

# THE SHIPPING STANDARD

OUR EXPERTISE YOUR ADVANTAGE

THE ROLLER COASTER RIDE CONTINUES:  
2025 IS SHAPING UP TO BE MUCH LIKE 2024

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ASK AHAB

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OEC GROUP





## **THE ROLLER COASTER RIDE CONTINUES: 2025 IS SHAPING UP TO BE MUCH LIKE 2024**

Just like the old adage “the more things change, the more they stay the same,” it looks like the uncertainty of 2024 will continue well into 2025 – and feature many of the same issues affecting the industry.

The past year began with Yemen’s Houthi rebels launching missiles at shipping vessels bound for the Suez Canal. 2024 also saw the first U.S. East and Gulf Coast port strike since 1977, a series of record-breaking hurricanes that wreaked havoc at many U.S. ports, critical infrastructure collapses around the globe, growing global conflicts, increased tariffs, and the creation of new carrier alliances.



Looking ahead to 2025, many industry insiders expect carriers to continue routing their vessels around the Cape of Good Hope, extending the capacity crunch. Additionally, the specter of the U.S. government increasing tariffs looms large over 2025. The incoming administration has, according to CNBC, promised to increase tariffs on Chinese, Mexican, and Canadian goods as a way to curb illegal immigration and an unlawful drug trade. This is in addition to the 10% to 20% duty on all imports and a 60% or higher tariff on Chinese imports that the incoming administration has promised it will assess. Also, all of the issues that affected the industry during 2024 will most likely remain throughout 2025.

*“One of the main problems shippers will have to grapple with in the new year is determining what the cumulative cost of Red Sea diversions, tariffs, global conflicts, and new alliances will add up to, and how they can work around them in order to keep their businesses economically viable,” said OEC Group North American President Anthony Fullbrook. “For many shippers, the most prudent thing to do is plan ahead and ship as much cargo as possible in the first half of the year. Then, work with a logistics consultant to assess the market and create a more economically sound supply chain strategy.”*

While the immediate strategy of importing cargo early is an appealing option, some industry experts worry that it might not be a universal one. Companies importing shelf-stable cargo like auto parts, packaging material or agricultural supplies will be able to stock those items in warehouses for however long they need, but more trend sensitive and perishable cargo, such as fashion products and food, present different challenges.

*“While the market may look bleak for shippers who have products that are either perishable or trend-dependent, the reality is there are favorable rates to be had, making it more critical for these shippers to work with a well-connected logistics advisor who can help them navigate a very tricky and sophisticated market environment,” said Peter Hsieh, OEC Group Vice President of Sales. “Shippers need to remember that in 2025 it’s not about beating the tariffs or any other issue affecting the industry, it’s about beating your competitors.”*

# ASK AHAB

*This month our resident advice columnist answers questions about how a second ILA Strike and tariffs could affect your business.*



**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 sunset 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!





THANK YOU FOR YOUR BUSINESS, SIR CHARGE! I'LL MAKE SURE YOUR CARGO GETS DELIVERED ON TIME AND WITHOUT TARIFFS.

I KNEW I COULD COUNT ON YOU! NO ONE HANDLES THE AMOUNT OF VOLUME YOU DO!



BEFORE THE CRACKDOWN ON THE DE MINIMIS EXEMPTION I ONLY HAD A GLOBAL MONOPOLY FOR DELIVERIES ON ONE DAY OF THE YEAR.



NOW I AM GOING TO HAVE A GLOBAL MONOPOLY FOR DELIVERIES ON EVERY DAY OF THE YEAR!

SANTA IS A REAL ENTREPRENEUR!

YEAH, ONLY TOOK HIM A FEW THOUSAND YEARS TO LAUNCH A MULTI-DAY DELIVERY SERVICE.



CONGRATULATIONS TO ALL OF YOU MESSENGERS WHO WORKED SO HARD DURING THE HOLIDAY SEASON REPRESENTING ME AT DEPARTMENT STORES ALL AROUND THE WORLD.

HOORAY! I CAN NOW BE SANTA ALL YEAR ROUND!

I CAN'T WAIT TO DRIVE THE SLEIGH ... EVERY DAY!

CAN I STILL RING THE BELL!?



THAT CAN'T BE GOOD!?!



## Fun Facts About New Year's Celebrations And Traditions



In Spain it is good luck to eat 12 grapes within the first 12 seconds of the new year.



Italians believe that wearing red underwear on New Year's Day will bring good fortune for the entire year.



Hershey, PA, home of Hershey's, rings in the new year by dropping a giant Hershey's Kiss.



In Denmark it is considered good luck to welcome the new year by throwing plates at the front door.



The Romans invented the traditional New Year's kiss.



Americans consume more than 360-million glasses of sparkling wine during their New Year's celebrations.



New York City's traditional New Year's Eve celebrations in Times Square produces more than 50 tons of trash.

One New Year's tradition in Greece is to smash a pomegranate by the front door as the more seeds that are splattered on the door the more fortune you will have.

# ABOUT OEC GROUP

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.*