

**OCEAN
SHIPPING
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MEDITERRANEAN
Ports and Logistics **2025**

Implications of US tariffs on European ports

21st May 2025



Agenda

- Introduction
- US tariffs timeline
- Tariffs implications on ports & logistics
- US-China trade war implications on Europe
- Recommendations for EU ports – Tariffs
- Key trends in European ports – 3D



Nishal Sooredoo

- Leading professional Port Economics and Financial Advisory Services
 - a. 2005-2013 Drewry
 - b. 2013-2015 ARUP
 - c. 2015-2016 V.Ships
 - d. 2016-Current Royal HaskoningDHV
- Main expertise
 - a. Port market studies
 - b. Commercial Due Diligence
 - c. Strategic studies
 - d. Financial Model and Business Plan

Introduction

Royal HaskoningDHV is an independent international engineering and project management consultancy. Ocean Shipping Consultants (OSC) is the maritime economics and financial consultancy arm of the company.

- ❑ Originally founded in 1881
- ❑ Over 140 years of experience
- ❑ Turnover €600m
- ❑ Deliver services in the fields of:
 - aviation,
 - buildings,
 - energy,
 - industry,
 - infrastructure,
 - maritime,
 - mining,
 - transport,
 - urban / rural development,
 - water.

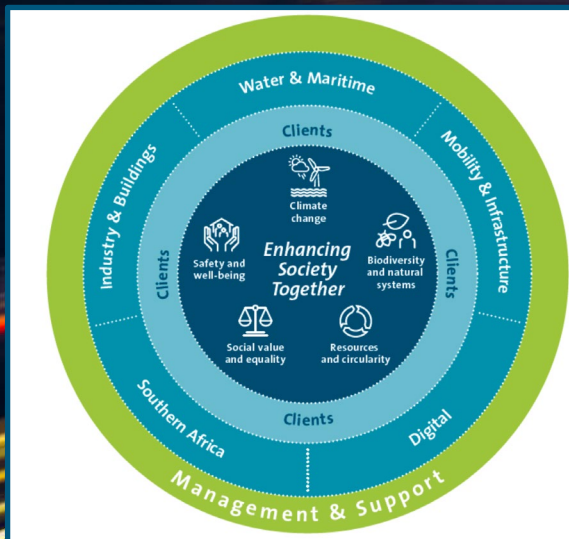
 **6,000 Staff**

 **140 Countries**

- ❑ Ocean Shipping Consultants (OSC) is the maritime economics and financial consultancy arm of the company and is a leading brand in the maritime sector with over 40 years' experience.

 **Over 200 clients**
International Finance Institutions, infrastructure funds, banks, port authorities, governments, shipping lines and terminal operators

 **Over 350 projects**
in nearly **100 countries** successfully completed since 2011



Project experience

Project experience

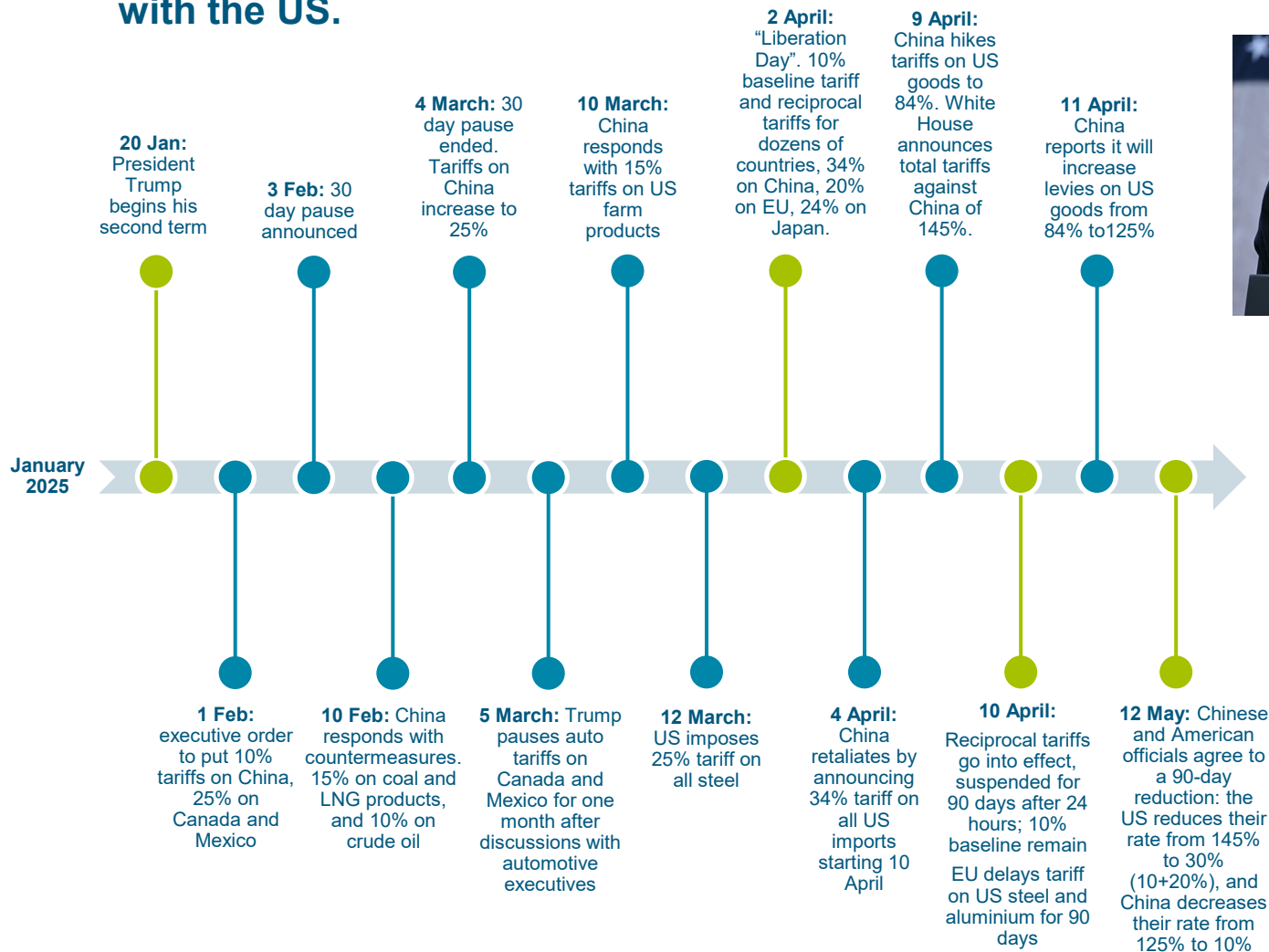
Main recent projects and clients in Europe

- Banks and IFIs
- Infrastructure funds
- Governments
- Port Authority
- Terminal Operator



Timeline of the global trade war

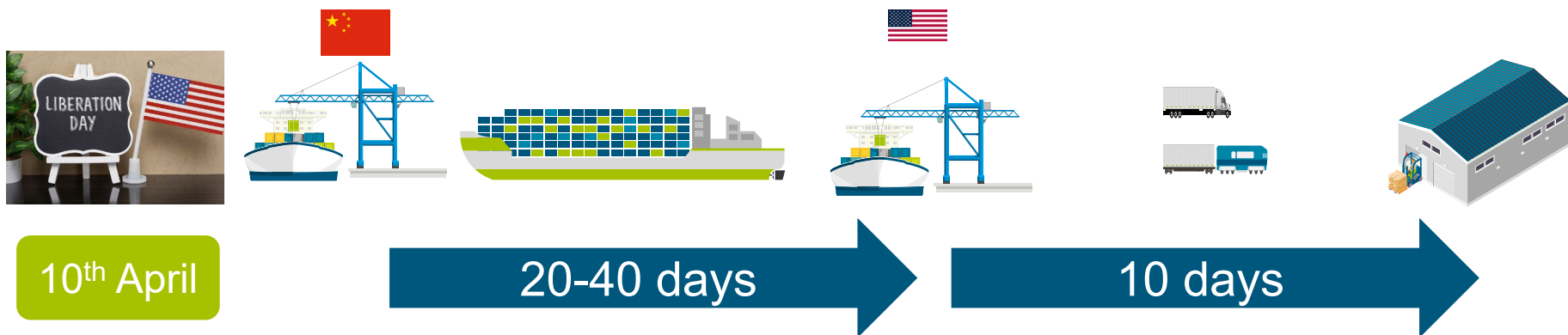
Policy uncertainty in the US has triggered global economic precarity. “Liberation Day” tariffs have sparked fears of global trade wars, with countries reconsidering their trading relationships with the US.



As businesses run down their stockpiled inventories, empty shelves are expected in the coming weeks. The effect on US supply chains is forecasted to be severe, comparable to the consequences of the pandemic.

Stockpiling

- Record high US goods trade deficit in March, imports exceeded exports by \$162bn.
- Businesses stockpiled inventory ahead of the tariffs.
- ~50 days for good to transit from China to US end customers
- Major retailers have 6-8 weeks supply of inventory



Likely outcome in June

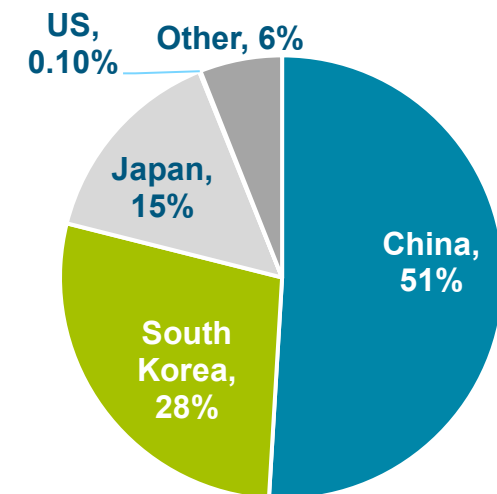
- High value / high margin products → limited price increase, as tariffs partly absorbed by producer and importer
- Empty shelves for price sensitive items (toys, budget home goods and low-cost clothing)
- Layoffs in logistics & distribution and retail
- Recession in H2-2025
- 30% tariffs level higher than before but better than 145% → surge of imports → spike of imports from China

US aims to revive domestic shipbuilding industry by developing a national strategy and new incentives. A new set of port charges for Chinese-owned and operated ships will put additional price pressure on low-cost commodities.

US Shipbuilding and ports

- US aims to revive domestic shipbuilding industry – dominated by Far East
- Executive Order (April 2025) focused on:
 - a. Developing a coordinated national strategy
 - b. Federal Investment and Incentives to support the industry
 - c. Workforce development - recruitment, training, and retention
 - d. Buy American and Cargo Preference Laws – expand enforcement of laws requiring Gov cargo to be carried on US built and flagged vessels
 - e. Investment in shipyards and repair facilities
 - f. Increase commercial competitiveness
- Higher port charge for China-owned or China-operated ships
- Fees only charged at one port per US ports visit
- Fee for a 10,000 TEU ship → ~USD2m by 2028 (1% of cargo value)
- High impact for low cost/margin commodities

Global shipbuilding by country (% of GT)



Tariff Implications for the US ports

China-US port volumes and port calls have been cut significantly in 2025. New imposed tariffs will also significantly increase the cost of procurement and maintenance of Chinese-made crane, which will likely result in reduced productivity and delayed expansion projects.

Impact on US ports

- China-US volumes collapsed by up to a 50% on some routes - 35% drop in Q2-2025 expected by LA/LB
- Ship capacity being cut faster than during Covid
- Proposal to impose a new 100% tax on Chinese made STS cranes and other port equipment.
 - Existing 25% tariffs on cranes delivered by 14th May 2026
 - A blanket 10% tariff in early 2025 on all Chinese imports

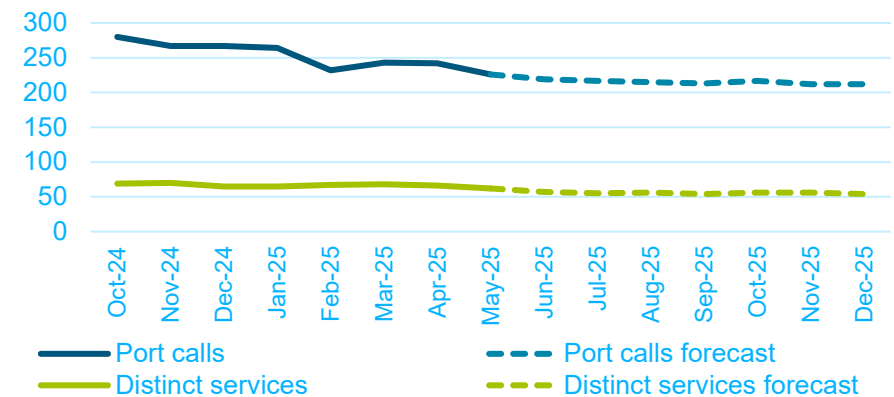
Likely outcome:

- Short-term reliance on ageing cranes → reduced productivity
- Increased maintenance costs and downtime for existing cranes
- Delayed modernisation projects and expansion plans
- Shift towards non-Chinese manufacturers even if more expensive and longer lead time
- Long-term: development of a domestic US crane production



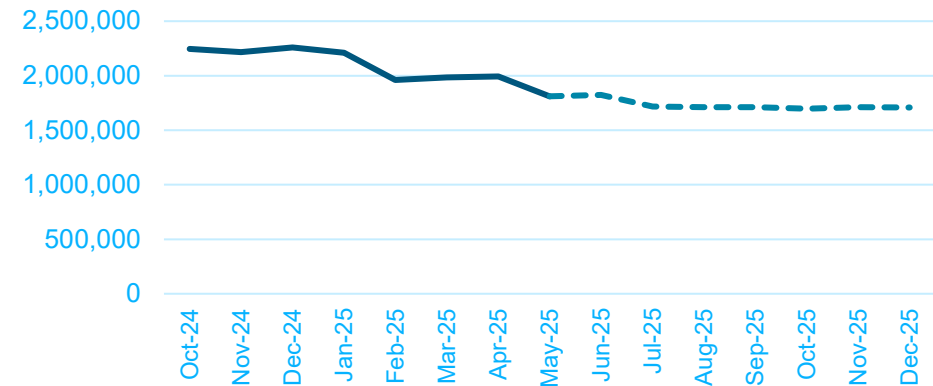
Number of calls and services

Transpacific trade – West Coast US ports



Total vessel capacity (TEU)

Transpacific trade – West Coast US ports



What will China do with its exports?

Mediterranean economies import similar types of goods from the rest of the world to what the US imports from China.



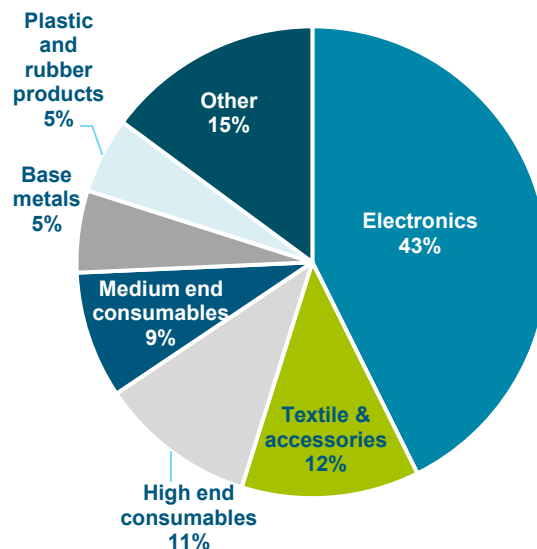
Composition of Chinese exports to the US

- Electronics account for the largest share of Chinese exports to the US
- Textiles, consumables and base metals are also large shares

Composition of Mediterranean imports

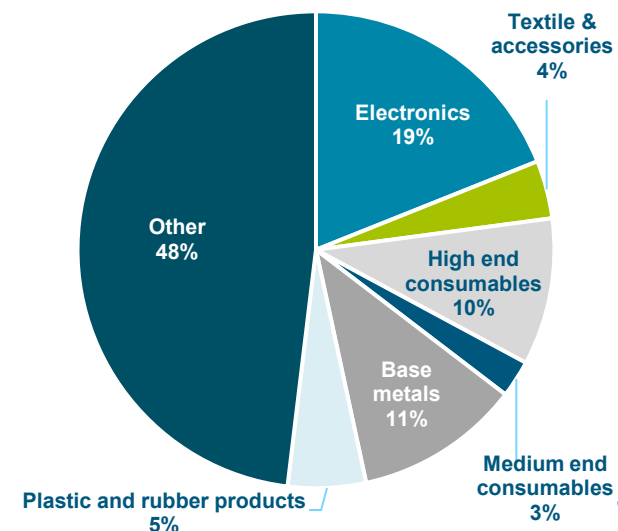
- Similar goods make up majority of Med imports
- Med has a more diversified range of imports

China Share of Exports to the US, 2023



Source: UN Comtrade

Mediterranean Share of Imports, 2023



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What will China do with its exports?

As an increasing number of orders from China are being cancelled in the US, Chinese companies must figure out where to reallocate their exports, with Europe a potential market.

Europe as an alternative market for Chinese goods

- The US-China trade war may mean Chinese exports to the US are rerouted to other markets
- Maersk has reallocated unused US-China vessel capacity to other destinations
- Primarily SE Asia, Africa and S.America but also Europe
- China-EU shipments increased by 8% in April compared to last year

The EU's response

- Fears about the impact on the competitiveness of EU producers
- The EEC has created a task force to monitor trade developments

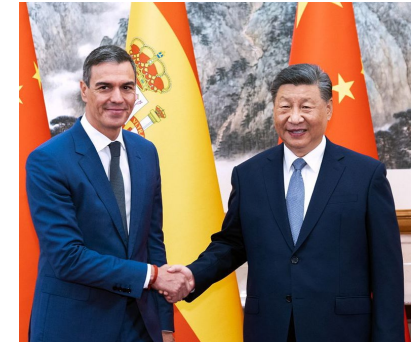


Source: UN Comtrade

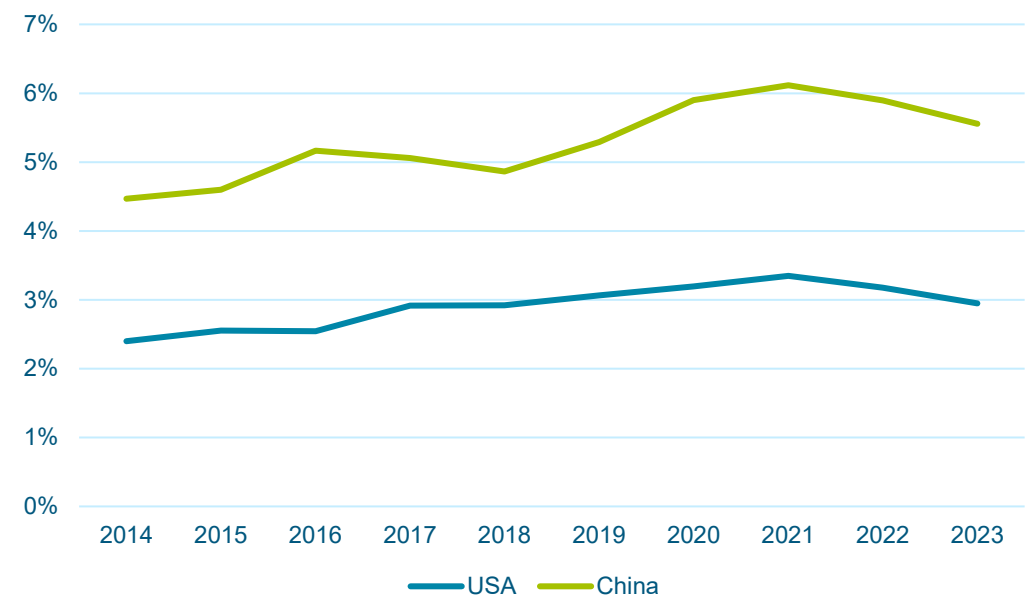
Spain has looked to forge closer ties with China in the midst of US tariffs.

What Spanish officials have said

- 3 April 2025: Prime Minister Pedro Sanchez committed €14.1bn in loans and direct aid to help Spanish companies affected by US tariffs
- Agricultural minister Luis Planas announced Spain will seek closer trading ties with China, echoing the Economy Minister Carlos Cuerpo's comments about the EU and China strengthening their alignment
- US Treasury Secretary Scott Bessent has condemned Spain's approach



Historical Share of Total Spain Containerised Trade – China vs USA



Source: UN Comtrade

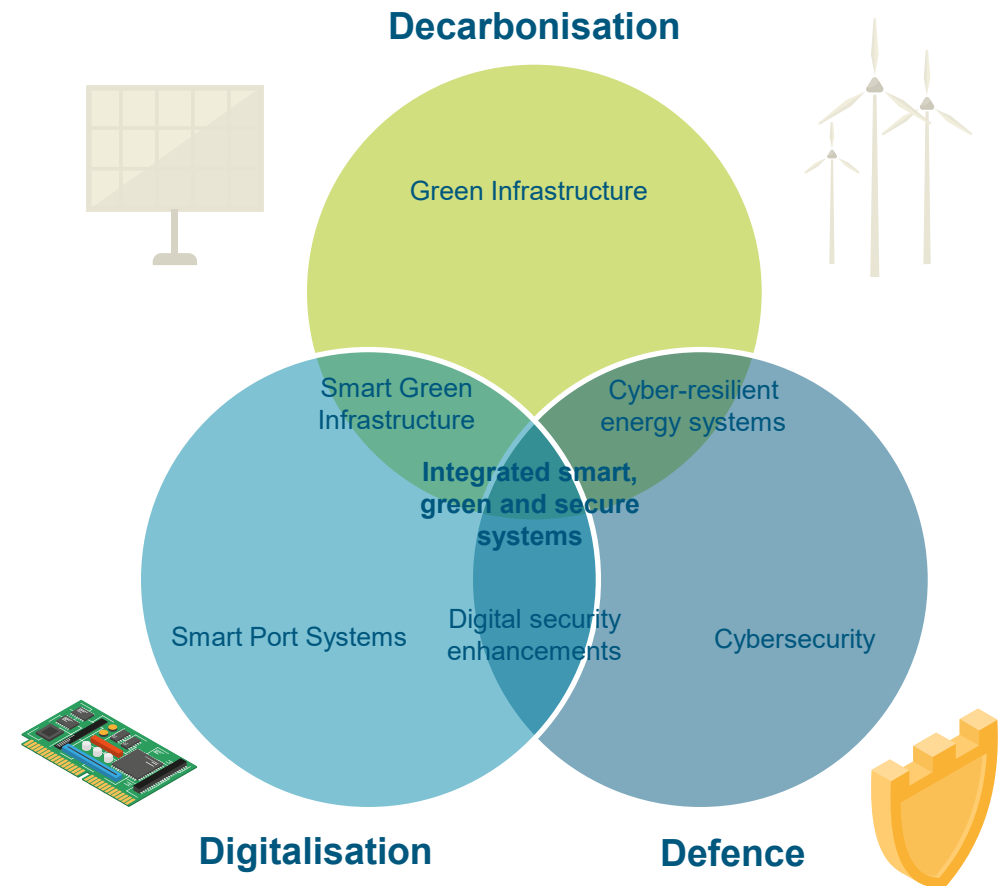
Recommendations for EU ports to mitigate the impact of tariffs

- **Flexibility, adaptability and quick responsiveness** to change is required to counter the erratic decision-making process of the US administration's approach to economic policy
- **Invest in technology and infrastructure** to improve operations and efficiency and reduce operating costs
- **Develop trade corridors** to improve connectivity and reduce transportation costs → increase intra-European trade (6% of global container trade)
- **Strengthen trade relationships and partnerships** with other countries to reduce dependency on US trade
- **Leverage on availability of land** adjacent to the port, to relocate industries affected by high tariffs
- **Invest in sustainability and ET:** carbon-neutral activities (OW, Hydrogen production, circularity .etc.) aligns with global sustainability goals and attracts new business opportunities
- **Refinancing:** central bank will lower interest rates → opportunities to refinance with better terms

3D – Key development priorities for European ports

European ports need to prioritise 3D (decarbonisation, digitalisation and defence) to meet their long-term objectives. Fortunately, these goals are interlinked, and can be achieved simultaneously

- European ports are at the crossroads:
 - Climate policy
 - Technological transformation
 - Geopolitics change
- These three trends are interlinked and can be tackled through an integrated strategy
- **Decarbonisation** aligns with EU Green Deal and Fit for 55 targets
- **Digitalisation** enhances efficiency, transparency, and competitiveness
- **Defence** ensures resilience against geopolitical shocks, cyber threats, and supply chain disruptions

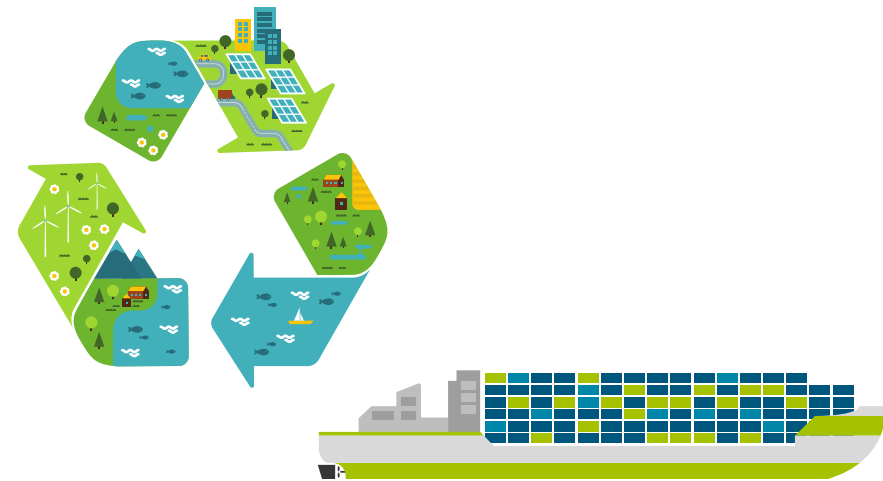


Decarbonisation

- **Decarbonisation** is one of the central pillars of the EU's climate and energy policy, aiming for carbon neutrality by 2050
- Embedded in the **European Green Deal** and the **Fit for 55 Package**

EU initiatives:

- **FuelEU Maritime Regulation** → promote the use of renewable and low-carbon fuels
- **Connecting Europe Facility**: EU will invest in €7 billion into sustainable and smart transport infrastructure, including ports. E.g. €189 million for Port of Dunkirk CO₂ export hub, **HUPPINES** project at Heraklion port in Greece
- **EU funded projects: MAGPIE and PIONEERS** – aim to outline challenges related to decarbonisation
- **MAGPIE**: Ports of Rotterdam, Sines, Haropa
- **PIONEERS**: Ports of Antwerp-Bruges, Barcelona, Constanta



Digitalisation

Key port technologies:

- **Private 5G networks:**, enhances operational efficiency and lowers energy consumption. Recently implemented in ports such as Valencia and Ravenna
- **Digital twins:** reliant on digital infrastructure like IoT sensors, and big data analytics. Central to fulfilling EU's Smart Ports strategy. Port of Antwerp-Bruges recently launched their APICA digital twin, Port of Rotterdam creating digital twin under MAGPIE project
- **DataPorts:** EU-funded Horizon 2020 project to transform ports into smart ecosystems. Pilot projects in Valencia and Thessaloniki
- **PIONEERS projects:** integrating smart technologies into the broader mission of a greener future. Includes emission tracking through real-time data analytics



Data Platform
for the
Connection of
Cognitive **Ports**



PIONEERS

Portable Innovation Open Network for
Efficiency and Emissions Reduction Solutions

3D – Key development priorities for European ports

Defence: EU ports have significantly increased their defence priorities in response to geopolitical tensions and the war in Ukraine.

- Primary EU ports for defence priorities
- Secondary EU ports for defence priorities
- Protecting critical undersea infrastructure
- ▲ Military mobility and dual-use infrastructure
-  Cybersecurity and electronic warfare defence
-  Surveillance and maritime domain awareness
-  NATO integration and strategic coordination



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2. Our connections. Innovation is a collaborative process, which is why Royal HaskoningDHV works in association with clients, project partners, universities, government agencies, NGOs and many other organisations to develop and introduce new ways of living and working to enhance society together, now and in the future.
3. Memberships. Royal HaskoningDHV is a member of the recognised engineering and environmental bodies in those countries where it has a permanent office base.
4. All Royal HaskoningDHV consultants, architects and engineers are members of their individual branch organisations in their various countries.