

# 2026 poised to be another rocky year for global trade

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The global trading system, which is finishing up one of its most transformational years of the past century, heads into another facing more challenges to stability and growth.

Merchandise trade across the world held up relatively well through 2025, even as US President Donald Trump started erecting a tariff wall around the world's largest economy. Data cited this week by shipping industry veteran John McCown show global container volumes grew 2.1 per cent in October from a year earlier.

Yet beneath the overall resilience are shifting undercurrents: The US saw a 8 per cent contraction in inbound volumes, while imports into Africa, the Middle East, Latin America and India all showed robust growth.

"World container supply chains have already begun to adapt and reconfigure trading patterns," McCown wrote in a research note on Monday. After the US in 2024 saw a 15.2 per cent gain in container imports for the full year, "to say that the

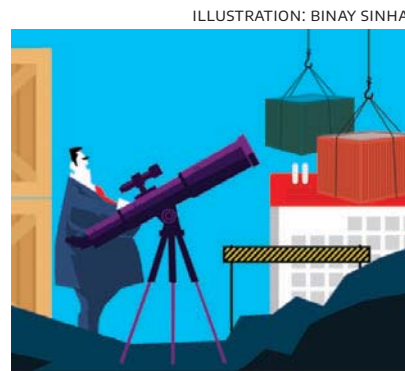
annual total for 2025 will be in diametric contrast is an understatement."

Trump's trade threats were among the chief reasons for the rewiring of shipments, according to McCown. If 2025 was the year of the tariff, he wrote in a LinkedIn post, then 2026 will be the year of tariff consequences.

Other experts in recent weeks have said they anticipate more trade turmoil in the year ahead.

The US, Canada and Mexico are about to start reviewing the North American free-trade deal that took effect in 2020. The negotiations will take the three nations into "new territory" given the novelty of the provision allowing for an update after just six years, according to comments by US Trade Representative Jamieson Greer to lawmakers this month. Greer said the government received more than 1,500 responses during the public comment period ahead of the coming review.

"Many stakeholders expressed support for the USMCA and many explicitly called for the agreement to be extended," Greer said. "At the same time, virtually all



stakeholders also called for some sort of improvement to the agreement."

But any "improvement" for one of the three members of the trade bloc risks coming at the expense of another. And that sets the stage for a tough round of talks for the largest US trading partners, whose industries are struggling amid American import taxes. Ties are already strained between the US and Canada, after Trump terminated trade talks with the northern neighbor in October — in

## Uncertainty looms

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**Supreme Court verdict:** Pending ruling on US reciprocal tariffs adds uncertainty

response to anti-tariff ads featuring Ronald Reagan.

For container ships and other workhorses of global trade, the year ahead may bring two shocks that sound like welcome developments but could actually snarl global supply chains in ways seen during the Covid pandemic, according to experts including Lars Jensen, the CEO of the consultancy Vespucci Maritime.

The first change would be a return of the world's cargo fleet to using the Red

Sea, rather than the longer route around southern Africa that vessels have had to resort to for the past two years. Houthi attacks in the Red Sea have largely subsided since the Gaza peace plan took effect in October, making the old route more appealing. Carriers including France's CMA CGM SA and Denmark's AP Moller-Maersk A/S are already sending a small number of ships through.

But a full return to the Red Sea and the Suez Canal shortcut between Asia and Europe will "flood the market with a lot more capacity" and create "massive port congestion issues in Europe," Jensen said during a Flexport webinar in November. The second blow could be more demand driven, according to Jensen.

High on the White House's list of 2025 accomplishments are trade deals with several major economies, most of which bent to Trump's demands ranging from investment pledges to better market access for US exports. In exchange for their submissiveness, their goods were smacked with a tariff rate that was lower than the duty they would've gotten if they retaliated.

But these aren't traditional, binding trade deals with enforcement provisions and fine print spelling out the rules, and there's only a one-year truce with China rather than a full agreement — leaving out the US's most unbalanced trading relationship. That's left concern that pacts could yet come undone, especially given the potential for pressure from Beijing against any nation open to working with Washington at China's expense.

Even the UK has seen fresh difficulties crop up. Last week, Greer singled out the EU and India, saying that contentious talks aimed their respective trade deals are set to spill into the new year.

Among the biggest unknowns in trade circles heading into 2026 is a pending US Supreme Court ruling on the legality of Trump's so-called reciprocal tariffs — the broad levies he imposed on most major trading partners.

If Trump does lose the case, one of the most consequential questions for the economy and the country's fiscal outlook will be whether the government will have to refund the money that American importers paid in tariffs.