# Shipping industry faces turbulence amid shifting US trade policies



The global shipping industry is currently experiencing significant turbulence due to shifting trade policies by the United States, particularly tariffs introduced during President Donald Trump's administration. These changes have led to marked volatility characterised by fluctuating freight rates, inconsistent cargo volumes, and growing uncertainty regarding global trade flows.

Alexandre Charpentier, a transport specialist at Roland Berger, highlighted these trends, explaining that in the three weeks leading up to tariff announcements, trade activity slowed considerably. “Many ships were only 50 per cent full on the transatlantic and transpacific trades to the United States,” he said. This pause among companies, anticipating policy shifts, resulted in a decline in sea freight rates as shipments were delayed.

Following a partial reversal of the tariffs—where some measures were postponed except those specifically targeting China—there was a sharp rebound in demand. Charpentier noted, “As of last week, we’ve had the opposite effect. People want to ship as much as possible to the United States, they’re destocking and there has been a rush for space.”

This volatility has prompted shipping analysts to warn of potential changes in shipping routes. Anne-Sophie Fribourg, vice president of ocean procurement at the UK-based freight forwarder Zencargo, suggested the China-US trade route could become financially unviable under these conditions. She said, “If this were to happen, shipowners will readjust their rotations. In other words, they will turn away from traditional routes to new ones, such as Latin America, where demand has been growing for some time now.”

Supporting this perspective, Charpentier added that a slowdown in some traditional shipping lanes may occur in favour of increased activity in Southeast Asia or India. German shipping company Hapag-Lloyd reported “a massive decline in China,” while noting an uptick in demand from Southeast Asia.

The World Trade Organization (WTO) has also issued a cautionary outlook, flagging the possibility of a 1.5% decline in global goods trade by 2025. The WTO warned that merchandise trade between China and the US could see a dramatic fall of as much as 81%, contingent on tariff implementations.

Complicating matters, the US introduced new port fees in mid-October on Chinese-built and operated ships, adding to existing tariffs that can reach up to 245% on certain Chinese products. These measures contribute to a complex web of trade challenges impacting the shipping industry.

Looking ahead, Sandy Gosling, a logistics specialist at McKinsey, anticipates that freight rates may continue to fall. Reflecting on previous Trump-era policies, Gosling said, “During Trump’s previous term, liners experienced an oversupply of shipping capacity, decreased shipping rates, increased operational costs and ultimately, a reduction in revenue.”

Despite these disturbances, China remains the world’s largest shipbuilder, maintaining its position ahead of South Korea and Japan. Major shipping companies such as MSC, CMA CGM, and Maersk have not yet announced formal shifts in their major trade routes in response to the ongoing policy changes.

The Boston Consulting Group has forecasted a “sharp decline” in China-US trade volumes and a pivot towards the so-called “Global South.” Meanwhile, Gosling referenced a 2020 McKinsey Global Institute report that noted industries experience material disruptions lasting a month or longer on average every 3.7 years, signalling resilience within the sector.

Fribourg also highlighted the industry’s capacity for adaptation, stating, “The industry has shown agility to change routes,” a skill honed through previous challenges such as COVID-19 disruptions and tensions around the Red Sea.

Nevertheless, Charpentier emphasised that any strategic redirection of shipping routes will require time. “Such strategic pivots will take some time,” he said, underlining the complexity of adjusting global shipping networks in response to evolving trade policies.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.thenationalnews.com/business/economy/2025/04/06/shipping-industry-sinks-into-crisis-as-trumps-tariffs-disrupt-global-trade-flows/> - This article discusses how US tariffs introduced during Trump’s administration have caused disruptions in global shipping, including volatility in freight rates and trade flows, supporting the claim about shipping industry turbulence and trade policy shifts.
* <https://www.lloydslist.com/LL1153078/Uncertainty-rerouting-and-trade-havoc-the-implications-of-Trump-tariffs-for-shipping> - This source corroborates the uncertainty and potential rerouting of global shipping routes caused by the Trump tariffs, as well as delayed shipping activity and shifts in cargo flows as referenced by transport specialists in the article.
* <https://gcaptain.com/trumps-liberation-day-tariffs-spark-global-shipping-industry-concerns/> - This page highlights the impact of Trump's tariffs on the global shipping industry, including increased import duties, trade tensions, and resulting shipping volatility consistent with the article’s presentation of tariff-driven market fluctuations.
* <https://www.coatingsworld.com/contents/view_online-exclusives/2025-03-12/how-american-sanctions-may-affect-the-global-shipping-industry/> - This resource explains how US sanctions and tariffs affect shipping volumes and global supply chains, supporting the article’s points about slowed trade and the resulting impact on freight rates and shipping capacity.
* <https://www.ups.com/us/en/supplychain/resources/news-and-market-updates/2025-us-tariffs-impact-global-trade> - This UPS analysis details how the new US tariffs increase costs and disrupt global trade and shipping patterns, aligning with the article's claims about port fees, tariff hikes, and complex trade challenges faced by the shipping industry.