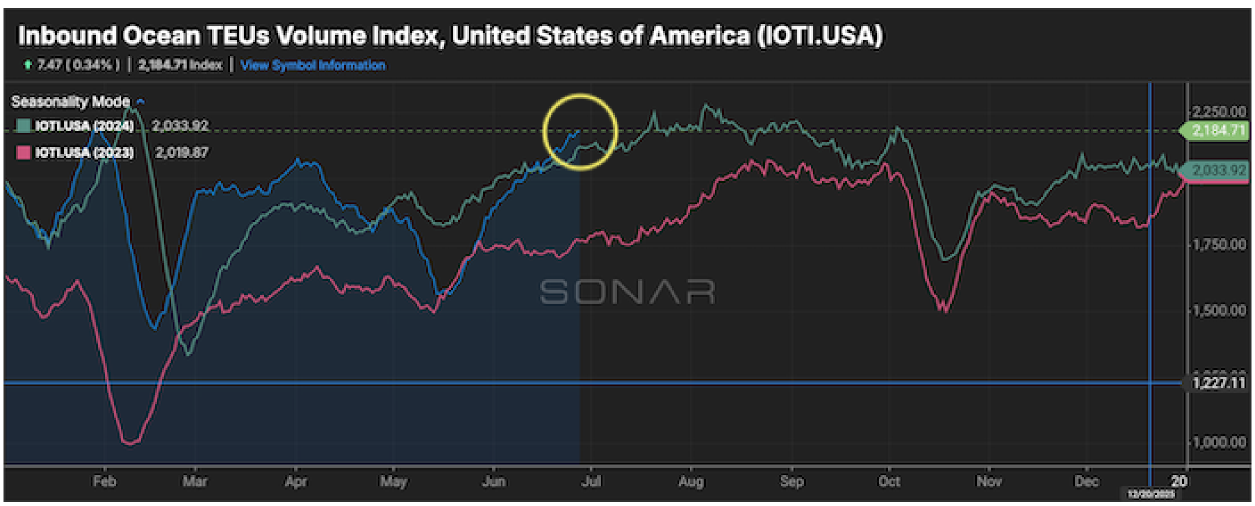
BLUEWATER LOGISTICS GROUP LLC

GULFSTREAM SHIPPERS ASSOCIATION

A look back at the last few weeks

Tariffs talks and implementations continue to disrupt and reshape the shipping world. It is forcing companies of all shapes and sizes to rethink how they are doing business, from sourcing & routing to pricing & partnerships. The 90-day pause in a variety tariffs triggered an initial rush by U.S. importers to move goods out of China before the July 9th and August 13 deadline. That surge led to:

- An increase in container volumes into US ports was nearing record 2024 levels, as shown in the SONAR chart below.
- Reinstatement of previously blanked sailings from the majority of carriers.
- Extra loaders were added to the market to aid peak season but will take weeks to be repositioned.
- Bonded warehousing and foreign trade zones are at an all-time premium.
- Premium space is no longer a luxury but is now a baseline standard.
- On 6/4/25 Tariffs on steel & aluminum increased from 25% to 50%, which raised operational costs for steamship lines and most imported goods. These extra costs are passed on directly to the consumer.



Yellow circle shows current U.S. inbound container traffic nearing record 2024 levels. (Chart: SONAR)

What you need to know now

- U.S.–China container volume has dropped sharply with reports showing 50% of China to North America shipments cancelled, rolled and/or blank sailed.
- Spot rates continue to be volatile with rates at the start of June hovering $6000-$7500 and now rates entering July are $2500 - $4500. Showing a rate swing of +/- 50-70%.
- Routing, port of call charges and tariff uncertainties continue to remain a challenge as companies remain reluctant to commit to allocation and volume forecasting.
- Carriers make plans for schedule reliability as we see new alliances come into the market, such as the full rollout of the Gemini and Premier Alliances in July.
- Geopolitical and energy risks remain present, leading to continued diversion around Africa for the foreseeable future.

Forecasting what's ahead

- Carriers will continue to use blank sailing and vessel space to control the market.
- July 9th and August 14th remain key dates to watch regarding tariff changes.
- End of Q3 to show signs of stabilization and mild rebound if tariffs hold steady.
- Carriers: Recovery in bookings is likely short lived—reduced pricing power, idle tonnage, and route shifts are stressing balance sheets.
- Shippers: Facing higher freight costs and complexity in their day-to-day operations
- Ports & terminals: Hit by volume surges & collapse leading to layoffs. inefficiencies and underutilization; may face new fees if Chinese-built vessels are penalized.
- Service providers (brokers, associations, warehouse, trucking): Dealing with fluctuating demand has caused these companies to make drastic changes mid-season to their projections and SOP Uncertainty will continue until tariffs level and proper allocations and forecast can be generated.

Recommended Actions

- Lock in rates and volumes ASAP to avoid July turbulence.
- Reassess routing: Diversify ports and consider intermodal options.
- Plan inventory buffers for Q4; “just right” mix strategy is now essential.
- Monitor alliance rollouts & schedule reliability—adjust service tiers accordingly.
- Evaluate tariff scenarios and keep FTZ/bonded warehousing flexible for rapid redeployment.