

US presidential debate fails to allay container shipper fears

“Everybody doing business with the US should feel concerned,” said Xeneta Chief Analyst Peter Sand following Tuesday’s election debate between Donald Trump and Kamala Harris.

[Nick Savvides](#), Europe correspondent

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Credit: Official Whitehouse portraits

At a Glance

- Trump plans 20% across the board import tariffs and 60 - 100% on Chinese goods
- With the Presidential election in November and inauguration in January shippers still have time to take action

[Xeneta](#)’s Sand was alluding to tariffs that can be expected as a result of voters trusting ex-president Trump in the election, after which Harris warned, “the Trump administration resulted in a trade deficit, one of the highest we’ve ever seen in the history of America”.

Even so, Harris, and the Biden administration, have maintained the tariffs introduced by Trump in his first term, and there is no expectation that those effective barriers to trade will be lifted soon, or that a Harris Presidency would not increase the protectionism implied by these import duties.

It is the uncertainty that is killing trade, according to Xeneta who claim that tariff levels under Harris would be “different”, “The fact that we don’t know what tariffs to expect causes uncertainty,” said Sand, and means “Everybody doing business with the [US](#) should feel concerned.”

In a clear policy statement Trump reiterated his intention to apply 20% across the board and tariffs of 60-100% on Chinese goods, because the Chinese are “cheating” and “playing a power game.”

Europe is not playing a power game, however, said Sand, and he expects a swift reaction from European governments should Trump implement his tariff policies, “leading to higher [consumer] prices, less quality and less choice,” said Sand.

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Dynamar analyst Darron Wadey added: “Undoubtedly, the carriers will have contingencies in place [to maintain services] – a ready-made playbook if you will. It is more that some shippers have already undertaken action it seems.”

The National Retail Federation/Hackett Associates Global Port Tracker is forecasting imports into the US to increase by 14% year-on-year in September to 2.3 million teu, reported Wadey, as shippers bring shipments forward.

“However, the driver of most of that will be imports from Asia, although transatlantic shipments, with the Europe export leg being the dominant direction, will play a role, albeit subsidiary,” he said.

Nevertheless, Wadey also believes with the election due in November and the inauguration in January shippers will still have time to take action, if necessary.

It is the immediate threat of East Coast strikes that are exercising the minds of shippers at this time, explained Wadey.

Faced with possible port strikes from October and the possibility of political disruption the trades on the Atlantic have also been heavily impacted by the Red Sea diversions with capacity initially being reassigned to the Asia/Europe trades as extra capacity was needed to meet demand in these lucrative trades.

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The effects were seen immediately with rates from the Med leaping from under \$1,500 per feu to nearly \$2,250 in February this year. And a similar leap was seen in the North European charges from \$1,875 per feu to \$2,250 per feu in the same month, according to Xeneta figures.

Today rates for north European export cargo to the US stand at \$2,750 per feu and \$2,250 per feu from the Mediterranean, a year-on-year increase of 64.68 and 43.73% respectively.

In part the rate changes are thought to be caused by an early peak, similar to the major trades out of Asia to Europe and the US West coast, but there has also been an increase in the redeployment of tonnage, with the Ocean Alliance leading the way.

French carrier [CMA CGM](#) had five Atlantic services in mid-2023, three alliance, all to the US, with 15 vessels totalling 83,000 teu. By mid-2024 that had declined to four services, including three alliance services, with eight vessels totalling 55,000 teu.

Its alliance partner [Evergreen](#) has not operated a vessel on the Atlantic since July when the Ever Living was withdrawn and entered the Asia trades, and is not due to return to the Atlantic until 1 November.

Evergreen does not have tonnage on the trade, according to MDS Transmodal data, but offers US East Coast services via its Ocean Alliance partners. Evergreen and CMA CGM are by no means alone in the shift of tonnage out of the Atlantic trades, with MDS Transmodal statistics showing an 18.6% drop in aggregated capacity year-on-year, to 872,630 teu, from 1,071,537 teu.

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Interestingly CMA CGM's redeployment of vessels has mainly been to the Pacific, which has seen a 5% increase the carrier's capacity deployed, compared to just 0.7% on the Asia/Europe trade.

Nevertheless, Atlantic volumes have had limited effect on the rates according to Container Trades Statistics CEO Nigel Pusey: "US, Canada and European volumes on the Atlantic remain constant and largely unaffected by the Red Sea conflict - volumes and freight rates have seen little knock on from general box shortages in other geographies."

North American export volumes, including the US and Canada, were up 12.39%, 113,180 teu, in the seven months to July 2024, amounting to 1.026 million teu, compared to 912,894 teu in the same period last year. US imports, traditionally about twice as much on the Atlantic, increased 5% increasing from 2.079 million teu to 2,183 million an increase of 103,786 teu in the same period, according to data from Container Trade Statistics.