that overcapacity also causes increased blanked sailings, there could be an operational price to pay."<br>The container shipping headhaul services out of Asia are affected by the Lunar New Year, which started in late January last year, 20 days earlier than this year, adjustments and recovery will necessarily have started earlier in 2025, points out Dynamar analyst Darron Wadey, who argues that the real test for market will be in March after the holiday season.<br>Having highlighted the caveats, Wadey then observed: "There is a clearly significant and underlying downturn in rates on the Pacific, with the year-on-year differences of such a magnitude, that there is much more at play than just a Lunar New Year adjustment." |
| 5 | **Hapag-Lloyd acquires Zim** | German carrier Hapag-Lloyd has entered into a $4bn agreement to acquire 100% of the shares in New York-listed Israeli carrier Zim Integrated Shipping Services.<br>In announcement made today, which is subject to shareholder and regulatory approval, Hapag-Lloyd said the combined fleet of 400 vessels will have a nominal standing capacity of over 3m teu and will handle in excess of 18m teu annually.<br>Discussions over the sale of Zim late last year appeared to stall with objections over the strategic importance of the carrier to the Israeli state, which holds a 'golden share' in the carrier.<br>These concerns were overcome through the creation of a new shipping line that will be owned by an Israeli private equity fund, FIMI Opportunity Funds (FIMI), taking over Zim's brand, the government's golden share, and 16 ships.<br>Ishay Davidi, founder and CEO of FIMI Funds said: "FIMI recognises and believes in the strategic importance for the state of Israel of a strong independent Israeli shipping company."<br>He added the new Zim will be a stable company and will have Hapag-Lloyd as a strategic partner for its ongoing operations.<br>"New ZIM will integrate significant transatlantic capabilities, alongside additional shipping routes to Europe, Africa, the Mediterranean Sea and the Black Sea," said Davidi.<br>Meanwhile, Hapag-Lloyd estimates that it will realise several hundred million dollars' worth of synergies with opportunities for further growth.<br>Zim currently operates around 145 vessels, of which 15 are reportedly car and vehicle carriers, some 99 of these ships are chartered.<br>"ZIM is an excellent partner for Hapag-Lloyd", said Rolf Habben Jansen, CEO of Hapag-Lloyd, who hinted at job consolidation to come when he added, "we will use this opportunity to create the best team from the exceptional talent in ZIM and Hapag-Lloyd."<br>Yair Seroussi, Chairman of ZIM's board of directors said the deal agreed followed a thorough strategic review by the board and "ensure the best possible outcome for the company's investors." |
| 6 | **US Supreme Court tariffs verdict – does it change anything?Trump's Liberation Day tariffs** | Trade impact of IEEPA tariffs<br>The IEEPA tariffs — including the "Liberation Day" reciprocal tariffs — raised the applied US tariff rate by seven percentage points. If left in place, they were estimated to shrink US GDP by 0.3%. The Tax Foundation estimates these tariffs were projected to raise $1.4 trillion over the next decade.<br>The tariffs inflicted severe harm throughout 2025. Global ocean container volumes to the US fell 14% year over year, while US imports from China fell 28% and exports to China declined 38%. At California's critical ports, soybean exports to China from the Port of Los Angeles fell 80%, with virtually every agricultural commodity exported being affected.<br>The drug-trafficking and immigration related tariffs on China and Mexico had also complicated the USMCA trades, especially in the auto and energy sectors.<br>Trump's immediate response<br>Rather than accept the ruling, Trump announced a 10% global tariff, which he raised to 15% on Saturday, under Section 122 of the Trade Act of 1974 — a different legal authority. What this will do is to take away the "comparative advantage certain countries enjoyed due to the differing tariff rates imposed on Liberation Day and with the trade deals signed thereafter. Now all the countries in the world will have to pay 15% tariffs on the goods being imported into USA. However, these tariffs can only be in place for 150 days absent a congressional extension. |
| 7 | **US Supreme Court tariff challenge could bring 'chaos'** | The Port of Los Angeles (POLA) began its seventh year of monthly media briefings, hosted by its executive director Gene Seroka, with a focus on prospects for trade flows in 2026 through the Californian port and US ports more broadly. Seroka was joined by an exceptionally knowledgeable guest, Chad Bown, presently a senior fellow at the Peterson Institute for International Economics, following high level stints in government and academia.<br>Beginning the session, Seroka reported that POLA's January 2026 cargo throughput of 812,000 teu was down from year-ago volumes, which he suggested already reflecting concerns in early 2025 about imminent tariffs.<br>With cargo flows in March to be impacted by a normal Lunar New Year slowdown, Seroka said that "January held no surprises". After noting that consumer confidence in the US was at its lowest levels in more than a decade, he suggested that an uncertain policy on trade is expected to continue and projected a decline in first quarter 2026 throughput of less than 10% compared to the same period in 2025.<br>In his remarks, and in follow-on questions, Seroka stressed that logistics market participants and executives could really "not look beyond six months" for planning and predicting trade flows due to present economic and policy uncertainties.<br>When asked about trade prospects for 2026, Bown — a prolific writer with a forthcoming book "How to Win A Trade War" due to be released in May — told the audience, " even the economists are trying to figure it out." He said that the impacts of tariffs "are being paid almost entirely by somebody in the States". Responding to a question, he said that "there's no evidence that the Chinese are lowering their prices" in response to tariffs. Bown did acknowledge potential inflation but said "I'm surprised that we've not seen a lot of impact on prices".<br>On the logistics front, he credited big companies with adding flexibility to their sourcing, finding alternative suppliers, but cautioned that with unpredictability coming from Washington, DC, "now they don't know."<br>Looking ahead, Bown identified three critical items that trade economists and others should be watching. At the top of his list is a decision likely to be issued by the US Supreme Court regarding a case challenging the validity of tariffs imposed under the International Emergency Economic Powers Act. He conjectured that, should the top court rule against the tariffs, leading to "a whole lot of chaos", the Administration could then look at other legal statutes that could achieve similar effects. |
| **TP Market dynamics** | | **Source: China Shipping Gazette, S&P Global** |
| 1 | **Cancelled sailings pierce New Year optimism** | "Early optimism ahead of the Lunar New Year has faded," according to the maritime consultancy Drewry, which reports that blanked sailings are up from 57 in January to 107 expected in February.<br>Expectations that there would be an early demand spike ahead of February's Lunar New Year have been dashed as rates nosedive, demand dwindles and carriers are forced to cut capacity through blanked sailings.<br>Another indication of the significant downturn in the container market came with the release of Ocean Network Expresses' third quarter results, to December 2025, with the company recording an $88mn net loss on revenues of $4,074m.<br>ONE CEO Jeremy Nixon reflecting on the results said the company was navigating a challenging environment.<br>"Although market dynamics have impacted our performance during the quarter, we remain focused on disciplined capacity management, cost control, and ongoing network optimisation to enhance operational resilience." |
| 2 | **MSC fined $22.7m by the Federal Maritime Commission** | The Federal Maritime Commission (FMC) in the US assessed that MSC owes $22.67 million in civil penalties for three different types of Shipping Act violations.<br>The penalties come following investigations by the Commission's Bureau of Enforcement, Investigations, and Compliance (BEIC), through its Offices of Investigation and Enforcement, that also prosecuted the matter.<br>The largest portion of the penalties $13.1 million relates to MSC overcharging its customers demurrage and detention fees during 2021 for the use of Non-Operating Reefers (NORs).<br>An Administrative Law Judge (ALJ) has ruled that MSC's NORs "billing system" mistake did not violate regulation 46 U.S.C. § 41102(c), however the FMC reversed the decision.<br>"Instead, the Commission held that the factual record indicated that the overcharging happened in about 23% of all NOR bills during the entire year of 2021. Therefore, the Commission concluded that MSC's billing was not merely the result of a mistake but rather that it constituted an unreasonable practice within the meaning of section 41102(c)," the FMC said.<br>MSC was penalised $5,000 per violation – at total of $13,145,000.<br>The FMC also fined MSC $9.46 million for failing to include in its published tariff from 2021-2023 a statement of what such fees were for NORs. The penalty reflects knowing and wilful violations from March 2022 when MSC filed a statement to modify its tariff.<br>MSC was also fined $65,000 for the violation of the Shipping Act between 2018 and 2022 for the use of a "merchant clause" found in its bills of lading. |

| | | |
|---|---|---|
| 3 | **Evergreen orders 23 vessels at Chinese yards** | Taiwan’s largest container operator Evergreen Marine Corporation has ordered 23 container ships at two Chinese yards via its Singapore-based subsidiary Evergreen Marine (Asia).<br>In an announcement made yesterday the carrier has agreed a deal for seven units of 5,900 teu at up to $82 million each and 16 vessels of up to $56 million each bringing the total investment to $1.47 billion.<br>The larger ships will be built at the Yangzijiang's Jiangsu New Yangzi Shipbuilding Co. while the smaller units are to be constructed at the CSSC Huangpu Wenchong Shipbuilding Company.<br>Evergreen Marine has an extensive orderbook of 53 ships already, this new order will take the total to 76 ships worth a total of more than $11 billion.<br>The company gave no timeline for the completion of these contracts, but each vessel will take up two years to build for the larger units and between one and two years for the feeder ships. |
| 4 | **Maersk posts ocean loss, 1,000 job cuts as container boom unwinds** | The dark clouds swirling around the container shipping industry intensified today with Maersk following Japan’s Ocean Network Express, in announcing its ocean division had slipped into the red for the final quarter of 2025.<br>The Danish shipping giant also revealed today it will lay off 1,000 staff this year as cost discipline rises up the corporate agenda of most global liners faced with a deteriorating freight rate environment.<br>Vincent Clerc, Maersk’s CEO, conceded 2025 had been a a year where supply chains and global trade continued to be reshaped by what he described as “evolving geopolitics ”.<br>Maersk’s ocean division reported an EBIT loss of $153m, down from $567m in the previous quarter, and massively down on the $1.6bn recorded in Q4 24.<br>The shipping group also announced a DKK6.3bn ($1bn) share buyback scheme.<br>Maersk, for instance, has a wide range in its full-year 2026 group EBIT forecast predicated in no small part on the timing of a return to the Suez. Maersk is forecasting an EBIT for 2026 ranging from a $1.5bn loss to a $1bn profit.<br>“The ranges reflect the expected overcapacity in the shipping industry and scenarios of a gradual Red Sea reopening in 2026,” the company explained today. |
| 5 | **HMM stays in the black in Q4** | South Korean shipping line HMM reported a 59.9% drop in Q4 2025 net profit to KRW364 billion ($250) million faring better than some of its listed competitors that have already reported their financial results.<br>HMM’s alliance partner Ocean Network Express (ONE) reported an $88 million loss for Q3 FY2025 ended 31 December, and AP Moller-Maersk saw its ocean, or container line, business dip into the red with a -$153 million EBIT in the fourth quarter of 2025. German line Hapag-Lloyd reported a 75% in EBIT in Q4 2025 to $200 million.<br>HMM said that revenues in Q4 2025 were down 14.2% at KRW2.71 trillion.<br>For 2025 as a whole HMM reported a 50.3% drop in net profit to KRW1.88 trillion, while revenues were down 6.9% at KRW10.98 trillion.<br>The South Korean shipping company noted sharp declines in container freight rates on major trades during 2025 with rates to the US West Coast down 49%, a decline of 42% to the US East Coast, and 49% drop in freight rates to Europe.<br>Looking ahead the large number of newbuildings coming into the market will result in oversupply.<br>“A large volume of new container vessel deliveries is expected to result in oversupply, while demand growth remains weak, likely to exacerbate supply-demand imbalances,” HMM said.<br>The company said it plans to expand its hub and spoke network in container shipping to improve cost structures through optimised feeder connections. Launching February last year the Gemini Cooperation of Maersk and Hapag-Lloyd has successfully focused on key hubs, and as we reported in December 2025 the Premier Alliance comprising HMM, ONE, and Yang Ming has been quietly following suit.<br>“Within the bulk segment, the company aims to achieve stable growth by diversifying its portfolio and identifying new business opportunities,” HMM said. |

## TP Trend forecasts

| | |
|---|---|
| 1 | EMC raises rates on March 1st by $2200 in the West Coast and $3000 in the East Coast, $3100 in the GULF, and $4500 in IPI |
| 2 | MSC raises rates on March 1st by $2150 in the West Coast and $2950 in the East Coast and $4500 in IPI |
| 3 | YML raises rates on March 1st by $2150 in the West Coast and $2950 in the East Coast and $4500 in IPI |