US Tariffs: Possible Scenarios

FREIGHTWAYS
DELIVERING ON YOUR EXPECTATIONS

The Update

We are now less than a month away from July 9th which marks the end of the 90-day pause on US reciprocal tariffs from all origins except China. This also means that we are rapidly approaching the point in time where any frontloading prior to the 90-day deadline will be ending. This is about to give a negative impact on demand to the extent that frontloading has been taking place.

In relation to cargo from China, the expectation is a 3-step development...

The Expectations

STEP 1:

Step 1 was the surge in cargo seen in recent weeks. This is primarily fueled by cargo which was ready to move but had been held back by importers who awaited a pause to be announced in the tariffs. This is the root cause of the capacity tightness and sharp escalation in spot rates. There are no good data sources to quantify exactly how much of such excess cargo was ready to load, but we might be nearing the end of this effect as our analysis shows rates and space availability is gradually improving out of China

STEP 2:

This would be frontloading of additional cargo from China prior to the tariff pause deadline of August 12th. No good data exists on the potential magnitude or ramp-up of this presently. Some might see the Chinese PMI as an indication. The PMI (Purchasing Managers Index) for May indicated contraction with factory production. Some see this as an indication that frontloading is not about to happen at a large scale, but this might be premature to conclude. The PMI data are gathered during the middle of the month, i.e. the PMI data are partly based on input before the tariff pause and partly after. And add to that an element of lag time from the instatement of the pause until US importers would in practical terms begin to contact the Chinese manufacturers to ramp up orders.

The Expectations

STEP 3:

Step 3 would be at the end of the pause on Chinese tariffs . If tariffs come back on at full effect, we will see another sharp drop in container demand. If a deal is made and tariffs are not too onerous we might very likely also see a temporary drop in container demand, Trump posted a few days ago that an agreement had been reached with China but details are sketchy– this would be a consequence of frontloading in especially step 2 outlined above.

STEP 4:

Step 4 would be a situation that Trump continues to impose erratic tariffs. Trump has a long history of hating global trade and loving tariffs. He sees it as a tool to get his way through the global policy framework .

The conclusion

As global trade dynamics shift under the shadow of U.S.-China tariff policies, the current volatility—marked by frontloading surges, spot rate spikes, and manufacturing uncertainties—requires freight partners who can offer agile, real-time logistics support.

Freightways Global stands ready to navigate these market disruptions with adaptive capacity solutions, robust tracking systems, and expert trade advisory. Whether demand surges or dips, our commitment to reliability, transparency, and global reach ensures that your cargo moves smoothly—whatever the geopolitical climate.

Let Freightways be your strategic ally in uncertain times. Because in freight, timing is everything—and we're always one step ahead.

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