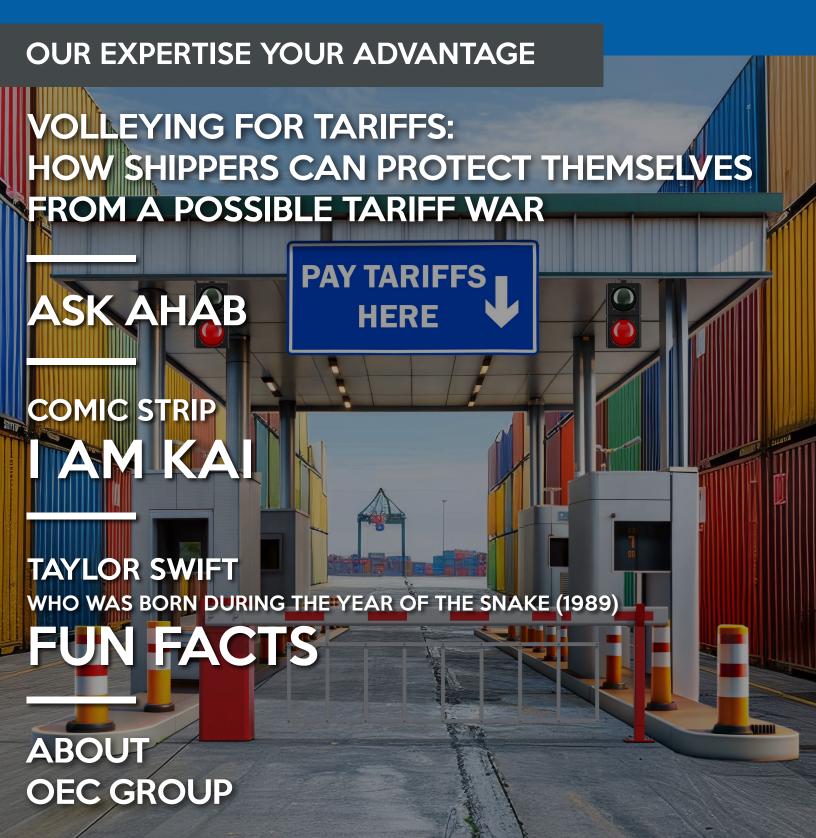
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THE SHIPPING STANDARD





VOLLEYING FOR TARIFFS: HOW SHIPPERS CAN PROTECT THEMSELVES FROM A POSSIBLE TARIFF WAR

As the specter of new tariffs on Mexican imports looms large, shipping companies that have spent much of the past five years nearshoring – diversifying manufacturing bases to create more resilient supply chains – are holding their breath in uncertainty.

The uncertainty stems from a November post on Truth Social, where President Trump announced that, upon taking office, he would impose a 25% tariff on all imports from Mexico and Canada unless those two countries take action to stop people and illicit cargo from entering the United States. Many shippers fear that these tariffs, and the possibility that they could rise to 50%, 75%, or even 100% if the original tariff does not work, could cause irreparable harm to their businesses.

"Many shippers are grappling with understanding what effect these tariffs will have on their businesses and then trying to develop a strategy on how to respond," said Anthony Fullbrook, president of OEC Group's North American Division. "Businesses are struggling to find ways to keep costs down, and getting a handle on the continuously changing tariff landscape is making it more difficult for shippers to find a viable long-term solution."

Part of what is making the landscape difficult to navigate is that Mexico and Canada do not have any intention of taking tariffs on their goods lightly. According to multiple media reports, the Mexican government is considering retaliating with its own tariffs on U.S. imports. Canada is also, according to MSN, considering levying retaliatory tariffs on American steel products, ceramics including toilets and sinks, glassware, flowers, orange juice, and plastics.

"When it comes to tariffs, there is only so much that shippers can control," said Matt Haffner, OEC Group's Regional VP of Customs Brokerage. "The best way to deal with these forces that are out of your control is to hire a customs brokerage advisor who is trained to spot opportunities that no one else sees. This can can quickly change any negative outlook into positive returns and peace of mind."

ASK AHAB

This month our resident advice columnist answers questions about the best way to deal with changing carrier alliances and geopolitical turmoil.



Dear Ahab, I've been reading a lot about how the incoming U.S. trade policy is going to make shipping more expensive, but I just don't see the "disaster scenario" everyone else seems to, especially in the first quarter of 2025. What am I missing?

– Duty Devoted

A: - Dear Duty Devoted: If you look at the first Trump presidency, the tariffs took between 6 and 12 months to roll out. If the incoming administration begins the process of enacting tariffs on its first day, the new tariffs will take effect between July 2025 and January 2026. Then you have to consider that, once these tariffs are enacted, it takes 60-90 days for the market to adjust to them. If we take into consideration volumes shipped during the first Trump presidency, there wasn't a significant drop in volume coming into the U.S. post-tariffs.

On top of the tariffs, there's another ILA strike on the horizon in January. That strike will likely cause some congestion at U.S. ports, like the last ILA strike did. Complicating matters further is the fact that U.S. importers are going to be frontloading cargo for the first half of 2025 in efforts to avoid the impending tariffs. Even with all of these hurdles, there's opportunity for those of us shipping into the United States. If you work with the right logistics team, they'll get your cargo to its final destination. Even if your business has some new hindrances in the first half of 2025, you'll be successful if you play your cards right.

Dear Ahab, I've been reading in the news that the incoming administration plans to impose tariffs on imports from Mexico, Canada, and China after inauguration day. What will these tariffs mean for my business?

- Tom Tariffic

A: - Dear Tom: If you're importing automobiles from Mexico or lumber from Canada, for example, your import costs will go up in the short term. Not only has a 25% tariff been discussed as a starting point, but that tariff could get higher on certain cargo. For example a 100% tariff was imposed on Chinese electric vehicles earlier this year, and it is possible that those tariffs could be increased up to 200% on cars imported from Mexico. With the USMCA sunsetting in 2026, there's a good chance the North American trade changes and evolves beyond the tariffs we're talking about right now.

With all of these duties coming into effect and trade agreements shuffling about, the next couple of years will be hectic. The best way to put your mind at ease in the face of all of this is simple: Find a good customs broker. It never hurts to have an expert in your corner, and a customs broker has the knowledge to plan your supply chain around whatever tariffs come your way. They can also serve as your advocate on customs brokerage matters, and ensure that your supply chain is flexible, adaptable and efficient. In short, you'll never have to worry about a tariff or some paper work causing your cargo to be held up at the border. Get ahead of the curve, find that broker now, and build the relationship before you need it!













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Fun Facts About Taylor Swift

Who Was Born During The Year Of The Snake (1989):



SHE CAN ALSO PLAY THE PIANO AND BANJO.

In The Story of Us I



SHE GREW UP ON A CHRISTMAS TREE FARM.

17 Christmas Tree Farm 17



HER FAVORITE DESSERT IS CHEESECAKE.

J You belong with me J



HER FAVORITE FAST-FOOD ORDER IS A CHEESEBURGER, FRIES, AND A CHOCOLATE SHAKE.

I It's a love story I



SHE IS NAMED AFTER JAMES TAYLOR.

I I Heart I



RED, LIKE EVERY SNAKE, IS HER PROTECTION COLOR.
IT IS ALSO THE NAME OF ONE HER ALBUMS.

Red Album



SHE HAS SOLD OVER 200-MILLION ALBUMS.

1 Karma 1



SHE HAS AN HONORARY DOCTOR OF FINE ARTS DEGREE FROM NEW YORK UNIVERSITY.

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As an industry pioneer, OEC Group has become one of the world's leading logistics companies. We leverage in-house expertise, carrier partnerships, connections with ports and transportation hubs, and our network of offices in North America, Europe, Asia, India, South America, Australia, and the Middle East, to provide freight transportation, logistics, information, customs and brokerage, insurance, and technical services to over 50,000 customers of various sizes and industries.

We are also highly sought after for the advice we give shippers on how to optimally manage their supply chains. The guidance we provide is based on data analytics, best practices, and decades of industry knowledge.

We believe that relationships matter and treat your cargo as our own. Our experts are always investing in efficient, cost-effective, and cutting-edge services to evolve with the ever-changing market, address the complexities of any client's supply chain, and consistently perform at the highest level for our customers.

Our business is making our logistics expertise, your competitive advantage.