

# Shippers rush to reach US shores amid tariff pause

To monitor how supply chains reshuffle; freight rates up for 2nd week in a row

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**A**fter US President Donald Trump announced a 90-day tariff pause for several nations, including India, global manufacturers are in a rush to ensure that bulk of their goods reach the US during this window.

“The 90-day suspension of tariffs will be welcomed by shippers, but it should not be a cause for celebration. We still have a rapidly escalating US-China trade war with tariffs spiralling above 100 per cent,” said Peter Sand, chief analyst at Xeneta, an Oslo-based maritime analytics firm. After falling continuously for four months, freight rates across eight global sea routes increased for the second week in a row since reciprocal tariffs were enforced and then rescinded temporarily.

The Drewry World Container Index rose 3 per cent last week to \$2,265 per 40-ft container amid a volatile environment for transporters.

“Those shippers with the opportunity to rush imports out of non-China nations will do so because the situation remains highly-unpredictable. There is every possibility that the higher tariffs will come into effect 90 days from now,” said Sand.

Moreover, shippers are also looking at tightening capacity and planning for the disruption – something global trade players had anticipated in the run-up to tariffs.

According to Drewry’s cancelled sailings tracker, blank sailings on major East-West routes nearly doubled from 41 to 77 in three weeks as carriers aim to tighten capacity. “The recent US tariffs on Chinese and other Asian imports are



## RACE AGAINST TIME

- Shipping firms are also looking at tightening capacity
- Shippers speeding up exports from non-China nations
- Carriers double blank sailings to manage tight capacity
- India’s ports eye high-value cargo amid global disruption
- Stockpiling drives 20–35% jump in India-US logistics activity

expected to reduce demand, placing carriers in a challenging position. To maintain rate levels, carriers may resort to stringent capacity management, primarily via blank sailings. Frequency of sailings may decline over the next five weeks, with our forecast indicating that approximately 88 per cent of weekly departures will happen as scheduled,” said Drewry.

Going forward, shippers will be closely monitoring how supply chains are reshuffling. “Should tariffs and possible retaliatory measures contribute to prolonged inflation and a slowdown in the global economy, this could eventually influence ocean freight volumes and trade patterns. We are closely monitoring the situation,” an executive from a major Japan-headquartered shipping company said.

Indian port players, amid the rush, are also looking to seize opportunities to get high-value cargo onto their own terminals.

“The disruption is already causing exporters to panic and call everywhere

for backup plans should their expanded needs remain unfulfilled from their primary transporters and cargo handlers. We are looking to seize such opportunities. We are also monitoring whether it’s a good move to collaborate with players in countries with low tariffs for dedicated facilities. While we were sure about it last week, now it’s more of a wait and watch because of the pause on tariffs,” another port executive said.

In India, stockpiling is putting pressure on logistics.

“Previously too, the US-China trade lanes experienced a staggering 80-120 per cent surge in freight rates. This was in response to the imposition of reciprocal tariffs, disrupting the existing trade dynamics. Now, with the India-US corridor facing similar challenges, short-term stockpiling is driving a projected 20-35 per cent surge in logistics activity. However, this phase is likely to be transient,” said Dibyanshu Tripathi, founder of logistics firm HexaLog.