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Impact on bulk markets of the US tariff regime

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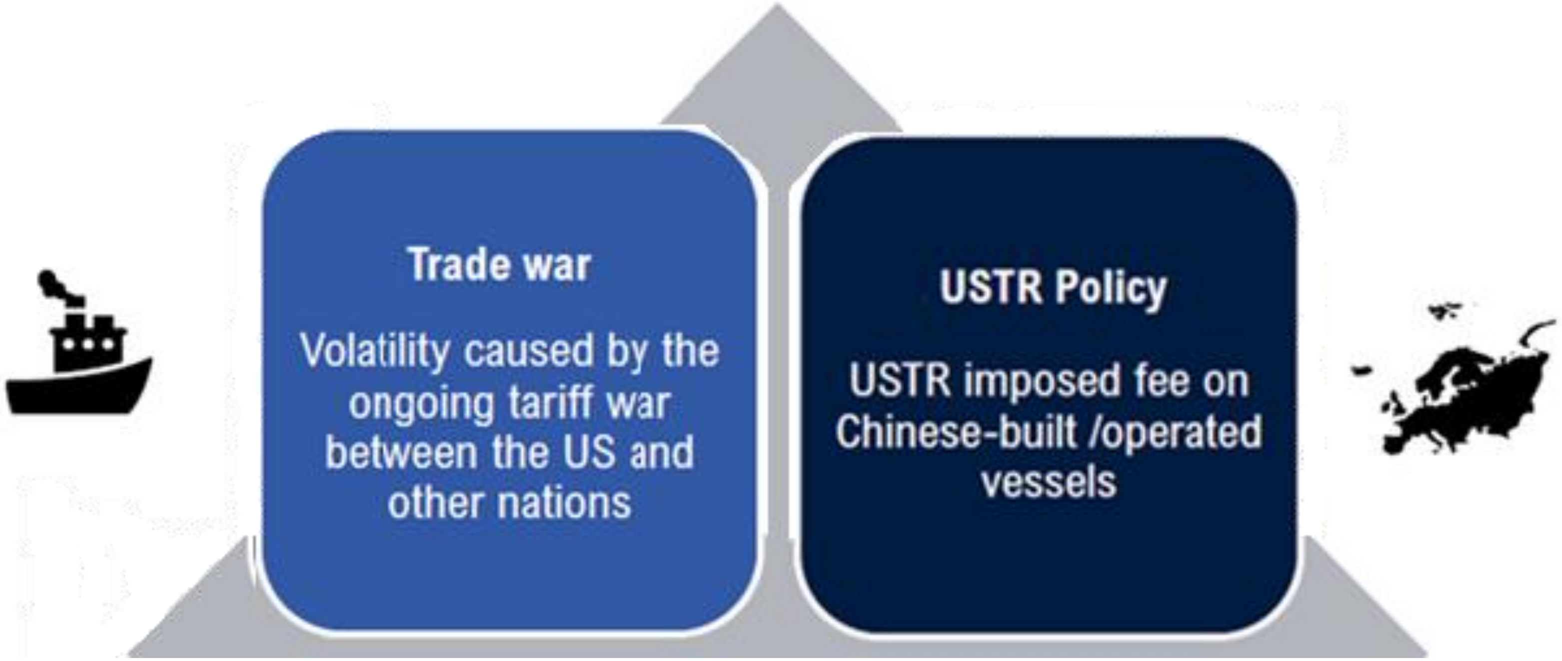
US trade war and USTR policy



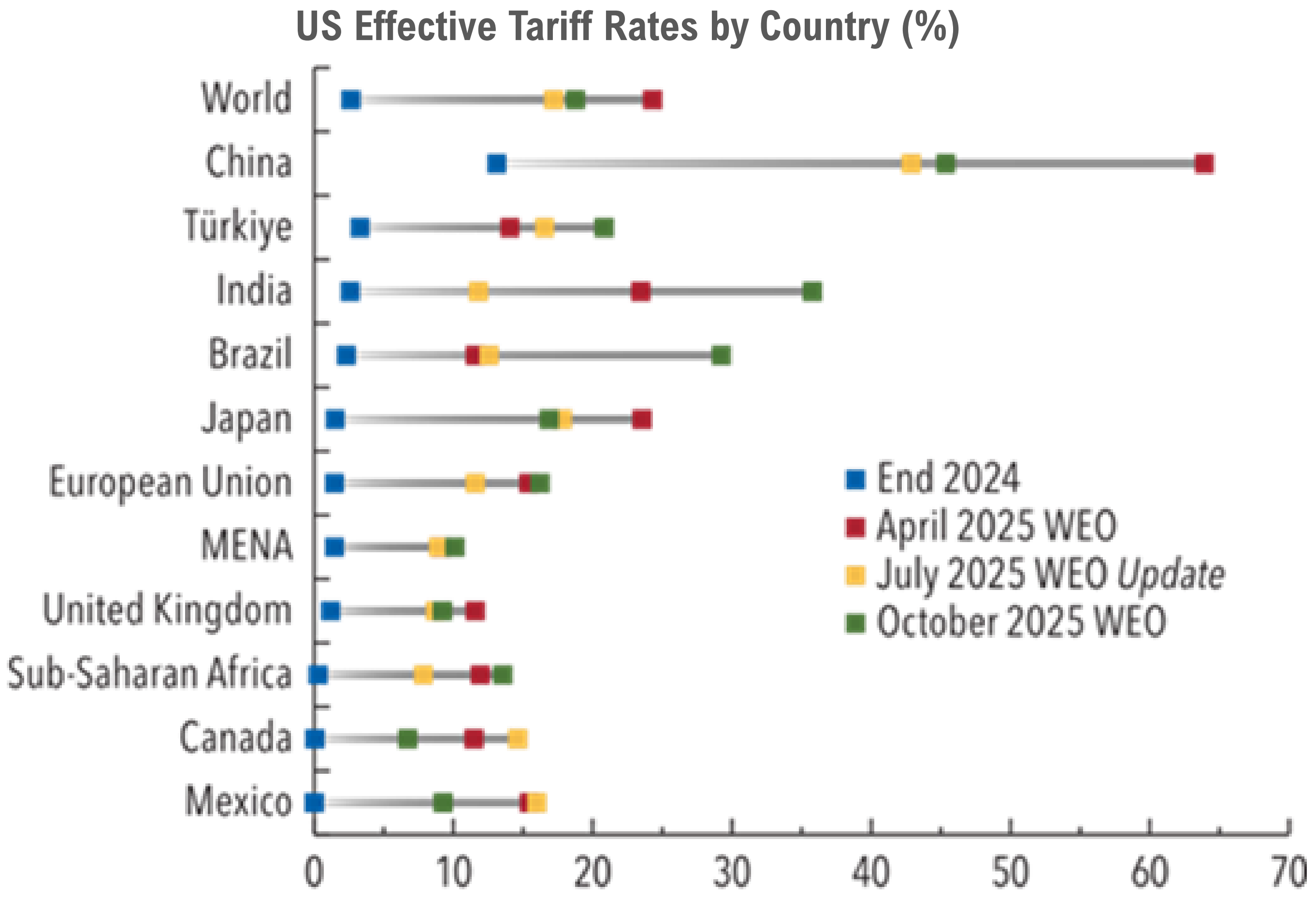
US tariff policy in 2025

The global economy in 2025 has been volatile, largely driven by US tariff policy and the adjustments required in the other economies.

Photo Source: Reuters / Carlos Barria

US Tariff Rates by Country

The average US tariff rate rose from 2.5% in January 2025 to an estimated 27% by April. After changes and negotiations, the average rate was estimated at around 18.0% as of September 2025.



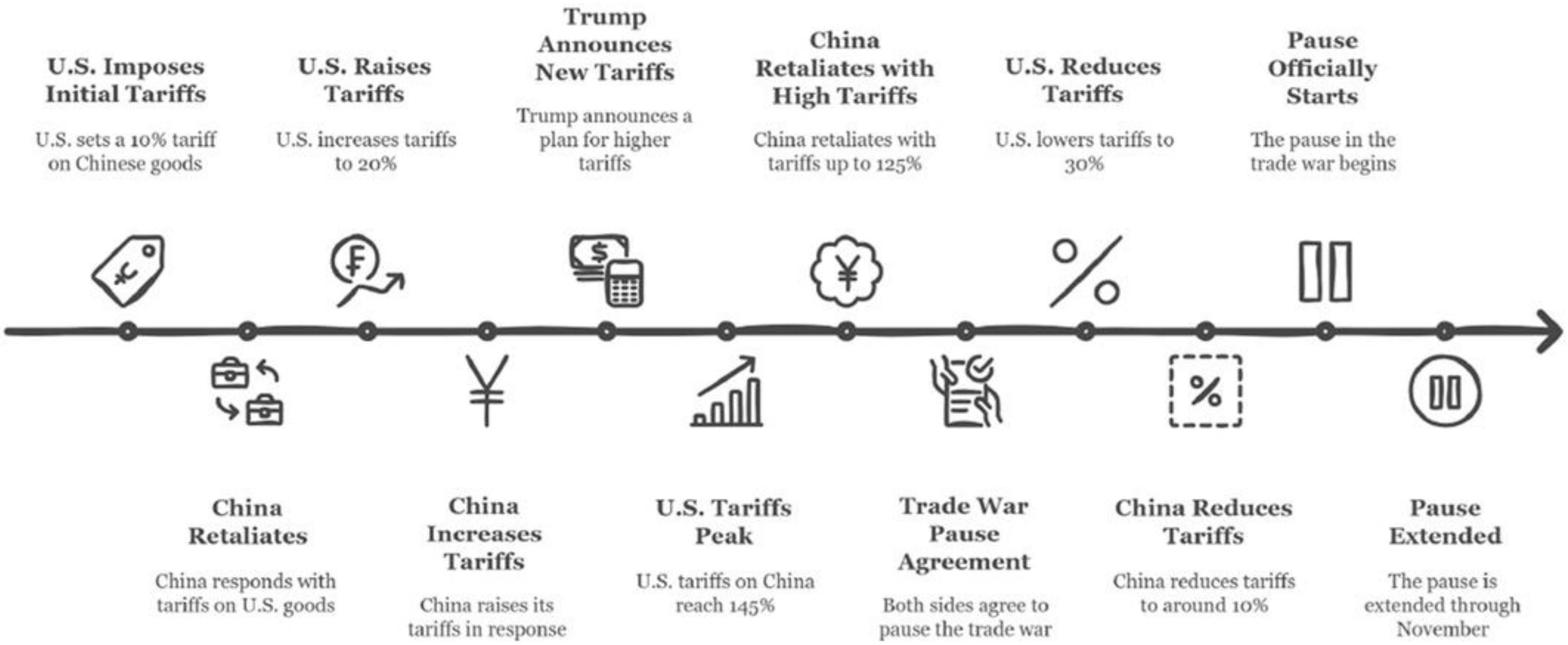
Source: US International Trade Commission, WTO-IMF Tariff Tracker, and IMF staff calculations.

Note: The effective tariff rate is a weighted average of announced statutory rates.

MENA = Middle East and North Africa, WEO = World Economic Outlook, WTO = World Trade Organization.

US – China Tariffs

China and the US tariff rates have become increasingly complex, shaped by years of escalating trade actions and policy shifts.

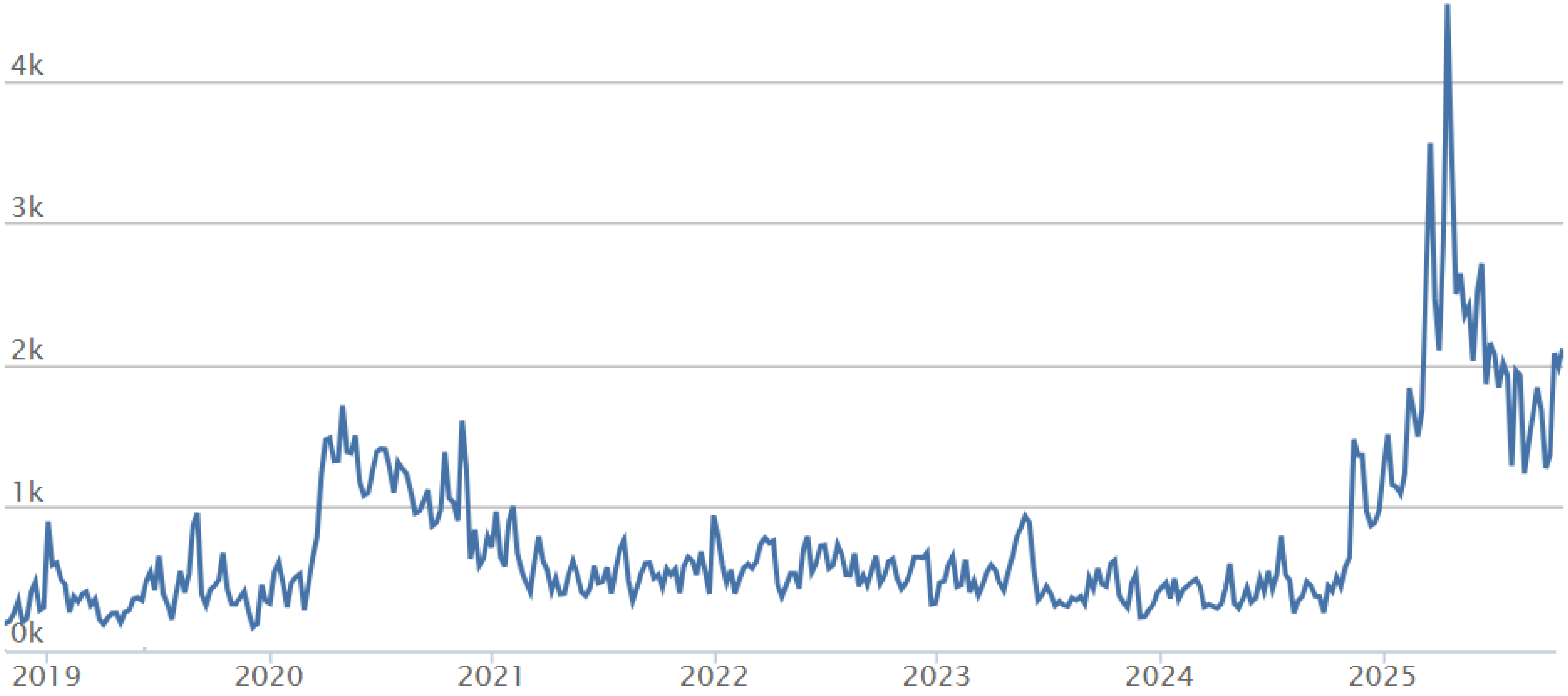


Source: Drewry Maritime Research, AI Assistant

Global Economic Policy Uncertainty Index

The Global Economic Policy Uncertainty Index is designed to measure uncertainty about government policies and regulations worldwide

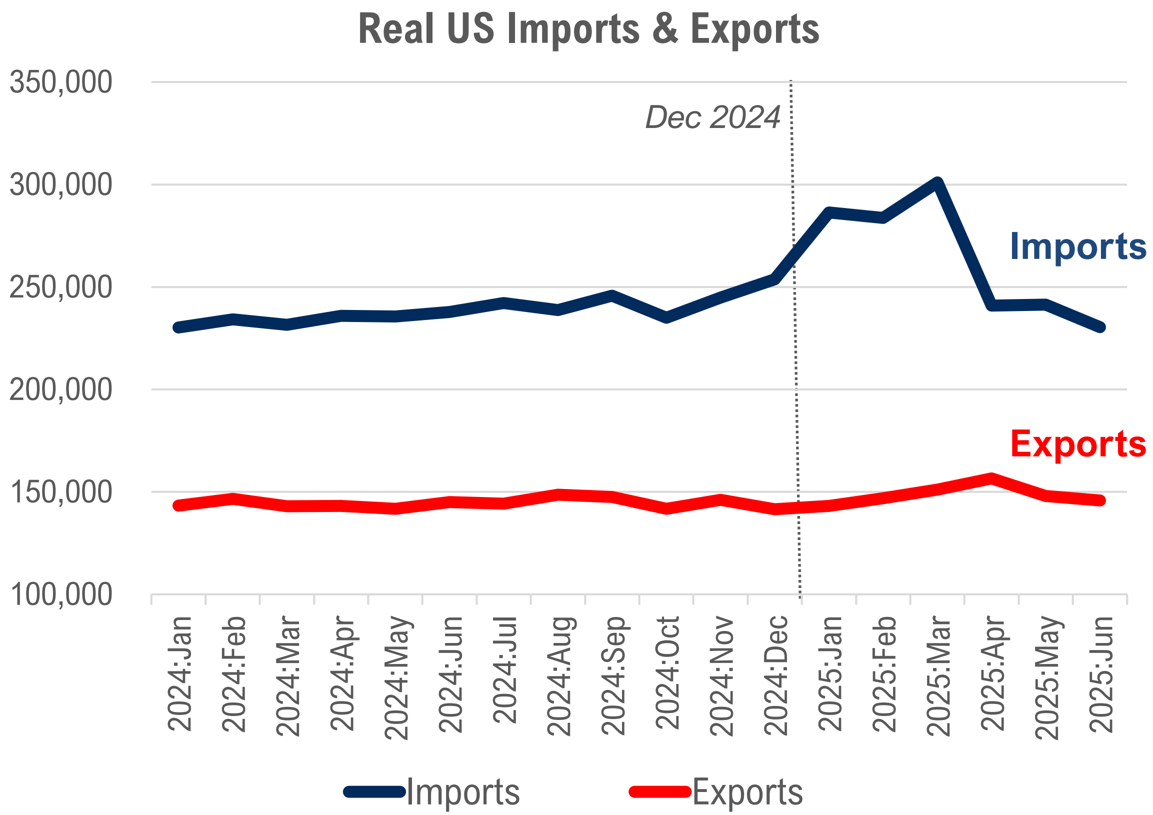
Monthly Global Economic Policy Uncertainty Index



Source: Global Economic Policy Uncertainty, Drewry Maritime Research

Short-Run Effects of 2025 US Tariffs

US imports surged in the wake of the tariff announcements, as consumers and businesses sought to make purchases ahead of tariffs taking effect, before plunging in April.

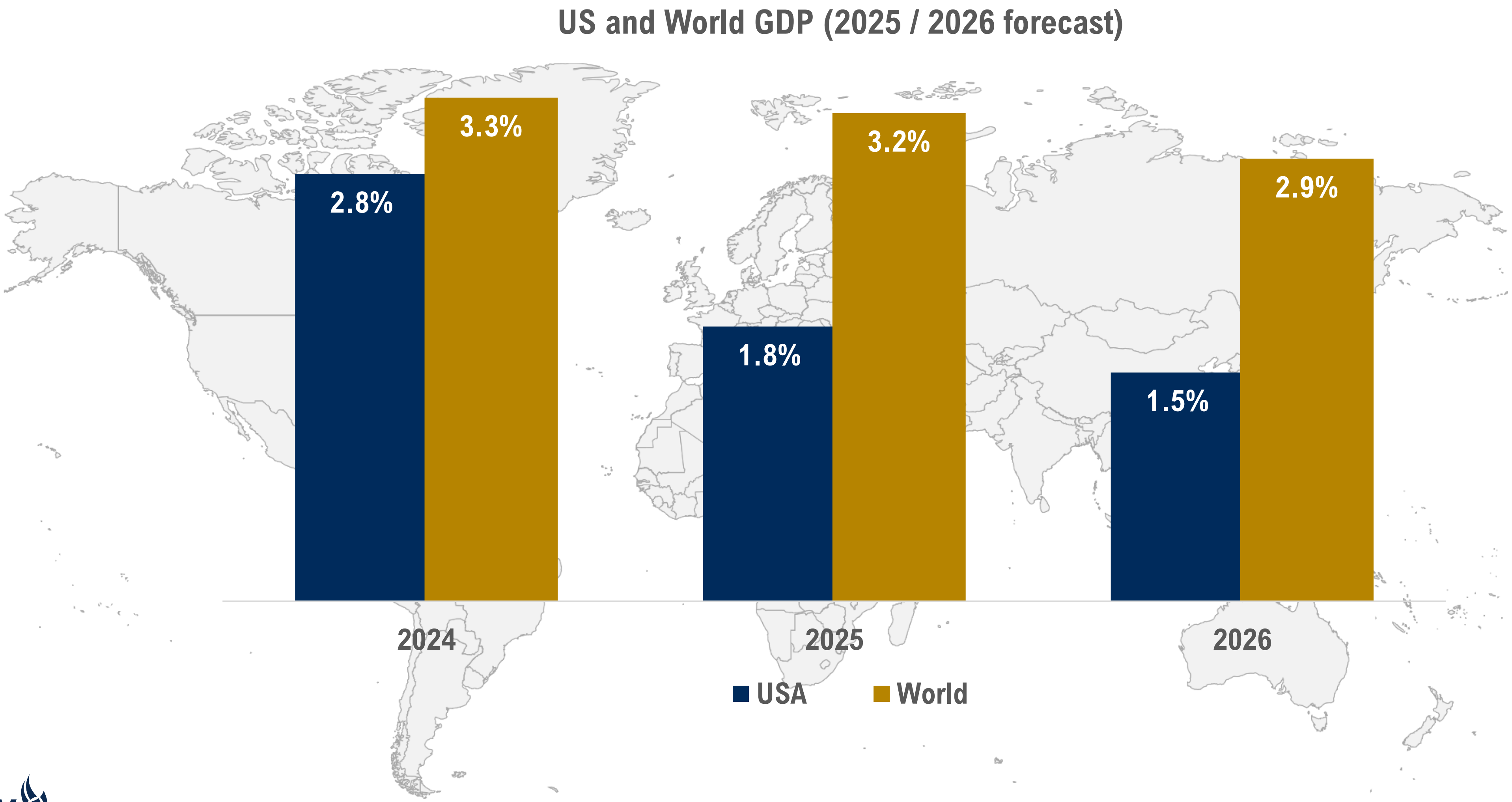


Note: Millions of chained 2017 US dollars.

Source: Census, The Budget Lab analysis.

Lower US GDP growth in 2025

The OECD forecast USA GDP growth at 1.8% in 2025, which is down from 2.8% in 2024. Higher tariff rates are a major factor for the expected lower GDP.



Source: OECD.(September 2025) .

Dry bulk: US seaborne imports / exports in 2024

The US accounts for only 2.6% of global dry bulk seaborne imports and 5.7% of exports.

Dry Bulk: US Seaborne Exports in 2024

	Commodity	Million tonnes	% to total
1	Grain	62.8	19%
2	Soyabean	51.4	15%
3	Coking coal	51.1	15%
4	Non-coking coal	45.8	14%
5	Petcoke	38.0	11%
	Others	85.9	26%
	Total	335.3	100%

Dry Bulk: US Seaborne Imports in 2024

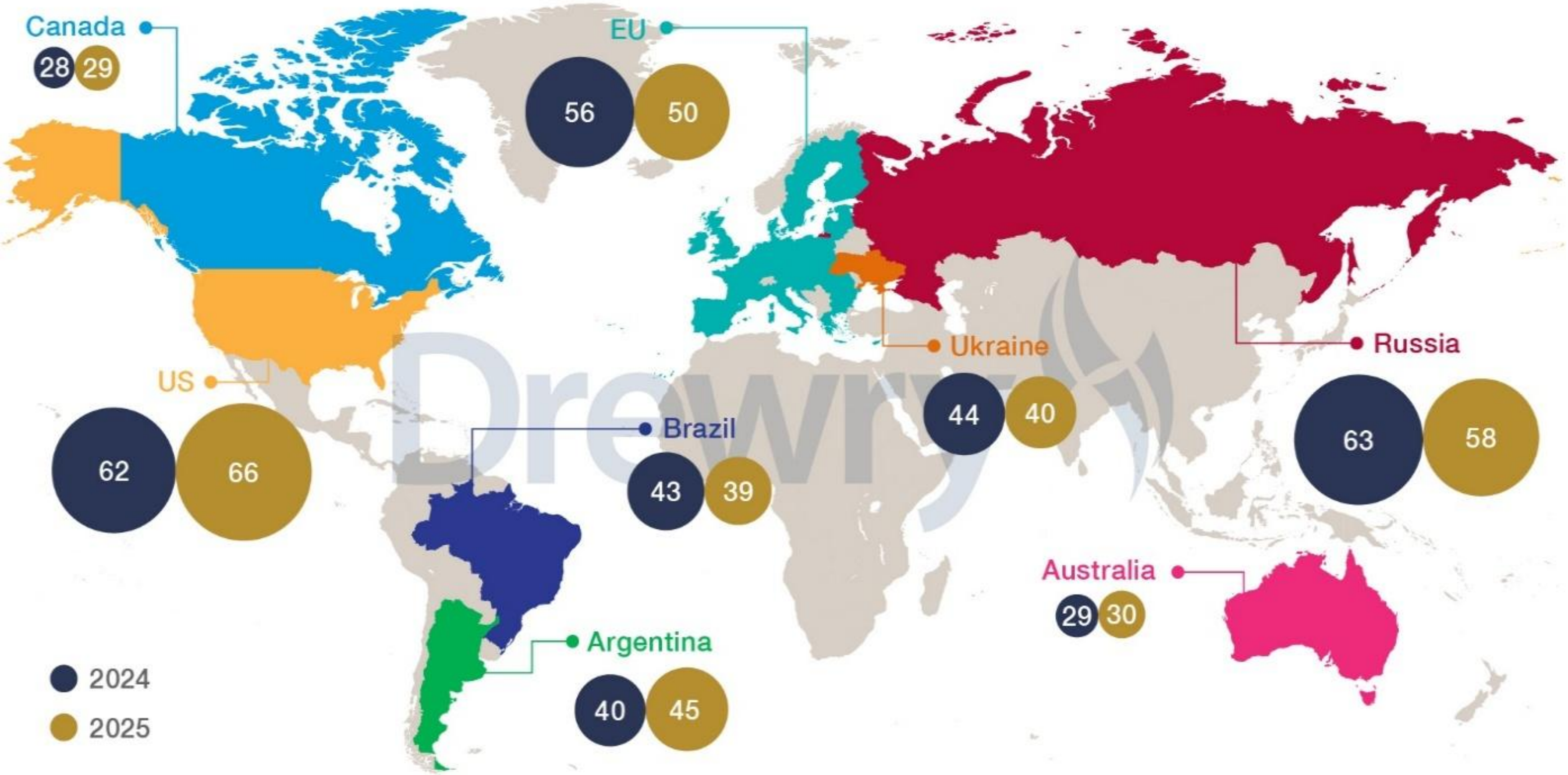
	Commodity	Million tonnes	% to total
1	Steel products	25.0	16%
2	Cement	22.3	15%
3	Articles of steel	14.9	10%
4	Aggregates	11.7	8%
5	Salt	11.6	8%
	Others	67.6	43%
	Total	153.1	100%

Source: Drewry Maritime Research

US Exports: Grain

The US is a global leader in grain exports. Around one-third of its exports is to Mexico.

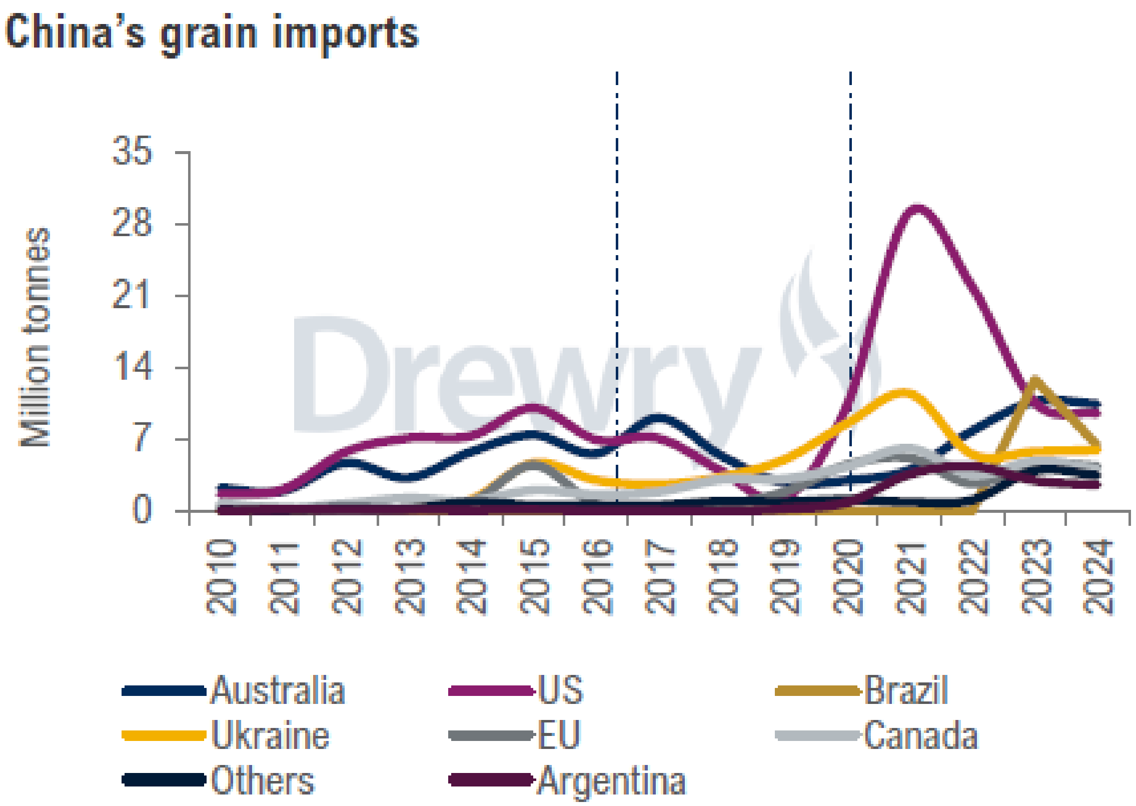
Grain Exports – million tonnes



Source: Drewry Maritime Research

US Exports: Grain to China

US grain exports to China have been reducing in recent years. In 2024, US grain exports to China represented 10% of US grain exports. Increased shipments to Mexico and other countries have helped offset a decline in demand from China.



Source: Drewry Maritime Research

US Exports: Soyabean

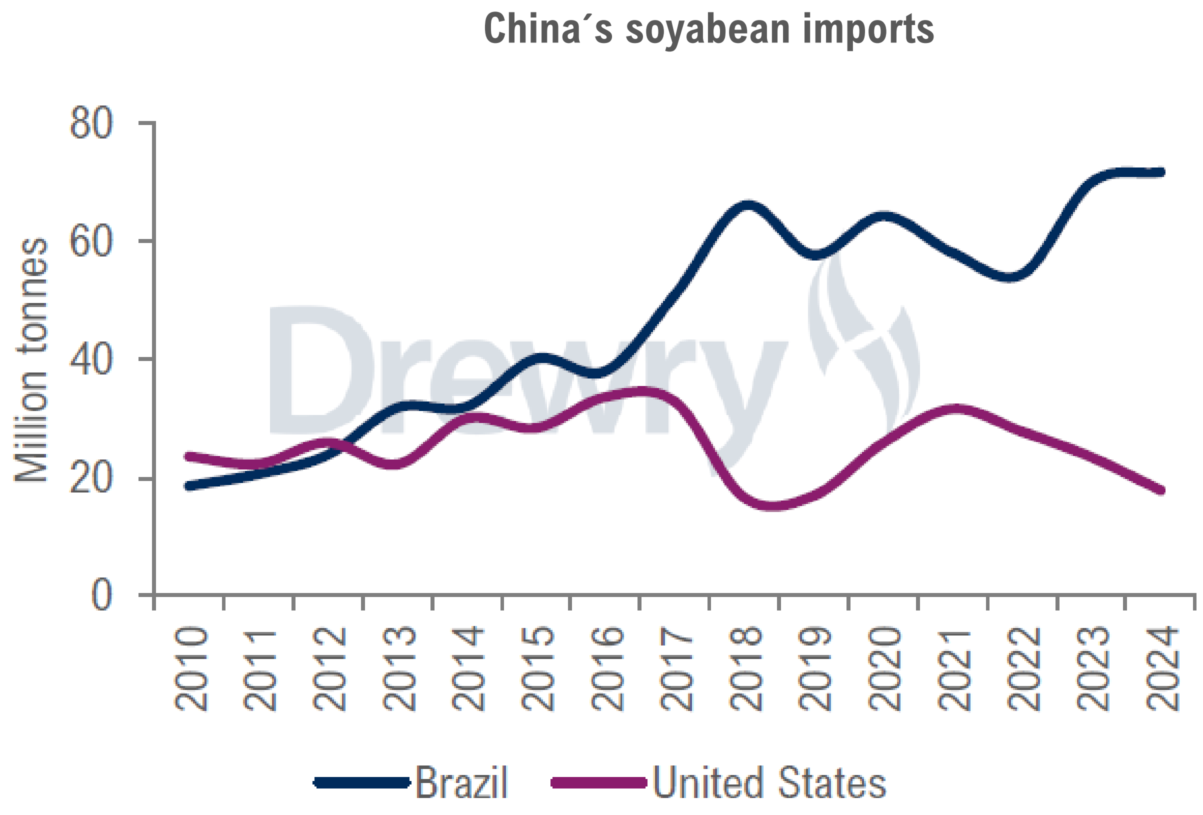
After Brazil, the US is the world´s second largest producer and exporter of soyabeans. China accounts for around 60% of global soyabean imports. In 2024 the US exported more than 50% of its soyabeans to China.

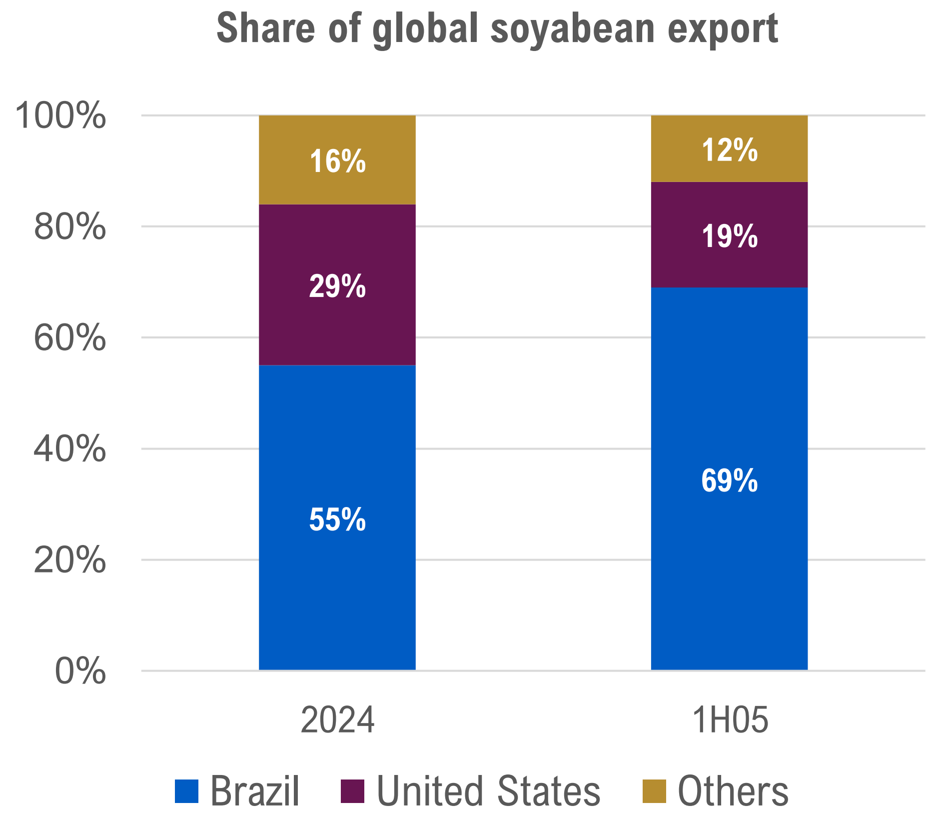
Soyabean trade – million tonnes

Source: Drewry Maritime Research

US Exports: Soyabeans

During 2025 China officially stopped soybean imports from the US. Exports from Brazil to China have increased. This has created a new trade map that has left many US farmers and exporters stranded.



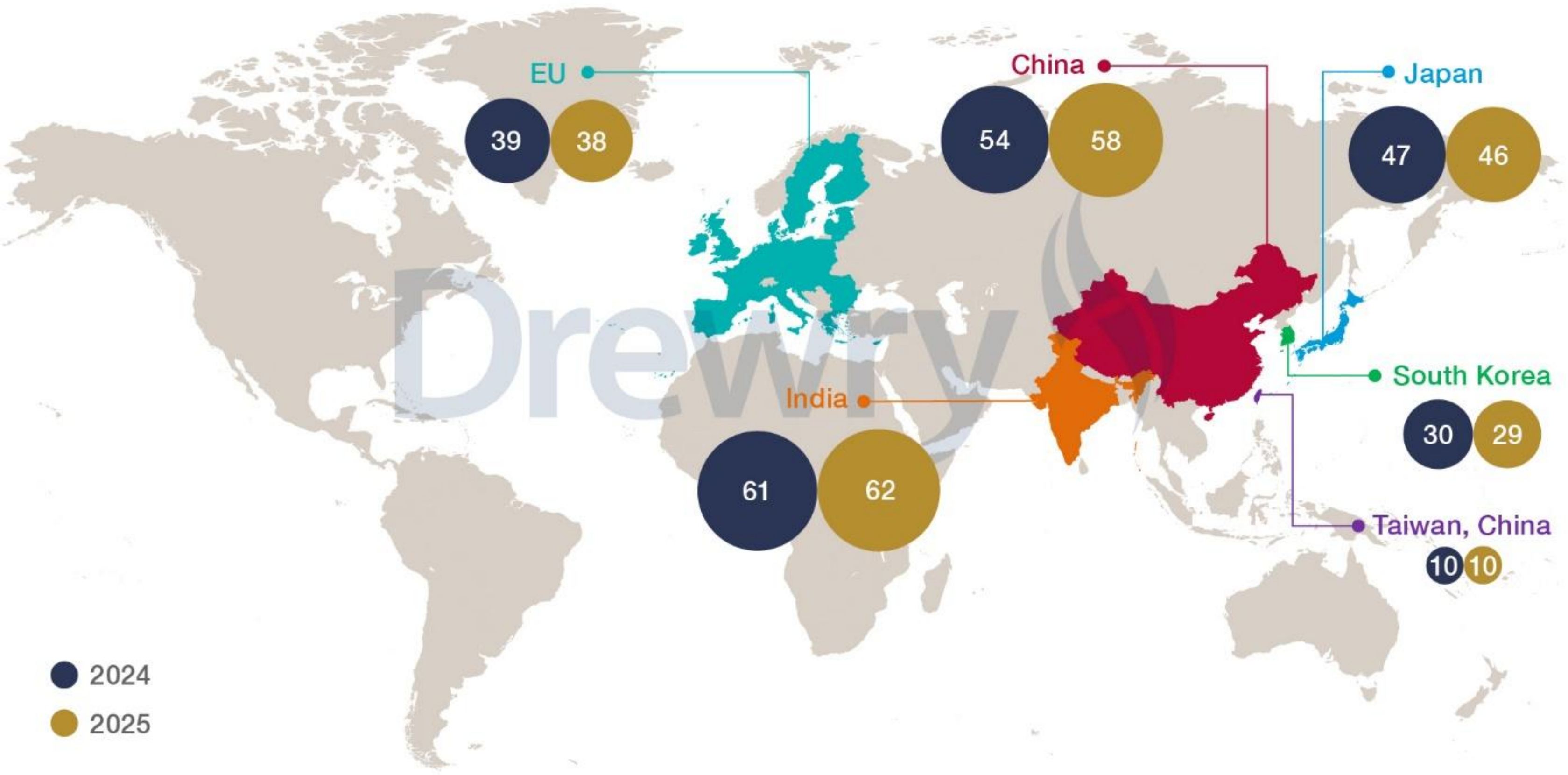


Source: Drewry Maritime Research

Coking Coal

The export of coking coal is driven by demand from steel production in countries like India, China and Japan. The US is the second largest exporter of coking coal behind Australia.

Coking coal imports – million tonnes

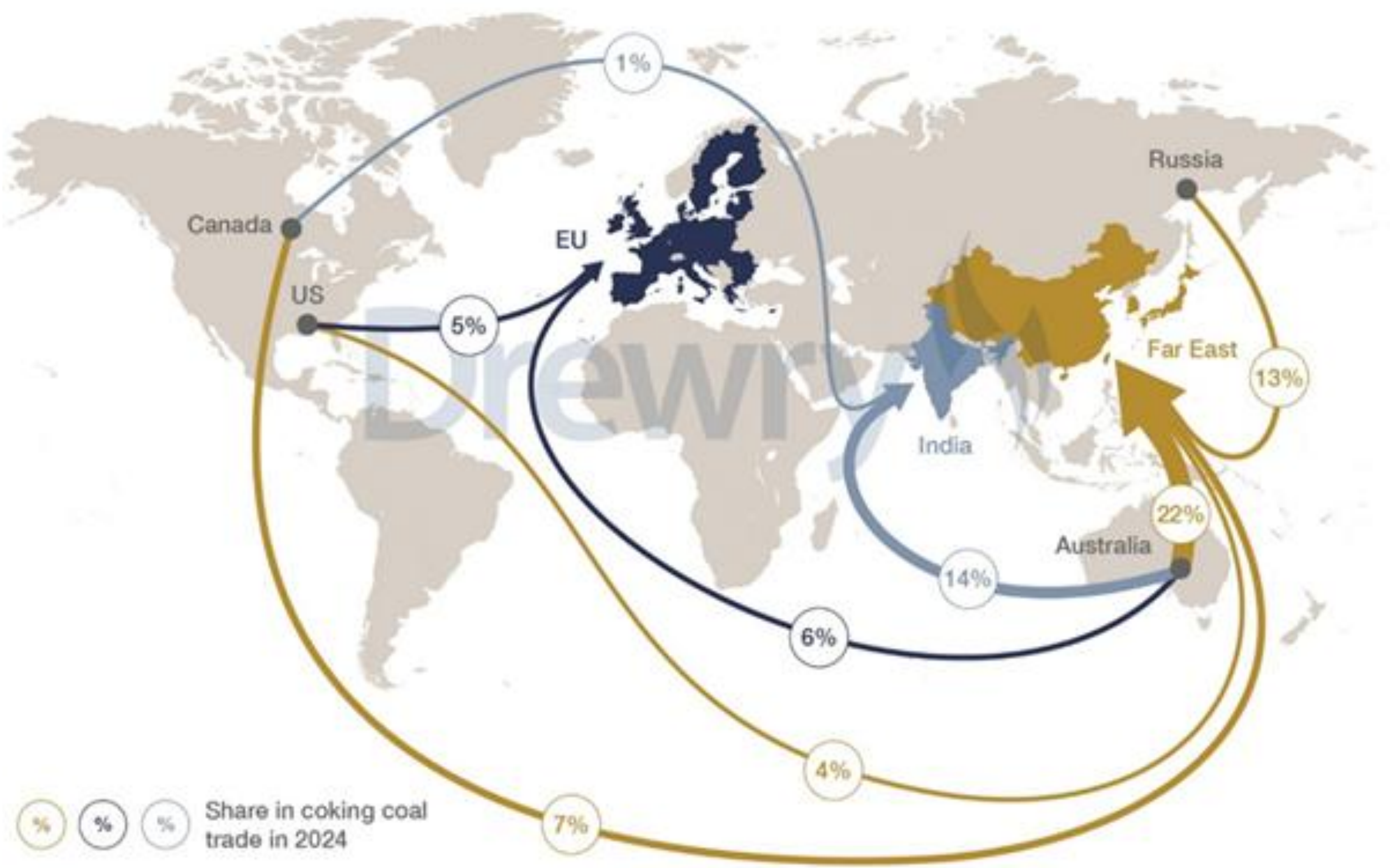


Source: Drewry Maritime Research

US Exports – Coking Coal

In 2025 the US coking coal trade with China collapsed as escalating tariffs effectively shut off exports, with 2Q25 trade falling to effectively zero, as the heavy import duties rendered US coal uncompetitive.

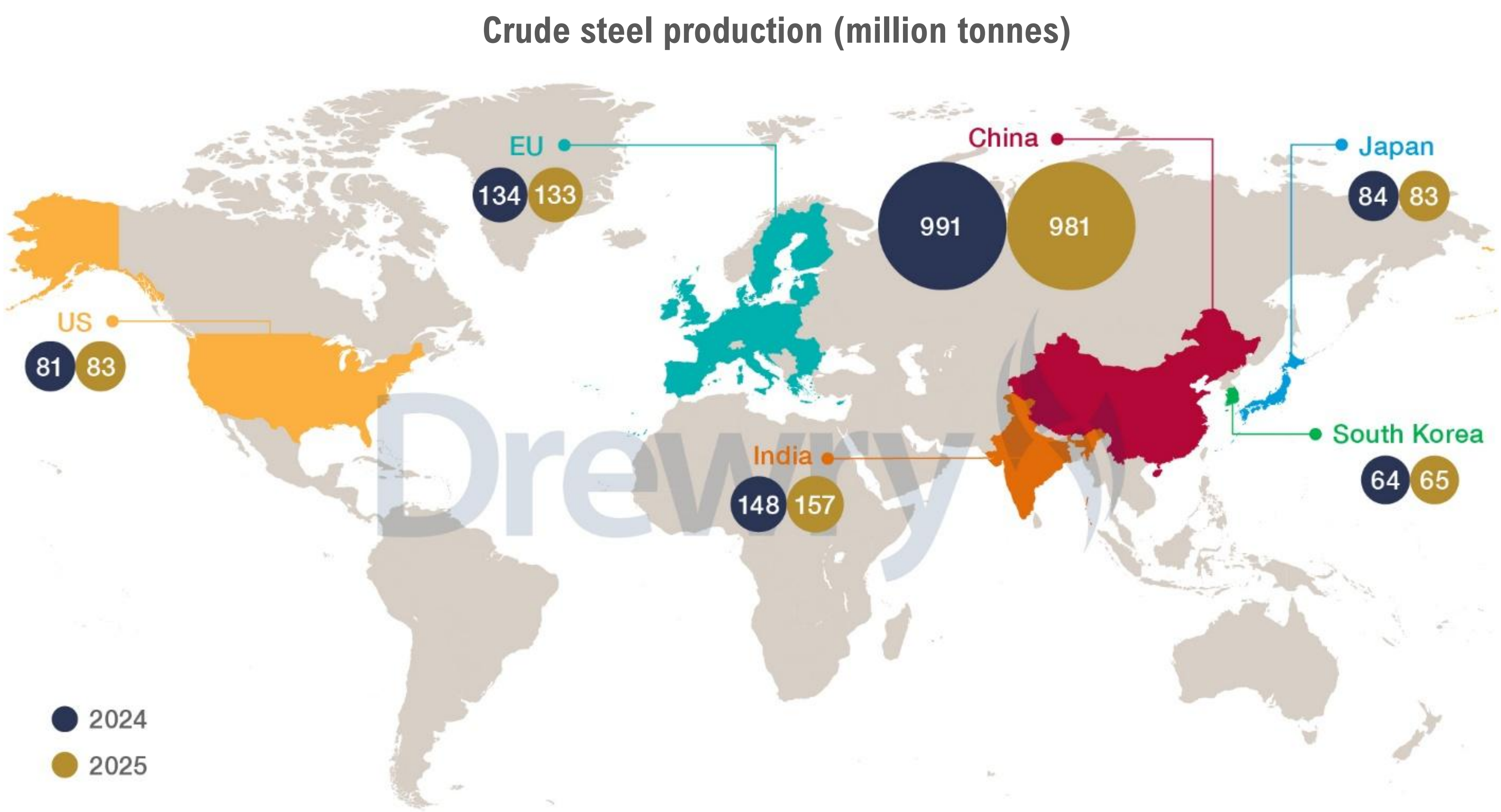
Major coking coal trade routes



Source: Drewry Maritime Research

US Imports – Steel products

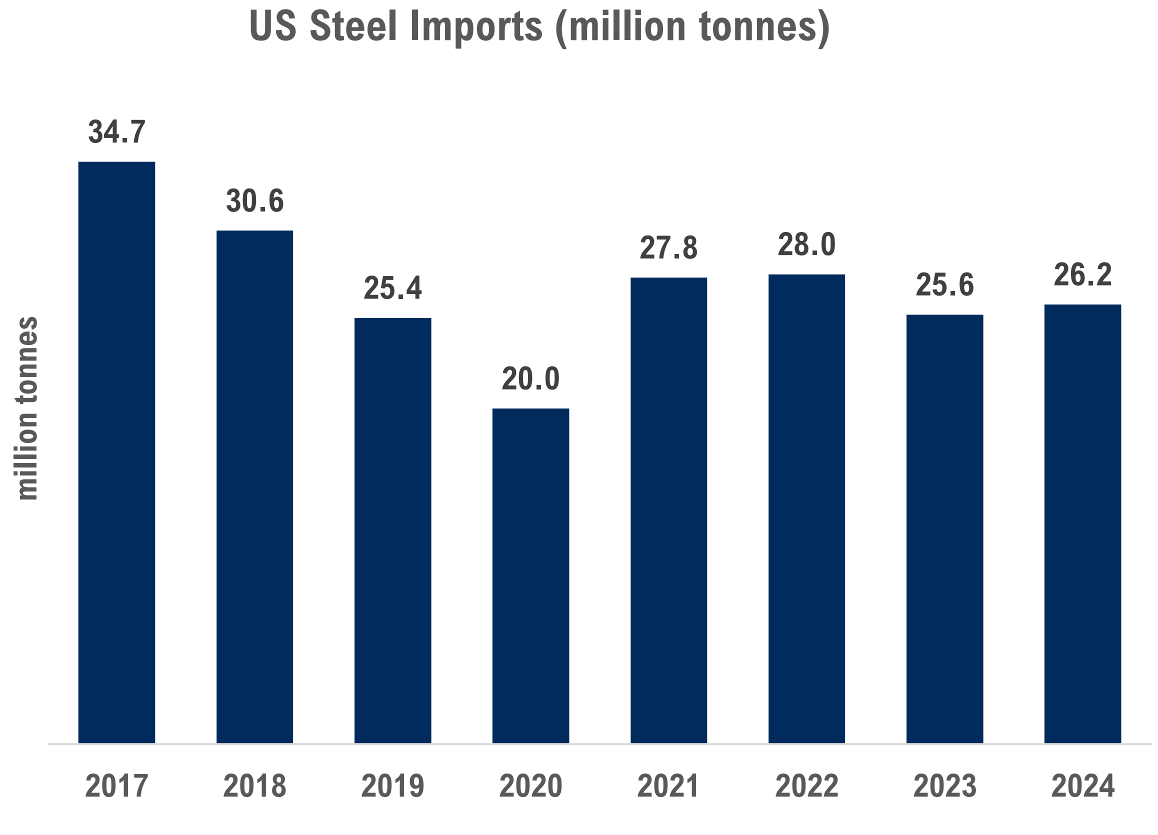
In 2024 the US produced around 81 million tonnes of crude steel and imported around 26 million tonnes.



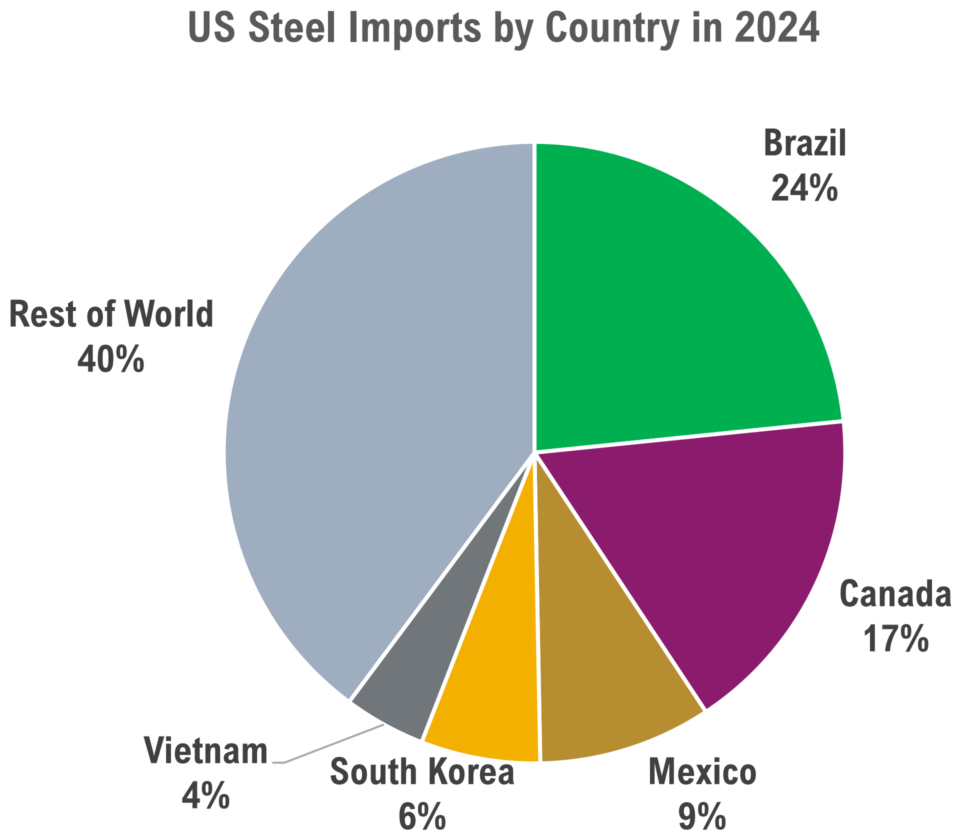
Source: Drewry Maritime Research

US Imports – Steel products

Around 25% of US steel was imported in 2024. As June 2025, tariffs on most steel imports increased from 25% to 50%. Preliminary data for 2025 shows a significant drop in overall US steel imports, in part due to these tariffs.



Source: US Department of Commerce

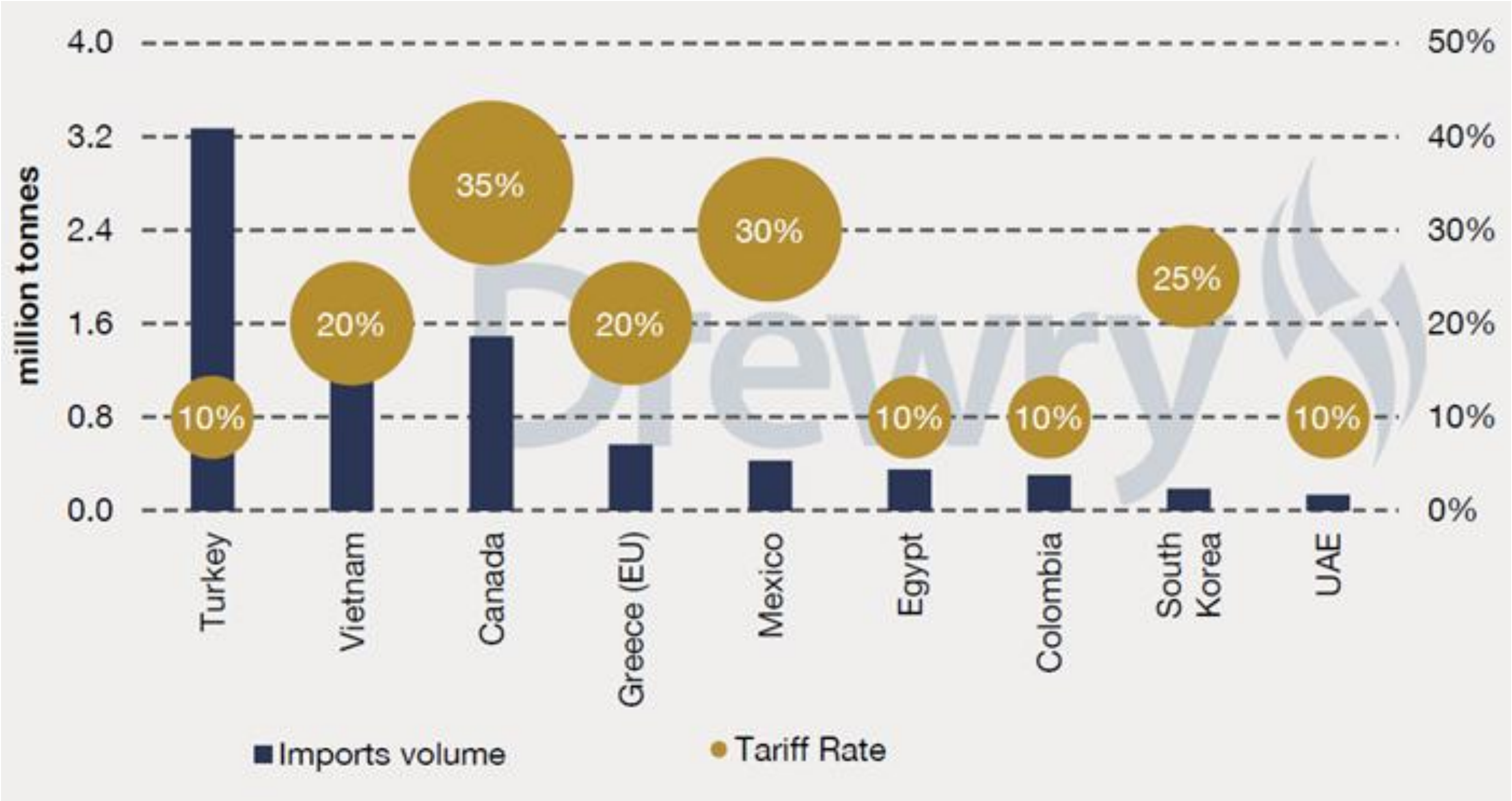


Source: Drewry Maritime Research

US Imports - Cement

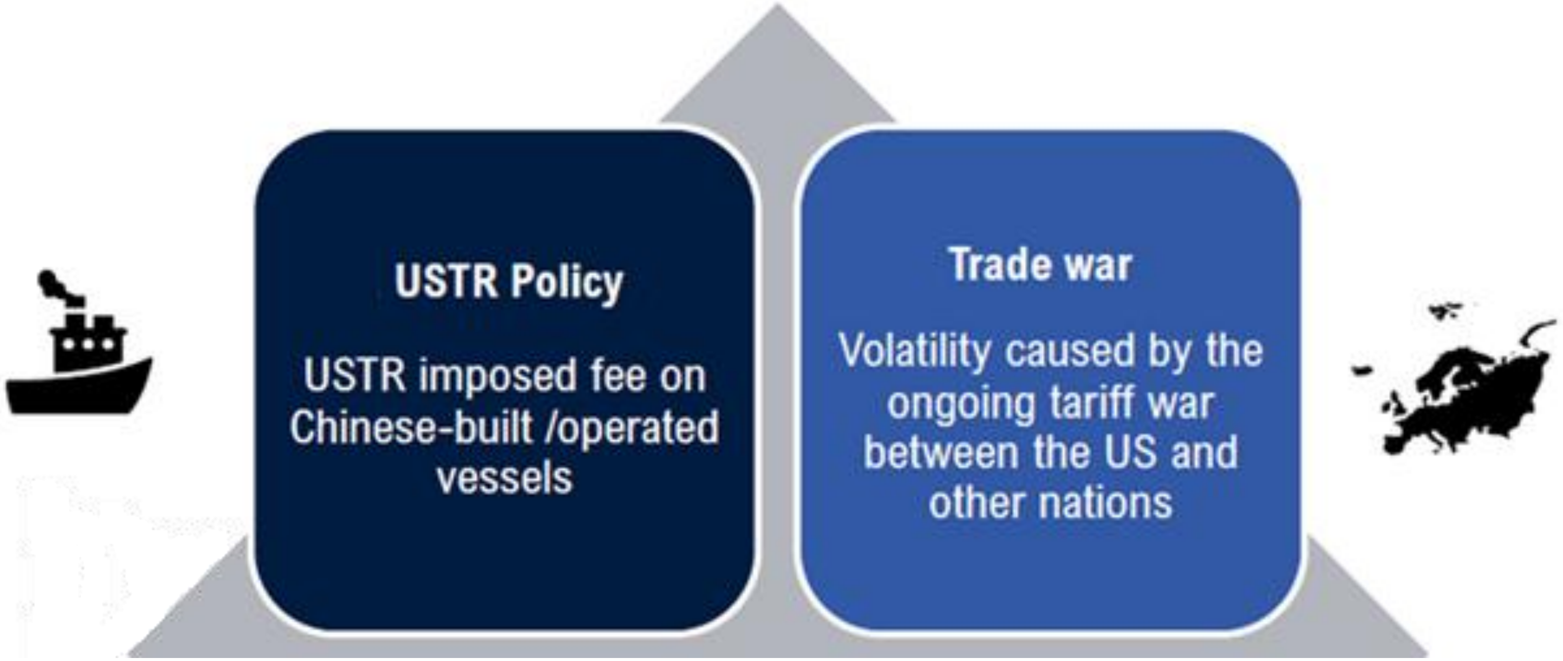
In 2024, the US was the world's largest importer of cement and represented 25% of the world trade. Cement is the US second largest imported dry bulk product.

US tariff rates on its major cement exporting partners



Source: Drewry Maritime Research

USTR imposed fee on Chinese-built & operated vessels



USTR 301 Maritime Fee

USTR are targeting both Chinese built and Chinese owned / operated vessels when entering US ports.

Source: Bloomberg Originals

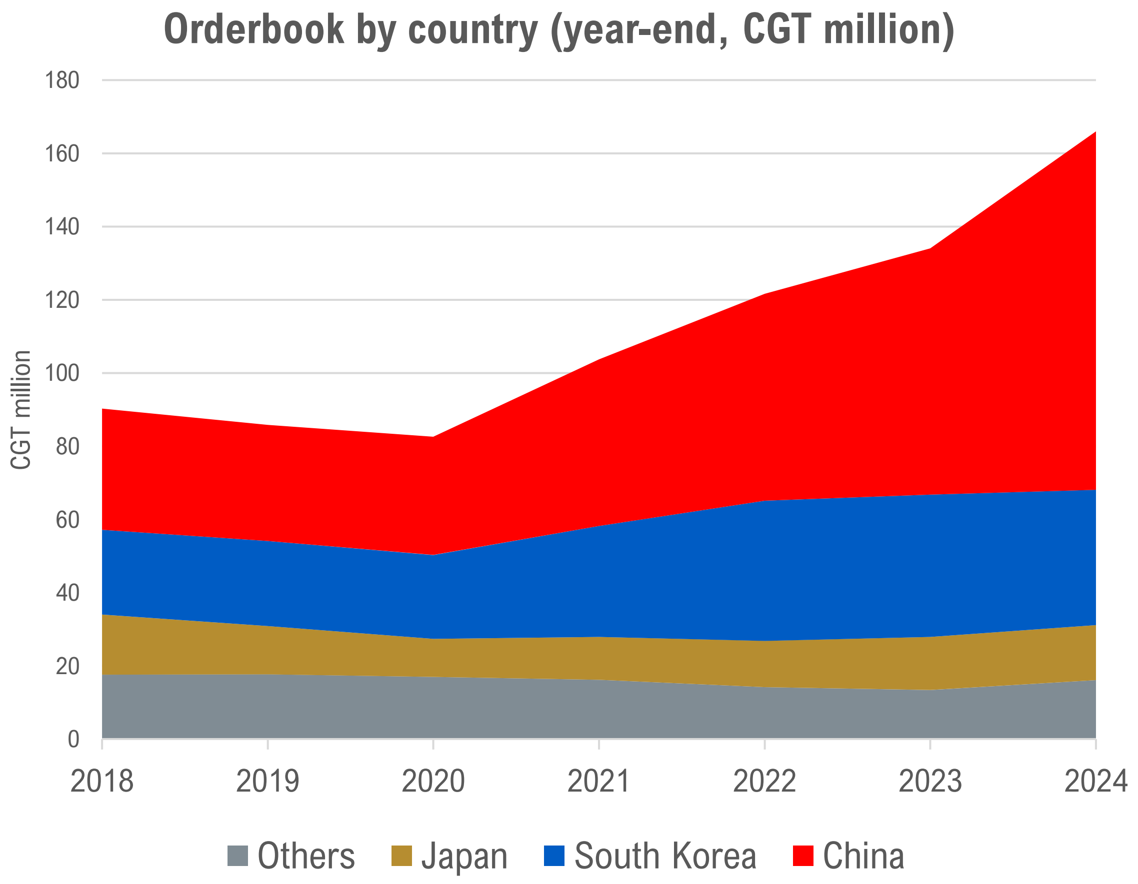
- USTR (US Trade Representative) concluded that China's practices in the maritime, logistics, and shipbuilding sectors are unreasonable or restrict US commerce, making them actionable under Section 301 of the Trade Act.

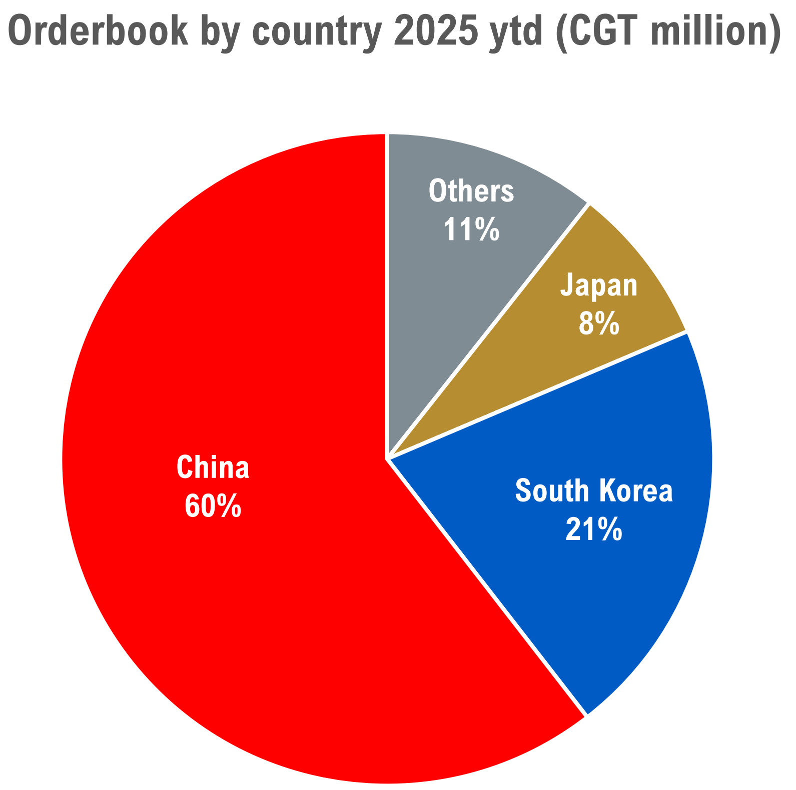
- Chinese built and Chinese operated vessels will be faced with new charges that can be substantial (for example $1.0 million per port call).

- The stated goals are to encourage the US domestic industry. The United States see shipbuilding as a strategically important industry.

Building country of the global shipping fleet

China shipyard capacity has rapidly grown in recent years. China now accounts for around 60% of the global orderbook. In comparison, the US accounts for less than 0.5% of commercial shipbuilding.



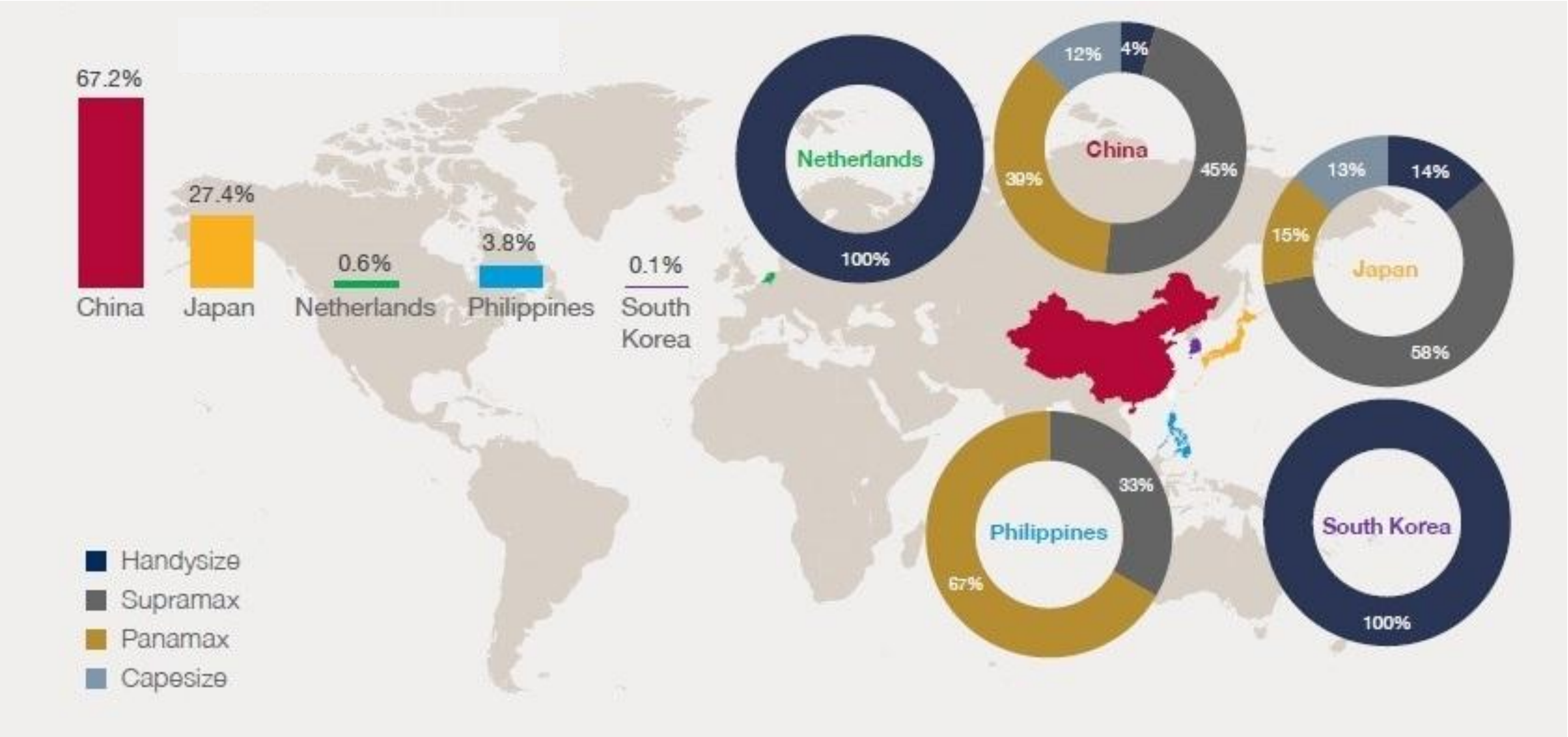


Source: Clarksons, Drewry Maritime Research

Building country of the dry bulk fleet

China shipyards account for around 67% of the dry bulk orderbook.

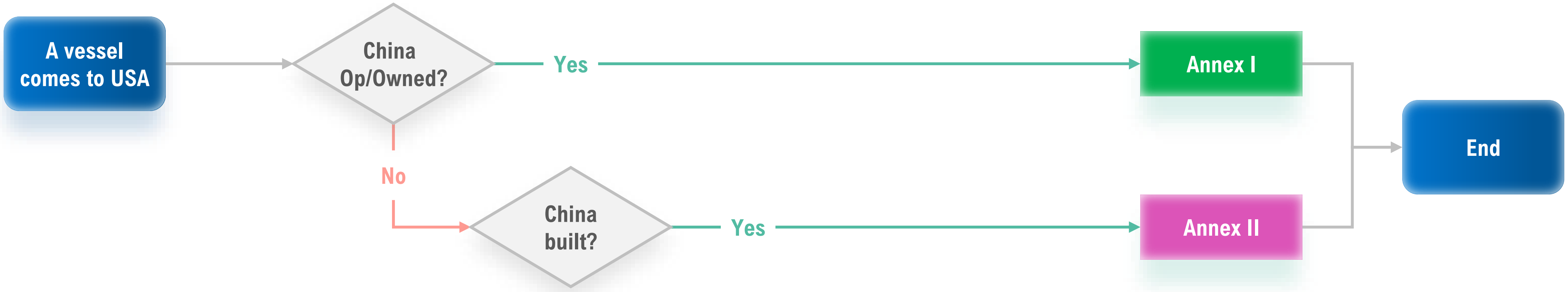
Builder country dry bulk orderbook profile (number of vessels)



Source: Drewry Maritime Research (June 2025)

USTR 301 maritime overview – bulk carriers

There are no exemptions for vessels that are Chinese-owned and operated; some exemptions apply only to the Chinese-built, including those over 80k dwt.



Chinese Vessel Operators or Owners

Applicable Scope

This annex applies to any vessel owned or operated by entities tied to China mainland, Hong Kong, or Macau. Entities fall under this rule if they meet any of six criteria listed in the document—such as headquarters location, ownership/control by Chinese citizens or the Chinese government, or designation as a Chinese Military Company.

Annex I

Operators Using Chinese-Built Vessels

Applicable Scope

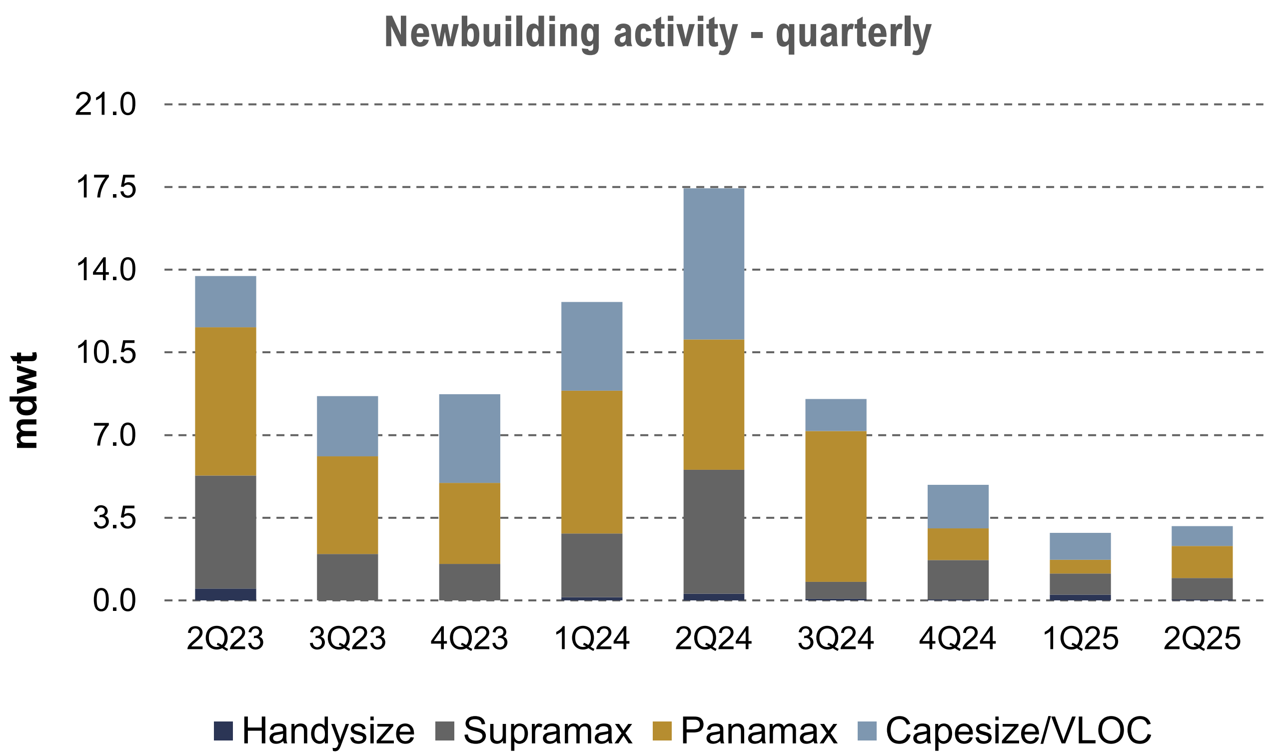
This annex applies to vessels built in China but not owned or operated by Chinese entities (i.e., not subject to Annex I). The fee excludes U.S. government cargo and does not apply to empty ships, small vessels (≤ 80,000 DWT bulk capacity), vessels arriving from voyages under 2,000 miles, certain U.S.-flagged or U.S.-controlled ships, or Lakers Vessels.

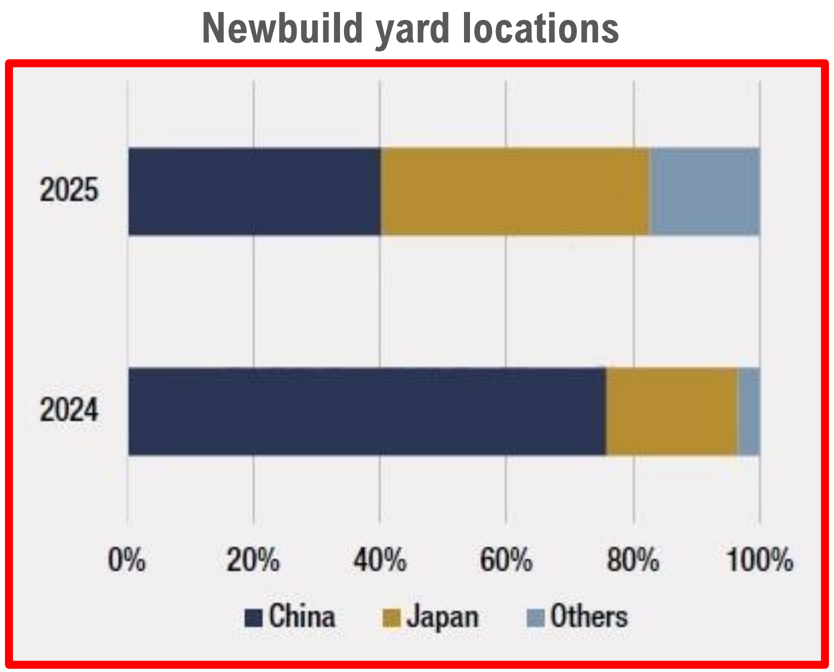
Annex II

New orders for dry bulkers have reduced in 2025

The uncertainty of USTR proposals has been a factor in dampening new orders with activity significantly reduced to date in 2025. More than 75% of dry bulk new orders in 2024 were placed at Chinese yards. This share has reduced to 40% so far in 2025.

Shipowners have adopted a 'wait and see approach', anticipating softer prices and clearer rules.





Note: 2025 orders are until April 2025

Source: Drewry Maritime Research

Summary

Key points

- *Volatility caused by the ongoing tariff war between the US and other nations has negatively impacted the global economy.*
- *In the short-term, global tariffs will restrain demand as a "wait-and-see" approach is taken, before decisions are made on possible trade shifts to minimise their impact.*
- *The US accounts for only 2.6% of global dry bulk imports and 5.7% of exports. The US tariffs are not expected to have a major impact on the dry bulk shipping markets.*
- *However, there will be a ripple effect, which will impact various commodities and trade routes in different ways.*
- *The USTR policy may not have any major impact on dry bulk trades but will make Chinese owners and operators redundant for US cargo.*

Source: Drewry Maritime Research

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USTR: China owned & operated vessels

The fees under the USTR framework will render China-owned & China-operated vessels redundant for US trade. This would likely trigger a shift in port calls, with non-Chinese vessels continuing to serve US ports, while Chinese-operated & owned ships are redirected elsewhere.

Due to USTR 301, dry bulk carrier operators are expected to:

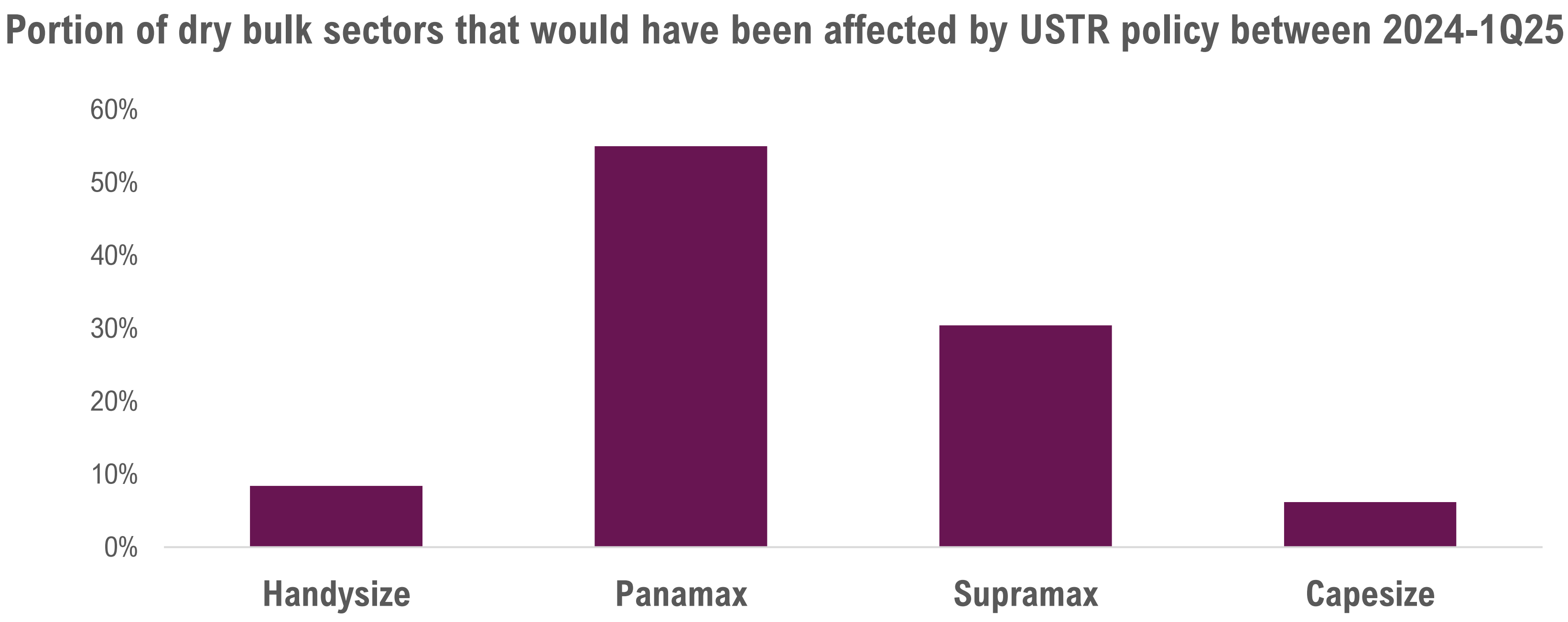
- Shift cargoes to non-Chinese owned or operated vessels
- Explore partnerships with unaffected carriers
- Reassign Chinese-built vessels (over 80,000 dwt) to avoid US exposure

Source: Drewry Maritime Research

US port calls – dry bulk vessels

During the 15-month period of 2024 &1Q25, it is estimated that 13% of US port calls by dry bulk carriers could have been affected by USTR 301 policy.

Panamax bulkers would have been most affected, given that these vessels regularly operate on grain trade routes. On the other hand, the effect on Capesize bulkers would have been relatively limited.



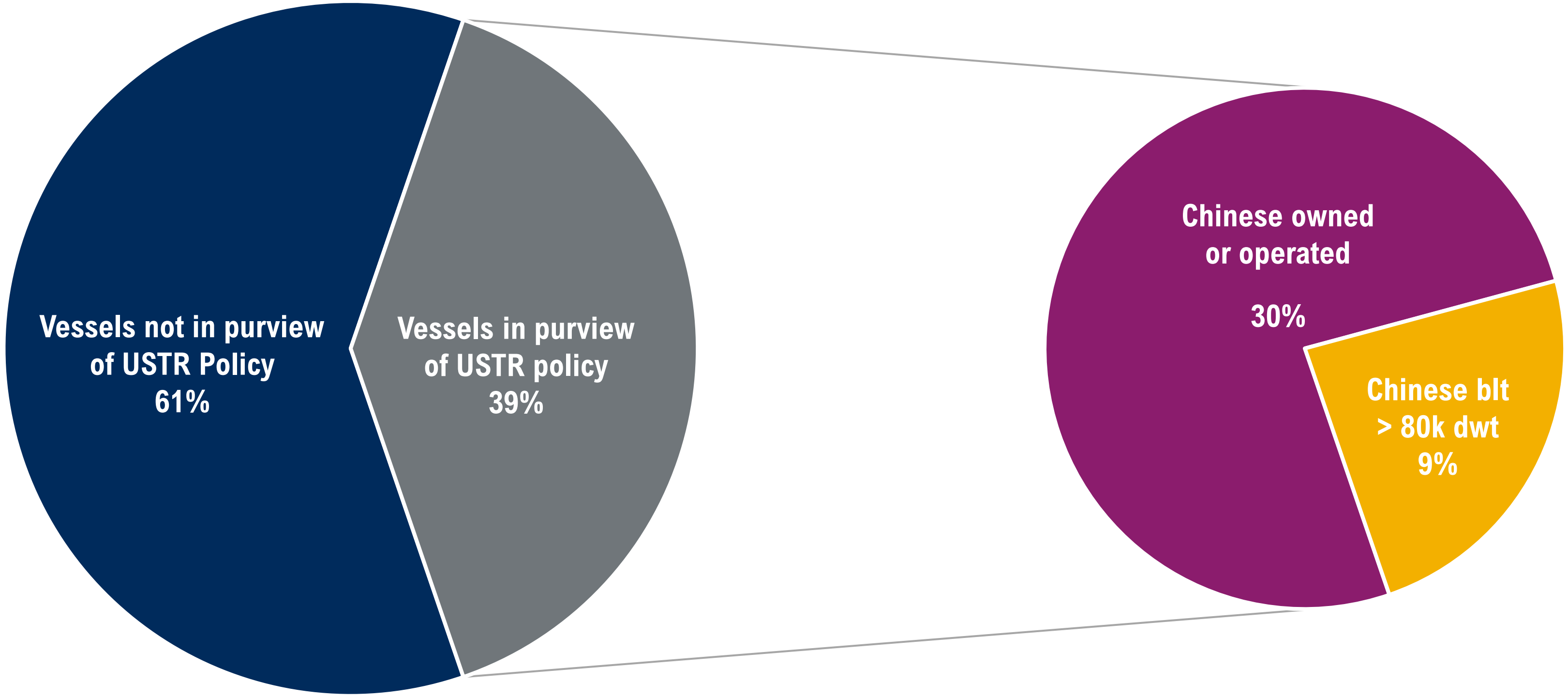
Source: Drewry Maritime Research

Dry bulk fleet potentially affected by USTR 301

Around 39% of the dry bulk fleet could be affected by the USTR policy.

30% of the dry bulk fleet is Chinese owned or operated, while 9% is Chinese built and over 80k dwt.

Vessels in the purview of USTR policy



Source: Drewry Maritime Research