

CANADA Daily News and Updates November 7th 2024

Ocean Updates

- Trump Presidency Will Reignite U.S.-China Trade War and Threaten a Spike in Ocean Container Rates: Xeneta
- CMA CGM Lone Container Line Undeterred by Red Sea Attacks

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Trump Presidency Will Reignite U.S.-China Trade War and Threaten a Spike in Ocean Container Rates: Xeneta

Donald Trump's victory in the U.S. presidential election is 'a step in the wrong direction' for international trade, as importers fear another spike in ocean container shipping freight rates.

Trump has vowed blanket tariffs of up to 20% on all imports into the U.S. and additional tariffs of 60% to 100% on goods from China.

Data from Xeneta – the ocean and air freight intelligence platform – shows the last time Trump ramped up tariffs on Chinese imports during the trade war in 2018, ocean container shipping freight rates spiked more than 70%.

Peter Sand, Xeneta Chief Analyst, said: "Shipping is a global industry feeding on international trade, so another Trump presidency is a step in the wrong direction.

"The knee-jerk reaction from U.S. shippers will be to frontload imports before Trump is able to impose his new tariffs. Back in 2018, the tariff on Chinese imports was 25%, now it is increasing up to 100% so the incentive to frontload is even greater.

"If you have warehouse space and the goods to ship, frontloading imports is the simplest way to manage this risk in the short term – but it will bring its own problems. A sudden increase in demand on major trade lanes into the U.S. when ocean supply chains are already under pressure due to disruption in the Red Sea will place upward pressure on freight rates.

Read more in an [article from the American Journal of Transportation](#).

CMA CGM Lone Container Line Undeterred by Red Sea Attacks

At least one major container carrier has continued to operate in the Red Sea despite a months-long campaign of violent attacks on the key global shipping route that has forced other lines to divert around Africa.

French carrier CMA CGM has continued to operate a number of services through the Suez Canal, with calls at Jeddah in Saudi Arabia, as well as south to the Gulf of Aden and destinations farther east including China.

Liner companies operating between Asia, the Mediterranean and the east coast of North America since earlier this year began diverting vessels away from the Red Sea after Houthi militia began attacking commercial shipping with missiles, drones and attack boats, killing four people and

sinking two vessels. One ship was hijacked and its crew remain in captivity, and another remains detained by Iran.

Container carriers have diverted vessels around the Cape of Good Hope in Africa, typically adding 14 days to their voyages. The longer sailings have meant delays, increased emissions and higher operating costs passed on to shippers, and several carriers have posted windfall profits in the process.

Read more in an [article from FreightWaves](#).